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City of St. Louis
Recorder of Deeds and Vital
Records Registrar

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<http://auditor.mo.gov>



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CITIZENS SUMMARY

Findings in the audit of the City of St. Louis Recorder of Deeds and Vital Records Registrar

Background

The Governor requested the State Auditor's Office audit the City of St. Louis Recorder of Deeds and Vital Records Registrar, and the Auditor initiated an audit in February 2015. A number of significant events impacted the audit, including the resignation of Recorder Sharon Quigley Carpenter in July 2014, after nepotism concerns were raised and made public. An interim recorder, Jennifer Florida, was appointed by Mayor Francis Slay to serve during the remainder of Carpenter's term, ending December 31, 2014. St. Louis officials issued two reports in the fall of 2014 raising questions about Carpenter's tenure as recorder, relating to issues such as contract bidding and procurement, questionable expenditures, and weaknesses in procedures. Carpenter was re-elected to the position of recorder in November 2014, and her four-year term that began January 1, 2015, will end December 31, 2018.

Construction Contracts

Recorder Carpenter's office contracted for significant renovations in 2009 and 2013 and completed several smaller projects in 2009 and 2014. Recorder Carpenter was aware that each contract was issued to a company that employed or was owned by the former deputy recorder's son. The office did not properly solicit bids for at least one project and there is no indication the office compared pricing for a number of smaller projects. The former deputy recorder's conflict of interest, along with her level of responsibility for and involvement in some projects were not consistent with good management practices.

Nepotism

Between June 2010 and January 2012, Recorder Carpenter paid her great nephew \$12,255 for work as a temporary contractor. The Missouri Constitution provides that any public official who names or appoints to public office or employment a relative within the fourth degree shall forfeit her office. Recorder Carpenter resigned from office as a result.

Records Preservation Account Compliance

The recorder's office failed to comply with numerous legal requirements related to a special revenue fund, the Records Preservation Account. Until August 14, 2014, the account was under the complete control of the recorder's office, even though state law requires the account be controlled and checks signed by the city treasurer. During the two years ended June 30, 2015, the recorder's office collected approximately \$453,000 and disbursed approximately \$429,000. Recorder Carpenter also authorized unallowable expenditures from the account, including \$2,378 for rugs for the private offices of the recorder and deputy recorder and \$687 for furniture, decorating items, and cleaning supplies. The recorder's office policy on procurement still does not ensure compliance with state law regarding advertising purchases and competitive bidding, despite a similar finding in a 2010 audit report.

Receipt Controls

The office collected fees totaling approximately \$6.7 million over the course of two years but lacked sufficient procedures to transmit money timely to the city treasurer. Mail receipts are received and processed by the same staff members in three of the office's departments, and no independent review of receipt logs is conducted, increasing the risk of theft or loss. Supervisory approval is not required for voided transactions, and documentation of the

reasons for voiding transactions is inconsistent. Between July 2013 and June 2015, 687 transactions totaling approximately \$141,000 were voided.

Bank Account Controls	The former deputy recorder reviewed bank reconciliations for the Records Preservation Account, but the office did not prepare complete and accurate reconciliations after her termination in September 2014. The office lacks a comprehensive expenditure policy for the Records Preservation Account that provides instructions for basic procedures such as procuring general purchases, advertising for bids, and supporting invoices. Another account, the Credit Card Clearing Account, is not adequately monitored, and money received is allowed to accumulate in the account in excess of what is needed to cover expenses.
Escrow Liability	Title companies, banks, and other customers may establish escrow (prepaid) accounts with the recorder's office. However, the office fails to reconcile its records of money held in escrow to the city's general ledger balance, and errors and unidentified differences remain undetected. Auditors performed a reconciliation of the recorder's escrow report to the city's general ledger balance and found that the city's liability balance exceeded the recorder's liability balance by approximately \$61,000. Recorder's office staff subsequently identified approximately \$23,000 of this difference.
Vehicle Usage Log	Recorder Carpenter failed to maintain a usage log for a city-assigned vehicle she used through July 14, 2014, although she responded to a prior audit recommendation that a usage log had been implemented. Office personnel provided fueling documents and other information showing that the vehicle was driven 5,460 miles during an 18-month period, although Recorder Carpenter reported personal and commuting miles approximately 10,000 more than those 5,460 miles.
Vacation and Medical Leave	The office has significant gaps in its procedures for vacation and medical leave. The vacation policy does not indicate when earned leave will be posted to employee records and available for employee use, and the policy is silent on how leave accruals or payouts are performed for individuals who end their employment mid-year. The medical leave policy does not indicate if employees' unused leave balances are paid or expire upon termination. Supervisory reviews of employee leave balances failed to detect and correct errors in cash leave payouts or posting of earned leave to employee records.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Jeremiah W. (Jay) Nixon, Governor
and
Honorable Sharon Quigley Carpenter, Recorder of Deeds and Vital Records Registrar
City of St. Louis, Missouri

The State Auditor was requested by the Governor, under Section 26.060, RSMo, to audit the City of St. Louis Recorder of Deeds and Vital Records Registrar. We have audited certain operations of the office in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2015. The objectives of our audit were to:

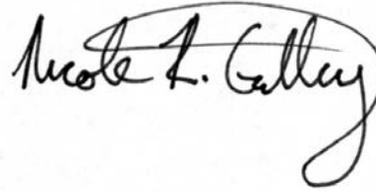
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, the office's financial records, selected city financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Recorder of Deeds and Vital Records Registrar.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Regina Pruitt, CPA
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City of St. Louis

Recorder of Deeds and Vital Records Registrar

Introduction

Background

The City of St. Louis is recognized as both a city and a county by Article VI, Section 31, Missouri Constitution. The Office of Recorder of Deeds and Vital Records Registrar (Recorder) is a county office organized under the supervision of an elected official as provided by Chapter 59, RSMo, and is subject to state laws applicable to county offices. Any vacancies in the office are filled by the City of St. Louis Mayor, as provided by Section 105.030, RSMo. The operations of the Recorder's office are funded by appropriations from the city's General Fund and by special revenue collected by the Recorder from fees for recording documents as required by state law. As a matter of practical operation, the Recorder's office follows some policies established by the city's charter, code, or ordinances.

The State Auditor was requested by the Governor, under Section 26.060, RSMo, to audit the City of St. Louis Recorder of Deeds and Vital Records Registrar. The following events are significant to our review and are discussed further in the findings reported in the accompanying Management Advisory Report - State Auditor's Findings.

July 11, 2014

Recorder Sharon Quigley Carpenter submitted a letter of resignation to the City of St. Louis Mayor effective July 14, 2014. The resignation was required by the Missouri Constitution after nepotism concerns were raised and made public. Recorder Carpenter had served as Recorder since 1980.

July 14, 2014

Mayor Francis Slay appointed Jennifer Florida to complete the unfinished term of Recorder Carpenter that ended December 31, 2014.

September 18, 2014

The City of St. Louis City Counselor (City Counselor) issued a report regarding bidding and procurement of contracts for renovations to the Recorder's office. The report cited evidence suggesting improper bidding practices for renovation project contracts during 2009 and 2013, conflicts of interest between the former Deputy Recorder and the construction companies that were selected to perform the renovations, and other related issues.

November 20, 2014

The City of St. Louis Office of the Comptroller (City Comptroller) issued a special review of the Recorder's Technology and Archival Account (the Records Preservation Account) that cited concerns regarding questionable expenditures, allegations of nepotism, other matters of noncompliance, and several control weaknesses.

January 1, 2015

Recorder Carpenter resumed the Recorder's duties after being re-elected to a 4-year term ending December 31, 2018.



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Peggy Meeker transferred from another city office to the Recorder's office in 1983. She served as the Deputy Recorder from 1989 through September 15, 2014, when she was terminated by Recorder Florida. Recorder Florida appointed Georgie Simmons as Deputy Recorder and she continues to serve in that position.

Pursuant to the Governor's request the State Auditor initiated an audit of the City of St. Louis Recorder in February 2015. Our audit identified concerns similar to matters reported by the City Counselor and City Comptroller.

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**1. Construction
 Contracts**

Construction contract procurement and construction project policies and procedures need improvement. The City of St. Louis Recorder of Deeds and Vital Records Registrar (Recorder) did not ensure required competitive procurement procedures were followed during the development of several construction contracts and the contracts were awarded to related party vendors. In addition, the Recorder allowed excessive change orders on one project.

The City of St. Louis City Counselor (City Counselor) issued a report on September 18, 2014, regarding bidding and procurement of contracts for renovations to the Recorder's office. The City Counselor's source information included interviews with several staff members of the Recorder's Office and of the city's Board of Public Service (BPS).¹ According to City Charter, Article XIII, Section 9, the BPS supervises all public work and improvements undertaken by the city. However, city officials indicated because the Recorder's office is a county office, it is not required to use the BPS, but the BPS would provide assistance in administering contracts and construction work if requested. City officials also indicated the BPS is not responsible for ensuring that county offices comply with bidding requirements. There is no indication the City Counselor's Office interviewed Recorder Carpenter.

In 2009 and 2013, the Recorder contracted for significant renovations to the Recorder's offices and customer service facilities in City Hall. In addition, several smaller renovation projects were completed in 2009 and 2014. The following payments were made to contractors from the Recorder's Records Preservation Account.

