
Secretary of State

State of Oregon
**BOARD ON PUBLIC SAFETY STANDARDS
AND TRAINING**

July 1, 1992, to December 31, 1995



Audits Division

Secretary of State

State of Oregon
**BOARD ON PUBLIC SAFETY STANDARDS
AND TRAINING**

July 1, 1992, to December 31, 1995



Audits Division



Secretary of State

Audits Division

Auditing for a Better Oregon

The Honorable John Kitzhaber, Governor
Office of the Governor
254 State Capitol
Salem Oregon 97310

Steve Bennett, Executive Director
Board on Public Safety Standards and Training
550 North Monmouth Avenue
Monmouth, Oregon 97361

Tim Thompson, Chair
Board on Public Safety Standards and Training
Josephine County Courthouse
NW 6th and C
Grants Pass, Oregon 97526

This audit encompasses a review of selected activities of the Board on Public Safety Standards and Training (board) for the period July 1, 1992, through December 31, 1995. The objectives of our audit were to examine selected financial activities including personal services expenditures, travel expenditures, expenditures for temporary instructors, the Western Oregon State College contract, supplies, inventories, and fixed assets.

Our review disclosed the following:

- The board's process for managing compensation for part-time instructors needs improvement. Some part-time instructors, who are also employed full-time at other public agencies, may be receiving pay from their full-time employer during the time periods they are also on the board's payroll.
- The control process used by the board for managing travel costs was found to be satisfactory in most cases; however, certain aspects of out-of-state travel expenditure reimbursement and reimbursement of travel expenditures for part-time instructors need improvement.

The report recommends improvements in the systems used to administer part-time instructors' compensation and the processes used to manage the board's travel expenditures. The board generally agrees with the findings and recommendations.

We conducted our audit in accordance with generally accepted government auditing standards. In this regard, our audit procedures included inquiries, examination of supporting documentation, reviews of authoritative literature, analytical procedures, and tests of transactions and account balances.

Our audit was limited to the specific matters described above and was based on the tests and procedures we considered necessary in the circumstances.

OREGON AUDITS DIVISION

Don Waggoner, CPA
State Auditor

Fieldwork Completion Date:
July 31, 1996

T A B L E O F C O N T E N T S

	<u>Page</u>
STATE AUDITOR'S REPORT.....	iii
SUMMARY	vii
INTRODUCTION.....	1
Organization and Functions.....	1
Financial Activities	1
Important Issues Facing the Agency.....	2
Scope and Methodology	4
AUDIT RESULTS	
Part-Time Instructors' Compensation.....	7
Travel Expenditures.....	8
REPORT DISTRIBUTION.....	14
COMMENDATION.....	14
AGENCY'S RESPONSE TO THE AUDIT REPORT	15

SUMMARY

The Board on Public Safety Standards and Training (board) is located in Monmouth, Oregon. The board sets standards for certification and training of police officers, corrections officers, parole and probation officers, emergency telecommunication operators, firefighters, and private security personnel. The board operates the Oregon Public Safety Academy (academy). The board had an operating budget of \$7.9 million for the 1991-93 biennium and a budget of \$8.3 million for the 1993-95 biennium. It has a budget of approximately \$9.5 million for the 1995-97 biennium, with the unitary assessment on fines and bail forfeitures being its largest source of revenue.

Our audit included a review of selected financial activities of the board, including personal services expenditures, travel expenditures, expenditures for temporary instructors, the Western Oregon State College contract, supplies inventories, and fixed assets. The audit also examined certain aspects of the board's training program. The audit covered the period July 1, 1992, to December 31, 1995.

Our audit found several weaknesses in the management of compensation for the board's part-time instructors and travel expenditures. Specifically, we found the following:

PART-TIME INSTRUCTORS' COMPENSATION

- Some part-time instructors, who are also employed full-time at other public agencies, are receiving pay from their full-time employers during time periods they were on the board's payroll. For example, one part-time instructor appeared to have received in excess of \$6,000 in sick leave and pay from his full-time employer for days he was teaching at the academy. A special review is being conducted and a separate report will be issued.

