

**OFFICES OF THE
STATE AUDITOR OF MISSOURI
JEFFERSON CITY**

**BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
YEAR ENDED JUNE 30, 1988**

MARGARET KELLY, CPA



BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI

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STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

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Leo G. Stoff, Chairman,
and
Members of the Board of Election Commissioners
City of St. Louis, Missouri 63102

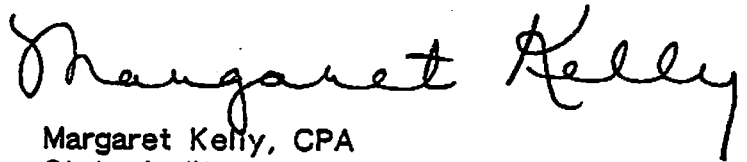
The State Auditor was petitioned under Section 29.230, RSMo 1986, to perform an audit of the city of St. Louis, Missouri. Accordingly, we have conducted a review of the Board of Election Commissioners, city of St. Louis. Our review included, but was not necessarily limited to, the city's fiscal year ended June 30, 1988. The purposes of our review were to:

1. Study and evaluate the Board of Election Commissioners' system of internal controls.
2. Perform a limited review of certain management practices to determine the efficiency and effectiveness of those practices.
3. Review probable compliance with certain constitutional provisions, statutes, administrative rules, attorney general's opinions, and city ordinances as we deemed necessary or appropriate.
4. Perform a limited review of the integrity and completeness of the Board of Election Commissioners' financial reporting system.
5. Perform procedures deemed necessary to evaluate petitioner concerns.

Our review was made in accordance with generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the Board of Election Commissioners' financial records, payroll procedures and documents, expenditures, contractual agreements, and other pertinent procedures and documents; interviewed personnel of the Board of Election Commissioners; and compiled the information in the appendices from the records and reports of the Board of Election Commissioners. The data presented in the appendices were obtained from the city's accounting system. However, they were not verified by us via additional audit procedures and, therefore, we express no opinion on them.

The accompanying History and Organization is presented for informational purposes. The background information was obtained from office management and was not subject to the auditing procedures applied by us in our review.

Our comments on management practices and related areas are presented in the accompanying Management Advisory Report.

A handwritten signature in cursive script that reads "Margaret Kelly". The signature is written in dark ink and is positioned above the printed name and title.

Margaret Kelly, CPA
State Auditor

March 29, 1989

HISTORY AND ORGANIZATION

**BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
HISTORY AND ORGANIZATION**

The Board of Election Commissioners exists pursuant to Section 115.017, RSMo 1986, and is responsible for conducting all city elections and tabulating election results. The Board is composed of four commissioners; two from each major political party. Commissioners are appointed by the governor to four year terms. At June 30, 1988, commissioners were as follows:

Jerry Wamser--Chairman, Republican
Rita Krapf--Secretary, Democrat
David Robbins--Republican
Walter Wrenn Jr.--Democrat

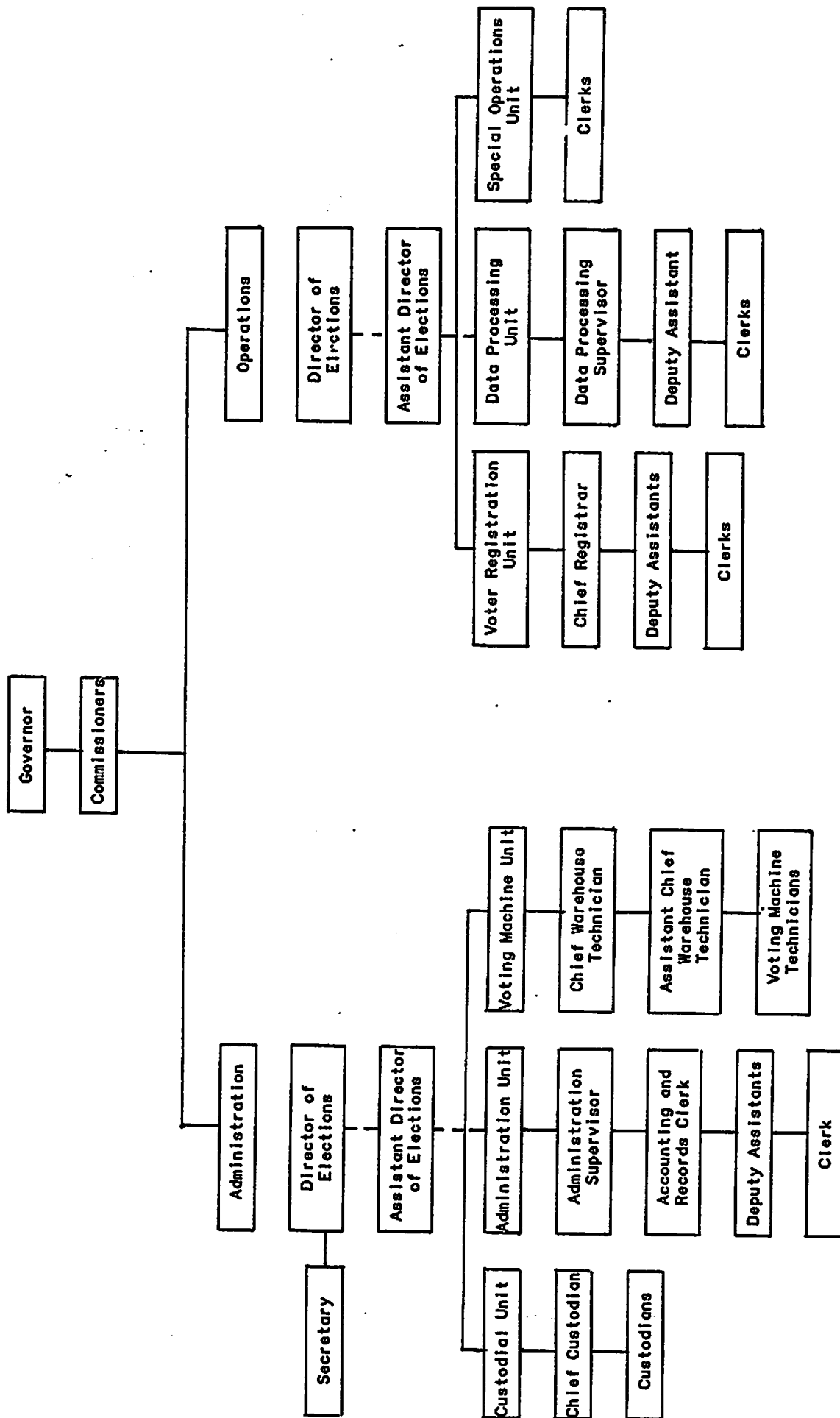
At June 30, 1988, the board had thirty full-time employees, equally divided between both major political parties. Key office personnel at June 30, 1988, were as follows:

Dorothy Cameron--Director of Elections, Democrat
Leonard Burst--Director of Elections, Republican
Carol Signaigo--Assistant Director of Elections, Democrat
Nedra Kiel--Assistant Director of Elections, Republican

Effective July 1989, commissioners were:

Leo G. Stoff--Chairman, Republican
James E. Mosbacher Sr.--Secretary, Democrat
Stephen F. Doss--Republican
Jimmie M. Edwards--Democrat

BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
ORGANIZATION CHART
JUNE 30, 1988



MANAGEMENT ADVISORY REPORT

**BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
SUMMARY OF FINDINGS**

1. Election Costs (page 12)

The state of Missouri and four political subdivisions were overcharged a total of \$9,095. The overcharges resulted from inaccuracies in two of the board's cost reports.