Project date and description	Contractor payments
2009 renovations	\$ 203,955
2009 mail slot and lettering	3,144
2009 project design for 2014 renovations	1,350
2013 renovations (paid in fiscal year 2014)	103,629
2014 cashier window (paid in fiscal year 2014)	1,225
Total construction expense	\$ 313,303

All of the above projects were completed and paid for during Recorder Carpenter's tenure.

¹ The City Counselor's report indicates the following individuals were interviewed:
 Former Chief Deputy to the Recorder
 Internet Technology Manager for the Recorder
 Clerk to the Recorder
 Employees of the Recorder who requested anonymity
 President of the BPS
 Chief Construction Engineer of the BPS
 Project Manager of the BPS
 Former Project Manager of the BPS
 Chief Design Engineer of the BPS
 Contract Supervisor of the BPS



1.1 Contracts for renovation services

Recorder Carpenter's office authorized contracts for all of the above projects although the Recorder was aware that each contract was issued to a company that either employed or was owned by the former Deputy Recorder's son. The former Deputy Recorder's son was involved in preliminary project scope and design services for both the 2009 and 2013 renovation projects. The former Deputy Recorder's son also worked for the company that performed the large 2009 renovation project and owned the company that performed services on the four subsequent contracts. The former Deputy Recorder's conflict of interest, along with her level of responsibility for and involvement in the projects were not consistent with good management practices.

2009 renovations

Recorder Carpenter's office solicited bids for the 2009 renovation project with the assistance of the city's BPS. The employer of the former Deputy Recorder's son was not pre-certified by the BPS at the time the project was in design phase; however, the company became pre-certified before solicitation of bids. The City Counselor's report indicates the Recorder required the BPS allow this company to bid on the project. However, Recorder Carpenter indicated she disagrees with the City Counselor's report and she did not require that this company be allowed to bid on the project. The City Counselor's report also indicates there is no evidence the BPS was aware of the former Deputy Recorder's conflict of interest during the design or bidding phases of the project.

The report issued by the City Counselor indicates the BPS became aware of the relationship during the pre-construction meeting after the contract was awarded. Although the vendor selected by Recorder Carpenter was the employer of the son of the former Deputy Recorder, BPS personnel indicated the bid process appeared to result in the selection of the best and lowest bid. Our review indicated the BPS provided appropriate bid management services.

2013 renovations

In 2013, Recorder Carpenter's office did not properly solicit bids for the renovation project. Although two bids were received for the project, advertising for bids was not conducted as required by state law. Recorder Carpenter accepted the low bid submitted by the former Deputy Recorder's son.

The first bid was submitted by the former Deputy Recorder's son. The second bid was received a few hours after the first bid; however, it is unclear why the second bid was received since Recorder Carpenter indicated bids were not solicited for the project. The report issued by the City Counselor indicated it is unknown how the second bidder became involved in the bidding process. In addition, the report indicated the former Deputy Recorder's son and an officer of the company that submitted the second bid had previously worked together at another construction



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company. We noted the bids were essentially identical except for the letterhead on the bids and the slightly higher pricing on the second bid. The second bid included wording identical to the bid received from the former Deputy Recorder's son indicating a specific component would be supplied by the company owned by the former Deputy Recorder's son.

Recorder Carpenter accepted the bid received from the former Deputy Recorder's son and requested project oversight services from the BPS for the construction phase of the project. The City Counselor's report indicates the BPS verbally recommended advertising and formally bidding the project to the former Deputy Recorder, but she declined to do so. The report also indicates there is no evidence the former Deputy Recorder informed the BPS that her son submitted the bid accepted by Recorder Carpenter and the BPS became aware of the related party concern after construction began.

2009 and 2014 minor
project procurements

In 2009 and 2014, Recorder Carpenter's office entered into three separate minor contracts for design and construction services with the company owned by the former Deputy Recorder's son. While these projects were not subject to statutory requirements for advertisement or bidding, there is no indication that Recorder Carpenter performed any procedures to obtain comparative pricing, ensure fair value was received for the monies spent, or mitigate the related party concern. Recorder Carpenter did not request BPS assistance in the procurement or construction management of these three projects.

State law requires
competition for significant
procurements

State law requires competitive procurement practices for significant contracts and purchases. Section 50.660, RSMo, requires due opportunity for competition for contracts and purchases with any one vendor in a 90 day period including bids for purchases exceeding \$4,500 and advertisement of the proposed contract for purchases of \$6,000 or more. In addition, as an elected official, the Recorder has fiduciary duty to carry out the functions of the office in the best interest of the citizens.

The Recorder should ensure contracts are issued only after due opportunity for competition. Any decision involving a contract should be made by an independent individual or office. Soliciting bids as required by state law helps ensure fair value is received for the monies spent on services and instills public confidence in the Recorder's business practices.

A similar condition was noted in our prior audit Report No. 2010-16, *City of St. Louis Office Of Recorder Of Deeds*, issued in January 2010.

1.2 Change orders

The former Deputy Recorder and the BPS authorized change orders that increased the 2013 renovation project cost by a substantial amount. The initial design services were performed under a 2009 contract between the Recorder and the company owned by the former Deputy Recorder's son. It



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appears the 2009 design was not adequate to ensure the project addressed all work needed or desired by the Recorder in 2013. The original contract for the 2013 renovation project was issued for \$81,758. However, two change orders increased the cost of the project by \$29,625 or 36 percent of the original contract amount.

The original project scope provided for renovations in two of the Recorder's service divisions. The first change order significantly expanded work for customer service counters in both of the divisions, added construction of new windowsills, added installation of fiber optic cable, and provided for related demolition. The second change order significantly modified the design of employee work stations in one of the divisions to properly accommodate electrical supply and to mitigate significant safety hazards created by the original design.

While change orders often occur on construction contracts, they should be used only to make adjustments for minor problems that are unknown when construction projects are originally bid. Change orders should be kept to a minimum to ensure the maximum amount of construction costs are competitively bid. Change orders should not be used to make significant changes to existing contracts. If the scope of a project changes substantially, consideration should be given to separately bidding those parts of the project.

Recommendations

The Recorder:

- 1.1 Properly bid all contracts and services in accordance with state law. In addition, refrain from entering into business transactions with related parties unless the transactions are bid in compliance with state law and the procurement process is conducted by an individual or entity not under the supervision of the Recorder's office. Bids should be critically reviewed to ensure fair and open competition is achieved.
- 1.2 Ensure the scope of contracted services is properly developed before accepting bids or awarding contracts and give consideration to conducting bidding for separate project services when substantial project changes are needed.

Auditee's Response

Recorder Carpenter provided the following overall comments:

The term "related parties" seems to assume Recorder Carpenter is related either biologically or socially with the contractor. The Recorder knows the previous Chief Deputy's son, but has had rare contact with him. The Recorder had an excellent working relationship with the former Chief Deputy professionally but that was the extent. Because of years of



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outstanding service and adherence to the law, the Recorder was not aware that BPS had not handled the process from start to finish until the Recorder had left office.

As the State Auditor's Office verbally recommended changes, the Recorder's office documented and implemented changes.

The Recorder of Deeds office has already written and implemented 4 new policies to comply with recommendations of the State Auditors. The new policies are:

- 1. Renovation/Construction Policy*
- 2. Credit Card Residual Funds Disposition Policy*
- 3. Pro-Rating Vacation Policy*
- 4. Over Payment Policy*

A complete Recorder of Deeds (ROD) response to the state audit will be available at <http://www.stlouiscityrecorder.org> upon release of final audit report.

It has always been my view that audits are not simply necessary but a positive influence on a public office. While this audit is quite different in some respects from audits performed during my 35 years as ROD, it has provided many recommendations that will provide for greater accountability for the ROD office. Many of these recommendations are already implemented while other recommendations are in process. This audit proved illuminating by clarifying state statute requirements. This information provides a greater understanding for the ROD and staff.

In addition to the preceding overall comments, Recorder Carpenter provided responses pertaining to individual report recommendations. Responses provided by the Recorder refer to various exhibits, and those exhibits are included in the Auditee Exhibits section of the report.

1.1 BPS did the RFP; BPS did or should have done any advertising as per their normal procedures. BPS received all SEALED bids and opened them on their designated date. If BPS only allows their pre-certified vendors, I would be interested to see how and who they notified of this requirement other than hearsay. If BPS did not follow their established procedures, how can this reflect on the Recorder? RFP number 2009-00-180 clearly states from BPS that the Employer of the former Chief Deputy's son was listed as a pre-certified vendor. (See exhibit 1; BPS, RFP #2009-00-180)

When asked, the Recorder told the former Chief Deputy to instruct companies to go to BPS to be put on the BPS bidders list. ROD has no knowledge of BPS requirements to become a bidder. At no point



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did ROD try to circumvent BPS procedures or require any company be allowed to bid. ROD had no vested interest in the project other than it being completed correctly. ROD was unaware that ROD was expected to notify BPS of design services performed, since the design was given to BPS where upon BPS made change recommendations which were accepted.