TRAVEL EXPENDITURES

- A sample of travel claims for nine part-time instructors disclosed that all were reimbursed for expenses incurred traveling from their residences to the academy; this practice is not allowed. These reimbursements totaled \$2,835. In addition, the board inappropriately provided lodging in the public safety academy dormitories, valued at approximately \$15 per night, to two instructors in the sample. Until March 1996, meal tickets, valued at approximately

\$4.50 per meal, were provided to instructors. Part-time instructors are hired as state employees and as such are not entitled to reimbursement for such expenses.

- Authorizations were not on file for three of the 10 out-of-state travel claims sampled. Of the seven out-of-state trips with authorizations, two had actual costs which exceeded authorized budget by more \$200. Additionally, travel arrangements for two of the 10 out-of-state trips sampled were made using employees' personal accounts rather than the state account.

The board generally agrees with these findings.

INTRODUCTION

ORGANIZATION AND FUNCTIONS

The Board on Public Safety Standards and Training (board) was established in 1961. The board sets standards for certification and training of police officers, corrections officers, parole and probation officers, and emergency telecommunication operators. In 1993, the board assumed responsibility for training and accreditation of firefighters and recommending standards for fire protection equipment. In 1995, the board was given responsibility for licensing and certification of private security businesses and officers. Other board responsibilities include testing and licensing polygraph examiners. The board recently received federal funding to operate a community policing resource center.

The board operates the Oregon Public Safety Academy, which is located in Monmouth, Oregon on the campus of Western Oregon State College (WOSC). The academy building, which is leased from WOSC, houses the board's administrative offices, classrooms, and dormitory rooms. The academy provides training to police officers, corrections officers, parole and probation officers, and 911 operators.

Oregon Revised Statutes (ORS) 181.610 to 181.690 outline the board's organization, authority, and responsibilities.

FINANCIAL ACTIVITIES

The board's legislatively adopted budget for the 1995-97 biennium is approximately \$9.5 million. The budget funds 39 positions (38.25 full-time equivalent positions [FTE]). The emergency board on January 26, 1996, added approximately \$500,000 to fund four additional positions (1.71 FTE) for a new program to license and certify private security businesses and officers. In comparison, the 1993-95 budget was approximately \$8.3 million and 38.5 FTE, while the 1991-93 budget was approximately \$7.9 million and 44.3 FTE.

The board's programs are financed by revenues from several sources. The largest revenue source is the unitary

assessment on fines and bail forfeitures, which is collected by the Department of Revenue and distributed to the board and other beneficiaries according to a statutory formula. A substantial portion of the unitary assessment revenues received by the board are transferred to the Oregon State Police to cover training expenditures included in its budget. A second revenue source is fire insurance premium taxes, which are collected by the Department of Consumer and Business Services and transferred to the board. Other sources include a telephone excise tax, which supports training for 911 dispatchers, and federal grants. A small amount of funds are provided from testing and licensing of polygraph examiners. In 1997, the board will begin collecting private security license fees to fund the new private security program. In addition, the new community policing resource center will be financed by a U. S. Department of Justice grant.

The board contracts with the Department of Administrative Services for accounting services. Until March 1995, the board's financial records were maintained on the Executive Accounting System (EAS). In March 1995, the records were converted to the new Statewide Financial Management System (SFMS).

IMPORTANT ISSUES FACING THE AGENCY

ACADEMY PHYSICAL CAPACITY LIMITATIONS

The Oregon Public Safety Academy's capacity to provide a live-in basic training program may not be sufficient to accommodate all police officers and corrections officers hired during the current expansion of Oregon's police forces and corrections institutions.

The number of newly hired public safety employees requiring basic training at the Oregon Public Safety Academy has increased each year for several years. The academy has the capacity to house 240 to 250 trainees during training. The academy presently provides training 44 weeks per year. Thus, the housing capacity would permit the academy to provide approximately 10,500 student weeks of live-in training per year. The academy has classroom capacity for approximately 275 students. With 44 weeks of training per year, this capacity would permit the academy to provide approximately 12,000 student weeks of training per year. As the hiring has increased, the number of trainees receiving instruction has increased. Continued growth in trainees and a recommendation to lengthen the basic police course will bring training demand close to the academy's maximum capacity in the near future. If the growth of new public safety employees continues, existing facilities may not be sufficient to meet demand.

LONGER BASIC TRAINING COURSES

A board subcommittee recently recommended lengthening the academy's police basic training course to 16 weeks. New police officers presently are provided eight weeks of basic training.