2. Fees Charged for Voter Information (pages 12-13)

- A. The board has not formally approved the fee policy in accordance with Section 115.157, RSMo 1986.
- B. Fees were not consistently assessed in accordance with the board's policy.

3. Payroll and Personnel Controls and Procedures (pages 13-16)

- A. The board has not adopted formal personnel policies. Policies are formulated on an ad-hoc basis and there is little consistency in the manner in which policies are applied.
- B. Employees were allowed to accumulate significant vacation and compensatory time balances. A terminated employee received \$43,124 related to accumulated leave balances (\$33,686 more than allowed by civil service provisions). Several other questionable transactions related to leave benefits were also noted.
- C. Payroll responsibilities are not adequately segregated.
- D. Prior written approval to work overtime is not required.
- E. All leave taken is not supported by an approved leave request form.
- F. Personnel files did not contain all necessary and pertinent information.
- G. Payroll calculations were not consistently accurate.

4. Cash Receipts Controls and Procedures (pages 16-20)

- A. Record-keeping and cash handling responsibilities are not adequately segregated.
- B. Reconciliations of cash received to associated receipt slips and subsequent deposit are not adequately performed or documented.
- C. Deposits are not made daily in accordance with Article XV, Section 24 of the City Charter.

- E. Several weaknesses surrounding the issuance of receipt slips for monies received were noted.
- F. Record-keeping controls over revenues are inadequate.
- G. Responsibilities for handling checks returned due to insufficient funds are not adequately segregated.

5. Contractual Agreements (pages 20-22)

- A. During the two years ended June 30, 1988, the board paid two consultants \$18,650 for advice on the selection, operation, and maintenance of the automated voting system. The board did not require evidence of time worked for one of the hourly paid consultants. In addition, one consultant was paid \$4,440 prior to a written contract being executed.
- B. Bidding procedures related to the board's purchase of a \$68,400 automated ballot counting system were inadequate.
- C. During the period of our review, a written contract did not exist between the board and their outside attorney.

6. Voter Registration Records and Procedures (pages 22-23)

- A. The board's procedures for removing deceased persons from current voter registration rolls were inadequate.
- B. There is little assurance all incapacitated persons and convicted felons have been removed from registration records in accordance with Article VIII, Section 2 of the Missouri Constitution.
- C. Backup voter registration records are inaccurate.

7. Data Processing Controls (pages 23-24)

- A. The board does not use batch controls to ensure all data is properly entered into the computer.
- B. Alternate data processing arrangements have not been made.

8. Expenditures (pages 24-25)

The board needs to evaluate whether to continue renting portable space heaters, or purchase heaters.

9. Rental of Election Vans (page 25)

During the two years ended June 30, 1988, the board paid approximately \$1,804 for unnecessary insurance coverage.

10. Election Judges (pages 25-27)

- A. Election judge compensation has not been approved in accordance with Section 115.101, RSMo 1986.
- B. Election judges were incorrectly compensated for attending instructional meetings.
- C. Election judges did not consistently submit signed documents of returned election materials as the basis for receiving \$3 of additional compensation.

11. Controls over Petty Cash (page 27)

- A. The petty cash fund custodian is also responsible for recording and depositing daily cash receipts.
- B. Individuals receiving petty cash are not required to sign for receipt of funds.

12. Accounts Receivable Controls and Procedures (pages 27-28)

- A. The accounts receivable collection policy is not formalized in writing. In addition, the informal policy is not followed as prescribed.
- B. Responsibilities relating to the accounts receivable function are not adequately segregated.
- C. Billings are not sequentially prenumbered.

13. Purchasing and Expenditure Controls (pages 28-30)

- A. Functions relating to the purchase of goods are not adequately segregated.
- B. Several deficiencies were noted during our review of the board's manual expenditure ledger.
- C. The board did not comply with Article XV, Section 29 of the City Charter which requires all purchases of supplies to be handled by the city's Division of Supply.

14. Noncompliance with Campaign Finance Disclosure Law (page 30)

The board did not notify the Campaign Finance Review Board of disclosure reports not timely filed. This violated Section 130.046, RSMo 1986.

15. Travel Reimbursement (pages 30-31)

- A. Written verification of actual attendance at conferences and seminars was not submitted with reimbursement claims.

- B. Invoices and receipts were not always submitted with reimbursement claims as stipulated by the city travel policy.
- C. Meal reimbursements exceeded the maximum allowed under the city travel policy.

16. Postage Machine (pages 32)

- A. Physical access to the postage machine is not adequately restricted.
- B. A written rental agreement does not exist for the postage machine.

17. Fixed Asset Controls (pages 32-33)

The duties related to fixed asset record-keeping and physical inventory procedures are not adequately segregated.

**BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT**

As part of our review of the Board of Election Commissioners, city of St. Louis, for the year ended June 30, 1988, we studied and evaluated the internal accounting control system to the extent needed to evaluate the system as required by generally accepted government auditing standards. For the purpose of this report, we have classified the significant internal accounting controls as cash, payroll, revenues, and expenditures. Our study included each of these control categories. Since the purpose of our study and evaluation was to determine the nature, timing, and extent of our audit procedures, it was more limited than would be needed to express an opinion on the internal accounting control system taken as a whole.

It is management's responsibility to establish and maintain the internal control system. In so doing, management assesses and weights the expected benefits and related costs of control procedures. The system should provide reasonable, but not absolute, assurance that assets are safeguarded against loss, and that transactions are carried out as authorized by management and are recorded in a manner that will permit the subsequent preparation of reliable and proper financial reports.

Because of the inherent limitations in any internal control system, errors or irregularities may still occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation was made for the limited purpose described in the first paragraph and, thus, might not disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the internal accounting control system of the city taken as a whole. However, our study and evaluation disclosed certain conditions that we believe are material weaknesses and these findings are presented in this report.

We reviewed probable compliance with certain constitutional provisions, statutes, ordinances, and attorney general's opinions as we deemed necessary or appropriate. This review was not intended to provide assurance of full compliance with all regulatory provisions and, thus, did not include all regulatory provisions which may apply. However, our review disclosed certain conditions that may represent noncompliance and these findings are presented in this report.

During our review, we identified certain management practices which we believe could be improved. Our review was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in this report should not be considered as all-inclusive of areas where improvements may be needed.

The State Auditor was petitioned under Section 29.230, RSMo 1986, to audit the city of St. Louis. We included those procedures necessary in our judgement to evaluate the petitioner concerns and those concerns requiring corrective action are addressed in this report.

The period of audit for the purposes stated above included, but was not limited to the period covered by the financial statements for the year ended June 30, 1988.

1. Election Costs

Pursuant to Section 115.065, RSMo 1986, the Board of Election Commissioners is responsible for apportioning election costs to the state of Missouri and the various political subdivisions. During our review of election cost procedures, we noted the state of Missouri and three political subdivisions were overcharged a total of \$9,095 related to the April 7, 1987, and August 2, 1988, elections. The overcharges primarily resulted from mathematical inaccuracies contained in the board's cost report. The cost report, which is used to compile chargeable election costs, contained errors in the salaries, overtime, office supplies, printing services, and postage categories. The state and political subdivisions are due the following amounts:

State of Missouri	\$2,642
St. Louis Board of Education	2,642
St. Louis Community College	1,344
Metropolitan Sewer District	2,467
Total	<hr/> \$9,095

To ensure compliance with state law, election cost reports should contain accurate and complete information. The reports should be independently reviewed for accuracy and completeness prior to election cost billings being mailed.