The audit does say BPS provided appropriate bid management services and indicated the bid process appeared to result in the selection of the best and lowest bid by Recorder Carpenter. With that being said, if BPS provided appropriate bid management services, they should have never accepted bids from any vendor if they did not meet appropriate requirements no matter how they got on the list. If bids are only accepted from BPS pre-certified vendors, it would defeat the purpose of sending out RFPs to get bids from other local companies. This does not ensure that the Recorder can do what is in the best interest of the office and the citizens as per state law.

The Recorder had instructed that BPS be contacted to handle the renovation in 2013 as had been done in 2009. When asked, the Recorder instructed the former Chief Deputy to have companies go to BPS to become a bidder. The bids were given to the Recorder in the same manner as in 2009. The Recorder chose the low bid. The Recorder, at the time, the bid was accepted, was under the impression that the RFP and bid process had been handled by BPS.

The Recorder was never advised by BPS of any requirements by phone, memo, or e-mail. The Recorder would ask for BPS to provide documentation of these statements. At no point did the Recorder decline any recommendation made by BPS.

The City Counselor report references a phone call between Former Chief Deputy Peggy Meeker and Tom Behan of BPS, stating that they verbally suggested that Meeker obtain more bids. There is nothing in the report stating that BPS spoke with Recorder Carpenter at any time about obtaining more bids. If this did not meet the requirements of BPS they should not have proceeded with oversight of project and should have contacted the Recorder personally if they wanted more bids. (See exhibit 2)

In both the 2009 and 2013 renovation projects, the Recorder was provided bid information for review in a similar manner. (Contents provided within a folder). The audit report on Page 7 states that bid process appeared to result in the selection of best and lowest bid for the 2009 project. Since the review process was the same, the



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Recorder was unaware at the time that proper procedures were not followed, only that the lowest bid was selected. The audit report on page 7 states that Recorder Carpenter indicated bids were not solicited for the 2013 project. At the time that the Recorder reviewed what was provided to them, this was not an accurate statement. The City Counselor's office did NOT interview the Recorder during their investigation.

The audit states that BPS recommended advertising and formally bidding the project to the former Chief Deputy, but she declined to do so. The Recorder is unaware of any notification or documentation either verbally or in writing that would indicate that she was made aware of this recommendation. If this was not done appropriately as they indicated, why would BPS agree to manage the project? The Recorder would suggest that it is BPS responsibility to ensure that the projects that they manage are done correctly. Has any documentation been provided to back-up BPS claims? The Recorder was never asked about these assertions.

For the auditor to assume that undocumented statements from BPS are fact, is unprofessional and Chapter 3 (General Standards) of the Government Auditing Standards Manual provides guidance on handling these issues.

It states in 2009 and in 2013 that BPS became aware of related party concerns. If BPS became aware of this relationship in 2009, would it not be fair to say that the person with the same name was still a related party concern before the work began. Not early during the construction work as the report suggests?

The audit report states that for the minor projects cited, there are no statutory requirements for advertising or bidding; however, the report suggests that the Recorder did not meet some requirements for comparative pricing to ensure fair value. The Recorder will seek clarification from auditors on when comparative pricing becomes necessary based on state statutes. This will then be added into the Recorder's new Procurement Policy which is still under development.

The ROD concurs with the auditors recommendations for properly following bidding procedures and has therefore developed a policy in regards to construction and renovations projects. (See exhibit 3)

- 1.2 *Under construction contracts (page 6), it is cited that the Recorder allowed excessive change orders. BPS managed BOTH the 2009 and 2013 projects. Even though the office requested things be*



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changed, all change orders were written and approved by BPS. BPS staff are the professional construction managers for projects. If we were doing anything wrong in requesting changes or they were excessive, we were never informed of it either being wrong or excessive.

All change orders were done through BPS with their approval. If the office was doing excessive change orders, we were never notified either verbally or in writing that we needed to get separate bids. The Recorder's office has no professional construction project managers on staff, so we would have no other way of knowing this was excessive unless we received some sort of direction from the BPS professionals.

The ROD concurs with auditors' recommendations for better development on project scope. ROD will rely on BPS as project management experts to provide guidance for substantial project changes.

Auditor's Comment

- 1.1 This audit was conducted in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our office has an extensive quality control system in place to ensure compliance with auditing standards. The SAO regularly submits to an external peer review to ensure compliance with those standards. The most recent peer review report can be viewed at <http://auditor.mo.gov/aboutus/peerreview>. It concluded our system of quality control was suitably designed and complied with to provide reasonable assurance of conforming with government auditing standards.

As an elected official, the Recorder has fiduciary duty to carry out the functions of the office in the best interest of the citizens. Bids should be performed in a manner to ensure fair and open competition is achieved. When contracts are awarded to vendors that are related to the Recorder's staff, the Recorder should perform procedures to obtain comparative pricing and ensure fair value is received for the monies spent in order to mitigate the related party concern.

2. Nepotism

The Recorder, Sharon Carpenter, hired her great nephew to work as a temporary contractor. Between June 2010 and January 2012, Recorder Carpenter paid \$12,255 to her great nephew to perform document archival services.



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Effective July 14, 2014, Recorder Carpenter resigned from office as required by the Missouri Constitution after the nepotism concerns were raised and made public. Recorder Carpenter indicated she misinterpreted the legal requirements related to hiring relatives when she hired her great nephew.

Article VII, Section 6, Missouri Constitution, provides that any public official who names or appoints to public office or employment any relative within the fourth degree shall forfeit his office.

Recommendation

The Recorder consult legal counsel regarding matters of legal interpretation and ensure compliance with the Missouri Constitution related to hiring relatives.

Auditee's Response

The Recorder concurs with future consultation with legal counsel. The Recorder's reading of Missouri's nepotism law was from the standpoint of Standard English grammar. Checking the word "within" in all standard dictionaries give examples of "within" as a boundary word, not an inclusive word. There is no way to know legislative intent at this late date, acceptance of the word "within" as inclusive which has been decided by someone other than the legislators who passed the law. In the future, legal counsel will be sought by the ROD prior to decisions.

Auditor's Comment

The legal prohibition against the hiring of a great-nephew is a clear violation of a constitutional provision, not a statute implemented by legislation. The Recorder should seek legal counsel when actions and decisions pertain to significant legal provisions.

3. Records Preservation Account Compliance

The Recorder's office did not comply with numerous legal requirements related to the Records Preservation Account. The Recorder currently maintains this special revenue fund in a separate bank account under the control of the City Treasurer as required by statute. Fees are collected as required by statute and deposited in the account. Until August 14, 2014, the bank account was completely under the control of the Recorder's office. On that date, the account balance was placed in the custody of the City Treasurer and checks are now signed by the City Treasurer's office after the Recorder's office prepares them. The Recorder's office collected records preservation and technology fees totaling approximately \$223,000 and \$230,000 during the years ended June 30, 2015 and 2014, respectively. Disbursements of approximately \$206,000 and \$223,000 were made from the account for the fiscal years ended June 30, 2015, and June 30, 2014, respectively.

3.1 Restricted revenues

The Recorder has not established adequate procedures to ensure restricted monies are expended only for statutorily allowed purposes. Fees assessed for record storage, microfilming, and preservation, and fees assessed for



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technology are commingled in a ledger with other monies collected by the Recorder's office rather than being accounted for in separate funds. State statutes establish different allowable uses for these fees. Adequate accounting records are not maintained to ensure the sources and uses of funds are accounted for separately and; therefore, there is little assurance that each source has been properly spent for its specifically allowable purpose.

When receipts and disbursements associated with restricted monies are maintained in the same bank account, separate accounting should be established to track their usage and ensure compliance with state laws.

3.2 Unallowable expenditures

Recorder Carpenter authorized unallowable expenditures from the Records Preservation Account. Monies deposited in the Records Preservation Account are to be used only for purposes allowed by state law. However, we noted expenditures clearly not in compliance with state law and others insufficiently documented to determine compliance.

We selected and reviewed in detail 35 of 370 expenditures made from the account between August 2009 and June 2015. Recorder Carpenter authorized the following expenditures totaling \$3,761 that are not allowable uses of the Records Preservation Account.

- \$2,378 - rugs for the Recorder's and Deputy Recorder's private offices
- 687 - furniture, decorating items, cleaning supplies
- 419 - legislative meetings
- 145 - food and entertainment
- 132 - notary association membership

Recorder Carpenter also authorized travel and conference expenditures for attendance at Missouri and international recorder association meetings without sufficient documentation to determine compliance. Documentation retained in the Recorder's disbursement files was insufficient to verify if all conference sessions and travel activities related to records storage, microfilming, and preservation, or to the purchase, installation, or upgrade of modern technology for the office. Our review indicated conference and travel expenditures from the Records Preservation account stopped in August 2014 after Recorder Florida was appointed to the office. Recorder Carpenter resumed paying travel expenditures from the account in April 2015. Of the \$7,393 expended from the account for conference and travel expenses during the 2 fiscal years ended June 30, 2015, we reviewed the following expenses totaling \$6,094:



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\$3,341 - hotel or conference facility
1,200 - international recorder's association conference registration fee
1,023 - personnel reimbursements
179 - food
351 - travel and fuel

In addition, Recorder Carpenter authorized construction expenditures that were only partially statutorily compliant or were not sufficiently documented to demonstrate compliance. Our review of construction invoices for the 2009 and 2013 major renovation projects and for several smaller projects in 2009 and 2014 indicated that some of the expenditures were related to the purchase and installation of newer or more efficient technology that also supported storage and archival of records as allowed by Sections 59.800.1(1) and 59.319.1, RSMo. Because the Recorder's office documentation did not provide sufficient details regarding the amounts that were related to improving technology and archiving records, we were not able to confirm statutory compliance of construction expenditures. However, some construction expenses, such as new flooring and painting, appear to be general upgrades to the office that were unrelated to technology or storage and archival of records.

