

**Internal Audit Report 2014-01**  
**St. Louis County – Judicial Administration – Law Library**  
**May 19, 2014**  
**Final Audit Report**

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	<b>Audit Report Number 2014-01</b>

**Saint Louis**  
**COUNTY**  
**Auditor's Office**

**TO:** The Honorable Hazel Erby, Chair – County Council  
The Honorable Charlie Dooley, County Executive  
Paul Fox, Director – Judicial Administration – Court En Banc

**FROM:** David Makarewicz, CISA, St. Louis County Auditor

**SUBJECT:** Final Audit Report  
St. Louis County – Judicial Administration – Court En Banc  
Audit 2014-01

**DATE:** May 19, 2014

**EXECUTIVE SUMMARY**

The St. Louis County Audit Department performed an audit of the St. Louis County Law Library. This audit was performed at the request of the Director of Judicial Administration for the Court En Banc. The Law Library operates under the supervision of the Court and provides free, open access to a collection of legal materials, including electronic search services, legal journals and reference materials on case law. The Law Library is located on the fifth floor of the St. Louis County Court building and is open to the public.

The Law Library is dependent on departments within the Circuit Court and St. Louis County government to coordinate the collection of fees, accounting, investments, and payment of bills.

The St. Louis County Law Library is funded by fees paid when civil cases are filed with the Circuit Court of St. Louis County. Missouri State Statute provides for the collection of this type of fee and use of these funds for this purpose. Fees collected by the St. Louis County Circuit Clerk's Office are initially recorded within the Missouri State JIS accounting system. At month end, fees collected are totaled and transferred via check or electronic transfer. The receipt of these funds by the Law Library recorded within a separate fund (Fund 5030 – Special Law Library) that has been established within the MUNIS accounting system within St. Louis County government. A separate fund is used to separate Law Library activity from other St. Louis County departments.

There is a one month lag within this process between the collection of the fees and the transfer of funds. Revenue and expenses for the Law Library are accounted for within St. Louis County's MUNIS system.

Prior to this audit, the Director of Judicial Administration had begun to restructure processes for payment of expenses incurred for the Law Library. The restructuring places the responsibility for initial entry of invoices into the MUNIS system on Law Library staff with approval by the Director of Judicial Administration. Checks are generated and mailed by Fiscal Management. This arrangement provides for better separation of duties and control over expenditures. The restructuring also provides more visibility to Judicial Administration and management of the Law Library on expenditures and accounting entries that formerly had been made by Fiscal Management Staff on their behalf.

We reviewed these processes as part of this audit.

We also reviewed the following:

- We reviewed services provided by the Law Library and compared these services to services provided by peers.
- We reviewed internet and intranet content to ensure that information provided was accurate and helpful.
- We reviewed the sources of funding and receipts.
- We reviewed investment policies.
- We reviewed accounting for receipts and funds dedicated for investment or use by the Law Library.
- We sampled and reviewed documentation supporting recent expenditures to ensure the expenditures were appropriate and properly supported.

- We verified that key services provided to the Law Library are provided under contract or according to definitive written agreements.
- We provided assistance in pulling together existing policies and procedures from various sources. Also, we wrote controls narratives that describe payment processing processes. The control narratives provide benefits for Law Library staff and others, including external auditors. The content of draft policies and procedures will be edited and finalized by the staff and management within the Law Library for approval by the Director of Judicial Administration.

The audit was conducted according to the Internal Auditing standards of the Institute of Internal Auditors (IIA) and governmental accounting and auditing standards.

## **RESULTS**

We performed audit work within these subject areas.

- policies,
- procedures,
- internet content,
- intranet content,
- staff directory,
- services provided,
- revenue,
- investment policies,
- investments,
- expenditures,
- reporting,
- contracts.

Based on our initial audit planning and risk assessment, we focused on areas with inherent risk. These areas included:

- expenditures and payments for expenses incurred,
- investment policies,
- investments,
- bank statements,
- accounting for receipts and investments.

Controls were identified to us early in the audit.

## **OPINION**

We noted evidence of good controls within the area we reviewed. We noted no significant control weaknesses. This report contains suggestions for improvement in operations, much of which has been implemented during the audit.

