

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

**DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
YEAR ENDED JUNE 30, 1988**

MARGARET KELLY, CPA



DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI

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STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA
STATE AUDITOR

(314) 751-4824

Honorable Vincent C. Schoemehl Jr., Mayor
and
Chester Hines Jr., Director of Human Services
and
Gay Carraway, Director of Public Safety
City of St. Louis, Missouri 63101

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 Department of Human Services. Our review included, but was not necessarily limited to the city's year ended June 30, 1988. The purposes of our examination were to:

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

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

January 20, 1989

HISTORY AND ORGANIZATION

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
HISTORY AND ORGANIZATION

Service in the care of people is the mission and motto of the Department of Human Services, city of St. Louis. The department's Director is appointed by the Mayor. Rosemary C. Terranova served as Director from April 1985, to July 1989. Effective July 1989, Chester Hines Jr., became the department Director.

At April 30, 1987, the department consisted of six divisions: Division of Adult Correctional Services, St. Louis Area Agency on Aging (SLAAA), Homeless Services' office, Office on the Disabled, Veterans' Affairs Office, and the Division of Children Services. Effective July 1, 1988, department responsibilities and objectives were realigned. The following narrative briefly describes the department's responsibilities at April 30, 1987. Any changes effected by the departmental realignment are also included.

Director's Office

At April 30, 1987, the Director coordinated the efforts of six divisions and directly administered two of the divisions: the SLAAA and the Homeless Services programs.

The SLAAA provides services for older adults in the city of St. Louis, including congregate and home bound meals, transportation, in-home services, legal assistance, and an ombudsman program for nursing home residents. The agency also oversees a network of forty-seven senior citizen centers and service providers located throughout the city.

The Homeless Services' office administers, city-funded homeless services offered in the community. Services provided include emergency shelters, transitional housing, transportation services, and counseling and placement assistance.

The Director's office employed approximately thirteen full-time employees at April 30, 1987.

Effective July 1, 1988, the Director's office assumed responsibility for the social services component of the St. Louis Housing Authority, the Youth Nutrition Program, and the West St. Louis Community Center. The Youth Nutrition Program and West St. Louis Community Center were previously administered by the Division of Children Services.

Office on the Disabled

The Office on the Disabled, founded in 1979, provides services to persons with disabilities, their families, the general public, and any organization needing information or services.

Deborah K. Phillips serves as the Commissioner for the Office on the Disabled. The office employed three full-time personnel at April 30, 1987.

Veterans' Affairs Office

The Office of Veterans' Affairs acts as a veterans ombudsman with governmental coordinating and planning groups working toward favorable consideration of veterans' issues. This program is coordinated through the Director's office personnel.

Division of Adult Correctional Services

The Division of Adult Correctional Services is responsible for the operation of the city jail and medium security institution. These two facilities house all prisoners remanded by the courts until such time the courts order them released. At April 30, 1987, George M. Kinsey served as the Adult Corrections Commissioner. The division employed approximately 260 full-time employees.

Effective July 1, 1988, this division was transferred to the Department of Public Safety, under the direction of Gay Carraway.

Division of Children Services

At April 30, 1987, the Division of Children Services employed approximately sixty-six individuals and operated the Children's Study Home, Emergency Care Unit (ECU), Missouri Hills Home for Boys, the Youth Nutrition Program, and two community centers. The following services were provided:

Children's Study Home provides diagnosis and short-term residential treatment for physically or emotionally abused children, aged five to twelve. The ECU provides emergency care for a maximum of twelve children. These two programs were funded for the year beginning July 1, 1988, but the population of children treated has been drastically reduced.