Recorder Carpenter indicated that she believes the language in Section 59.319.1, RSMo, that states "including anything necessarily pertaining thereto" provides a broad interpretation of the statute. However, it is unlikely this interpretation is correct because allowing the monies collected under Section 59.319, RSMo, to be spent on a broad range of activities associated with duties of the Recorder would undermine the legislative intent of the statute. Such an interpretation would effectively bypass the restrictions as stated in the section. Recorder Carpenter has not obtained any legal opinions specifically related to allowable expenditures of the monies maintained in the Records Preservation Account. The City of St. Louis Office of the Comptroller's report, Recorder of Deeds Technology and Archival Account, dated November 20, 2014, included similar findings.

Section 59.319.1, RSMo, requires the \$2 document recording fee be used for record storage, microfilming, and preservation, including any additional expenses related to record storage, microfilming, and preservation. Section 59.800.1(1), RSMo requires the \$1.25 document recording fee be used only for the purchase, installation, upgrade and maintenance of modern technology necessary to operate the recorder's office in an efficient manner.

3.3 Annual budgets

The Recorder's office did not prepare budgets for the Records Preservation Account for the fiscal years ended June 30, 2015, and June 30, 2014. Recorder Carpenter indicated that the account has not been budgeted through the city's Board of Estimate and Apportionment because doing so would reduce the Recorder's General Fund appropriation from the city and



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result in expenditures that are now paid from the General Fund to be paid by the Records Preservation Account. However, Recorder Carpenter has also not developed an internal working budget.

Section 59.319.1, RSMo, requires every recorder to budget the associated fees. In addition, Sections 50.525 to 50.745, RSMo (The County Budget Law), require counties to prepare annual budgets for all funds, describe details to be provided in budget documents, and provide timeframes for the completion of certain aspects of the budgetary process. By preparing budgets for the Records Preservation Account, the Recorder can present a complete financial plan to the citizens and can more effectively monitor and evaluate financial resources.

3.4 Procurements and bidding

The Recorder's written procurement policy does not ensure compliance with state law. The policy establishes bidding requirements for document archival or technology purposes; however, there are no requirements for advertising purchases and there are no requirements for general purpose purchases. As a result, some purchases were not bid or advertised in compliance with state law.

In addition to the concerns identified in MAR finding number 1.1, the Recorder also did not bid or advertise several additional purchases from the Records Preservation Account in compliance with state law. A purchase in December 2014 totaling approximately \$20,900 for scanning equipment used to archive documents was bid but not advertised. A purchase in October 2014 totaling approximately \$10,600 for records storage supplies was not bid or advertised.

State law requires competitive procurement practices for significant contracts and purchases. Section 50.660, RSMo, requires due opportunity for competition for contracts and purchases with any one vendor in a 90 day period including bids for purchases exceeding \$4,500 and advertisement of the proposed contract for purchases of \$6,000 or more. The Recorder should develop a policy that properly reflects statutory requirements, addresses all procurement aspects of contracts and purchasing, is routinely used for major purchases, ensures necessary services are obtained from the best-qualified vendor at a reasonable cost, and ensures all interested parties are given an equal opportunity to participate.

A similar condition was noted in our prior audit Report No. 2010-16, *City of St. Louis Office Of Recorder Of Deeds*, issued in January 2010.

3.5 IRS reporting

The Recorder did not ensure payments to individuals were properly reported to the IRS when required.



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The Recorder hires temporary contractors who are paid from the Records Preservation Account to perform document archival services. Although payments to most of these individuals did not exceed the reporting threshold, our review of payments during calendar years 2013 and 2014 indicated one individual was paid \$5,946 during 2014. This individual's payments were not reported to the IRS on a 1099-MISC form as required.

Sections 6041 to 6050W of the Internal Revenue Code require non-wage payments of at least \$600 in one year to an individual be reported to the federal government on a 1099-MISC form.

Recommendations

The Recorder:

- 3.1 Establish separate funds or a separate accounting of the Records Preservation Account monies.
- 3.2 Expend the Records Preservation Account monies in accordance with state law.
- 3.3 Ensure an annual budget is prepared for the Records Preservation Account.
- 3.4 Develop and adhere to a procurement policy that properly reflects statutory requirements and addresses all procurement aspects of contracts and purchasing.
- 3.5 Ensure 1099-MISC forms are issued when required.

Auditee's Response

- 3.1 *This account was registered with the City Treasurer's office since its inception and audited annually by the Treasurer's audit firm. As the ROD understands it, this is still the policy.*

The Treasurer's office policy is not to maintain this account but rather have these accounts audited. There are also two ways that fees can be viewed to show separation. 1. Viewing the cashiers daily cash book 2. Reports can be printed out and viewed.

More often than not technology is used in the preservation of documents. As an example, "Hands Free Microfilm" is solely for the purpose of preservation but is completely technology driven. While the ROD understands the two referenced state statutes, the feasibility of separation is questionable. The Recorder has implemented a new procedure to better track fees as per Sections 59.319.1 and 59.800.1(1), RSMo.



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Reports are printed on a daily and monthly basis showing the two sources of fees according to state statutes. The disposition of funds will be shown on the annual budget for the Records Preservation Account.

- 3.2 *The vast majority of the construction expenses starting in 2009 occurred as a result of the need to upgrade to a new Technology Recording system. This required that more clerks were at customer counter locations. At that time, we also corrected wiring problems which were both fire and safety hazards. Cubicles were necessary to prepare for voice command audio.*

Workstation chairs - Recorder believes that employees using technology must be provided all necessary equipment to accomplish the work, including work station chairs.

Furniture Etc. - Recorder authorized a bench for disabled customers, picture frames, and supplies to clean after renovation. Also the rugs purchases were part of the renovation and the rugs are property of the City of St. Louis. Picture frames with archival photos are available for viewing in the office.

Legislative meetings - These meetings of the Recorders' Association of Missouri provide a forum for updating legislation to provide for new technology. In the future more in depth documentation of subject matter will be required. At the larger meeting or training sessions attended by the Recorder's staff members, each employee is given a certificate for participation, and the certificate is filed in the employees personnel file.

The food and entertainment expenses listed as unallowable expenses were for small snack related items during the Mayor's Open House, so the public could visit and see what services each office had within City Hall. This event provided an opportunity to demonstrate the technical advances in the office as well as the services provided by the archives department. There will be no such expenditure in the future.

The Recorder's office used this opportunity to demonstrate our state of the art technology and our archival research section to the public.

Notary Association - This was done only once and will not occur again in the future.



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The Recorder of Deeds concurs with auditors on improving expenditures policies for the Records Preservation Account. This will be addressed as part of our new procurement policy.

Travel Expense - The Recorder authorized these expenses because sufficient travel has not been provided in general revenue. It is impossible to keep up with either best practices and preservation of records or the ever evolving technological advances by never participating in conferences, training seminars, etc. In the future, greater documentation will be required in order to receive reimbursement.

- 3.3 *The Recorder shall appoint a minimum of three Recorder's staff to prepare an annual budget for the Records Preservation Account. This budget shall be approved by the Recorder. The approved fund budget will be monitored by the Chief Deputy Recorder in order to assure adherence. Should, during the fiscal year changes become necessary, the reason for the change shall be set out in writing along with complete documentation.*

Much of Sections 50.525 to 50.745, RSMo (County Budget Law), referenced in the audit report for preparing and filing annual budgets do not account for first class counties with a charter form of government. The ROD will seek clarification to meet auditor recommendations.

In the previous 35 years in office and having three previous state audits during this period there has never been mention of any discrepancies with the County Budget Law.

- 3.4 *A new procurement policy is being drafted. This procurement policy will not be completed until a full understanding on the use of city, state, and NASPO formally known as WSCA contracts are completed. ROD is studying and evaluating city, state, and NASPO contract requirements and will comply.*

The current Recorder is unable to respond to information regarding purchases in October 2014 and December 2014 in the amounts of \$10,600 and \$20,900, since those decisions were handled under previous Recorder Florida.

- 3.5 *Working with the Comptroller's office, a procedure has been developed to assure that a 1099-MISC form is provided to each contract employee. This procedure was implemented immediately in 2015 upon verbal notification from audit staff.*



Auditor's Comment

3.3 The City of St. Louis is recognized as both a city and a county by Article VI, Section 31, Missouri Constitution. The Office of Recorder of Deeds and Vital Records Registrar is a county office and is subject to state laws applicable to county offices. Budgeting all funds received and disbursed by the office provides transparency and allows for proper financial planning.

4. Receipt Controls

We identified several weaknesses in the receipting controls and procedures in the Recorder's office. The office collected document recording fees and other fees totaling approximately \$3.3 million and \$3.4 million during the years ended June 30, 2015 and 2014, respectively.