WE RECOMMEND the board make necessary refunds to the state of Missouri and political subdivisions. In the future, cost reports should be thoroughly reviewed for accuracy and completeness prior to billing election costs. This function should be independently performed.

AUDITEE'S RESPONSE

The board has taken steps to refund the overcharges, the bulk of which resulted from the erroneous listing of postage for 424,068 election notice cards at 15 cents per card when the true charge was 13 cents per card. The board feels the present billing procedure is now adequate, but will attempt to have the bills independently reviewed.

2. Fees Charged for Voter Information

The board has established a fee structure to recover costs associated with making voter maps, registration certificates, address labels, and other miscellaneous documents available to the public. Our review of the fee structure brought to our attention the following concerns:

- A. The board has not formally approved the fee policy in accordance with Section 115.157, RSMo 1986. This provision states each

election authority should determine a reasonable fee for voter registration information. Board personnel were unable to provide documentation relating to the establishment and approval of the current fee structure. As a result, we could not be assured all fees established were, in fact, reasonable.

- B. Fees were not consistently assessed in accordance with the board's policy. Our review of thirty-seven sales transactions revealed charges were inaccurate in five instances. Although the dollar value associated with these errors was not significant, the ultimate effect is either forfeited city revenue or citizen overcharges. Fees charged should be in compliance with the adopted policy.

WE RECOMMEND: the board:

- A. Review the current fee structure for reasonableness and formally approve all fees.
- B. Comply with the established fee structure.

AUDITEE'S RESPONSE

- A. Section 115.157, RSMo 1986, does not require any formal approval of any fees charged for voter information materials. The board has charged a fee for such information and recently revised the price list for maps, tapes, and other election materials in the minutes dated April 17, 1989. The board will continue to allow director discretion to deal with intergovernmental requests of materials depending on usage, needs, and availability.
- B. A copy of the most recently adopted price list has been distributed to all departments and persons responsible for making or recording charges. Instructions emphasizing accurate recording of sales transactions have been given to personnel assigned this task.

3. Payroll and Personnel Controls and Procedures

- A. The Board of Election Commissioners has not adopted formal personnel policies. As a result, policies are formulated on an ad-hoc basis and there is little, if any, consistency in the manner in which these policies are applied. Board employees are not subject to the city's civil service personnel policies. We were originally informed the board adhered to civil service policies. The board later located a personnel manual dated 1977. The manual had never been formally approved and adopted for use. Subsequent to the location of this manual, board personnel indicated personnel policies are extracted from civil service provisions as well as their own outdated manual. Because the 1977 personnel manual was not brought to our attention until our review was substantially complete and because board personnel do not strictly adhere to any one policy, we used the city's civil service policy as a basis to evaluate the board's current payroll and personnel procedures. Immediate measures should be undertaken to formally adopt a personnel policy manual.

B. The following questionable practices were noted during our review:

- 1) Employees were allowed to accumulate significant vacation and compensatory time balances. We noted where individuals had accumulated up to 1,672 vacation hours and 728 hours in compensatory time. The civil service personnel policy establishes a maximum accumulation of 400 vacation hours and 120 hours of compensatory time. Federal guidelines, as established by the Fair Labor Standards Act, establish a maximum compensatory time balance of 240 hours. The board's failure to implement a maximum accrual policy makes it difficult to monitor future personal service payments. For example, the board compensated an employee \$43,124 upon her termination. This amount exceeded the amount that would have been paid under civil service provisions by \$33,686. A current employee received a payment of \$9,690 for 480 hours of accumulated vacation leave. The city personnel policy permits a city employee to request compensation for unused vacation time up to a maximum of 80 hours per year. The board paid \$8,075 in excess of established city policy.
- 2) Board employees earn eight hours of sick leave each month. The city policy specifies sick leave is earned at a rate of six hours per month.
- 3) The board has no policy addressing related employee situations. We identified five cases of related employees. These situations could result in personnel problems and possible discriminatory action. A related employee policy should be formulated.

The purpose of a personnel manual is to provide guidance, control, and consistency as it relates to personnel matters. Without a written, enforced personnel policy, the board cannot be assured of appropriate and consistent treatment of personnel matters.

- C. Payroll responsibilities are not adequately segregated.** The payroll clerk is responsible for preparing payroll requisitions and distributing payroll checks. He also occasionally signs and approves time cards. This combination of responsibilities enhances the risk for undetected record-keeping errors and unauthorized payroll transactions.
- D. Procedures related to the payment of overtime are questionable.** Prior written approval to work overtime is not required. As a result, overtime expenses cannot be appropriately monitored.

Overtime expenditures for the year ended June 30, 1988, were \$20,228. Based on the problems discussed above, we cannot conclude these expenditures were necessary and reasonable. To properly control overtime expenses, prior written approval should be obtained for all overtime worked.

- E. All leave taken is not supported by an approved leave request form. Without this control in place, there is less assurance employee leave balances are appropriately reflected. Independently approved leave request forms should be completed for all leave taken.
- F. Personnel files did not contain all pertinent and necessary information:
 - 1) In ten files reviewed, proper pay rate authorization was not available.
 - 2) Eight of ten files reviewed did not contain proper authorization for employee hiring or termination.

Personnel files provide documentation for personal service expenditures and personnel action. They should be maintained in a complete and accurate manner.

- G. Payroll calculations were not consistently accurate and, because they are not independently reviewed and verified, these calculation errors were not discovered by board personnel. In ten calculations tested, eight errors were revealed. The errors resulted in overpayments to two individuals totaling \$36 and inappropriate crediting of compensatory time valued at \$78. To detect errors, payroll calculations should be independently reviewed and verified prior to payment being processed.

The board's payroll expenditures during the year ended June 30, 1988, totaled \$1,488,678. The significance of the problems noted above makes it impossible to conclude payroll expenditures have been properly approved, are reasonable, and represent only valid claims for wages actually earned. It is imperative the condition of controls noted herein be immediately addressed.

WE RECOMMEND:

- A&B. The board adopt a formal personnel policy addressing leave benefits and other relevant personnel matters.
- C. Independently assign the payroll preparation function and the check distribution function.
- D. Prior written approval be obtained for all overtime worked.
- E. Independently approved leave request forms be submitted for all leave time taken.
- F. Personnel files be maintained in a complete and accurate manner.
- G. Payroll calculations be independently verified and approved prior to payment processing.

AUDITEE'S RESPONSE

- A&B. A formal personnel policy was adopted and put into effect as of February 15, 1989. Prior to the formal policy, any accrued vacation or compensatory time was formally approved by the board. The board's policy allows an employee to accrue up to eight hours per month for vacation time. Individuals are in any event employed by the board, and as such are not subject to the civil service rules established by the city of St. Louis since the board is an office created by statute.
- C. Payroll responsibilities have been separated. Recording of the payroll has been assigned to the payroll clerk. Paychecks are now distributed by an employee other than the payroll clerk.
- D. Overtime hours are now approved by an appropriate supervisor.
- E. Leave requests are now prepared and signed by an appropriate supervisor.
- F. Personnel files will be maintained in as accurate and complete a manner as possible. Files will contain the employee employment history including, but not limited to, authorization for hiring of the employee, personnel actions, i.e., dismissal, retirement or other reason for termination, and other relevant matters. In addition, the payroll clerk will receive information regarding rates of pay for each employee.
- G. Independent verification of payroll calculations were adopted in October 1988, and continue at present. The board will continue to review all personnel evaluations and approve salary increases as has been done in the past.