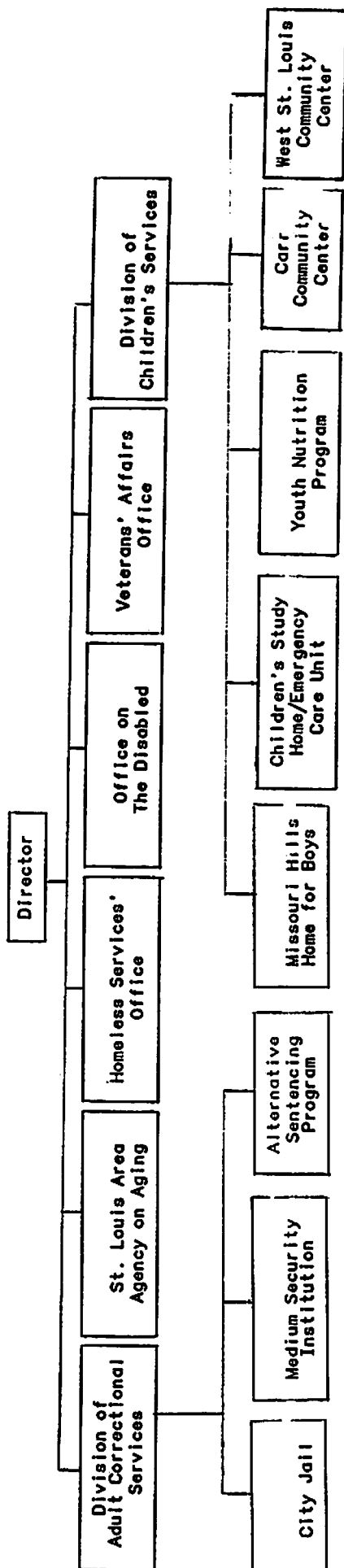
Missouri Hills Home for Boys served city of St. Louis boys committed for care and treatment by the St. Louis Juvenile Court. This program was eliminated effective July 1, 1988. Boys formerly placed at the facility have been alternatively placed at other facilities.

The West St. Louis and Carr Community Centers provided various community services including recreational facilities, space for community meetings, and congregate meals and social activities for senior citizens. Effective July 1, 1988, direct operational responsibility of the West St. Louis Community Center was transferred to the Director's office. Management of the Carr Community Center will be provided through a lease with a tenant management corporation.

The Youth Nutrition Program has two components: the Summer Food Service Program (SFSP) and the Child Care Food Program (CCFP). The SFSP provides free meals during the summer to the school year's National School Lunch and Breakfast Programs. The CCFP provides year round meals to children in child care and outside school hours care centers. Effective July 1, 1988, administration of this program passed to the Director's office.

At April 30, 1987, Edward F. Tripp served as Commissioner of the Division of Children Services. Effective July 1, 1988, this position was eliminated and Mr. Tripp became Commissioner of the Division of Adult Correctional Services, under the direction of Gay Carraway, Director of the Department of Public Safety.

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
ORGANIZATION CHART
APRIL 30, 1987



Note: Effective July 1, 1988, the Department of Human Services was reorganized. See changes discussed in the foregoing History and Organization.

MANAGEMENT ADVISORY REPORT

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
SUMMARY OF FINDINGS

1. City Subsidy of VIP Downtown Senior Center, Inc. (pages 17-18)

During the year ended April 30, 1987, the Department of Human Services subsidized the operations of an independent corporation by paying rent and utility expenses totaling approximately \$22,500.

2. Charitable Solicitations Committee (pages 18-21)

- A. There is no assurance all individuals and/or organizations soliciting donations have current charity solicitation permits in accordance with city ordinance.
- B. Responsibilities relating to Charitable Solicitations Committee (CSC) record keeping, fee determination, and money handling are not adequately segregated or supervised.
- C. The method for applying the permit fee structure is not consistent.
- D. Permit revenues are not deposited in a timely manner.
- E. Duplicate copies of permits retained by the CSC are not adequately cross-referenced to corresponding applications.

3. Consultant Services (pages 21-22)

The department received no benefit for \$2,548 paid in consulting fees.

4. Homeless Services (pages 22-23)

The contract evaluation process for awarding city funds to agencies providing homeless services is not adequately documented.

5. Service America, Inc., Food Contract (pages 26-30)

Our review of food services provided to the city by Service America, Inc., revealed the following:

- A. Service America, Inc., did not comply with federal regulations regarding the handling and use of United States Department of Agriculture (USDA) donated food and the department did not effectively monitor the Commodities Program. At April 30, 1987, the department had not received \$9,610 in price credits related to the value of USDA foods received.
- B. Service America, Inc., inappropriately charged the department for snacks provided to Study Home, Emergency Care Unit, and Missouri Hills residents. It appeared Service America, Inc., manipulated the billing system in a manner which ensured all USDA credits would be offset by snack charges.