4.1 Timely transmittals

Cash, check, and money orders received are not transmitted to the City Treasurer timely. During the fiscal year ended June 30, 2015, daily transmittals averaged approximately \$13,800; however, the monies were transmitted 3 days after receipt. The Recorder's office began accepting credit card payments in September 2013. Prior to that time, the Recorder's office transmitted receipts daily. However, since the credit card transactions do not clear the Recorder's Credit Card Clearing Account for several days, a three day lag was implemented so that cash, checks, money orders, and a check from the Credit Card Clearing Account for each day's transactions could be transmitted together. Receipts were balanced to revenue reports on a daily basis and then held in the cashier's safe until transmitted to the city.

The failure to transmit monies timely increases the risk of loss, theft, or misuse of funds.

4.2 Mail receipts

The Recorder's office current controls over mail receipts do not segregate receiving and processing functions, and independent reviews are not performed.

The four departments of the office (Land, Archives, Vital Records, and Marriage) receive information requests and documents to record through the mail. Daily mail is initially received by the front office staff and sorted by department. The front office staff opens the Land Department mail and prepares a log. For the remaining departments, a blank log sheet is attached to the mail. All mail is distributed to the departments for further processing.

The remaining three departments prepare their own log. All departments take monies to the cashier to be receipted, return any rejected documents directly to the customer, and return a copy of the log to the front office. Copies of the customer receipts are retained by the cashier but copies of the receipts are not attached to the logs by the departments nor are the receipt transaction numbers recorded on the logs. As a result, there is less ability to verify the proper disposition of the receipts.



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Because logs are not prepared by an independent person for the Archives, Vital Records, and Marriage departments there is less assurance that all monies received in the mail are recorded on the mail logs. In addition, attaching or referencing cashier receipts to the departments' mail logs would facilitate independent reviews to ensure all monies received in the mail are remitted to the cashier for deposit.

Adequately detailed mail logs combined with proper segregation of duties and/or an independent or supervisory review are necessary to ensure all mail receipts are accounted for and properly recorded in the cashier records.

4.3 Voided transactions

Voided system transactions do not require supervisory approval, are not periodically reviewed by an independent person or supervisor, and are not adequately documented. A report of transactions voided between July 2013 and June 2015 listed 687 transactions totaling approximately \$141,000.

Only the cashier's office can void monetary transactions. There are no supervisory reviews performed of voided transactions to ensure the entries are proper.

We performed a review of ten voided transactions, including the five largest transactions totaling approximately \$120,000, and identified that documentation of the reasons for voiding transactions is inconsistent. In addition, voided monetary transactions are not referenced to replacement transaction numbers when possible. The Recorder's IT staff performed research into the transactions' underlying data and provided reasons for and ultimate resolution of the voided transactions we reviewed. Additional documentation provided by IT staff adequately explained the voided transactions.

To ensure all voided transactions are valid and to reduce the risk of loss, theft, or misuse of funds, proper documentation should be maintained and someone independent of the receipting and recording function should review and approve these transactions.

Recommendations

The Recorder:

- 4.1 Transmit cash, check, and money order receipts to the city, separate from the credit card collections, each day as they are received.
- 4.2 Require an independent person prepare an initial record of monies received in the mail. Record receipt transaction numbers on the log or attach duplicate copies of customer receipts to the log. Require periodic, independent reviews of the mail logs and disposition of receipts received in the mail.



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Auditee's Response

4.3 Ensure adequate documentation is maintained to support all voided transactions and ensure an independent review and approval of these transactions is performed and documented.

4.1 *Timely transmittals of funds were corrected July 21, 2015. This was the same day auditors made a verbal recommendation to correct. Since that day we have implemented a policy to make daily deposits.*

4.2 *The ROD mail log system is exceedingly rare. A mail log is not required by law and perhaps 1% of the mail contains cash. All mail is received and date stamped in the front office every day. The mail is then separated by departments. Each department supervisor except Land Records receives their mail and the mail is usually assigned to the same person daily. Land Records is logged in by the front desk due to the department capacity of mail most days. The mail can be cross referenced three ways, checking the daily log in any department, checking with the cashiers to verify receipt of funds and checking the receipts that are kept in the cashiers' office. Since the mail log is not a legal requirement, and the audit does not show that funds have been misplaced or stolen, the Recorder questions why this is a part of the audit.*

The Recorder management staff reviewed a six month period for cash transactions. The mail logs with cash totaled \$1,135.50 for the six months. The Recorder will attempt to meet the auditors' recommendation for an independent person to be assigned mail logging duties, however it may be difficult to justify a \$29,000 a year position to track an estimated \$2,271 in cash annually. Recorder will submit a letter of request to Board of Estimate and Apportionment to meet the auditors' recommendations.

4.3 *The majority of the transactions that were voided occurred during the earlier part of the audit because the electronic records management AVID Program was still relatively new. There were no monetary discrepancies as a result of any voided transactions. This is not stated as clearly as the amount of and number of voided transactions. As an example, on 8/15/2013 an escrow deposit transaction was entered in error as \$76,660. This was voided and re-entered on the same day as a new transaction in the amount of \$7,660. (See exhibits 4 and 5)*

The fact that no monetary discrepancies were shown should have been included in the audit report.

Voided transactions only occur with monetary transactions and are completed by the centralized cashiers. To void a transaction



requires a biometric fingerprint to complete with a reason for the void stated. Auditors watched the void process several times during their review process.

ROD concurs with audit recommendation for independent review. Changes were implemented starting in September 2015. There are reasons recorded in the database for voided transactions. I.T. staff has worked with the vendor to produce a report for voids only that will show the reasons for those voids. This will be reviewed by management on a monthly basis.

Auditor's Comments

- 4.2 Our recommendation does not suggest or require the need for an additional employee.
- 4.3 Although the Recorder's IT staff provided documentation to adequately explain the 10 voided transactions we reviewed, there were no supervisory reviews performed to ensure all voided transactions were proper. Proper handling of these transactions was not evident in the records and additional research was necessary to determine the validity of the transactions.

5. Bank Account Controls

Controls and procedures related to the Recorder's Records Preservation and Credit Card Clearing bank accounts need improvement.

5.1 Records Preservation Account bank reconciliations

Complete and accurate bank reconciliations were not prepared for the Records Preservation Account and adequate supervisory reviews of the reconciliations were not performed. The former Deputy Recorder performed and documented reviews of the bank reconciliations, but reconciliations have not been reviewed since her termination in September 2014. Our review of the February 2015 reconciliation identified that the book balance of approximately \$340,000 was not accurately stated due to two old outstanding transactions totaling approximately \$900 that had not cleared the bank and had not been followed up on. We determined both transactions were duplicate entries in the accounting software that needed to be reversed.

Documented supervisory reviews of bank reconciliations are necessary to ensure the reconciliations are complete, accurate, and differences are adequately investigated and explained. Supervisory reviews provide assurance that bank and book balances have been properly reconciled, and that book balances are accurately stated.

5.2 Records Preservation Account expenditure controls

The Recorder's expenditure policy is incomplete. The policy does not contain instructions for numerous basic procedures including requirements for: procurement of general purchases unrelated to technology or archival supplies, advertisement for bids, documentation of bidding and price



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quoting, supporting invoices, supervisory approval, and indication of receipt of items purchased. Lack of complete policies contributed to incomplete documentation of the office's procurements including information necessary to ensure all payments represent valid and appropriate purchases. The weaknesses noted below were identified during our review of expenditures made from the Records Preservation Account bank account prior to July 2014 when Recorder Carpenter resigned. The policy should be updated to address these weaknesses and applicable records reviewed periodically for compliance by the Recorder.

As indicated in MAR finding number 3, this bank account was completely under the control of the Recorder's office until August 2014. Recorder Carpenter resigned from office in July 2014 and in August 2014 Recorder Florida closed the bank account and opened a new account in cooperation with the City Treasurer. The City Treasurer now holds signatory authority for disbursements from the account.

- Supporting documentation was not adequate for some expenditures. For example (1) debit card purchases sometimes did not include an itemized receipt, (2) conference and training documentation did not include proof of attendance or detailed information to verify the expenditure met allowable criteria, and (3) documentation for payment for a window air conditioning unit was a city maintenance purchase requisition, not an invoice from the vendor.
- Supervisory review and approval of some expenditures was not documented.
- Receipt of goods was not documented for some expenditures.

Without adequate payment processing policies, controls, and procedures, such as ensuring supporting documentation is complete and sufficient, documenting supervisory review and approval of expenditures, and ensuring goods and services are received prior to payment, the Recorder cannot ensure all payments made are valid and appropriate.

5.3 Credit Card Clearing Account balance

The Credit Card Clearing Account balance is not adequately monitored and is in excess of current needs.

Recorder Carpenter opened a bank account in September 2013 to facilitate the receipt of customer credit card payments. As of June 30, 2015, collection of document recording fees and customer convenience fees totaled approximately \$316,000 and \$6,000, respectively. Document recording fees transmitted to the city and banking fees totaled approximately \$301,000 and \$1,000, respectively, leaving a remaining cash balance of approximately \$20,000.



