



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Office of Circuit Attorney

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September 2018

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City of St. Louis - Office of Circuit Attorney

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA Missouri State Auditor

Honorable Kimberly M. Gardner, Circuit Attorney
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2010-17, *City of St. Louis, Office of Circuit Attorney*, issued in January 2010, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Office of Circuit Attorney. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Office of Circuit Attorney that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

A handwritten signature in cursive script that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

City of St. Louis - Office of Circuit Attorney

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Evidence Records and Procedures

Finding Number: 1.A.

Finding: One complete list of all evidence on hand was not maintained and a periodic inventory of evidence on hand was not conducted.

Recommendation: The Circuit Attorney ensure a complete list is maintained of all evidence in the hands of the Circuit Attorney's office (CAO). Also, the CAO should perform a periodic inventory of evidence, compare it to an inventory list, and investigate any differences.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Due to the heavy volume of evidence, storage issues remain a major challenge and a humongous venture for the CAO to properly locate, compartmentalize, and when legally necessary, destroy evidence and records after decades of completed cases and the voluminous growth of real and documentary evidence arising from the handling of prosecuted cases. This office maintains evidence processes for both open and closed cases. The evidence tracking system utilized for open cases is coordinated among the CAO, the Sheriff's office, and the St. Louis Metropolitan Police Department (SLMPD). The evidence tracking system for closed cases is maintained between the CAO and SLMPD. In line with the recommendation made by the State Auditor's office in the original report, the CAO continues to work with various parties to track evidence in the custody of the SLMPD.

In addition to the improvements made by the previous administration, we have upgraded the Prosecutor By Karpel (PBK) case management system, and this should provide a greater opportunity to electronically locate and handle evidence and records used in criminal prosecutions. While there is still work to be done, the investment in this technology and our efforts to become a paperless office should enhance our evidence records and procedures significantly in the long term. Law enforcement and the CAO discuss and investigate any differences found on the inventory list. However, the CAO and law enforcement continue to research better ways to ensure critical evidence is documented and stored appropriately. Current processes do not put justice at risk.

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City of St. Louis - Office of Circuit Attorney
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Status of Findings

Finding Title: Evidence Records and Procedures

Finding Number: 1.B.

Finding: There were no written procedures to review or update disposal dates of case evidence held by the Circuit Attorney. Several cases listed on the Evidence Disposal Report showed case evidence located in the property rooms with old disposal dates or no disposal date.

Recommendation: The Circuit Attorney develop procedures to ensure evidence is disposed of timely or documentation is maintained to show the evidence was reviewed and the disposal date postponed.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Evidence storage issues remain a major challenge for the CAO to properly locate, compartmentalize, and, when legally necessary, destroy evidence and records after decades of completed cases and the voluminous growth of real and documentary evidence arising from the handling of prosecuted cases. The CAO works to ensure evidence is documented, reviewed, and disposed of in a manner consistent with case needs and the most recent retention and disposal of records laws. Currently the CAO has made good efforts to electronically input information related to the whereabouts of evidence in the updated PBK case management system. In addition, the CAO has developed a spreadsheet earmarking evidence subject to disposal. With a new administration at the CAO, we are reviewing our current protocols to determine if there are better procedures and processes (including a court order, as required by statute, that lists certain evidence that is subject to disposal) to implement the disposal in conjunction with evidence under the custody of the CAO and law enforcement. Current processes and plans for disposal of evidence continue to ensure that justice can be served through the proper accounting of evidence.

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Status of Findings

Finding Title: Evidence Records and Procedures

Finding Number: 1.C.

Finding: The Circuit Attorney's office did not notify the city police or sheriff departments of evidence to be retained indefinitely in the property custody section.

Recommendation: The Circuit Attorney ensure all law enforcement agencies are formally notified when evidence will not be returned.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The general rule established by the SLMPD is that it does not take back evidence once it is checked out, so notification of intent to retain evidence is not necessary. The CAO has a notification-of-return system with the Sheriff's office that provides the type of evidence returned, the reason for return, and when the evidence was returned. The CAO is working with the SLMPD and Sheriff's office to establish a formal return policy using an electronic notification system.

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City of St. Louis - Office of Circuit Attorney
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Status of Findings

Finding Title: Bank Reconciliations

Finding Number: 2.A. and 2.B.