The change is the result of a recent study that indicated current training does provide all skills needed by new officers to satisfactorily perform their duties. The consultant conducting the study reached these conclusions after surveying entry level police officers to identify job tasks performed and skills needed. The survey disclosed a significant number of tasks and skills that were not taught in police basic training.

After reviewing the study, a board-appointed subcommittee recommended curriculum changes that would double basic training time from eight to 16 weeks. The board also plans to study corrections basic training and may also consider lengthening that course.

The doubling of the basic police training course and possible increases in the corrections training course will create significant additional needs for instructors, classroom space, and housing. If police trainees continue

entering the academy at current levels, the current course length will require the academy to provide approximately 7,200 student weeks of training in the fiscal year ending June 30, 1997. Doubling the police training course would increase that number to approximately 10,400 student weeks. Maximum capacity of the academy with current housing accommodations is approximately 10,500 student weeks.

No estimates are available on the impact of possible changes in the corrections program. However, given the number of corrections trainees and the projected growth of the state's corrections programs, any lengthening of the corrections training course would have a significant impact on the board's ability to provide the required training.

SCOPE AND METHODOLOGY

We reviewed the Board on Public Safety Standards and Training's (board) internal controls, performed analytical procedures, and tested transactions and account details, for the period July 1, 1992, to December 31, 1995. Transactions and account details were tested to evaluate the effectiveness of the internal controls and compliance with laws and regulations. The accounts and transactions that were analyzed and tested included fixed assets and inventory, personal services expenditures, and services and supplies expenditures.

For fixed assets and inventory accounts, we performed analytical procedures to determine their reasonableness. We also inspected selected fixed assets and inventories to verify their existence and to evaluate physical security measures.

For personal services, we analyzed payroll expenditures for the audit period to determine their reasonableness. We also tested payments to part-time instructors on the board's payroll to determine if controls were satisfactory for this type of employee. In cooperation with the Oregon Department of Corrections' Inspector General, we conducted a special review of selected part-time instructors from that department to determine if they continued to receive regular pay during the time periods they were also on the board's payroll. One employee was found to have apparently received dual compensation. The specific results of this investigation will be included in a separate report to be issued at a later date.

For selected services and supplies expenditures, we reviewed supporting documentation to verify that expenditures were adequately supported, properly authorized, and correctly recorded in the accounting records. We also evaluated whether internal controls were operating as designed.

We conducted our audit in accordance with *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our review was limited to the areas specified in this section of the report.

AUDIT RESULTS

PART-TIME INSTRUCTORS' COMPENSATION

The Board on Public Safety Standards and Training's (board's) process for managing compensation of part-time instructors needs improvement.

Currently, approximately 96 Oregon Public Safety Academy instructors are classified as limited duration employees. Prior to fiscal year 1994-1995, these individuals were retained with personal services contracts. For most, the instructor position is a part-time job. Generally, their full-time employer is a state or local law enforcement or corrections agency.

We compared timesheets and travel claims submitted to the board by 11 of the 96 instructors to corresponding timesheets submitted to their full-time employers. The sampled instructors were selected judgmentally using criteria such as the number of hours worked.

Six of the sampled instructors were employed full-time by local governments; five were employed full-time by state government agencies. For the six local government employees, timesheets for the month of October 1995 were examined. For the five state employees, timesheets for calendar year 1995 were examined. One exception was found involving an employee of the Oregon Department of Corrections. Timesheets for a three-year period, April 1993 through March 1996, were examined for this employee. The results are summarized below:

The instructor appeared to have charged hours to sick leave and received sick pay from his full-time employer, the Department of Corrections, on days he was being paid by the board to teach at the academy. On other occasions, the same instructor also appeared to have claimed hours worked and received pay from the Department of Corrections for days he was being paid to teach at the academy. The pay for questioned sick leave and questioned hours of work totaled in excess of \$6,000. On the basis of this information, a special review is being

conducted in cooperation with the Department of Corrections' Inspector General. The specific results of this special review will be included in a separate report to be issued at a later date.

Generally, employees not present on a scheduled work day charge accrued vacation time or take leave without pay. Time taken for teaching for a second employer during a scheduled work day should be charged to an appropriate leave category, i.e., vacation leave or leave without pay, on the timesheet with the primary employer.