We made recommendations to promote consistency and efficiency primarily with respect to written policies and procedures, and bank accounts. Significant improvements were made in the invoice payment processes.

## **KEY FINDINGS:**

- The Law Library did not have complete set of policies. Existing policies and newly drafted policies were combined into a new draft set of policies during the audit.
- The department did not have complete set of procedures. Existing procedures and newly drafted procedures were combined into a new draft set of procedures during the audit.
- The website for the Law Library needed additional information oriented towards the public. The web site was moved and improved with the addition of more content for the benefit of the public.
- The Judicial Administration intranet page does not include any information on the Law Library. We have recommended that the internal site be updated and suggested that it be used to house policies, procedures, and contact information for related divisions and emergency information.

- The staff directory had an incorrect entry and listed additional staff who do not work in the Law Library. The directory entries were corrected.
- The drop down list for Judicial Administration and the Law Library are on the same level. This did not agree with the organization chart that is within the St. Louis County Budget Book.
- Within the most recent St. Louis County Budget Summary book, there was no information on the Law Library.
- The Law Library has security cameras and a digital recorder. However, the cameras do not appear to be attached to the recorder. Security could be enhanced greatly with a simple security camera or web-cam implementation. This would allow staff to monitor public areas of the library from their offices. Additional work may be required to address security issues with surveillance cameras, panic buttons and emergency procedures. These processes may need to be revamped with renovation work that is currently underway. However, this work is not expected to be completed until mid 2016.
- Additional work is underway to implement simple reporting of account balances.

### **CONCLUSIONS:**

We are comfortable that controls over receipts, investments and the daily operation of the Law Library are appropriate and working as intended. Funding and accounting activities we reviewed appear to conform and comply with requirements of relevant Missouri state statutes:

- We are supportive of changes suggested by the Director of Judicial Administration to revise bill payment processes. Additional training may be required. Additional reporting is being developed. Documentation has been developed to describe these processes and facilitate this change. The resulting processes should provide much better separation of duties and more transparency.
- A small bank account is used primarily to allow Law Library staff to make change for coin operated copiers. Account statements were provided. The bank balances are reasonable and do not present significant risk. This bank balance of about \$1,200 was not reflected within MUNIS. We have recommended that signature cards on this bank account be updated. Bank statements should be imaged and the image sent to the Assistant Treasurer, when received.
- The collection of fees for the purpose of the operation of a Law Library is performed according to relevant Missouri State Statutes.
- Investments have been simplified. The Law Library participates in a pool of investments that is managed by St. Louis County. This pool consists primarily of short term government bonds which are consistent with guidance provided within Missouri State Statutes for investments held by regarding certain state agencies and governmental bodies. The fund is managed by the Assistant Treasurer of St. Louis County with assistance from an Investment Advisory Committee.

This report includes a detailed description of the scope of audit work performed. It also includes a post-audit assessment of controls found and results of audit testing. **(See the Post Audit Assessment of Controls.)**

Our findings and recommendation were provided to Paul Fox - Director - Judicial Administration – Court En Banc. Management responses and comments have been incorporated into the audit report. Findings and recommendations were discussed with:

- Paul Fox – Director – Judicial Administration – Court En Banc,
- Lacy Rakestraw – Librarian and Director of the Law Library,
- Don Rode – Chief Accounting Officer,
- John Shostrand – Deputy Chief Accounting Officer.

We thank them for their assistance during the audit.

## TABLE OF CONTENTS

	Background and Introduction	1
	Objectives and Scope of Audit	2
I.	Policies	3
II.	Procedures	3
III.	Internet Content	4
IV.	Intranet Content	5
V.	Staff Directory	6
VI.	Bank Account Signature Cards	6
VII.	Budget Book	7
VIII.	Safety and Security	8
IX.	MUNIS	8
X.	Investment Policy	9
	Attachment I Assessment of Controls – Post Audit	10

## **Background and Introduction**

The St. Louis County Law Library is located on the fifth floor of the St. Louis County Courthouse. The Law Library provides a collection of law books and electronic search facilities that are free and open to the public, though print material does not circulate outside of the library. They also provide services such as legal forms and a limited amount of conference room space. Funding for the Law Library in St. Louis County is provided by a small fee that is collected on civil cases files within St. Louis County. Fees are collected within the St. Louis County Circuit Clerk's office and recorded on the State Court's accounting system when collected. Each month, these fees are totaled and funds are transferred to St. Louis County. Accounting transactions for the day-to-day operation of the Law Library are recorded within the MUNIS accounting system

Law Library staff and management are subject to rules that were put in place by the Missouri Supreme Court and the Circuit Court of St. Louis County. The operation is supervised by the Court En Banc. Staff report to the Director of Judicial Administration.