4. Cash Receipts Controls and Procedures

During the year ended June 30, 1988, the board recorded cash receipts of approximately \$14,000. Our review of procedures and controls related to revenue record keeping and safeguarding revealed the following:

- A. Record-keeping and cash handling responsibilities are not adequately segregated. Daily, the board's administrative assistant receives cash collected along with the associated receipt slips from various board employees. There is no procedure to document the amount received. From the point of initial remittance, the administrative assistant is responsible for recording cash receipts and preparing the bank deposit. As discussed below, there is no periodic comparison of the board's recorded receipts to the Comptroller's record of deposits. Because the administrative assistant is solely responsible for cash handling, record-keeping, and deposit preparation, the risk for undetected record-keeping errors and/or misappropriation of funds is significantly enhanced.

To ensure all cash receipts are properly recorded and deposited, the responsibilities of record-keeping, custodianship, and deposit preparation should be independently assigned.

- B. Reconciliations of cash received to associated receipt slips are not adequately performed or documented. Further, a reconciliation of cash received to cash deposited is not performed. Our review of cash receipts included a detailed comparison of documented cash receipts to deposits. Six individual months were selected for our review. In each of these months examined, only minor differences between recorded receipts and amounts deposited were revealed. However, taking into consideration the lack of segregated duties, we cannot be assured these differences represent all discrepancies.

To ensure all collections are properly deposited, a system should be established whereby recorded receipt amounts are agreed to cash on hand and this total is agreed to amounts deposited. This reconciliation should be prepared by someone with no cash handling or record-keeping responsibilities. All differences should be thoroughly documented, reported to management, and resolved.

- C. Deposits are not made daily in accordance with Article XV, Section 24 of the City Charter. During the year ended June 30, 1988, the board had approximately \$14,000 in recorded revenues. Although collections are made on a daily basis, only forty-three deposits were made. Monies collected totaling \$2,273 for the period May 1 through September 1, 1987, were not deposited with the City Treasurer until September 15, 1987. Our review of January 1989 receipts indicated deposits were made approximately twice a week.

Allowing four months to elapse prior to making deposits significantly increases the risk of theft or misuse of funds. This risk is further enhanced by control weaknesses previously discussed. In addition, undeposited funds result in forfeited city interest earnings. To reduce the risk of misappropriation and to maximize city revenue to the extent possible, daily deposits should be made in accordance with Article XV, Section 24 of the City Charter.

- D. Checks are not restrictively endorsed immediately upon receipt. The administrative assistant restrictively endorses checks while preparing the deposit. Based on the significant deposit time lags noted in C. above, it is apparent undeposited funds are placed at an unnecessary risk. To reduce the risk over undeposited funds, checks should be restrictively endorsed immediately upon receipt.

- E. Board employees are to prepare a receipt slip for all monies received. Review of controls indicated the following:

- 1) Official receipt slips are not used. Rather, the board purchases prenumbered receipts from an office supply store. These receipts are not specifically identifiable to the board. As a result, the risk of duplicate receipt slips being issued as a means to misappropriate funds is increased. Prenumbered official receipt slips should be obtained and accounted for properly.

- 2) Payment form (cash or check) is not consistently noted on receipt slips. Therefore, the composition of recorded cash receipts cannot be agreed to the composition of the prepared deposit. This control feature would provide greater assurance all monies received are deposited intact.
- 3) Prenumbered receipt slip books are not used in sequential order. For example, monies received and recorded in January 1989, were documented on receipt slip numbers 9001 through 9120 and 9639 through 9800. The interval of unaccounted for receipts were used in another time period. Failure to use and issue receipt slips in sequential order weakens accountability controls over cash receipts. Receipts slips should be used in sequential order, with all numbers being accounted for properly.
- 4) An excessive number of receipt books are used at one time. We noted one collection unit was using a total of four receipt books. This results in a higher possibility all receipt slips will not be properly controlled. The number of receipt books used should be reduced to a minimum.
- 5) Copies of voided and unused receipt slips are not always retained. For the period May 1986 through January 1988, a total of twenty-nine data, administrative, and operations receipts slips had been discarded. Although we were informed these slips were voided transactions, we could not verify this. To ensure all voided transactions are valid, appropriate, and properly approved, voided receipt slip copies should be retained. Additionally, supervisory approval should be obtained for all voided transactions.

F. Record-keeping controls over revenues are inadequate.

- 1) Deposits made with the City Treasurer are not compared to the Comptroller's general ledger of recorded revenues. Performing such a comparison would provide greater assurance all Board of Election Commissioners' deposits are properly credited.
- 2) A complete record of deposits made is not maintained. Board personnel stated copies of receipt coding forms (RCF) which serve as the documentation for deposits made are used as the basis to account for revenues. However, our audit revealed all RCF's were not available at the board. A complete record of deposits made should be maintained.
- 3) RCF's frequently contained incorrect revenue descriptions and classifications. For example, instead of noting the revenue type being deposited, (such as registration certificate fees) board employees would merely note "to be deposited." To ensure city revenues are properly classified and to enhance the reconciliation process of recorded revenues, RCF's should be properly coded.

- G. Responsibilities for handling checks returned by the City Treasurer due to insufficient funds are not adequately segregated. The administrative assistant is responsible for receiving returned checks, pursuing collection, and depositing any amounts collected. This combination of duties increases the risk of unreported collections. The duties of record keeping, collection, and depositing should be independently assigned.

WE RECOMMEND:

- A. Responsibilities of cash handling and record keeping be independently assigned. At a minimum, a documented independent review should be regularly performed.
- B. A complete reconciliation of cash received to receipt slips to amounts deposited be independently performed on a daily basis. All differences should be appropriately investigated and resolved.
- C. Deposits be made daily in accordance with Article XV, Section 24, of the City Charter.
- D. Checks be restrictively endorsed immediately upon receipt.
- E.1. Official receipt slips be obtained.
2. The form of payment be noted on all receipt slips issued.
3. Receipt slips be used in sequential order. All numbers should be accounted for.
4. Receipt books used at any one time be kept to a minimum.
5. Copies of voided receipt slips be retained. Additionally, written supervisory approval should be obtained for all voided transactions.
- F. A complete record of RCFs be maintained and periodically agreed to the Comptroller's general ledger.
- G. The responsibilities for recording bad checks returned, pursuing collection, and preparing subsequent deposits be independently performed.

AUDITEE'S RESPONSE

- A. Cash control procedures have been segregated.
- B&F. Cash received will, as it has always been, reconciled to the associated receipt slips and deposit slips.
- C. Every effort is being made to deposit revenue received on a daily basis.
- D. Checks have been restrictively endorsed immediately upon receipt since March 1989.

E&G. The board will requisition the city of St. Louis for official receipts. Receipt books will be used one at a time and the receipts will be used in sequential order noting the form of payment. Copies will be retained of voided slips noting an appropriate supervisor's approval. Independent control over returned or bad checks is already in place by reason of the fact that the City Treasurer's office will first receive the returned items.

5. Contractual Agreements

Our review of the board's contractual agreements disclosed the following areas of concern:

A. During the two years ended June 30, 1988, the board paid two consultants \$18,650 for advice on the selection, operation, and maintenance of the automated voting system. One consultant received an hourly rate of \$30. The second individual was paid \$60 for each hour worked. We noted the following:

- 1) The board did not require evidence of time worked for one of the consultants. The consultant's invoices were not supported by time sheets, logs, or other written reports. Consequently, the board had no manner to determine the reasonableness or accuracy of invoice amounts. Written evidence of time worked should be required as a prerequisite for consultant payment.
- 2) One of the consultants was paid \$4,440 prior to a written contract being executed. Complete, written agreements are necessary to ensure both contractual parties are cognizant of agreement terms. Further, written agreements provide legal recourse in the event the quality or cost of services are disputed.