- C. Because the Missouri Hills Superintendent considered food portions served to be inadequate, two meals (equivalent to double portions) were ordered for each resident. The associated cost was approximately \$23,162.
 - D. Employees at the children's facilities were allowed to eat meals free of charge. This practice violated the city's payroll ordinance and, in addition, resulted in additional costs to the city totaling approximately \$10,622.
 - E. The department's agreement to allow Service America, Inc., to prepare meals for an independent organization provides no direct benefit to the city.
6. Payroll and Personnel Policies and Procedures (pages 30-32)
- A. Job classifications at the jail and the Medium Security Institution (MSI) are misleading.
 - B. Four Commissioner's office employees were paid from the MSI and jail payrolls. This practice appears to circumvent the budget and staffing approval system.
 - C. Employees in the Commissioner's office are not required to document actual hours worked.
7. Ombudsman Program (pages 32-33)
- The contract to provide social services to inmates was not competitively bid.
8. Cash Shortage (pages 35-36)
- Department management failed to address an approximate \$11,000 cash shortage at the MSI.
9. Commissary Account (pages 36-40)
- A. Because of inadequate record keeping and lax physical controls over commissary items, significant discrepancies in inventory records and actual items on hand could not be explained.
 - B. Procedures for purchasing items for resale in the commissary provide little assurance all items are authorized for purchase and are properly accounted for on delivery.
 - C. Commissary expenditures totaling \$1,551 were identified that did not appear to be for the health and welfare of inmates.

- D. The commissary has not obtained sales tax exemption from the state of Missouri.
10. Drug Inventories (pages 40-42)
- A. Records of drugs on hand, drugs purchased and dispensed are not maintained. As a result, it is not possible to determine whether drugs have been properly handled.
- B. There is no documentation available to prove inmates actually received drugs administered by the nursing staff.
- C. Controlled substances have not been stored in compliance with the Controlled Substances Act.
11. Funds Held in Trust (pages 42-44)
- A. Related to the active inmate account, there is no periodic comparison of monthly listings of inmate balances to the bank balance. As a result, there is little assurance funds have been properly handled and available funds are sufficient to cover all amounts due to inmates.
- B. Related to the inactive inmate account, there is no cumulative listing of inactive inmate account balances maintained. As a result, it is not possible to determine whether the inactive bank account balance is sufficient to cover all related liabilities.
- C. There is not a periodic comparison of the worker's release inmate account bank balance to related inmate cards.
12. Payroll and Personnel Policies and Procedures (pages 44-46)
- A. Functions performed by the MSI payroll clerk are not adequately segregated.
- B. Our review of vacation, sick leave, and compensatory time records revealed instances of unauthorized leave benefits being advanced. The dollar value associated with these instances was approximately \$2,396.
- C. Records relating to employee overtime worked were not maintained.
- D. The MSI volunteer coordinator is paid from the municipal jail's payroll system. This practice indicates an intent to circumvent the budgetary approval process.
13. Workers' Release Program (pages 46-48)
- A. Remittances to the city for working prisoners' board are not made on a timely basis.
- B. Inmate labor rates charged to various city departments are not documented in writing. In addition, the MSI has no policy to

investigate differences between amounts billed to city departments for inmate labor and amounts remitted to the MSI for the same.

14. Supply Inventories (pages 48-49)

Internal controls over cleaning and laundry supplies are not adequate.

15. Inmate Personal Property (pages 49-50)

- A. A periodic inventory of inmate personal property is not conducted.
- B. Signed personal property receipts for some items in storage could not be located.

16. Controls over Drug Supplies (pages 52-55)

- A. Inventory records documenting drugs purchased, administered, and supplies on hand are not maintained at the city jail. Shortages in two drug categories were discovered.
- B. Controls over the dispensing of drugs are inadequate.
- C. Three groups of expired drugs were identified. Length of time expired ranged from nine to thirteen months.
- D. The jail's pharmacy is not registered with the Drug Enforcement Agency as required by the Control Substances Act.