Due to a recent change in staffing the Director of Judicial Administration requested a change to payment processing processes. The change required some additional training so that Law Library staff can enter invoices for payment directly into the MUNIS system and have more visibility on the accounting for fees collected, investments and payments processed. The revised processes provide more appropriate separation of duties and provide much better visibility on payment processes that were formerly processed by others on their behalf.

The Courthouse is currently being renovated. Some aspects of the operation of the Law Library are subject to change through mid-2016. The timing of the review was fortunate as processes are being changed, and documented at the time as a change in staffing. Improvements have been made before any disruption caused by the courthouse renovation.

## **Funding**

A provision of Missouri State Statute (488.429.1) governs the funding for the Law Library:

*Moneys collected pursuant to section 488.426 shall be payable to the judges of the circuit court, en banc, of the county from which such surcharges were collected, or to such person as is designated by local circuit court rule as treasurer of said fund, and said fund may be applied and expended under the direction and order of the judges of the circuit court, en banc, of any such county for the maintenance and upkeep of the law library maintained by the bar association in any such county, or such other law library in any such county as may be designated by the judges of the circuit court, en banc, of any such county; provided, that the judges of the circuit court, en banc, of any such county, and the officers of all courts of record of any such county, shall be entitled at all reasonable times to use the library to the support of which said funds are applied.*

## **Organization**

Fees are collected by employees of the Circuit Clerk's office and recorded within the state JIS system. Each month, fees collected are totaled and transferred by check or electronic transfer to St. Louis County where they are recorded in St. Louis County's MUNIS system.

## **Special Law Library Fund**

A separate fund (Fund 5030) has been established within the MUNIS accounting system so that transactions are appropriately separated from other operations of the court or the county.

## **Investments**

The Law Library is allowed to invest funds received. Appropriate investments are governed by Missouri State statute. To simplify investments, the Law Library participates in a pool of funds invested by St. Louis County which consists predominantly of short term bonds, and may include funds on deposits with banks and cash. At year end, 94.63% of this fund was invested in bonds. At year end, 5.27% of this fund was held as cash.

## **Current and Future Projects**

- To conserve space, Law Library staff may negotiate the sale and disposal of certain collections of legal books as these collections are being replaced with electronic media.
- The provision of more widely accessible public wi-fi could be of benefit to court staff, attorneys and members of the public who use the library.

## **Objectives and Scope of Audit**

At the beginning of the audit, we met with management and established audit objectives. These objectives are stated in the positive. These are objectives we expect to be met or controls we would expect to find in this area. Later, in this report, we provide results of the audit, against these objectives.

At the start of the audit, the objectives and the scope of the audit were as follows:

### **Policies**

The department or division should have written policies. Policies should be up-to-date. Policies should have indications that they have been approved by management.

### **Procedures**

The department or division should have written procedures. Procedures should be up-to-date. Procedures should have indications that they have been approved by management.

### **Internet Web Sites**

Web sites should contain valid and correct information.

### **Intranet Web Sites**

Internal web sites should be used, if possible as a repository for useful information for staff.

### **Staff Directories**

Staff directories should be updated. Staff directories should only include current employees.

### **Services Provided**

Services provided are known and documented. Accurate information is provided to the public through a web site, flyers or a brochure.

### **Revenues**

Revenues should be properly recognized.

### **Investment Policies**

There should be documented and approved policies on investments.

### **Investments**

Investments made should comply with statute and/or the investment policy.

### **Expenditures**

Expenditures are supported with an invoice or approved purchase order. Amounts should be mathematically correct. Invoices or source documents should be cancelled. Amounts paid should agree to the invoice. Discounts should be taken, if we comply with payment terms. Expenditures should be properly authorized. Expenditures should be reasonable and proper. Payments should be timely.