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Customer convenience fees are allowed to accumulate in the bank account and are used to cover the account's service fees and other administrative expenses such as check order charges. However, no summary records are maintained to track the balance due to the city or ensure the remaining cash balance agrees to the accumulated total of the customer convenience fees less banking fees and administrative expenses. In addition, the accumulated balance is in excess of amounts needed to cover expenses.

Monthly lists of liabilities and other cash on hand should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient funds are available for payment of all liabilities. The cash balance in excess of current needs should be transmitted to the City Treasurer to reduce the risk of loss, theft, or misuse of funds.

Recommendations

The Recorder:

- 5.1 Ensure supervisory reviews of the Records Preservation Account bank reconciliations, accounting records, and bank records are performed and documented.
- 5.2 Improve expenditure policies, controls, and procedures of the Records Preservation Account, including required documentation, supervisory approval, and indication of receipt of goods to ensure all payments made represent valid and appropriate purchases.
- 5.3 Prepare a monthly list of the Credit Card Clearing Account liabilities including undistributed customer convenience fees and compare to the reconciled bank balances. Any differences should be promptly investigated and resolved. In addition, the cash balance in excess of current needs should be transmitted to the City Treasurer.

Auditee's Response

- 5.1 *The ROD concurs with auditors on necessity for bank reconciliations. This occurred during the move of the account to the Treasurer's office and appointment of new Chief Deputy. Reconciliations are being done and reviewed as they were previously.*
- 5.2 *Completion certificates for conferences are located in personnel files of employees that attend them. These are available upon auditors' request. Also, there is no longer a debit card assigned to ROD account.*

Grainger was an emergency purchase with the help of the Facilities Management Department, in ordering an air conditioning window unit for our I.T. equipment. This air conditioning unit was a



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necessary purchase to save \$1.2 million of computer equipment from overheating. Had the auditors requested a receipt of purchase, it would have been provided by request from Facilities Management.

The Recorder of Deeds concurs with auditors on improving expenditures policies for the Records Preservation Account. This will be addressed as part of our new procurement policy.

- 5.3 *A policy for transferring excess funds in the Credit Card Clearing Account to General Revenue has already been implemented. Every fiscal year the amount will begin with a \$1,000 balance, all funds in excess of \$1,000 shall be transferred to City General Revenue. The only liabilities on this account are payments to the Treasurer for credit card receipts, purchase of additional checks if needed and if there are any credit card disputes that would have to be corrected. The liabilities will never change from month to month except for these 3 purposes. (See exhibit 6)*

Auditor's Comment

- 5.2 As verified by the auditors, a copy of the invoice for the air conditioning unit was not on file at the Recorder's office. The Recorder cannot ensure all payments made represent valid and appropriate purchases without obtaining adequate supporting documentation.

6. Escrow Liability

The Recorder's records of monies held in escrow are not reconciled to the city's general ledger records or balances and, as a result, errors and other unidentified differences remained undetected. Deposits and uses by participating customers totaled approximately \$1.9 million during the year ended June 30, 2015, and approximately \$1.8 million during the year ended June 30, 2014.

Title companies, banks, and other customers may establish escrow (prepaid) accounts with the Recorder's office. Deposits, uses, and escrow account balances are documented in the Recorder's cashier software. Deposits are transmitted to the City Treasurer daily and are recorded in the city's General Fund as a liability in the Title Fee Deposits Account. At the end of each month, the Recorder provides journal entry instructions to the City Comptroller to reduce the Title Fee Deposits Account for amounts used by the customers during the month. The journal entry reduces the city's liability account balance and increases revenues.

We performed a reconciliation between the Recorder's escrow report balance of \$173,000 and the city's general ledger balance of \$326,000 as of February 28, 2015. After adjusting for timing differences totaling approximately \$92,000 we determined the city's liability balance exceeded



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the Recorder's liability balance by approximately \$61,000. Recorder's office personnel performed research and indicated they incorrectly reported a month-end transfer amount to the city in October 2013 by approximately \$23,000. The additional difference of approximately \$38,000 remains unexplained.

Monthly reconciliations between the Recorder's escrow account balances and the city's liability account are necessary to ensure deposits are properly recorded and are sufficient to meet liabilities. Any discrepancies should be promptly investigated and resolved.

A similar condition was noted in our prior audit Report No. 2010-16, *City of St. Louis Office Of Recorder Of Deeds*, issued in January 2010.

Recommendation

The Recorder reconcile escrow account balances to the city's liability account monthly. Any differences should be investigated and resolved.

Auditee's Response

State Auditor Margaret Kelly solved the reconciliation issue by sending cards to ROD clients to gain confirmation of escrow balances, noting the impossibility of balancing with the Comptroller. Our escrow balance reports are submitted to our customers on a monthly basis with no discrepancies noted from them. Recorder recommends for future audits that auditors check verification of escrow accounts with Recorder clients.

ROD staff has met with Comptroller staff to discuss reconciliation procedure. In looking over newly available information ROD I.T. staff identified some issues with data entry and reporting. Previous audits have shown issues with reconciling with Comptroller's office; however no details to explain the balancing discrepancies have been identified. Efforts to balance with the Comptroller's escrow liability account are also affected by the timing differences between the Treasurer's Office depositing escrow funds and the Comptroller's Office applying funds to General Revenue account. The ROD is unaware of the procedures between the Treasurer's Office and the Comptroller's Office in handling deposits into the escrow liability account. The ROD office will continue making every effort to balance with the Comptroller.

Auditor's Comment

The Recorder is not properly distinguishing audit procedures (confirming escrow balances) from an important management function (reconciliation of the total escrow account balance per the Recorder's records to the city's liability account). Procedures conducted by State Auditor Margaret Kelly relate to her audit report of the City of St. Louis Recorder and are not relevant to the current audit that covers the 2 years ended June 30, 2015. The previous audit report (No. 87-109, issued in November 1987) contains a similar finding. Due to the increased volume of activity and continued lack of reconciliations, the unexplained difference has increased from



approximately \$5,500 at April 30, 1987, to approximately \$38,000 at February 28, 2015.

7. Vehicle Usage Log

As reported in our prior audit, a usage log was not maintained by Recorder Carpenter for a city-assigned vehicle she used through July 14, 2014, when the vehicle was returned to the city's fleet pool. Although Recorder Carpenter responded to the prior report recommendation that a vehicle usage log had been implemented, the Recorder's office did not have a log that documented the miles the vehicle was driven or the dates, destinations, and purposes of the vehicle's use.

Based on fueling documents and information provided by office personnel, it appears the vehicle was driven 5,460 miles during an 18 month period between February 2013 and July 2014. Recorder Carpenter reported personal and commuting use of the vehicle to the City Comptroller for use of the car during calendar years 2014 (through July) and 2013. The Recorder reported commuting miles totaling 5,330 and personal miles totaling 10,185 to the city payroll manager for the 2 calendar years. The total of 15,515 miles reported exceeds the actual mileage the car was driven by approximately 10,000 miles. Recorder Carpenter did not maintain documentation needed to properly document the use of city-owned property.

Without adequate usage logs, the Recorder cannot effectively demonstrate the purpose that the vehicle is used for. Vehicle usage logs should include trip information (i.e., beginning and ending odometer readings, destination, and purpose). The value of fringe benefits reported to the Internal Revenue Service should be supported by properly documented vehicle logs.

Recommendation

The Recorder prepare a vehicle usage log to document business, commuting, and personal mileage driven and ensure mileage reported for compensation is adequately supported.

Auditee's Response

The Recorder over estimated thereby paying more federal, state and local taxes than was required. The Recorder is no longer provided a city vehicle.

8. Vacation and Medical Leave

The Recorder's policies and procedures for vacation and medical leave need improvement. Although the Recorder adopted a Policies Manual, updated in July 2014, there are significant gaps and lack of clarity in the policy terms for vacation and medical leave. In addition, supervisory reviews did not detect and correct errors in cash leave payouts or posting of earned leave to employee records.

Vacation leave

The vacation leave policy does not indicate when earned leave will be posted to employee records and available for employee use. In addition, the policy does not indicate how leave accruals or leave payouts are performed for employees who terminate mid-year. The office typically posts earned



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vacation leave to employees' leave records in January in recognition of the employees' service during the prior year. However, lack of clarity in the policy contributed to inconsistent and improper granting of leave to some employees.

Vacation leave in the amount of 240 hours each was granted by Recorder Florida to two employees during August 2014 prior to the employees' retirements. The 240 hours would normally have been posted to employee leave records in January 2015 and would have represented service between January and December 2014. The employees either used the leave as time off or received pay for the unused balance at the time of their retirement. However, each employee received some vacation leave that was not earned by the employee because they retired before December 2014. In addition, one employee's normal annual amount of earned leave was 200 hours but the employee received 240 hours. Also, inadequate supervision allowed these employees to receive compensation for approximately 3 days they had not worked (approximately \$380) in their final pay.

Although vacation leave was granted mid-year to these two employees, it was not granted by Recorder Florida to a third employee who also terminated mid-year. This employee had earned approximately 220 hours of leave as of the date of termination.

Vacation leave was granted by Recorder Florida in advance to two additional active employees during August 2014 in the amounts of 200 hours and 40 hours. The leave would normally have been posted to the employees' records in January 2015. The advances were supposed to be recaptured by reducing the amount posted in the following January. Although the 200 hour advance was properly handled in January 2015, a clerical error made by the Recorder's office resulted in the other employee's leave record not being properly adjusted at that time. The Recorder's office corrected the error in July 2015.

