

OFFICES OF THE
STATE AUDITOR OF MISSOURI
JEFFERSON CITY

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
YEAR ENDED JUNE 30, 1988

MARGARET KELLY, CPA



OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
STATE AUDITOR'S TRANSMITTAL LETTER.....	1-2
HISTORY AND ORGANIZATION.....	3-5
MANAGEMENT ADVISORY REPORT.....	6-12
SUMMARY OF FINDINGS	7

<u>Number</u>	<u>Description</u>	
1.	Cash Receipt Controls and Procedures	9
2.	Expenditure Policies and Procedures	10
3.	Payroll and Personnel Policies and Procedures.....	11
4.	Computer System Controls	12
5.	Controls over Personal Effects	12
APPENDICES:		13

Appendix

A	Statement of Revenues Collected, Fourteen Months Ended June 30, 1988	14
B	Statement of Appropriations and Expenditures - General Fund, Fourteen Months Ended June 30, 1988	15
C	Comparative Statement of General Fund Expenditures, Four Years Ended April 30, 1987, and Fourteen Months Ended June 30, 1988.....	16



STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

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Honorable Vincent C. Schoemehl Jr., Mayor
and
Michael A. Graham, M.D., Chief Medical Examiner
City of St. Louis, Missouri 63103

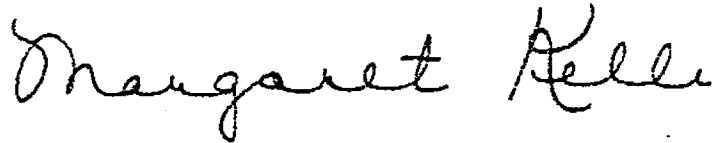
The State Auditor was petitioned under Section 29.230, RSMo 1986, to perform an audit of the city of St. Louis, Missouri. Accordingly, we have conducted a review of the Office of the Medical Examiner, city of St. Louis. Our review included, but was not limited to, the year ended June 30, 1988. The purposes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

1. Study and evaluate the office's 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 office's 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 office's financial records, payroll procedures and documents, expenditures, contractual agreements, and other pertinent procedures and documents; interviewed personnel of the Medical Examiner's office; and compiled the information in the appendices from the records and reports of the Medical Examiner's office. 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 management and was not subject to the auditing procedures applied by us in our audit.

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

May 22, 1989

HISTORY AND ORGANIZATION

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
HISTORY AND ORGANIZATION

The Office of the Medical Examiner was established on January 1, 1977.

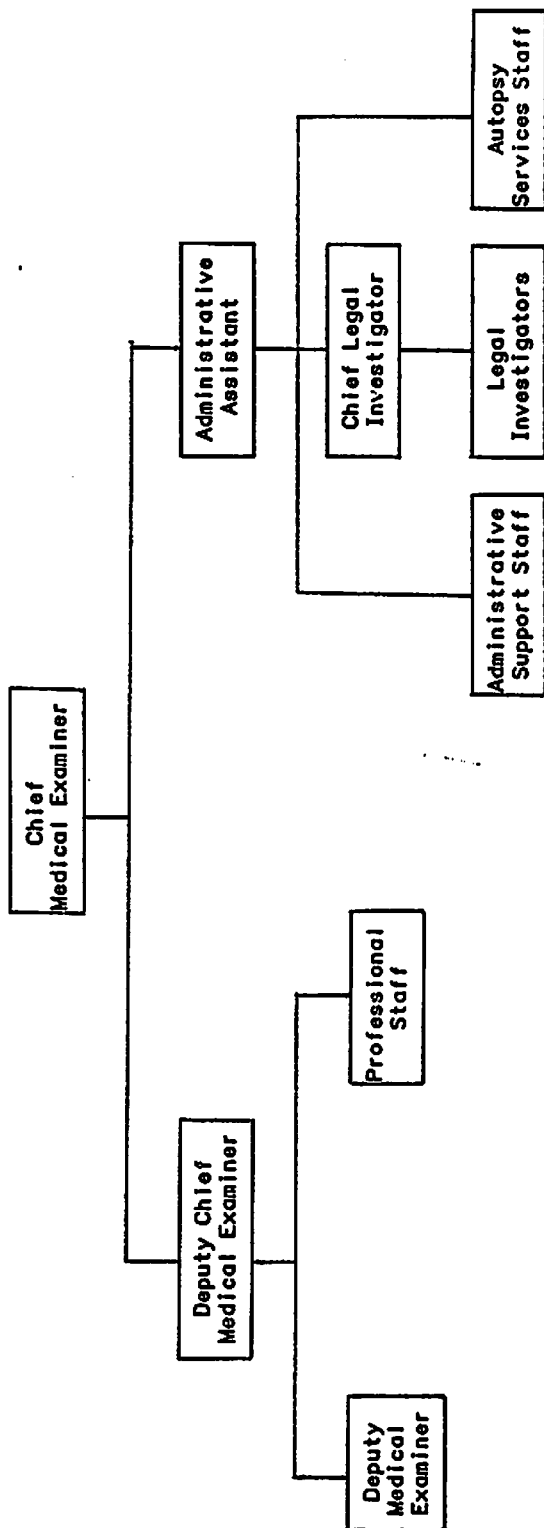
As required by the Missouri statutes, the Office of the Medical Examiner is responsible for investigating the medical causes of all deaths in St. Louis City as a result of violence or unusual circumstances.