Presently, employers are not informed when their employees are hired to teach at the academy. Also, employers are not given the times and dates their employees spend teaching. Employment issues such as responsibility for employee pay, workers' compensation, travel expenses, and other matters are not discussed or coordinated with the employers.

We recommend the board develop a system for determining whether instructors have other employment. When instructors are employed by another public agency, the employer should be advised of the employment arrangement. A written understanding should be obtained from the employer regarding responsibility for the instructor's pay. When instructors teach a course, the dates and times and amount of pay should be reported to their primary employers.

TRAVEL EXPENDITURES

The board's process for managing and controlling travel expenditures needs improvement.

PART-TIME INSTRUCTOR'S TRAVEL

The board presently employs approximately 96 part-time instructors. Most part-time instructors are employed as full-time law enforcement or corrections officers in cities outside Monmouth, where the academy is located. Consequently, most of the part-time instructors reside in other cities.

Prior to fiscal year 1994-1995, part-time board instructors were retained by personal services contract.

The personal service contracts required the board to reimburse the instructors for travel expenses incurred in commuting from their residences to the academy in Monmouth. In response to legal advice, the board, in fiscal year 1994-1995 discontinued the practice of using personal service contracts for part-time instructors and began hiring them as employees.

Under state administrative rules, state employees are not entitled to reimbursement for the expense of commuting from their residences to their official work stations or for meals and lodging expenses incurred while working at their official stations.

Contrary to these regulations, the board has continued to pay the part-time instructors for mileage from their residences to Monmouth even though their status has changed from contractors to employees. In some instances, the board has also provided meals and lodging while the instructors are teaching in Monmouth. A sample of September 1995 and October 1995 travel claims for nine part-time instructors who were hired as employees disclosed that all were reimbursed for expenses in traveling to and from their residences to the academy. These reimbursements totaled \$2,835. In addition the board has provided lodging in the public safety academy dormitories, valued at approximately \$15 per night, to at least two of the instructors and until March 1996, provided Western Oregon State College meal tickets, valued at approximately \$4.50 per meal, to instructors.

The Department of Administrative Services' Oregon Accounting Manual, which establishes rules for travel reimbursement, provides agencies with authority to establish exceptions to the state general policies for

reimbursement. The rules granting this exception authority read as follows:

“If the agency has business needs or specific situations that are not addressed by this policy or if this policy does not appear to fairly or efficiently reimburse an individual under a set of specific circumstances, the agency may grant an exception to this policy on a case-by-case basis or on the basis of defined agency criteria which has been documented, approved and delegated by the Agency Head [case must be documented]. Generally, as a guideline, approved travel claim exceptions should be kept to no more than 10% of the total number of the travel expense claims processed per fiscal year by the agency.”

“Prior to implementing any internal agency policy or any other procedure contrary to the requirements set forth in this policy, the agency must be expressly authorized in writing by the Department of Administrative Services.”

The board has not established or received authorization for an exception to the state policies for employee travel expense reimbursements; therefore, it does not have the authority to reimburse part-time instructors for mileage to commute between their residences and their official work stations. It also does not have the authority to provide meals and lodging to part-time instructors while they are working at their official stations.

We recommend the board recover the amounts inappropriately paid to the part-time instructors for mileage reimbursement and meals and lodging.

If the board considers it fair and appropriate for part-time instructors to receive travel reimbursement, it should draft an exception to the state’s general policy and request approval from the Department of Administrative Services to implement the exception.

OUT-OF-STATE TRAVEL

We examined a sample of 30 travel claims to assess the board's management and control of travel expenditures and its compliance with state laws and regulations. The management and control process used by the board was satisfactory in most respects; however, certain aspects of the process used for out-of-state travel need to be improved. The following examples of items found in our sample demonstrate the need for improvements:

- The board did not have authorization documents on file for three of the 10 payments for out-of-state travel. State regulations require agencies to maintain a file of out-of-state travel authorization documents. The authorizations show that the trip was approved in writing prior to the date of travel.
- For two of the six trips having out-of-state travel authorizations, actual costs exceeded budget by more than \$200. One had an approved budget of \$250; actual costs totaled approximately \$460 (84 percent over budget). The other had an approved budget of \$696, but actual costs were approximately \$910 (31 percent over budget). In addition, one authorization request indicated travel would be paid by an outside source, but the costs were actually paid using state funds. Explanations for the budget overruns and the change in funding were not documented in the travel file.