B. During the year ended April 30, 1987, the board purchased an automated ballot counting system at a cost of \$68,400. The following concerns were noted:

- 1) A Director of Elections indicated proposals had been verbally solicited. Two proposals were received. Information related to the rejected proposal was discarded. In correspondence with the Supply Commissioner, a former Director of Elections stated "As this is a single source in an extremely limited field, the board could not advertise for bids, but utilized the services of our computer consultant to verify the validity of the prices for both hardware and software" We saw no written documentation related to the proposal evaluation process and, therefore, could not conclude the board had made the best and most economical purchasing decision. Further, although the board indicated purchasing sources were extremely limited, information at the Secretary of State's office revealed there were at least nine firms which could have provided the desired ballot counting system. To ensure goods and services are properly obtained, competitive bidding

procedures should be applied. Documentation of proposals received and evaluated should be retained.

- 2) Subsequent to the installation of the ballot system, the board paid an additional \$36,876 for maintenance and consultation. Provision for these services was not made in the original purchase contract. As a result, we could not conclude the charges were reasonable and, further, could not determine why these costs were not included in the original proposal.
- C. During the period of our review, a written contract did not exist between the board and their outside attorney. Board personnel indicated a written agreement had existed at one time but it could not be located. Subsequent to our inquiries, a written agreement was executed. Written agreements are necessary to provide legal recourse in the event the quality or cost of services is disputed.

WE RECOMMEND:

- A.1. Evidence of time worked be required prior to approving payment to hourly consultants.
2. Written agreements be executed prior to making payment for services.
- B.1. The board competitively bid future purchases. Documentation of proposals received and the evaluation process should be retained.
2. Written contracts for maintenance and consulting be executed.
- C. Written agreements for professional services be executed.

AUDITEE'S RESPONSE

- A.1. Consultants will be required to keep a record of time worked on a log sheet and such record will be approved by appropriate personnel.
2. Written contracts for consultants have been revised or renewed, defining the terms and arrangements for services required.
- B. To the best of the board's knowledge, proper bidding procedures have been followed utilizing the city's Division of Supply for all items that can be obtained through that office. This accounts for well in excess of 90 percent of all contractual services for supplies and equipment used by the board. Selected items, such as the integrated election system, special equipment, and election supplies, are purchased directly by the board. While quantitative factors are important in the selection of such items, the more important factors are qualitative in nature, a matter which is properly reserved to the board's discretion.

The report identifies one purchase for an automated ballot counting system where, in the State Auditor's opinion, bidding was inadequate. The report further states ballot counting systems could be purchased from a variety of sources. The report fails to recognize that vote tabulation is

only one of the features of the purchased system, VOTEC, and that other systems suggested by the report to be available are deficient in nontabulation features. VOTEC is in point of fact an integrated ballot management system. The system has a tabulating system and many additional features including, but not limited to, the ability to prepare copy-ready ballots, absentee ballots, and wall charts.

At the time of purchase, the only other integrated ballot management system was manufactured by BRC which would have cost the board approximately \$80,000 more than the VOTEC system. In addition, the board is of the opinion that the technical support and assistance from VOTEC has been very adequate.

- C. Written contracts for professional services have been executed, including one for board counsel which was entered into on March 6, 1989.

AUDITOR'S COMMENT

- B. Bidding procedures include the documentation of proposals requested and submitted as well as the documentation of the evaluation of the proposals. The board verbally solicited proposals and did not retain the documentation of evaluation. The comment that other factors were important in the determination of the selected proposal emphasizes the need for adequate documentation of that selection.

Without the adequate documentation concerning the purchases or the technical support there is less assurance that the decisions were reasonable.

6. Voter Registration Records and Procedures

The board is responsible for maintaining a complete and accurate record of all citizens registered to vote in the city of St. Louis. Our review of the board's efforts to ensure compliance with this provision brought to our attention the following concerns:

- A. The board's procedures for removing deceased individuals from current voter registration rolls were inadequate. The city's Bureau of Vital Statistics makes available lists of deceased city residents. However, for the period 1984 through 1987, the board relied on printed obituaries to obtain death notices. This was apparently necessary because the Bureau of Vital Statistics did not make necessary information available. Because all deaths of city residents are not necessarily published, relying on this method was inadequate. As a result, the risk that registration rolls contain deceased individuals is increased.
- B. Board personnel have not adequately addressed Article VIII, Section 2, of the Missouri Constitution, which disqualifies incapacitated individuals and convicted felons from voting.
 - 1) Listings of individuals declared incapacitated were not requested from the probate court until 1988. As a result, individuals declared incapacitated prior to 1988 could be inappropriately included on current registration records.

- 2) A listing of convicted felons has never been received from the circuit courts. Although requests have been made by board personnel, without this information, convicted felons may remain on the voter registration rolls.

Section 115.195, RSMo 1986, requires each election authority to obtain lists of deceased and disqualified voters and take appropriate action to remove them from voter registration records. To ensure compliance with this provision and to reduce the risk of fraud and abuse in the city voting system, efforts should be increased to ensure the validity of the voter registration system.

- C. Voter registration records made available to the public are not always current. The board's original registration records are the source used to document all voter information. The public use copies of these records are maintained in the event the originals are destroyed or lost. The board makes these copies of records available for public review at a charge of \$5 an hour. Our comparison of the original voting records to these documents revealed the copies were not maintained on a current basis. As a result, citizens paying a fee to review voter registration records are not obtaining accurate, up-to-date information. To provide a reliable public information source as well as provide an accurate referral in the event original records are destroyed, all records for public use should be maintained in a complete and accurate manner.

WE RECOMMEND:

- A&B. The board comply with Section 115.195, RSMo 1986, by requesting annual listings of dead, incapacitated, and convicted persons. These listings should be used to purge the voter registration records of all disqualified voters.
- C. The board ensure the registration records made available to the public are maintained in an accurate, up-to-date manner.

AUDITEE'S RESPONSE

- A&B. The board is presently receiving the information necessary to remove the names of deceased and incapacitated individuals from the registration rolls. Efforts shall be made to determine that all incapacitated individuals and individuals convicted of felonies and misdemeanors connected with the right of suffrage have also been removed.
- C. Board staff has implemented procedures to assure that information contained in backup registration records is correct.

7. Data Processing Controls

The board's system for maintaining the city's voting records is computerized. The board uses the comptroller's data base to register new voters and make any necessary changes. Our review of the established controls over the board's data processing system revealed the following deficiencies:

- A. The board does not use batch controls to ensure all data is properly entered into the computer. Individuals wishing to register to vote are required to prepare an information form. This information form serves as the input document to place the individual on the city's voting roles. There is no control in place to ensure all information forms are actually entered into the computer. As a result, there is little assurance all required entries are properly made. By implementing batch controls, whereby the number of data entries is agreed to the number of information forms, the board would obtain greater assurance as to the completeness and reliability of voter registration records.
- B. Alternate data processing arrangements have not been made. In the event of system failure, the board would have no available resource to process voter registration information. This could cause serious delays at election time. Formal alternate arrangements for data processing should be made.

WE RECOMMEND the board:

- A. Implement batch controls as a measure to ensure the completeness of data entries made.
- B. Enter into formal alternate data processing arrangements.