Dr. George Gantner served as the Chief Medical Examiner from August 1, 1978, until the time of his death on November 15, 1988. Dr. Michael A. Graham assumed the position in January 1989, and currently serves as the Chief Medical Examiner. At June 30, 1988, key office personnel were as follows:

Michael A. Graham, M.D., Deputy Chief Medical Examiner
Baxter W. Leisure, Jr., Administrative Assistant

At June 30, 1988, the Office of the Medical Examiner employed approximately eleven full-time employees.

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
ORGANIZATION CHART
JUNE 30, 1988



MANAGEMENT ADVISORY REPORT

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
SUMMARY OF FINDINGS

1. Cash Receipt Controls and Procedures (page 9)

Cash receipt documentation could be reduced if the two separate documents currently used were combined. Also, by prenumbering the new combined document, the numerical sequence of documents could be accounted for and reconciled to cash deposited.

2. Expenditure Policies and Procedures (pages 10-11)

A. A complete manual ledger is not maintained. Further, a periodic reconciliation between the manual expenditures ledger and the Comptroller's expenditures report is not documented.

B. Not all items purchased were handled in accordance with the city's purchasing policies.

3. Payroll and Personnel Policies and Procedures (pages 11-12)

A. Adequate supporting documentation for overtime worked is not maintained.

B. The Medical Examiner's office has not established a policy requiring prior written approval for incurring negative sick leave balances.

4. Computer System Controls (page 12)

Backup files to the computer system are not adequately safeguarded.

5. Controls over Personal Effects (page 12)

Personal effects removed from bodies stored at the Medical Examiner's facility are not adequately safeguarded.

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT

As part of our review of the Office of the Medical Examiner, 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 weighs 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 judgment to evaluate petitioner concerns and those concerns requiring corrective action are addressed in this report.

The period of review 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. Cash Receipts Controls and Procedures

When the Medical Examiner's office receives a request for an autopsy report or coroner's record, a transcript order form (TOF) is completed. The Medical Examiner also prepares a receipt slip and records payment information on the TOF when actual payment is received. Cash receipt documentation could be reduced if the TOF and the receipt slip were combined into one document. Also, by prenumbering the TOF, periodically accounting for the numerical sequence of the documents, and reconciling the deposits to the amounts recorded on the TOF, the Medical Examiner could ensure all receipts were deposited.

WE RECOMMEND the Medical Examiner consider combining the TOF and receipt slip into one document. TOFs should be prenumbered, with the numerical sequence being independently verified. Receipt amounts documented on the TOFs should also be agreed to amounts deposited.

AUDITEE'S RESPONSE

Cash receipts are now reconciled on a weekly basis to ensure that all receipts are deposited.

Combining the TOF and receipt into one document will be taken under advisement by management.

2. Expenditure Policies and Procedures

During our review of the expenditure policies and procedures, we noted the following weaknesses:

- A. The Medical Examiner's office processes payments for goods and services, including personal services, through the Comptroller's office. Monthly, the Comptroller distributes to the Medical Examiner's office an expenditures report listing the month's and year-to-date expenditures and appropriation balances.