Comparing actual cost of out-of-state trips to preliminary estimates allows a state agency to determine if initial plans were followed and whether unusual costs were incurred. It also holds employees accountable for departures from budget.

- Two employees purchased airline tickets on their personal credit cards and later requested reimbursement from the board. One employee flew to Louisville, Kentucky, in June 1994. A copy of the plane ticket and her credit card statement indicated that she purchased the ticket with her personal credit card. The other employee flew to Albuquerque, New Mexico, in October 1994. The airline ticket

and ticket invoice indicate it was purchased from the state contractor for travel services. However, the employee purchased the ticket on her personal account at the travel agency and used her personal credit card to pay for the ticket rather than using the board's account. Tickets purchased through the board's account must conform to the terms of the state contract. State regulations require state agencies to purchase airline tickets directly from the firm holding the state contract for travel services.

The state contractor for travel services is required to assist state agencies in: (1) identifying the lowest cost air carrier, and (2) complying with the statutes regarding travel awards. Travel agencies are not obligated to identify the lowest fare or assist the state in meeting the travel award requirements when airline tickets are purchased on an employee's personal account.

The Department of Administrative Services has established travel regulations for state agencies. The purpose of these regulations is to ensure that state agencies comply with state statutes regarding travel, that travel costs charged to state funds are appropriately documented, and that state travel is purchased at the most economical prices.

To manage travel costs, agencies should develop systems and procedures. The systems and procedures should ensure that public funds are used appropriately and that legal requirements are followed. They should prevent abuses in the use of travel funds, unnecessary costs, incomplete accounting for the use of travel funds, or violations of legal requirements.

The board has developed and adopted a number of policies and procedures that effectively manage and control the majority of its travel expenditures. However, they were not effective in ensuring compliance with state regulations or the economical use of state funds in the situations noted above.

We recommend the board establish the following additional policies and procedures:

- Require an approved budget and management authorization for each out-of-state trip.
- Retain approved travel budgets and signed travel authorizations in a central file in the board's business office.
- Compare actual costs of completed trips to the travel budget approved before the trips were taken.
- Require employees to submit, for management review, written justifications for trips exceeding their budgets.
- Instruct employees to use the board's account with the state contractor for travel services to make air travel arrangements.

REPORT DISTRIBUTION

This report is a public record and is intended for the information of the management of the Board on Public Safety Standards and Training, the governor of the state of Oregon, the Oregon Legislative Assembly, and all other interested parties.

COMMENDATION

The courtesies and cooperation extended by the officials and staff of the Board on Public Safety Standards and Training were commendable and much appreciated.

AUDIT TEAM

Gary Colbert, Audit Administrator
Andy Bromeland, CPA
Allan Hirata

AGENCY'S RESPONSE TO THE AUDIT REPORT

December 3, 1996

Mr. Don Waggoner
State Auditor
Secretary of State, Audits Division
255 Capitol Street NE, Suite 500
Salem, Oregon 97310

BOARD ON
PUBLIC SAFETY
STANDARDS
AND TRAINING

RE: Response to Audit Findings

The Board on Public Safety Standards and Training (BPSST) is responsible for training local law enforcement and corrections officers at the minimal acceptable standards as determined by the Board. This is accomplished by providing courses of instruction to all officers hired by local agencies throughout the state. The most effective method for obtaining instructional services is to employ individuals with instructional skills, subject matter knowledge, and contemporary experience. The only available source of obtaining these three credentials is to employ individuals currently practicing their profession in local agencies. BPSST has obtained instructional services in this manner since 1971, when the Police Standards Act was first enacted. This practice is not unique to Oregon. Almost every state academy obtains instructional services through a similar arrangement.