AUDITEE'S RESPONSE

Batch controls will be implemented to assure completeness of data entries and a formal arrangement will be considered.

8. Expenditures

The board does not have documentation indicating that renting portable space heaters is more economical than purchase. During the fiscal year ended April 30, 1987, the board paid approximately \$67,000 to rent space heaters. These heaters were used to provide heat in various polling places. We contacted area dealers and obtained purchase price information related to three types of portable heaters. Not taking into consideration fuel, storage, or insurance costs, the purchase of the heaters appears to indicate a savings between \$47,200 and \$54,900. While the final determination would have to include items such as fuel, storage, and insurance, the possible savings appears to indicate the board should seriously review all the options available.

WE RECOMMEND the board perform a feasibility study, taking into consideration all associated costs, to determine whether space heaters should be purchased.

AUDITEE'S RESPONSE

The board has previously exercised its discretion regarding the feasibility of renting versus purchasing space heaters to be used on election day. There are approximately 250 polling sites in the city, some of which are not used for

every election. Assuming heaters were purchased, electrical and ventilation logistics would require a canvass of all polling sites including new locations to ascertain what equipment is necessary. Assurances would have to be obtained from present polling site owners that minimum voltage levels exist for electrical units. Regarding propane units, city ordinances prohibit storage of propane in the city and propane could not be purchased and stored on city property.

Renting heaters obligates the lessor (rather than the board) for maintenance, fuel costs, storage and insurance as well as the suitability of and accountability for such items. Transportation costs and labor to deliver the units to and from the polling sites are included in the rental charges. Storage insurance for propane would be extremely high, even if permitted by law, and would be unwarranted given the fact that elections are conducted only periodically. The lessor (rather than the board) is also responsible for setting up and breaking down the units which would involve other undetermined risks.

The board will nevertheless continue to review this situation and exercise its discretion regarding the feasibility of renting versus purchasing of such units, taking into account both associated costs and administrative factors. At the present time it appears the flexibility and convenience of renting far outweighs the dollar benefit and uncertainty of purchasing the items.

9. Rental of Election Vans

During each election, the board rents approximately five vans to haul ballot boxes, voting machines, and election supplies to and from the polling places. Our review of van rental arrangements disclosed that during the two years ended June 30, 1988, the board paid approximately \$1,804 for unnecessary insurance coverage. The rental company offers a full collision insurance option at an additional charge. Unless the offer is specifically declined, the charge is automatic. In several instances, board employees failed to decline the insurance coverage. Because the city is self-insured any accidents would be covered through the city's coverage. As a result, the optional insurance coverage should have been declined on each rental occasion.

WE RECOMMEND the optional insurance coverage be declined when renting vans.

AUDITEE'S RESPONSE

The board has instituted a policy that insurance on vans will no longer be purchased from the rental company.

10. Election Judges

Pursuant to Section 115.101, RSMo 1986, the board hires election judges on a per-election basis to work in the polling places. Approximately 2,500 election judges are needed during each election. We identified the following concerns related to election judges:

- A. Election judge compensation has not been approved in accordance with Section 115.101, RSMo 1986. The board pays each election

judge from \$45 to \$100 for each election worked. Additional compensation is paid to judges to attend instructional meetings and to deliver and return election materials. This compensation schedule was approved by the board. However, Section 115.101, RSMo 1986, states election judge compensation shall be set by the legislative authority. To comply with state law, election judge compensation should be set and approved by the Board of Aldermen of the city of St. Louis.

- B. Election judges were incorrectly compensated. We noted election judges received \$14 to attend instructional meetings rather than the \$12 amount approved by the board. The board indicated the \$14 amount had been approved, but, written authorization was not located. Election judge compensation should be paid in accordance with established policy.
- C. Election judges did not consistently submit signed documents of returned unused election materials as the basis for receiving \$3 of additional compensation. Without written evidence that materials have been returned, the board risks paying election judges for services not performed. In addition, the board has less assurance election materials were properly returned. Written evidence should be maintained to document the return of election materials and to support the compensation paid for that service.

During the fourteen months year ended June 30, 1988, compensation paid to election judges and other election workers totaled in excess of \$652,000. Improved controls to ensure all payments are proper and made in accordance with state law are necessary.

WE RECOMMEND:

- A. The board comply with Section 115.101, RSMo 1986, by presenting election judge compensation rates to the board of the Board of Aldermen for approval.
- B. Election judges be paid in accordance with established compensation rates.
- C. Written evidence documenting the return of election materials be requested and maintained as support for the \$3 payment.

AUDITEE'S RESPONSE

- A. Pay established for election judges is presently approved not only by the Board of Election Commissioners but through the Board of Estimate and Apportionment and the Ways and Means Committee by means of the budgeting process. The board will continue to monitor the reasonableness of pay for election judges.
- B. The board acknowledges that the correct rate is \$14 per meeting. This amount was inadvertently omitted from the August 1988 board minutes but was approved by the full board. This rate of pay was the amount used in developing the annual budget which is approved by the board, the Board of Estimate and Apportionment, and the Ways and Means Committee.

- C. A written acknowledgment will be required of an election employee submitting a claim for additional compensation regarding the return of election materials to the custody of the board.

11. Controls over Petty Cash

A \$350 imprest petty cash fund is maintained. Our review of cash controls and procedures revealed the following:

- A. The petty cash fund custodian is also responsible for recording and depositing daily cash receipts. Because the custodian has access to daily cash receipts, the risk for misappropriation of petty cash funds is significantly enhanced. To ensure petty cash funds are accounted for properly and daily cash receipts remain intact, the petty cash fund custodian should be an individual with no other record-keeping or cash handling responsibilities.
- B. Individuals requesting and receiving petty cash are not required to sign for receipt of funds. By implementing such a procedure, the board could obtain greater assurance petty cash funds are used for the intended purpose.

WE RECOMMEND:

- A. The petty cash fund custodian be someone with no other record-keeping or cash handling responsibilities.
- B. Individuals receiving petty cash be required to acknowledge receipt in writing.

AUDITEE'S RESPONSE

- A. The custodian of petty cash will no longer have access to the cash receipts.
- B. Individuals requesting and receiving petty cash will be required to sign for receipt of funds.

12. Accounts Receivable Controls and Procedures

Persons requesting voter registration tapes, address labels, and various other items are not required to pay in advance of receiving information. Our review of the board's accounts receivable policy and related controls indicated the following concerns:

- A. The accounts receivable collection policy is not formalized in writing. Further, the informal policy is not followed as prescribed. During our audit, the Director of Operations stated billings are mailed monthly for a ninety day period. If bills remain unpaid after three months, the account is remitted to the City Counselor's office for collection. A review of the accounts receivable file revealed four individual accounts totaling \$1,969 which had been outstanding at least three months. None of the accounts had been referred for

collection. To ensure all accounts receivable are properly pursued for collection, a written policy should be established and strictly followed.

- B. Responsibilities relating to the accounts receivable function are not adequately segregated. One individual is responsible for opening mail, maintaining accounts receivable records, and acting as cashier. This combination of responsibilities provides little assurance funds are properly handled. Record-keeping and cash handling responsibilities should be independently assigned.
- C. Billings are not sequentially prenumbered. Therefore, there is less assurance all sales are recorded and billed. Invoices should be sequentially prenumbered and should be adequately cross-referenced to requests for information to ensure sales are collected in full.