### **Reporting**

Financial reporting should be in place that allows for review of revenues.

Financial reporting should be in place that allows for review of expenditures.

Financial reporting should be in place that allows for comparison of actual expenditures to budgets.

### **Contracts**

Contracts should be properly executed with large or long term service providers.

## **I. Policies**

We solicited suggestions from the Librarian and attempted to locate or pull together policies and procedures using a framework of the subject areas:

- departmental chart,
- mission statement,
- departmental description/charter,
- job descriptions,
- code of ethics,
- bad weather,
- bomb threat,
- providing services for patrons by staff,
- use of personal computers,
- misuse of the library equipment by patrons,
- damage of the library equipment by patrons,
- use of projectors, and other equipment,
- staff training,
- lost and found,
- preservation of old books, and documents,
- cash handling,
- management of the Special Law Library Fund (Fund 5030),
- accounting operations,
- investments,
- reporting.

Law Library staff and management were able to locate policies which were placed in a draft set of policies. A small amount of additional work is needed to complete this set and approve these written policies.

### **Recommendation**

1. We recommend that the Judicial Administration and the Librarian finalize a complete set of policies with a table of contents. The policies should reflect requirements for daily operations of the library. Also, we recommend that the Librarian use a provided template for policies and make them available on the intranet for the staff. This will help to keep the policies up-to-date and conserve use of paper. Additional work may be needed in these areas:
  - Inclusion of additional information on physical security (and fire/evacuation, etc.),
  - Approval of policies and procedures on banking and investment.

### **Management Response**

1. Old and outdated policies for the library have been updated or discarded, and new policies have been drafted to be consistent with courthouse-wide policies where applicable. Policies are made available for library staff, and each new hire is given a set to review.

## **II. Procedures**

We solicited suggestions from the Librarian and attempted to locate or pull together procedures within these subject areas:

- departmental chart,
- mission statement,
- departmental description/charter,
- job descriptions,
- code of ethics,
- bad weather,
- bomb threat,
- providing services for patrons by staff,
- use of personal computers,
- misuse of the library equipment by patrons,
- damage of the library equipment by patrons,
- use of projectors, and other equipment,

- staff training,
- lost and found,
- preservation of old books, and documents,
- cash handling,
- management of the 5030 fund,
- accounting operations,
- investments,
- reporting.

Law Library staff and management were able to locate procedures which were placed in a draft set of procedures. A small amount of additional work is needed to complete this set and approve these written procedures.

### **Recommendation**

2. We recommend that the Judicial Administration and the Librarian finalize a complete set of procedures with a table of contents. Procedures were drafted and reviewed during the audit. The procedures should reflect requirements for daily operations of the library. Also, we recommend that the librarian use a provided template for procedures and make them available on the intranet for the staff. This will help to keep the procedures up-to-date and conserve use of paper. Additional work may be needed in these areas:
  - Inclusion of additional information on physical security (and fire/evacuation, etc.),
  - Approval of policies and procedures on banking and investment.

### **Management Response**

2. Old and outdated procedures for the library have been updated or discarded, and new procedures have been drafted to be consistent with courthouse-wide procedures where applicable. Procedures are made available for library staff, and each new hire is given a set to review.

## **III. Internet Content**

We checked the Department's web site for ease of use, completeness, and checked for dead links.

The department provides additional services that are not mentioned on the web site. For example they provide a computer lab, copiers, faxes, printers, conference room for meetings and projectors on rolling carts.

The website could use additional information. When initially reviewed the website did not contain:

- history and statute that created the library,
- information about usage of personal computers in the library,
- description of databases and research tools,
- library hours,
- an email address for a library contact,
- information about the use (or lack of availability) of wi-fi,
- conference room usage policy and application form for use of the conference room,
- projector usage policy and application,
- the location of the library in the court building and the presence of security checkpoints, including metal detectors at the entrance to the Court building. It should give specific instructions on what to expect and what to do.

Information about use of the conference room and projectors was not posted on the website. Forms were not available.

The website was moved and re-hosted. Existing content was updated. Additional content was added.