17. Accounting Controls over Cash (pages 55-56)

- A. Responsibilities relating to the handling of inmate cash receipts are not adequately segregated at the city jail.
- B. Account balance listings organized by inmate name are not periodically reconciled to available cash balances.

18. Commissary Account (pages 56-58)

- A. Responsibilities related to jail commissary records and the handling of cash receipts are not adequately segregated.
- B. There is inadequate segregation of duties related to the purchasing function. The purchase of a \$3,500 word processor did not exclusively benefit jail inmates.
- C. The monthly report of inventory balances and consumption is inaccurate and unreliable.

19. Payroll and Personnel Policies and Procedures (pages 58-60)

- A. Duties performed by the jail's payroll clerk are not adequately segregated.

B. The risk of unauthorized employee hires is enhanced due to the payroll clerk approving all employee hires.

C. The jail has not established a formal related party policy.

20. Unclaimed Inmate Monies (page 60)

The municipal jail has not complied with Section 447.530, RSMo 1986, concerning the disposition of unclaimed funds. Approximately \$395 in unclaimed funds should be transferred to the state of Missouri.

21. Inmate Personal Property (page 61)

Established controls over inmate personal property do not ensure all items are accounted for properly.

22. Expenditure Reconciliations (pages 61-62)

Adequate efforts are not made to reconcile monthly expenditure reports to the manual ledger of expenditures.

23. Community Center Policies and Procedures (pages 64-66)

A. Virtually no audit trail exists between the time a community center event is scheduled, fees are paid, and monies are deposited with the Comptroller. Because of the many deficiencies we encountered during our review, we could not conclude all monies received had been properly handled and deposited.

B. Community center rental policies and procedures are not formalized in writing. In addition, written rental agreements were not consistently on file for all community center events held.

24. Deposit Practices (pages 66-68)

Deposits of state and federal reimbursement checks are not made on a timely basis. Time lags were noted ranging from one to five months.

25. West St. Louis Community Center (page 68)

A. Written agreements, outlining contractual obligations and expectations, do not exist for various groups occupying space in the community center.

B. A written agreement does not exist for chemical fire protection, as required by Section 432.070, RSMo 1986.

26. Disabled Services (page 70)

Although the Office on the Disabled serves both St. Louis city and county residents, the office is entirely funded through city appropriations. The estimated annual cost associated with counseling disabled county residents is approximately \$8,800.

27. Payroll and Personnel Policies and Procedures (page 70)

Employees do not maintain records of actual hours worked.

28. Expenditure Controls (pages 70-71)

The manual ledger of expenditures does not contain payroll expenditures; therefore, no procedures are performed to verify the accuracy of personal service expenditures.

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
MANAGEMENT ADVISORY REPORT

As part of our review of the Department of Human Services, 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 purposes 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 division 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 the petitioner concerns and those concerns requiring corrective action are addressed in this report.

The period of review for the purposes stated above included, but were not limited to, the period covered by the financial statements for the year ended April 30, 1987.

OFFICE OF THE DIRECTOR

1. City Subsidy of VIP Downtown Senior Center, Inc.

During the year ended April 30, 1987, the Department of Human Services subsidized the operations of an independent corporation by paying rent and utility expenses totaling approximately \$22,500.

Prior to 1979 the VIP Downtown Senior Center, Inc., operated as a city-provided service. All expenses, including personal service, were city funded. Approximately ten years ago, the VIP Downtown Senior Center incorporated and severed its formal association with the city. Despite this severance, however, the department, through its aging program, continued to fund the center's operations by providing a city-paid executive director and paying the associated rent and utility expense. In 1985, the city-paid executive director was released. The city did not fund the subsequently appointed director position but did continue to pay the center's rent and utilities. This arrangement continued through April 30, 1987, and during our review, a new contract was formulated to further extend the financial arrangement.