We noted during our review a periodic reconciliation between the manual expenditures ledger and the Comptroller's expenditures report was not documented. In addition, the manual ledger did not include personal service expenditures for the May 1 to June 30, 1988, interim budget period. Not documenting the reconciliation between the manual ledger and the Comptroller's expenditures report increases the risk errors in the manual ledger or the expenditures report will go undetected. Reconciliations are important for management to obtain assurance available funds are sufficient to process payments. A complete manual expenditures ledger should be maintained and a periodic reconciliation between the manual ledger and the expenditures report should be documented to ensure errors are detected and discrepancies are resolved.

- B. Some items were not purchased in accordance with the city's purchasing policies. We noted during our review of expenditures a purchase of two cases of X-ray film, or a ten-month supply, was handled as an emergency purchase. At the time this purchase was made, the city's purchasing policy required all purchases of items with costs exceeding \$50 to be processed through the city's Supply Division. However, emergency purchases are not handled by the city's Supply Division. Although the Medical Examiner's office may have had an urgent need for the X-ray film, the quantity handled as an emergency should have been limited and the remainder processed through the city's Supply Division. Procedures should be established to limit the quantity of supplies handled as an emergency purchase. In addition, other purchases for items with costs exceeding the current dollar limit of \$200 should be processed through the Supply Division.

WE RECOMMEND the Medical Examiner's office:

- A. Maintain a complete manual expenditures ledger. Further, the reconciliation between the manual ledger and the Comptroller's expenditures report should be documented.
- B. Establish procedures to limit the quantity of supplies purchased on an emergency basis. In addition, other purchases for items with costs exceeding the current dollar limit of \$200 should be processed through the Supply Division.

AUDITEE'S RESPONSE

- A. Periodic reconciliations between the Medical Examiner's office computer generated ledger and the Comptroller's ledger have always been performed. The reconciliation is now being documented.
- B. The instance referred to in the finding was an isolated incident which has since been eliminated due to a change in the Comptroller's policy on purchases under \$200. This new policy greatly reduces the need for emergency orders.

3. Payroll and Personnel Policies and Procedures

During our review of the payroll and personnel policies and procedures, we noted the following weaknesses:

- A. Adequate supporting documentation, such as written approval, for overtime worked is not maintained. We could not obtain documentation to support that 24 hours of overtime was actually worked by an individual although leave records indicated 24 hours of compensatory time was subsequently used. Without documentation to support the hours worked or authorization for the overtime, there is less assurance overtime was actually worked. Further, there is an increased risk of incurring excessive payroll costs. To ensure overtime worked is proper, documentation supporting the hours worked and authorization for the overtime should be maintained.

- B. The Medical Examiner's office has not established a policy requiring prior written approval for incurring negative sick leave balances. Based on the leave records we reviewed, we noted several instances where an employee was allowed to incur a negative sick leave balance. This practice increases the risk for misuse of sick leave benefits. To reduce this risk, the Medical Examiner's office should establish a policy requiring prior written approval for incurring negative sick leave balances.

WE RECOMMEND the Medical Examiner's office:

- A. Maintain documentation to support overtime worked and proper authorization for the overtime.
- B. Establish a policy requiring prior written approval for negative sick leave balances.

AUDITEE'S RESPONSE

- A. Supporting documentation for overtime worked will be maintained for all employees as well as proper authorization for overtime.

Subsequent to the audit, the Medical Examiner has generated a new form for approval/denial of overtime compensation. This form will ensure that management is apprised of all overtime worked and delineates the form of compensation that will be awarded, (i.e., money or compensatory time).

- B. This will be addressed when our sick leave policy is rewritten.

4. Computer System Controls

Our review of the Medical Examiner's computer controls revealed backup files to the computer system are not adequately safeguarded. The backup files are stored in an open shelf adjacent to the computer equipment. This increases the risk of losing system files and data in the case of a fire or other catastrophe. To reduce this risk, backup files should be stored in a separate, safeguarded, and fireproof location.

WE RECOMMEND backup files be stored in a separate, safeguarded, and fireproof location.

AUDITEE'S RESPONSE

Backup files to the computer system will be sent to St. Louis University for storage and safeguarding since the university has the proper facilities already in place.

5. Controls over Personal Effects

Personal effects, such as jewelry and money, removed from bodies stored at the Medical Examiner's facility are not adequately safeguarded. When personal effects are removed from bodies, the items are stored in a locked desk drawer. The key is kept in an unlocked drawer next to where

the personal effects are stored. All Medical Examiner office employees know where the key is kept. This increases the risk for theft. To reduce this risk, additional steps should be taken to more adequately safeguard personal effects. In addition, personal effects should only be removed in the presence of at least two individuals.