WE RECOMMEND the board:

- A. Adopt and enforce a written collection policy which specifies procedures for handling unpaid accounts. Provisions should be adhered to strictly.
- B. Independently assign cash handling and record-keeping responsibilities.
- C. Obtain sequentially prenumbered invoice billings and cross-reference these billings to information request forms.

AUDITEE'S RESPONSE

- A. The board has agreed to adopt a written collection policy for the handling of unpaid accounts.
- B. As previously recognized, the board has agreed to segregate cash handling and record-keeping responsibilities wherever possible.
- C. As previously recognized, the board has agreed to requisition for sequentially numbered billing forms.

13. Purchasing and Expenditure Controls

Our review of purchasing and expenditure internal controls revealed the following areas where improvements could be made:

- A. Functions related to the purchase of goods are not adequately segregated. One individual is responsible for preparing purchase orders, receiving goods ordered, and preparing payment vouchers. Although disbursement vouchers are independently approved for payment, the control system to ensure only appropriate purchases are made is weak. When one person can initiate a purchase and receive goods, independent payment authorization is not an adequate control measure. To ensure all purchases are properly authorized and received only for official use, the duties of purchase initiation and authorization, receiving ordered goods, and payment authorization should be independently assigned.

B. A manual expenditures ledger is maintained. We observed the following during our review of the ledger:

- 1) The manual ledger is not periodically agreed to the Comptroller's general ledger. As a result, there is little assurance that reductions in appropriation balances processed by the Comptroller represent actual board expenditures. To detect any errors and monitor available resources, the manual ledger should be independently reconciled to the general ledger.
- 2) Expenditures are not properly classified in the manual ledger. Additionally, accounts are not totaled at year-end, voucher numbers are not consistently recorded, and fringe benefit and overtime expenses are commingled. To provide a reliable tool for monitoring appropriations and expenditures, the manual ledger should contain accurate and complete information.

C. The board has not complied with Article XV, Section 29, of the City Charter. This provision states supplies for all departments shall be purchased only through the Division of Supply. For the year ended April 30, 1987, all expenditures in excess of \$50 were to be processed by the Division of Supply. The board circumvented this requirement in the following noted instances:

<u>Item Purchased</u>	<u>Cost</u>
Data processing supplies	\$427
Ballot and form printing	\$428 to \$30,125

Procedures should be implemented to ensure purchases are appropriately handled in accordance with Article XV, Section 29, of the City Charter.

WE RECOMMEND:

- A. The responsibilities of purchase initiation and approval, receiving goods, and preparing payment documents be independently assigned.
- B.1. The manual ledger be reconciled to the Comptroller's general ledger on a monthly basis.
2. Expenditures be properly classified and all necessary information be properly included in the manual ledger.
- C. All purchases of supplies be handled through the Division of Supply as required by Article XV, Section 29, of the City Charter.

AUDITEE'S RESPONSE

- A. The functions relating to the initiation and approval of purchases have been segregated. The board policy for many years has been to formally approve all vouchers for payment after approval has been obtained from both directors. As has been the past practice, documentation of the

board's formal approval is contained in the board's minutes. Receipt of goods will be handled by an independent board employee who will make written or verbal acknowledgment to a director prior to the director's approval. The board is of the opinion that the system described above will provide adequate control and assurances for the initiation for, approval of, and receipt over goods purchased.

- B. The board will attempt to reconcile the manual ledger to the Comptroller's general ledger on a periodic basis. The board will continue to observe the city's procedure regarding accounting policies and classification of expenditures. The board will attempt to improve on documenting necessary information in the manual ledger.
- C. The board policy regarding purchase of supplies is to submit requisitions to the city Division of Supply for purchasing. Selected items, such as the integrated election system, special equipment and election supplies, are purchased directly by the board as per the authority from a City Counselor's opinion. In addition, the new direct payment threshold, as approved by the city, has been increased from \$50 to \$200 before processing by the Supply Division is required.

14. Noncompliance with Campaign Finance Disclosure Law

The board did not notify the Campaign Finance Review Board of disclosure reports not timely filed, in compliance with Section 130.046, RSMo 1986. Pursuant to Sections 130.026 and 130.041, RSMo 1986, certain candidates for public office are required to file campaign finance disclosure reports with the board. The time frame for submitting these reports is established in Section 130.046, RSMo 1986. Of nine reports reviewed, we found four were not filed in accordance with the established time frame. In addition, the board did not notify the Campaign Finance Review Board of untimely filings as required by Section 130.056, RSMo 1986. Increased efforts are needed on the board's part to ensure full compliance with state law.

WE RECOMMEND the board comply with Section 130.046, RSMo 1986, by ensuring all disclosure reports are timely filed. In the event of untimely filings, the board should comply with Section 130.056, RSMo 1986, by notifying the Campaign Finance Disclosure Board.

AUDITEE'S RESPONSE

The board will make every effort to obtain and file all campaign finance reports on a timely basis.

15. Travel Reimbursement

The board reimburses employees for expenses related to the attendance of various conferences, seminars, and meetings. The city travel policy, which addresses the need for receipts and establishes meal allowances, is used by the board. Our review of travel expenses revealed the following:

- A. Written verification of actual attendance at conferences and seminars was not submitted with reimbursement claims. Without a

written certificate of completion or other evidence of attendance, there is less assurance the employee was in actual attendance. Written attendance verification should be required with reimbursement claims.

- B. Invoices and receipts were not always submitted with reimbursement claims as stipulated by the city travel policy. Without this supporting documentation, the board has less assurance reimbursement claims represent only bona-fide, business related expenses. Receipts should be attached to reimbursement claims in accordance with the city travel policy.
- C. Meal reimbursements exceeded the maximum allowed under the city travel policy. In one instance, a reimbursement claim exceeded the allowed expense by \$10. Excessive meal reimbursements increase the board's operating expenses and also circumvent the city travel policy regulations. Meal reimbursement claims should be made in accordance with established regulations.

Travel costs during the year ended June 30, 1988, exceeded \$10,000. To ensure these costs represent valid and reasonable claims, increased efforts should be made to ensure compliance with the city travel policy.

WE RECOMMEND:

- A. Written attendance verification be submitted with all conference or seminar reimbursement claims.
- B. Receipts and/or invoices be submitted with reimbursement claims, as required by the city travel policy.
- C. Meal reimbursements be limited to amounts established in the city travel policy.

AUDITEE'S RESPONSE

- A. The board will require written attendance verification from every representative of the election board who attends conferences or seminars.
- B. The board has agreed that appropriate receipts and/or invoices should be submitted for reimbursement claims but only if such claim is reimbursed directly to an election board representative. Most travel arrangements are made through the Comptroller's office on a prepaid basis and, therefore, receipts or invoices are maintained and handled by that office.
- C. The Board of Election Commissioners is an office created by statute, and is not subject to the travel policy established by the city. The board therefore respectfully disagrees with the recommendation contained in the report regarding the applicability of the city's travel and expense policy. However, the board does acknowledge the need to either establish a reimbursement policy by creating a new formal travel policy or by adopting the city's current policy. The board will take the necessary action to institute an appropriate travel policy.

16. Postage Machine

The board rents a postage machine. Our review of controls and procedures related to the use and rental of the machine disclosed the following:

- A. Physical access to the postage machine is not adequately restricted. The machine is accessible to all personnel and is not locked when not in use. Unrestricted access to the postage machine could result in unauthorized personal use. The fact the machine does not imprint outgoing mail "for official use only" further increases the risk for personal use. Postage costs were approximately \$140,000 during the year ended April 30, 1987. Given the significance of this expense category, stronger controls over the accessibility and use of the postage machine appear necessary.
- B. A written rental agreement does not exist for the postage machine. A written agreement is necessary to ensure contractual parties understand agreement terms. In addition, Article XXV, Section 9 of the City Charter states all contracts relating to city affairs shall be in writing.