Our examination of this contractual arrangement did not include a determination of the personal service cost associated with the city providing an executive director to the VIP Downtown Senior Center. We did determine, however, that for the period May 1, 1982, through April 30, 1987, the city made at least \$118,110 in subsidy payments to the corporation.

Under the current contractual arrangement, it is unclear specifically what services and benefits the city receives in return for the subsidy payments.

WE RECOMMEND the department ensure the city's subsidy payments are directly correlated with the provision of specific services.

AUDITEE'S RESPONSE

These funds were allocated and utilized exclusively for public purposes, specifically, for the provisions of services to senior citizens in the Public Service Area (PSA). Initially, the VIP Downtown Senior Center was organized as a part of the St. Louis Area Agency on Aging (SLAAA) and was housed in its facility. Upon relocation of the SLAAA, the city granted funds for rent and utilities for the VIP Downtown Senior Center as a senior citizen services provider.

Additionally, the SLAAA Information and Referral office has always been housed in these premises due to lack of space in the central office of the SLAAA. Currently, no city revenue is utilized for the support of the VIP Downtown Senior Center.

AUDITOR'S COMMENT

The section of the SLAAA which shared the facilities with the VIP Downtown Senior Center was not relocated as noted in the first paragraph of the department's response. Therefore the relocation of the agency did not affect the arrangement with the VIP Downtown Senior Center. In addition, the VIP

Downtown Senior Center also was incorporated and severed its formal relationship with the city. It is our understanding that city general revenue funds are not used, but grant funds received by the city are being used to support the VIP Downtown Senior Center.

2. Charitable Solicitations Committee

The Charitable Solicitations Committee (CSC) was established by city ordinance during 1963. The stated purpose of establishing the CSC ". . . is not to restrict in any way the activities of charitable persons or charity oriented organizations but (1) to protect the public from harassment and (2) deal fairly with all applicants and public alike. . . ." The ordinance dictated that no charitable organization would solicit public donations without first obtaining a permit. Our review of the CSC's policies and procedures revealed the following deficiencies:

- A. There is no assurance all individuals and/or organizations soliciting donations have current charity solicitation permits. Our examination of the CSC's files revealed several organizations that had obtained a permit in previous years but had not filed for a current permit. We selected ten organizations and determined eight of them were still soliciting donations. As mentioned, not one held a current charity solicitations permit. In one instance an organization had not applied for a permit since 1972. There was no available explanation as to why the organization had not been contacted in over fifteen years for permit renewal.

There are several effects associated with the CSC's failure to ensure all charity organizations are operating with an annually renewed permit. First, revenue is forfeited. Since this figure is contingent on the annual revenues of applicant organizations, the forfeited total could not be quantified. Secondly, the purpose for the CSC's establishment is diminished. When controls are not in place to ensure organizations previously holding a permit are contacted to renew their permits, charities could be allowed to operate unlicensed and unmonitored. Our work only revealed those organizations that did not reapply for a new permit. We could not quantify the significance of the problem relating to organizations soliciting donations without ever having obtained a permit.

Section 745.040 of the CSC ordinance states "unless a permit has been obtained, . . . no person, directly or indirectly, shall solicit money, donations of money, property or financial assistance of any kind. . . ." These permits are to be obtained at least annually.

- B. Responsibilities relating to CSC record keeping, fee determination, and money handling are not adequately segregated or supervised. Although the actual issuance of a permit must be approved by the CSC committee, the Director of the Department of Human Services' secretary performs all other duties relating to the CSC function. This individual processes the applications, handles all correspondence, assesses the related fees, receives all cash receipts through the mail, records the receipts, and also prepares the actual permit document. In addition, this individual prepares the

receipts for deposit with the city treasurer. None of these functions are directly reviewed or supervised by the director. Such an environment provides no assurance that the CSC system is functioning as intended. The lack of adequate segregation of duties increases the possibility of errors not being detected and that all transactions are recorded properly.

The CSC transmitted approximately \$3,375 in permit revenues to the city Treasurer during the year ended April 30, 1987. Because of a complete lack of internal operating and cash controls, we cannot be assured this represents all CSC monies collected. Further, we could not determine what additional monies, if any, should have been collected. It is critical measures be implemented which segregate, to the extent feasible, the responsibilities of record keeping and the handling of money. At a minimum, these responsibilities should be closely monitored by an independent party.