All instructors employed by BPSST from local agencies are working for BPSST on a part-time basis, when primary employer work schedules permit. Local agencies adopt rules and policies regulating outside employment. It is the local agencies' responsibility to ensure their employees are complying with leave policies, maintaining work schedules, and related regulations such as amounts of pay received, hours devoted to outside activities such as part-time employment, and other items deemed appropriate by the local administrators. It is not reasonable or appropriate for BPSST to interfere with local management issues involving their employees. It is BPSST's responsibility to ensure BPSST's employees are complying with state rules and regulations. Likewise BPSST would not expect local agencies to report work schedules, and other employment activities their staff may become involved, such as running a private business. It should be noted that only one employee of another agency was identified as having engaged in questionable practices of taking leave from the primary employer to work for BPSST. The involved agency is taking appropriate action.

However, in consideration of the importance of maintaining open channels of communication as well as appropriate employment relationships between BPSST and the instructor's primary employers, BPSST will implement a procedure of sending a letter of understanding to the instructor's agency. The letter will outline the special employment arrangements with the State, and the expectations for each agency.



550 N Monmouth Ave.
Monmouth, OR 97361
(503) 378-2100
FAX (503) 838-8907

When BPSST started in 1971, most instructional services were obtained through a personal services contract. This contract specified instructors would be paid an hourly wage, and they would be reimbursed for mileage. Meals tickets were provided to the instructors, because it afforded them the opportunity to eat meals with the students. This interpersonal time proved extremely valuable for not only extending the opportunity for learning for the students by giving them additional time with the instructors, but it also enhanced instructor credibility by allowing them to gain a greater personal understanding of the students and their concerns.

The practice of using personal service contracts was approved by the Executive Department, Purchasing Division, Attorney General's office, as well as the legislative assembly, which approved BPSST's biennial budget. The budget included funds to pay mileage and meal tickets for the instructors. It wasn't until 1994 when the Attorney General initiated a review of statewide personal service contract issues was it determined that the contractual relationship between BPSST and the instructors should be changed. Finding a solution was not a simple matter. If the instructors were determined to not be contractors, the only other alternative, would be to make them employees, however, the personnel system did not have a classification which fit the instructors. During the 1995 Legislative session, BPSST drafted a bill, HB 2725, to create an exception for BPSST in the personal services classifications to allow BPSST to employ part-time instructors as temporary, direct appointment, employees. This bill failing, BPSST and Executive Department entered into an agreement which permitted all contract instructors to be changed to temporary employees, pending decisions on a more permanent and appropriate arrangement. This change came relatively suddenly, as the Purchasing Division was instructed by their Attorney General to immediately cease approving BPSST's contracts.

BPSST continued paying mileage and meals during this interim for two reasons. First, it had been the practice for over 20 years, and arguably, the instructors had a "contract right" to continue receiving these benefits. Second, the change was required in such a short time period, BPSST did not have time to discuss the changes and long range ramifications with the instructors, partly because all the answers were not available, and partly because the group was geographically disbursed and not immediately available to correspond or hold informational meetings. When BPSST received Emergency Board approval to create limited duration positions in September of 1995, all instructors were advised of the new regulations applicable to state employees, and the mileage reimbursement and meal tickets were discontinued. Instructors were still encouraged to spend some meal time with the students for reasons listed previously. Lodging was continued in a very few instances when they traveled long distances. It is unreasonable to expect an instructor to commute for several hours and be ready to step into the classroom prepared to teach.

It must be emphasized that instructors were paid a token fee for instructional services, and the mileage reimbursement and meals were part of their compensation. This made it more equitable for the instructors who traveled longer distances, in some instances, hundreds of miles one-way. BPSST is entirely dependent upon obtaining instructional services from the constituent base from as wide of geographical area as possible to maintain the variety subject

matter expertise and program credibility necessary to maintain quality programs. This statement takes on a much more significant meaning as plans progress toward expanding the basic course in 1998.

BPSST has obtained an exception to the travel rules allowing reimbursement for mileage and when appropriate, meals and lodging for the period August 1994 to September 1995. BPSST will seek authorization to reimburse mileage to instructors who commute over 50 miles, beginning January 1, 1997 through the personnel division as a compensation issue, and continue encouraging instructors to spend meal time with the students.

BPSST has reviewed the internal operating procedures of approving, documenting, and budgeting for out of state travel and has implemented changes. It should be noted however, that the ability to accurately estimate costs in advance will remain highly speculative. The more important issue is to ensure travel is reasonable and appropriate. BPSST's mission requires staff maintain current and relevant credentials.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Bennett", written over a horizontal line.

Steve Bennett
Executive Director