- history and statute that authorizes funding for the library,
- information about usage of personal computers in the library,
- description of databases and research tools (**added**),
- library hours (**added**),
- an email address for a library contact,
- information about these use (or lack of availability) of wi-fi,
- conference room usage policy and instructions for visitors to sign in at the circulation area,

- projector usage policy and application,
- the location of the library in the court building,
- information on security checkpoints and metal detectors (**added**).

**Recommendation**

3. We recommend that the Director of Judicial Administration – Court En Banc and the Librarian review and consider adding additional content to the St. Louis County Law Library web site to include the following:
  - a note about the history or organization of the library,
  - a note, reference or a link to the statute that authorizes the library.

**Management Response**

3. Many of the additions recommended by the auditors were added to the library’s website during the process of the audit, including the addition of information detailing location, contact information, services offered, materials available, and courthouse security procedures. Suggested additions regarding the history of the library and the enabling statute authorizing funding are currently being considered.

**IV. Intranet Content**

We checked Judicial Administration’s internal (intranet) web site for content. The web site contained no information on the Law Library. We recommend that the intranet web page be used to host high level information about the Law Library.

Because of the unique nature of the Law Library, it depends on the interaction of certain staff in departments that are spread over several organizations. It may be helpful to document contact information for:

- Circuit Clerk for collection of fees and accounting,
- County – Fiscal Management for accounting,
- Fiscal Management – CAPS for user support,
- County – Administration – Treasury for investments,
- Court En Banc,
- County - Police Department – Security Services.

**Recommendation**

4. We recommend that the director of Judicial Administration ensure that additional content is added to internal web sites, such as:
  - location,
  - holidays,
  - hours,
  - services,
  - reservation forms or sign-up sheets,
  - emergency information,
  - contacts.

**Management Response**

4. Suggested additions regarding library location, courthouse holidays, library hours, services offered, emergency information, and library contacts are currently being considered, and will be asses as time permits.

**V. Staff Directory**

We reviewed the Staff Directory.

- The staff directory had a misspelled last name and listed extra staff.
- The drop down list for Judicial Administration and the Law Library are on the same level. This doesn’t agree with the organization chart that is within the St. Louis County Budget Book.

The Staff Directory entries were updated during the audit. However the levels are still inconsistent with the organization chart and the St. Louis County Budget Book.

The management of the Staff Directory is distributed throughout the organization. Administrators often do not have sufficient training or perform administration tasks so infrequently that they lack experience on performing these updates.

**Recommendation**

5. We recommend that the Director of Judicial Administration reviews the placement of the Law Library Staff within the Staff Directory to ensure that it agrees or is consistent with respect to the organization and current staffing.

**Management Response**

5. Currently the law library is on the same pull-down level as Judicial Administration and other departments. While this does not necessarily agree with the courthouse organization chart, other departments searching for the law library might not realize that the library is organizationally located within Judicial Administration, and thus may have a difficult time locating the law library should it be placed as a sub-menu under the Judicial Administration pull-down menu. Thus, it is important to leave the law library menu where it is, though this may not directly correspond with the courthouse's organization menu.

**VI. Bank Account Signature Cards**

We inquired whether the Law Library maintains any bank accounts. They have a bank account that is used primarily for petty cash and to obtain change for coin-operated copiers in the Law Library.

- Since there have been changes in staffing, the bank account signature cards are likely out-of-date.
- The taxpayer ID on this account needs to be checked.
- Fiscal Management had not been receiving copies of bank statements. Cash balances in this account were not being reported within the County's financial statements. A cash balance of \$1,235.22 held in the Law Library's bank account was not reported in MUNIS at year end 2013.

Fiscal Management needs to be made aware of balances in this account so that they may be reported correctly within the County's financial statements. If not reported, cash balances will be underreported.

**Recommendation**

6. We recommend that the Director of Judicial Administration – Court En Banc confirm the taxpayer ID that is listed on this bank account to ensure that the cash balances are reported by the correct entity (i.e. state or county or law library).
7. We recommend that the Director of Judicial Administration – Court En Banc ensure that the St. Louis County Chief Accounting Officer be provided copies of bank statements so that bank balances can be updated on a monthly basis.
8. We recommend that the Director of Judicial Administration – Court En Banc ensure that signature cards are updated for this bank account.