- C. The method for applying the permit fee structure is not consistent. As provided by ordinance, the fee is based on an applicant's gross receipts. The structure is organized on a sliding scale basis, with the fees ranging from \$5 to in excess of \$50. Our examination of applicant files revealed instances where gross receipt amounts were subjectively increased or decreased. For example, in one instance the reported gross receipts were decreased from \$527,023 to \$99,559. The effect of this \$428,000 adjustment was a \$75 decrease in permit revenues. According to the department's secretary, who, as mentioned, handles all CSC operations, the adjustment was made to remove reported receipts relating to pass-through funds of an agency previously assessed a permit fee. We located no written explanation for this exception and further, observed no approval of this transaction.

Based on the results of our review, we have little assurance fees are properly assessed. Our concern is further impacted by the lack of internal operating controls discussed above. To ensure the integrity of the CSC revenue cycle and to ensure all charitable organizations are treated equitably, fees should be applied and assessed in strict accordance with the ordinance. Any deviations from the established fee structure should be adequately documented and formally approved.

- D. Permit revenues are not deposited in a timely manner. During the year ended April 30, 1987, ten deposits totaling \$3,374 were made. Individual deposit amounts ranged from \$32 to \$924. According to the fund custodian, permit fees are retained for approximately one month prior to deposit. She judgmentally determines when enough money has accumulated to warrant the preparation of a deposit. Until that time, monies are stored in a locked drawer in her custody.

Undeposited checks and cash result in forfeited city interest earnings and also increase the risk for misappropriated monies. Article XV, Section 24 of the city of St. Louis Charter stipulates that "... all monies belonging to the city received by any officer

or agent thereof should be deposited daily in the Treasury division. . . ."

- E. Duplicate copies of permits retained by the CSC are not adequately cross-referenced to corresponding applications. The permit numbering sequence does not correspond to the application numbering sequence. It is the CSC's policy to cross-reference these two sources; however, our review of ten files revealed three errors. Incomplete cross-referencing complicates information retrieval and further, makes it difficult to ensure all applications and/or permits have been properly filed.

Efforts to ensure all permits and corresponding applications are properly filed and cross-referenced should be increased.

WE RECOMMEND the CSC:

- A. Implement procedures that will ensure all charity organizations obtain a permit to solicit donations.
- B. Segregate the responsibilities currently performed by the director's secretary. Record keeping, fee determination, and money handling functions should be independently assigned. To the extent this is not feasible, a documented review should be regularly conducted.
- C. Assess permit fees in strict accordance with Ordinance No. 52194. Any deviations from the established fee structure should be fully documented and formally approved.
- D. Deposit all permit fees in accordance with Article XV, Section 24, of the Charter of the city of St. Louis.
- E. Ensure all applications and corresponding permits are adequately cross-referenced.

AUDITEE'S RESPONSE

- A. Organizations or individuals soliciting donations are informed of this requirement. Historically, it has been the responsibility of each organization to renew their applications. However, effective October 1, 1989, all soliciting organizations will be sent a permit renewal notification on an annual basis.
- B. A new procedure involving the secretary for the CSC and the manager of Fiscal Services has been developed that now allows for the segregation of money handling for the CSC. This activity is now supervised by the department Director.
- C. Fees are based on income information provided by the applicant. This practice is in conformance with the city's existing ordinance.
- D. Permit revenues received will be deposited according to ordinance with deposits being made no later than the next business day by the fiscal unit of the Department of Human Services.

- E. All permits are numbered and, therefore, can be accounted for as to issuance. The need for cross-referencing is extremely minimal but is available upon request.

AUDITOR'S COMMENT

The fees are to be computed based on financial information provided by organization, but as we noted, there were adjustments made to the information supplied by the organization. We could not determine why the adjustments were made or who approved them.