Medical leave

The medical leave policy does not indicate if employees' unused medical leave balances are paid or expire upon termination. Lack of clarity in the policy contributed to inconsistent treatment of employees by Recorder Florida. Two employees who terminated during 2014 had not used their accumulated medical leave balances as of their termination dates. One employee was paid for 24.5 hours of unused medical leave. The other employee was not paid for 154.5 hours of unused medical leave. Office personnel indicated the Recorder's office customarily does not pay out unused medical leave balances.

Comprehensive and clearly written policies are necessary to ensure employment practices are clearly understood and consistently applied. Thorough supervisory reviews of final pay and leave records are necessary



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Management Advisory Report - State Auditor's Findings

to ensure employees are accurately and fairly compensated in accordance with written policy.

Recommendation

The Recorder develop comprehensive and clearly written personnel policies and ensure the policies are properly and consistently applied.

Auditee's Response

Recorder Carpenter provided the following response:

A vacation policy in regards to mid-year termination has been implemented effective October 9, 2015. (See exhibit 7)

All other medical and vacation policies are being reviewed to develop a clear and consistently applied policy.

Former Recorder Florida provided the following response:

The office and staff implemented policies over the 6 month period of Florida tenure to reflect that of the city regarding wages, reviews, and retirement with overall goal of treating employees consistently and in compliance with city policies.

City of St. Louis

Recorder of Deeds and Vital Records Registrar

Organization and Statistical Information

The City of St. Louis Recorder of Deeds and Vital Records Registrar is an elected statutory county office. The office's duties are defined by Missouri statutes and city ordinances. Duties include preserving and providing public access to public records affecting title to real estate, issuance of marriage licenses, and other legal matters; maintaining and assisting users with access to archive data dating between 1765 and the present; and administering a vital records registry office for birth and death records for the City of St. Louis under an appointment by the state's Department of Health and Senior Services.

The office employed 39 employees as of June 30, 2015.

Sharon Quigley Carpenter currently serves as the Recorder of Deeds and Vital Records Registrar (Recorder) for the City of St. Louis. She initially assumed the Recorder's duties as a result of a gubernatorial appointment in 1980. She was subsequently elected to her position in November 1982 and reelected every 4 years since 1982. Sharon Quigley Carpenter resigned from the office effective July 14, 2014, pursuant to requirements of Article VII, Section 6, Missouri Constitution and was reelected in November 2014. Her current term expires December 31, 2018. Pursuant to city policy, Sharon Quigley Carpenter also applied for and began receiving retirement income from the city's employee retirement system in January 2015.

Effective July 14, 2014, Mayor Francis Slay appointed Jennifer Florida to serve as Recorder and she served until January 1, 2015.

Elected Officials' Compensation

Name and Title	Compensation Paid for the Year Ended June 30,	
	2015	2014
Sharon Quigley Carpenter, Recorder	\$52,581	\$99,263
Sharon Quigley Carpenter, Retired	25,433	0
Total	\$78,014	\$99,263
Jennifer Florida, Recorder	\$47,207	0

Financial Activity

A summary of the office's financial activity within the city General Fund and Records Preservation Account for the 2 years ended June 30, 2015, is presented in the following appendixes. Other fees collected by the Recorder's office were processed through various other city funds.

Appendix A

City of St. Louis Recorder of Deeds and Vital Records Registrar
 Comparative Statement of Receipts and Disbursements
 General Fund

	Year Ended June 30,	
	2015	2014
RECEIPTS		
Recorded instruments	\$ 1,299,416	1,623,652
Marriage licenses	57,133	50,179
Birth and death records	855,654	766,062
Miscellaneous recordings	229,906	224,151
Rental of city property and other	6,657	11,227
Total Receipts	<u>2,448,766</u>	<u>2,675,271</u>
DISBURSEMENTS		
Personal services	2,354,656	2,290,132
Materials and supplies	28,883	24,290
Equipment, leases, and assets	5,890	8,689
Contractual and other services	179,986	226,430
Total Disbursements	<u>2,569,415</u>	<u>2,549,541</u>
RECEIPTS OVER (UNDER) DISBURSEMENT:	\$ <u>(120,649)</u>	<u>125,730</u>

Appendix B

City of St. Louis Recorder of Deeds and Vital Records Registrar
 Comparative Statement of Receipts, Disbursements, and Changes in Cash
 Records Preservation Account

	Recorder Carpenter	Recorder Florida	Recorder Carpenter
	January 1, 2015 through June 30, 2015	July 14, 2014 through December 31, 2014	July 1, 2013 through July 13, 2014
RECEIPTS			
Recording and online access fees	\$ 111,249	99,732	241,107
Other	1,723	245	215
Total Receipts	<u>112,972</u>	<u>99,977</u>	<u>241,322</u>
DISBURSEMENTS			
Technology hardware and software	124,793	21,147	106,118
Record preservation expense	39,668	16,095	985
Renovation expense	0	0	105,507
Travel	298	199	6,896
Bank fees and charges	264	805	1,860
Refunds	0	0	743
Other	2,180	0	1,324
Total Disbursements	<u>167,203</u>	<u>38,246</u>	<u>223,433</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(54,231)	61,731	17,889
BEGINNING CASH	<u>386,352</u>	<u>324,621</u>	<u>306,732</u>
ENDING CASH	<u>\$ 332,121</u>	<u>386,352</u>	<u>324,621</u>

City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

Exhibit 1

CITY OF ST. LOUIS
DEPARTMENT OF THE PRESIDENT
BOARD OF PUBLIC SERVICE
INFORMATION FOR BIDDERS
RECORDER OF DEEDS RENOVATIONS
R#2009-00-180
ST. LOUIS, MISSOURI

REQUEST FOR PROPOSAL

1.- PROPOSALS

Sealed proposals will be received by the Board of Public Service, Room 301, City Hall, until 4:30 P.M., St. Louis, Missouri time on March 26, 2009, at which time they will be publicly opened and read.

Announcement of the selected Design/Build team will be made upon completion of evaluation of the proposals. The Board of Public Service reserves the right to interview any or all the Design/Builders.

2.- GENERAL REQUIREMENTS

The following six firms have been qualified as Design/Builders to submit proposals for this project. Only proposals from these Design/Builders will be considered responsive. It is imperative that the Design/Build team proposed in the Statement of Qualifications submittal remain the same.

Brinkman Constructors
16650 Chesterfield Grove Road, Suite 100
Chesterfield, MO 63005

Guarantee Interiors, Inc.
2914 Locust
St. Louis, MO 63103



Exhibit 1 Cont.

Interface Construction Corporation
8401 Wabash Avenue
St. Louis, MO 63134

Salian Construction Services
8503 Mid-County Industrial Drive
St. Louis, MO 63114

Legacy Building Group LLC
1530 S.2nd
Saint Louis, MO 63104

Tarlton Corporation
5500 West Park Avenue
St. Louis, MO 63110

- 2.1. One set of schematic plans and performance specs will be provided free of charge to each of the six pre-qualified Design/Builders. Additional sets of schematic plans and performance specifications will be available for \$100.00 each. There will be no refunds.
- 2.2. Projected completion date: July 31, 2009.
- 2.3. Liquidated damages \$500.00 per day.
- 2.4. Bid Deposit \$7,850.00
- 2.5. The Minority Business Enterprise (MBE) goal and the Women Owned Business Enterprise (WBE) goal for this Letting is "Maximum Utilization of MBE and WBE". Maximum Utilization is deemed to have been met when any subcontracting or supplies equal a minimum of 25% MBE plus 5% WBE. (See page MW2 for further clarification.)
- 2.6. MANDATORY PRE-BID CONFERENCE: A mandatory pre-bid conference/walk-thru for all contractors bidding on this project will be held on March 4, 2009 at 10:00 a.m. starting in Room 305 City Hall.

3.- PLANS, SPECIFICATIONS AND FORM OF CONTRACT

Plans, specifications, contract and bid proposal forms may be examined in the Office of the President, Board of Public Service, Room 301, City Hall, and purchased for the amount as indicated in Section 2.1 above. Purchased sets will become the property of the prospective bidder and no refunds will be made.

The successful bidder will receive five (5) sets of schematic plans and performance specifications without charge for design purposes. If additional sets are desired by the bidder they will be purchased for the amount specified in Section 2.1 above.

4.- INVESTIGATION OF CONDITIONS



Exhibit 2

2. Revisions to the Bids

In our investigation, Meeker provided us with two other documents relating to the 2013 bids. One document was a revised Superior bid dated July 8, 2013.³⁹ The revised Superior bid included additional work under the “Scope of Work” section and the bid totals \$81,758.00.⁴⁰

Meeker also provided us a revised MCC bid that was not dated.⁴¹ The revised MCC bid is similar to the revised Superior bid, except that it omits four items under the “Scope of Work” section that are included in the Superior bid and it totals \$89,450.00.⁴² Both bids include under the Scope of Work the following sentence: “SBG to Supply and Install Plumbing Escution Plate.”⁴³ We have not found any explanation for why the MCC bid would require Superior to supply and install a plumbing escution plate.