WE RECOMMEND the Medical Examiner's office implement procedures to ensure personal effects are adequately safeguarded. In addition, personal effects should only be removed in the presence of at least two individuals.

AUDITEE'S RESPONSE

It is the policy of the Medical Examiner's office that personal effects are inventoried and recorded in the presence of two individuals. The information is then inputted into the computer system. Modifications to the computer system have been instituted which restrict individuals from changing entries in the personal effects program except for managers. Items taken from a body are stored in a two-drawer file cabinet which is used exclusively for that purpose. In order to effectively deal with the situation, we have requested a special container in which to store personal effects. The container will be secured in a central location. When a body is released, the personal effects are then again reviewed by two individuals (a Medical Examiner employee and the funeral director to whom the body is being released).

APPENDICES

Appendix A

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF REVENUES COLLECTED
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Collected Revenues
Miscellaneous transcript	\$ 3,465
Miscellaneous	1,120
	<hr/>
Total Revenues	\$ 4,585
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Appendix B

OFFICE OF THE MEDICAL EXAMINER CITY OF ST. LOUIS, MISSOURI STATEMENT OF APPROPRIATIONS AND EXPENDITURES - GENERAL FUND FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriations	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 352,949	332,206	20,743
Special personal service	496,660	496,870	(210)
Undertakers fees	77,396	75,350	2,046
Fringe benefits	46,352	41,234	5,118
Workers' compensation - disability	230	-0-	230
Overtime	1,257	1,136	121
Total Personal Service	974,844	946,796	28,048
EXPENSE AND EQUIPMENT			
Office supplies	3,700	2,191	1,509
Laundry and cleaning supplies	1,100	951	149
Medical surgical and laboratory supplies	8,600	5,760	2,840
Household supplies	1,440	1,141	299
Postage	260	260	-0-
Office services	1,662	405	1,257
Allowances - car fare	429	364	65
Repairs to office and other operating equipment	3,033	2,070	963
Equipment rental	3,019	1,882	1,137
Miscellaneous contractual services	3,015	2,151	864
Charitable expenses	3,500	1,625	1,875
Surety bond premium and insurance	200	64	136
Training	131	131	-0-
Total Expense and Equipment	30,089	18,995	11,094
Total General Fund	\$ 1,004,933	965,791	39,142

Appendix C

OFFICE OF THE MEDICAL EXAMINER
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE STATEMENT OF GENERAL FUND EXPENDITURES

(UNAUDITED)

	Year Ended				
	June 30, 1988*	April 30,			
		1987	1986	1985	1984
Salaries	\$ 332,206	260,191	254,593	262,842	252,334
Special personal service	496,870	394,843	372,694	420,345	467,051
Undertakers fees	75,350	57,382	47,230	44,945	35,600
Fringe benefits	41,234	42,750	37,864	44,518	25,381
Workers' compensation - disability	-0-	-0-	-0-	65	-0-
Overtime	1,136	357	1,168	1,136	1,067
Office supplies	2,191	3,225	3,646	2,722	1,412
Laundry and cleaning supplies	951	1,015	932	834	700
Medical surgical and laboratory supplies	5,760	6,447	6,601	6,686	7,513
Household supplies	1,141	1,420	1,383	1,202	1,110
Miscellaneous equipment	-0-	-0-	1,073	693	-0-
Postage	260	360	260	235	250
Telephone and other communication	-0-	-0-	19	1,667	1,652
Office services	405	694	1,167	895	1,466
Allowances - car fare	364	398	585	250	665
Repair to office and other operating equipment	2,070	2,101	2,213	1,849	1,477
Equipment rental	1,882	1,693	1,622	2,040	1,865
Printing services	-0-	916	1,027	1,019	309
Miscellaneous contractual services	2,151	2,201	1,064	1,671	1,305
Charitable expenses	1,625	1,875	1,855	1,675	1,490
Surety bond premium and Insurance	84	-0-	-0-	55	-0-
Training	131	-0-	-0-	-0-	-0-
Total	\$ 965,791	777,868	736,996	797,344	802,647

* Fourteen months ended June 30, 1988.

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