**Management Response**

6. The taxpayer ID associated with the law library's change-fund account was checked and is the correct number. It is a unique number that is assigned to the St. Louis County Law Library.
7. Copies of all recent statements have been sent to the Assistant Treasurer, as well as Fiscal Management. The original statements are filed by date with the Library Director.
8. Signature cards associated with the library's change-fund account have been updated. Former names have been removed from the account. The new names added to the account, and now the only two names given access to the account, are the Director of Judicial Administration and the Director of the Law Library.

## **VII. Budget Book**

We reviewed the St. Louis County Budget Book as part of planning and for the Expenditure Testing section of our audit

Within the St. Louis County Budget Summary Book for 2013, there is no information on the Law Library. The Law Library appears on an organization chart, but there is no mention of the library. Inclusion of a short description of the library could be helpful to clarify the existence of the library and the services provided to the public.

The Law Library is a small operation supervised by the Court, however, the library provides a valuable service to the Court, attorneys and the general public.

### **Recommendations**

9. We recommend that the Director of Judicial Administration – Court En Banc prepare a short description of the Law Library for inclusion within the St. Louis County Budget Book.

### **Management Responses**

9. The law library was not included in the most recent copy of the budget book due to staffing changes. A budget was submitted after the recent book was created, and will be included in future editions.

## **VIII. Safety and Security**

We reviewed the operation of the Law Library.

The Law Library has a security system that includes five security cameras and a video recorder. However, the cameras are either not connected or the system is not configured. We were advised that security cameras within in the Law Library had been disconnected.

We also noted that the phone numbers for Central Dispatch are not included within written procedures about security within the Courthouse. We have asked Police – Security Services staff to update their procedure so that it can be reposted for the Law Library.

The Law Library occupies an area on the fifth floor of the Courthouse. It is accessible the public. If the facility is being remodeled, the effort should include plans to reconnect one or more of these cameras.

Even if the cameras are not wired into the campus security system, the Law Library should consider whether a simple web camera might provide improved security by allowing either the entrance or public areas of the library to be viewed remotely.

### **Recommendations**

10. We recommend that the Director of Judicial Administration – Court En Banc should determine if the Law Library should be covered with one or more security cameras. If so, these plans should be included within renovation plans.

### **Management Responses**

10. Currently, the library staff consistently monitors the library space, making a security system unnecessary at this time. This issue will be reevaluated when the library is moved to its new location after courthouse construction is complete.

## **IX. MUNIS**

We reviewed the structure of funds, cost centers and accounts (objects) used within the MUNIS software to account for transactions related to the Law Library. A fund is defined for the receipt of funding collected by the Circuit Court. Funding is transferred to a second fund (Fund 5030 – Special Law Library, where activity for the Law library. Three funds are defined in MUNIS. Only two are used. One of these two funds has any activity. One additional funds is defined but there are no accounts (objects) defined for use with these funds.

This fund (Fund 7687 - Law Library) could be confusing as it is more likely for a person to look up activity under this fund than under Fund 5030 (Special Law Library). If they look at the wrong fund, they will see no activity. We would prefer these additional funds deleted. At a minimum they should be marked.

**Recommendations**

11. We recommend that the Chief Accounting Officer either delete fund 7687 – Law Library or mark this fund “Do Not Use”.

**Management Responses**

11. The Chief Accounting Officer has been alerted about this issue, and changes are in process.

**X. Investment Policy**

The Law Library formerly held some small investments like certificates of deposit. They no longer invest their funds directly. Investments that were formerly managed by Court and Law Library management are now managed by St. Louis County. The Law Library participates in a pool that consists predominantly of short term bonds and a small percentage (about 5%) of cash. At year end 2013, the Law Library held \$1,222,800.19 in this equity pool.

The amount invested for the Law Library is shown within MUNIS within an account (object) called “Equity in Pooled Cash”. The investments process has been simplified. Investments held are consistent with State statutes that describe investments suitable for governmental bodies. The State statute is broader and covers investments that may be suitable for larger governmental agencies or departments. The statute is not specific to law libraries. The guidance is followed by entities such as counties, circuit clerks and courts.

The Law Library does not have a written investment policy.

One was drafted during the audit. The policy describes the current pooled investment and a small bank account held, primarily for change and petty cash.

Given the amount of the funds held in bonds and cash, there should be a written policy describing the process and the investments held.