Neither of the revised bids were signed. We have not seen any documents showing when and how the revised bids were provided to Meeker. Meeker stated that she obtained the revised Superior bid from her son, but that the revised MCC bid “just came in.”

3. Meeker’s Phone Call to BPS

On July 19, 2013, Peggy Meeker called Tom Behan, and informed him that the Recorder needed to complete renovations in the office and wanted BPS to oversee the work.⁴⁴ Over the phone, Meeker informed Behan that she had obtained two bids: one from Superior and one from MCC. Behan suggested that Meeker obtain additional bids from companies that were pre-qualified and frequently performed work for the City. Meeker stated that since the Recorder, as a county office, was not required to obtain more bids, she was “happy” with the bids she had, and wanted to take the lower bid. There is no evidence that Meeker informed Behan or anyone else at BPS that Superior was owned by her son.

Steve Harris supervised the construction work. After construction began, BPS employees learned that Superior was owned by Treis.

³⁹ Exhibit 22.

⁴⁰ *Id.*

⁴¹ Exhibit 23.

⁴² *Id.*

⁴³ *Id.*

⁴⁴ Meeker stated that she had shown the first bids to Behan shortly after receiving them around the end of June 2013. Behan stated that Meeker first contacted him after the higher bids were submitted in July. A contemporaneous memorandum to the file obtained from Behan’s file memorializes that Meeker contacted him on July 19, 2013. Thus July 19 was the only date for the first contact from Meeker to Behan that was supported by documentary evidence. It is also apparent from witness statements that BPS did not obtain a copy of the Superior and MCC bid documents until after the Recorder entered a contract with Superior.



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

Exhibit 3



Sharon Quigley Carpenter
Recorder of Deeds
City of Saint Louis
www.stlouiscityrecorder.org

City Hall, Room 126
1200 Market Street
Saint Louis, MO 63103
314.622.4610
info@stlouiscityrecorder.org



05 August 2015

Recorder of Deeds Staff:

Subject: RENOVATION/CONSTRUCTION POLICY

The following guidelines shall be adhered to during any renovation/construction projects that are requested for the Recorder of Deeds office spaces. For small projects managed by BPS, where BPS is providing services and staff to complete project, it will be the responsibility of BPS to determine when an RFP is required. This in no way precludes the Recorder of Deeds staff from determining needs, and BPS from requesting bids as necessary based on their standard procurement policies.

Recorder of Deeds shall select two staff members to develop outline of needs

Board of Public Service contacted to supervise project from inception to conclusion

Staff and assigned BPS project manager do walk thru to establish what needs to be included in order for RFP to be complete. This should prevent change order occurrences.

Staff prepares preliminary RFP

BPS-Prepares final RFP publishes same, sets date for bid opening.

Bid opening in BPS offices attend by staff. BPS retains original bids evaluates same using criteria used in all other bid process.

Staff meets with BPS after evaluation to rate bids, BPS being the professionals' recommendations shall be given more weight as the decision process proceed.

Should any member of staff or Recorder of Deeds have any relationship (no matter how distant) with finalists, that individual shall recuse himself/herself from decision making process.

BPS representation and staff shall meet with Recorder, to provide all necessary information on bids of finalists.

Based on responsiveness to RFP, completeness of bid, having met the prevailing standards required by the City and cost, a decision shall be reached and accepted by the Recorder.

BPS then follows the standard procedures with the successful bidder, including a detailed contract, established, time line, etc...

Once BPS & staff have agreed with contractors on the final contract BPS shall establish a start date for project.



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

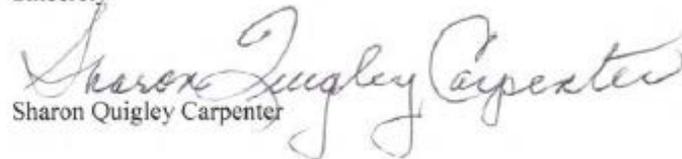
Exhibit 3 Cont.

No payment shall be tendered by the Recorder of Deeds until written approval of work is provided by BPS.

Any ancillary purchases necessary to complete the project (furniture, storage, etc...) shall have a minimum of three bids. BPS professionals should be consulted in bid process.

Final payment shall be issued only after complete inspection and approval by BPS representative.

Sincerely


Sharon Quigley Carpenter



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

Exhibit 4

CITY OF ST. LOUIS

12/04/2015 10:28 AM

TRANSACTION DATE & TIME
08/05/2013 4:40 PM

TRANSACTION # 4554906

SIMPLIFILE

AMOUNT PAID: 7660.00

CHECK: 4471 7660.00 SIMPLIFILE

ESCROW: 19548.93

THANK YOU
SHARON QUIGLEY CARPENTER
RECORDER OF DEEDS



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

Exhibit 5

VOIDED TRANSACTION

CITY OF ST. LOUIS

12/04/2015 10:29 AM

TRANSACTION DATE & TIME
08/05/2013 11:55 AM

TRANSACTION # 4554632

SIMPLIFILE

AMOUNT PAID: 76660.00

CHECK: 4471 76660.00 SIMPLIFILE

ESCROW: 19520.93

THANK YOU
SHARON QUITLEY CARPENTER
RECORDER OF DEEDS



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

Exhibit 6



Sharon Quigley Carpenter
Recorder of Deeds
City of Saint Louis
www.stlouiscityrecorder.org

City Hall, Room 126
1200 Market Street
Saint Louis, MO 63103
314.622.4610
info@stlouiscityrecorder.org



20 July 2015

Recorder of Deeds Staff:

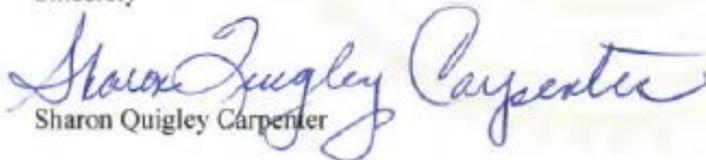
Subject: CREDIT CARD RESIDUAL FUNDS DISPOSITION POLICY

In accordance with City of St Louis code 3.20.070 Fees payable by credit card or debit card, The Recorder of Deeds is authorized to receive payment by credit card or debit card for fees imposed by law and to recover all administrative costs connected to these transactions and convenience fees imposed by the credit card service under contract to process such payments.

The administrative costs are collected at a rate of \$.50 per transaction. These funds are to be used to cover service fees, new checks, and to cover costs of disputed credit card claims, should they occur. Over time, there is a buildup of residual funds in the checking account used to process credit card transactions.

Credit Card Residual Funds Disposition Policy — After the end of each Fiscal Year, The credit card bank account will be reviewed for residual funds as follows. On the day that the final monthly credit card check for the preceding Fiscal Year clears, The cashiers will look at the remaining daily balance and deduct \$1000.00. The cashiers will take this difference and write a separate check with RCF to deposit residual funds into City of St Louis general revenue. The \$1000.00 deducted from the balance will remain in the account to cover administrative costs as needed.

Sincerely


Sharon Quigley Carpenter



City of St. Louis
Recorder of Deeds and Vital Records Registrar
Auditee Exhibits

Exhibit 7



Sharon Quigley Carpenter
Recorder of Deeds
City of Saint Louis
www.stlouiscityrecorder.org

City Hall, Room 126
1200 Market Street
Saint Louis, MO 63103
314.622.4610
info@stlouiscityrecorder.org



09 October 2015

Recorder of Deeds Staff:

Subject: RECORDER OF DEEDS OFFICE PRO-RATING VACATION POLICY

The Recorder of Deeds office adds employee vacation time at the beginning of the calendar year to each employee's accrued time for the previous year. This policy is being implemented to give employees vacation time that they may have earned if employment has ended prior to the end of the calendar year.

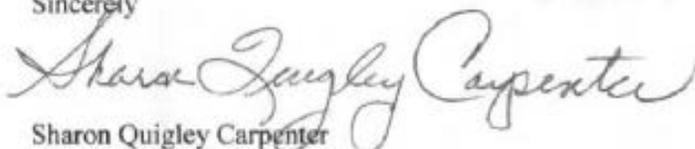
The vacation pro-rating will be based on each completed month of service prior to the employee's notification of intent. The number of hours an employee is to be pro-rated will be calculated as follows. The # of hours employee earns annually divided by 12 months multiplied by number of completed months.

The following example will show how a calculation is to be completed.

Employee would normally receive 240 hours of vacation at beginning of year.
On September 3rd, employee notifies management of their intent to retire or cease employment.
This shows employee completed 8 full months of service for pro-rated vacation.
 $240 \text{ divided by } 12 = 20 \text{ multiplied by } 8 \text{ (\# of completed months)} = 160 \text{ hours of pro-rated vacation.}$
The employee will not continue to accrue vacation once they have accepted pro-rated vacation and have started using time off in conjunction with their termination departure. Now suppose in January that you earned your 240 hours of vacation. In September when you decided to retire, you have used up all of your vacation, except 23 hours. After your final vacation accrual is pro-rated, you would have the 160 hours which was pro-rated plus the 23 hours you had remaining from your previous balance for a total of 183 hours.

An employee who is terminated for cause is not eligible for receiving pro-rated vacation.

Sincerely


Sharon Quigley Carpenter