WE RECOMMEND the board:

- A. Restrict access to the postage machine and install a "for official use only" imprint.
- B. Obtain a written rental agreement in accordance with Article XXV, Section 9 of the City Charter.

AUDITEE'S RESPONSE

- A. The recommended imprint "for official use only" is currently being used on the postage machine.
- B. There is a written rental agreement for the postage machine. This is necessary to satisfy the internal controls for the board, but not to satisfy City Charter provisions as suggested in the report recommendation.

17. Fixed Asset Controls

Fixed assets owned by the city of St. Louis are recorded and controlled through the city's Fixed Asset Management System (FAMS). The FAMS Policy and Procedures manual states each department is to designate an employee as the FAMS coordinator. Responsibilities of the FAMS coordinator include, but are not limited to, ensuring physical inventories of fixed assets are performed annually, reviewing all fixed assets transactions to ensure they are properly recorded on FAMS, and instituting physical safeguards over city assets.

Our review of fixed asset controls at the Board of Election Commissioner's office indicated the duties related to fixed asset record-keeping and physical inventory procedures are not properly

segregated. The board's FAMS coordinator performs both of these responsibilities. As a result, there is less assurance fixed asset purchases, dispositions, and balances are properly recorded and controlled.

To better ensure city assets are properly safeguarded and recorded, fixed asset record-keeping responsibilities and physical inventory procedures should be independently assigned.

WE RECOMMEND the responsibilities of record keeping and performing physical inventories be independently assigned. At a minimum, the physical inventory process should be independently supervised and reviewed.

AUDITEE'S RESPONSE

The board has agreed to conduct periodic inventories of the fixed assets by a person other than custodian of the records.

APPENDICES

Appendix A-1

BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF REVENUES BY FUND TYPE
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	General Fund	Special Revenue Fund	Total (Memorandum Only)
	<hr/>	<hr/>	<hr/>
Sale of precinct lists	\$ 13,963	-0-	13,963
Election services	-0-	550,513	550,513
	<hr/>	<hr/>	<hr/>
Total	\$ 13,963	550,513	564,476
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Appendix A-2

BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF ESTIMATED AND ACTUAL REVENUES - GENERAL FUND
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Estimated Revenues	Actual Revenues	Actual Over (Under) Estimated Revenues
REVENUE TYPE			
Sale of precinct lists	\$ 27,000	13,963	(13,037)
Total	\$ 27,000	13,963	(13,037)

Appendix B-1

BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF EXPENDITURES BY FUND TYPE
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	General Fund	Special Revenue Fund	Total (Memorandum Only)
PERSONAL SERVICE			
Salaries	\$ 1,059,638	429,040	1,488,678
Fringe benefits	90,160	7,223	97,383
Workers' compensation	12,710	-0-	12,710
Total Personal Service	1,162,508	436,263	1,598,771
EXPENSE AND EQUIPMENT			
Office and operating supplies	8,571	1,321	9,892
Construction and maintenance supplies	3,113	-0-	3,113
Operating expenses	111,470	207,604	319,074
Equipment purchases and repair	484	-0-	484
Contractual services	29,131	5,760	34,891
Miscellaneous and special purpose expenses	8,872	46,918	55,790
Total Expense and Equipment	161,641	261,603	423,244
Total Expenditures	\$ 1,324,149	697,866	2,022,015

Appendix B-2

BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES -
GENERAL FUND
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriations	Expenditures	Lapsed Balances
PERSONAL SERVICE			
Salaries	\$ 1,169,961	1,059,638	110,323
Fringe benefits	110,512	90,160	20,352
Workers' compensation	12,083	12,710	(627)
Total Personal Service	1,292,556	1,162,508	130,048
EXPENSE AND EQUIPMENT			
Office and operating supplies	14,300	8,571	5,729
Construction and maintenance supplies	7,507	3,113	4,394
Operating expenses	114,504	111,470	3,034
Equipment purchases and repair	500	484	16
Contractual services	28,800	29,131	(331)
Miscellaneous and special purpose expenses	122,474	8,872	113,602
Total Expense and Equipment	288,085	161,641	126,444
Total General Fund	\$ 1,580,641	1,324,149	256,492

Appendix C

BOARD OF ELECTION COMMISSIONERS
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE STATEMENT OF GENERAL FUND EXPENDITURES
FOUR YEARS ENDED APRIL 30, 1987 AND FOURTEEN MONTHS ENDED JUNE 30, 1988

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 600,668	516,293	510,134	517,498	511,599
Temporary employees	-0-	-0-	26,609	157,059	16,589
Per performance	199,635	156,344	-0-	-0-	-0-
Special personal service	239,107	547,955	18,438	389,611	36,404
Employer:					
Social security coverage	53,977	47,394	39,788	49,561	36,353
Medical insurance	31,991	29,758	27,626	26,820	22,002
Retirement contribution	-0-	24,389	26,884	42,757	-0-
Life insurance costs	4,192	3,389	3,010	2,657	3,474
Workers' compensation	12,710	11,408	4,926	7,518	-0-
Overtime	20,228	17,585	7,287	25,308	7,824
Total Personal Service	1,162,508	1,354,515	664,702	1,218,789	634,245
EXPENSE AND EQUIPMENT					
Office supplies	7,649	10,378	3,950	10,702	2,172
Laundry and cleaning supplies	869	842	1,313	1,017	484
Small tools and implements	3	51	-0-	366	79
Gasoline supplies	51	525	-0-	392	-0-
Miscellaneous materials	3,113	6,044	613	9,099	311
Office equipment	484	588	120	380	3,598
Light, heat, power, ventilation, and water	-0-	-0-	-0-	-0-	297
Miscellaneous equipment	-0-	1,996	602	912	-0-
Postage	16,514	138,092	15,260	113,467	39,227
Telephone and other communications	350	207	733	1,557	48
Membership dues	7,764	5,105	4,465	6,347	3,896
Members various boards	28	364	95	742	379
Allowance for personally owned cars	172	156	60	73	-0-
Repairs to:					
Motor vehicle	-0-	-0-	125	-0-	-0-
Office and other operating equipment	1,858	1,469	1,170	1,226	1,724
Rental of motor vehicles	75	6,044	-0-	3,119	-0-
Equipment rental	18,447	75,448	6,975	53,879	6,751
Rental/lease real property	5,966	38,199	4,469	75,083	7,316
Travel expense - conventions and seminars	10,247	9,981	7,309	4,058	5,161
Data processing services and products	25,830	3,087	335	6,000	6,000
Printing services	24,218	128,978	50,104	111,143	45,539
Miscellaneous contractual services	29,131	57,730	18,043	43,364	17,360
Witness and juror expenses	253	65,016	2,150	43,140	510
Surety bond premiums and insurance	100	135	712	-0-	-0-
Miscellaneous expenses	1,119	4,658	735	2,034	403
March 1988, special election expenses	7,400	-0-	-0-	-0-	-0-
Total Expenses and Equipment	161,641	555,093	119,338	488,100	141,255
Total Expenditures	\$ 1,324,149	1,909,608	784,040	1,706,889	775,500

+ Total expenditures do not include encumbrances of \$68,836 at April 30, 1987.

* 1988 expenditures are for the fourteen months ended June 30, 1988.

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