Adherence to certain State statute was considered to be sufficient. However, the State statute is very broad and covers investments that might not be suitable given the size and scope of this operation.

The process, as it is currently operating should be documented.

**Recommendations**

12. We recommend that the Director of Judicial Administration – Court En Banc finalize the draft investment policy and submit it to the Court En Banc for approval.

**Management Responses**

12. An investment policy is currently being reviewed.

### **Post Audit Assessment of Controls**

At the end of the audit, we compared the results of our review to the original audit objectives. We prepared a written assessment of controls we found and their effectiveness. We also note considerable effort expended to improve controls during the audit:

#### **Policies**

The department or division had written policies. Policies were not up-to-date. Policies did have indications that they have been approved by management. [Newer policies were drafted during the audit and placed on consistent policy and procedure templates.]

#### **Procedures**

The department or division had written procedures. Procedures were not up-to-date. Procedures did not have indications that they have been approved by management. [Newer procedures were drafted during the audit and placed on consistent policy and procedure templates.]

#### **Internet Web Sites**

Web sites contain reasonably valid and correct information. [The web site was moved and improved. Additional content was added. The web site contains the library location, phone and fax numbers, a library email address, a listing of electronic databases accessible, a holiday schedule, information on security, a listing of services offered and links to related court web sites.]

#### **Intranet Web Sites**

Internal web sites are not underutilized as a repository for useful information for staff. [We've recommended that the intranet page be used to host policies, procedures, contacts and emergency procedures.]

#### **Staff Directories**

Staff directories needed minor update. [Staff directories were updated during the audit so that the directory includes current employees.]

#### **Services Provided**

Services provided are known and documented. Accurate information is provided to the public through a web site, flyers or a brochure. [The web site provides a listing of services offered including use of printed materials, library computers, access to legal books and electronic databases, use of copiers and fax machines.]

#### **Revenues**

Revenues are properly recognized. [Fees are collected as provided for in State statute. Fees collected are used according to the Missouri State Statute 488.429. Fees collected are properly recorded. Fees are recorded within a State accounting system, totaled, then transferred to a St. Louis County accounting system. There is typically a one month lag with respect to the recording of fees.]

#### **Investment Policies**

There needs to be additional documentation and approval of a policy on investments. [Investments have been simplified through the use of a pooled fund of investments managed by St. Louis County. The Law Library participates in this pool.]

#### **Investments**

Investments made by the Law Library comply with statute. There is no approved investment policy, however one has been drafted. Investments have been simplified through the Law Library's participation in a pool managed by St. Louis County. [Investments made are predominantly short term government bonds (typically more than 95%) and a small amount of cash. These investments are consistent with Missouri State Statutes that govern the investment of Court funds and funds held by the Circuit Clerk of the Court. In our opinion, the Law Library's bank account is used appropriately. Balances are kept to a minimum. The account is used primarily for change, and/or petty cash to pay small or incidental expenses.]

**Expenditures**

Expenditures we tested were adequately supported with an invoice or approved purchase order. Amounts we tested were mathematically correct. Invoices or source documents we reviewed were stamped and/or dated so they could not be reused. Amounts paid agreed to supporting invoices. Discounts were taken if offered. Expenditures were properly authorized. Expenditures were reasonable and proper. Payments were timely. [No exceptions were noted with expenditure testing. However, invoice entry was performed by Fiscal Management. Invoice entry is now being performed by Library staff with approvals by the Director of Judicial Administration. This is a more appropriate separation of duties.]

**Reporting**

Financial reporting is in place to allow the review of revenues booked and fees collected. [There is a one month lag between the collection of these fees and their transfer to the Special Law Library fund, which is accounted for within the MUNIS system used by St. Louis County.]

Financial reporting is not fully implemented to allow for review of budgets to actual expenditures. Queries are available to allow review of bills paid and imaged support for bills paid or expenditures made for the Law Library. Queries are available that allow the review of actual expenditures. [Reporting should be in place by the issue date of this audit. Library and Court staff can currently query their data. Comparison to budgets is slightly complicated by the difference in Fiscal years between the State and County. However, revenue, investments and expenditures can be easily reviewed.]

**Contracts**

Contracts have been properly executed with large or long term service providers.