Finding: Formal bank reconciliations were not prepared timely by the Victim Services Unit for the Asset Forfeiture or Benefit Donations Accounts. In addition, differences between book and bank balances were not adequately investigated and any resulting adjustments were not approved. Bank reconciliations were not adequately documented by the White Collar Crime Unit for the Bad Check Account. In addition, the Bad Check Account had an unidentified balance which had been carried forward for several years.

Recommendation: The Circuit Attorney ensure monthly bank reconciliations are properly documented, differences between book and bank balances are investigated, and supporting documentation for adjustments and reconciliations are maintained. In addition, adjustments should be approved by someone independent of the accounting function and unidentified monies should be investigated and disposed of in accordance with state law.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The CAO has instituted procedures to ensure that formal bank reconciliations are properly documented by the Victim Services Unit for the Asset Forfeiture and Benefit Donations Accounts. The Asset Forfeiture Account has not received a deposit since 2014, and all existing funds have been utilized in accordance with federal and state law as of the beginning of this year (2018). All funding received through the Asset Forfeiture Account is subject to reconciliation reports that are produced through the QuickBooks accounting database. Unless additional funding is provided, no further activity is anticipated with this account. The Benefit Donations Account is an account of the Victim Witness Assistance Corporation. The Victim Witness Assistance Corporation is a 501(c)(3) corporation that is an independent entity not under the oversight nor subject to funding by the City of St. Louis. All funding received through the Benefit Donations Account is subject to reconciliation reports that are produced through the QuickBooks accounting database. In respect to the Benefit Donations Account, all bank reports are reviewed by the outside accounting firm that prepares our annual Form 990 tax filing.

The CAO agrees with the audit recommendations regarding the documentation and maintenance of bank reconciliations and differences between book and bank balances (if any exist) should be investigated. The CAO will institute monthly bank reconciliations of the Bad Check Account to determine any discrepancies. An outside accounting firm or entity will be sought to provide input and investigate the handling of monies to dispose of them in accordance with state law.

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City of St. Louis - Office of Circuit Attorney
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Status of Findings

Finding Title: Disbursements

Finding Number: 3.A.

Finding: The CAO did not solicit or retain bid/proposal documentation for the purchase of some services. Circuit Attorney personnel indicated the city's procurement policy was followed; however, it had not been formally adopted.

Recommendation: The Circuit Attorney formally adopt the city's procurement policy and ensure it is followed and complete documentation of the bidding process is maintained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The CAO has formally adopted the city's procurement policy as the CAO's "Purchasing Procedures and Policies." The policies are modeled after the city's processes and procedures and incorporate or reference the city's policy (where appropriate). The CAO follows its purchasing and procurement procedures while making purchases and procurements (when applicable).

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City of St. Louis - Office of Circuit Attorney
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Status of Findings

Finding Title: Disbursements

Finding Number: 3.B.

Finding: The White Collar Crime Unit did not conduct a formal study to support the percentage of monies withheld from the bond and asset forfeiture monies transferred to the state.

Recommendation: The Circuit Attorney ensure formal cost studies are performed and documented for all costs incurred in managing the asset forfeiture and bond forfeiture accounts.

Status of Finding: In Progress

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Recently, the White Collar and Fraud Unit has begun a formal study to examine the percentage of monies withheld from the bond and asset forfeiture monies transferred to the state. The study consists of a survey of Missouri case law in conjunction with an examination of the actual cost assessment of the resources expended by the CAO in collecting monies.

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Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Disbursements

Finding Number: 3.C.

Finding: Monitoring procedures for the CAO were not sufficient for fuel purchases.

Recommendation: The Circuit Attorney ensure all fuel charges are reconciled to the Board of Public Service Equipment Services Division fleet management report.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Chief Investigator of the CAO oversees a fuel policy that ensures all fuel purchased reconciles to the Board of Public Service Equipment Services Division (ESD) report. The CAO has implemented a fuel policy that requires a monthly fleet management report documenting all fuel purchases. The policy requires the identification of the staff person making the fuel purchases, and requires usage logs be maintained for each vehicle that show the date, beginning and ending odometer readings, and the reason for each trip. In addition, the CAO retains charge receipt slips and the receipt slips are reconciled to the fleet management report. The monthly fleet management report reconciles all fuel charges with a report that is forwarded to the ESD.

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