3. Consultant Services

During April 1986, the department contracted with an individual for technical assistance in fund raising to increase private contributions for elderly assistance. A comprehensive written contract was formulated and addressed the scope of services, the consultant's compensation, and reporting requirement. During a one-year period, the consultant was expected to develop a written fund-raising strategy and raise an estimated \$100,000. The consultant was to submit monthly progress reports to the department's director. Compensation during the one-year contract period was not to exceed \$25,000. For each twenty hours of service provided, the consultant was to receive \$1,000.

Our review of the expenses and results relating to this contract revealed several concerns. The consultant terminated the contract in August 1986, after receiving \$2,548 in compensation. Notice of termination was not located. Monthly progress reports or written department correspondence requesting monthly reports or ongoing program results were not on file. According to department personnel, the consultant was unable to raise any funds, became discouraged, and severed the contract without notice.

It is unclear why the department allowed four months to elapse without evaluating contractual progress and/or program results. The department's failure to enforce the terms of this contract resulted in the waste of city resources. In the future, contractual arrangements should be continually monitored to ensure contractual compliance and also ensure city resources are spent in the most effective and efficient manner available.

WE RECOMMEND the Director of the Department of Human Services enforce contractual monitoring procedures to ensure contractual compliance as well as prudent resource use.

AUDITEE'S RESPONSE

During the fall of 1985 Mr. Daniel J. Sullivan contacted the former Director of the Department of Human Services to offer his fund-raising expertise on behalf of the SLAAA. He offered to provide gratis consultation on a part-time basis. The former Director and the then Commissioner of SLAAA met with Mr. Sullivan, were impressed with his fund raising knowledge and ideas, and with his desire to offer some services free of charge as a community contribution. They requested information regarding his fee schedule, should they decide to hire him on a full-time consulting basis. They deemed these fees to be extremely

reasonable, when compared with previous fund-raising efforts. Pursuant to this meeting, Mr. Sullivan provided them with a work plan in December 1985 and began implementing it before receiving any payment. Additionally, he laid the groundwork for future fund-raising efforts. He trained staff and volunteers to research potential donors and provided them with the skills to solicit donors. After termination of his contract, on August 25, 1986, and his receiving a total amount of \$2,548, the SLAAA underwent a major reorganization and subsequent staff reduction, thwarting the agency's plans to utilize the research Mr. Sullivan had conducted and to utilize the skills learned from him.

AUDITOR'S COMMENT

While the department considered the individual qualified and the rates acceptable, the department did not obtain monthly progress reports as required by the contract. Also, the department did not obtain or at least retain any documentation as to why the contract was terminated. Without adequate monitoring of contracts, city resources could be spent in ineffective or inefficient programs.

4. Homeless Services

The Homeless Services Office, under the Director of the Department of Human Services, coordinates all city-funded homeless services in the community. The program is funded by federal grants and general revenue monies. The city serves homeless individuals by contracting with local agencies to provide needed services. Our review of service contracts awarded through general revenue funding revealed that documentation of the contract evaluation and award process for the year ended June 30, 1988, was not adequate.

For the year ended June 30, 1988, homeless services contracts were awarded on the basis of an advisory committee review and recommendation. Agency personnel stated the process is initiated by placing advertisements for needed services in five local newspapers. All interested parties are sent a request for proposal (RFP) which outlines the specific requirements related to the requested homeless service. Upon receipt of the various RFPs, the advisory committee reviews the proposals and makes contract award decisions. In conjunction with the RFP review and evaluation, the committee is to complete an application proposal checklist. This checklist is intended to serve as the basis for making award decisions.

We examined ten proposals and the evaluation checklists were not available.

Such lack of information results in decreased assurance the Homeless Services Program is using resources in the most efficient manner available. In addition, when information, such as evaluation checklists, and evaluation forms are not complete, there is no available basis to ensure city funds were awarded to the most qualified vendor at the most competitive price.

For the fourteen months ended June 30, 1988, \$673,811 in city funds were spent on the Homeless Services Program. In the future, every effort

should be made to maintain complete bid files which clearly document and support the homeless services contract award process.

WE RECOMMEND the Director of the Department of Human Services increase efforts to maintain complete documentation relating to the Homeless Services Program. For each service contracted, a complete bid file should be maintained. The bid file should contain, at a minimum, the following:

- A. Proof of advertisement,
- B. Copies of RFPs,
- C. Copies of all proposals received,
- D. Copies of checklists and evaluation forms related to each proposal received, and
- E. Documentation of the reasons for the award.

AUDITEE'S RESPONSE

There were two bid and award processes for homeless services relative to the period May 1, 1987, through June 30, 1988. A request for proposals for city-funded homeless services was issued in April 1987, and request for services for city-funded shelter services was issued in June 1988.

DIVISION OF ADULT CORRECTIONAL SERVICES

COMMISSIONER OF ADULT SERVICES

5. Service America, Inc., Food Contract

The city independently contracts for meals needed for municipal jail and Medium Security Institution (MSI) inmates. Until July 1, 1988, meals for Children's Study Home, Emergency Care Unit, and Missouri Hills residents were also provided under contract. At the time of our review, the Commissioner of Adult Services was the designated person to monitor contractual compliance and ensure the quality of food served. Our review of food services provided to the city by Service America, Inc., revealed the following concerns:

A. United States Department of Agriculture (USDA)

Service America, Inc., did not comply with federal regulations regarding the handling and use of USDA donated food and the department did not effectively monitor the Commodities Program.

At the time of our review, the city was an eligible recipient for USDA donated foods. The food service contract stated Service America, Inc., would work equally with the Adult Services Commissioner in developing orders and ensuring the proper reflection of price credits for USDA commodities on food service billings. Department officials performed no monitoring functions related to the Commodities Program.

Our review of the period February 1, 1987, through February 29, 1988, indicated the department had received approximately \$9,842 in USDA donated foods. Although the food service contract stated the city would be granted price credits equal to the full USDA value of any donated foods received, the city had received price credits of only \$232 of the \$9,842. Because inventory records of USDA commodities did not contain all commodities received and used, and balances on hand were not clearly associated with dollar values, we could not be assured all commodities had been properly administered.

Federal regulations addressing USDA donated foods state "... donated foods received under this agreement will be used solely for the benefit of those persons served or assisted by the Recipient Agency" Without monitoring procedures and adequate food service inventory records, the department has little assurance that donated foods are used as intended, and that proper credit is received on billings.

B. Children's Snacks

Service America, Inc., inappropriately charged the department for snacks provided to Children's Study Home, Emergency Care Unit, and Missouri Hills residents. Children were given morning and afternoon snacks, which consisted of a single piece of fruit, two crackers and one ounce of cheese or jelly, or one ounce of peanuts. Our review of food service billings revealed, except for three noted instances, Service America, Inc., did not charge for snacks served. However, on three billings, Service America, Inc., charged the

facilities an amount for snacks equal to the dollar amount of USDA commodities used at the facilities during the billing month. For example, the May 1987 billing to Missouri Hills indicated 3,720 snacks had been served. The associated cost was \$409. The bill further indicated the same dollar value of USDA commodities had been used in the preparation of Missouri Hills meals. As a result, the commodities price credit to be granted was offset against the charge for snacks and ultimately, was foregone. We have two concerns with this policy:

- 1) The food service contract did not specifically state a separate charge would be assessed for snacks. In fact, sample menus submitted in the bid proposal for children's meals included snacks. Further, Service America, Inc., policy of charging for snacks only when USDA commodities were used indicates the inappropriateness of the practice.
- 2) The number of snacks documented on billings as being served did not appear reasonable. The May 1987 Missouri Hills billing indicated 3,720 morning and afternoon snacks had been served. This figure would indicate an average daily census of sixty-two boys during the month of May. The following month, the home was charged for only 810 snacks, reflecting a drop in the average daily census to only fourteen boys. The average census during 1987 was twenty-seven boys. In addition to the unexplained fluctuation in the number of snacks being served from month to month, it is also unusual that the dollar value of snacks served in any one month exactly equaled the dollar value of commodities used in the same month.

It appears Service America, Inc., has manipulated the billing system in a manner which ensures all USDA credits will be completely offset by snack charges. Because charging for snacks is not in accordance with contractual terms and the reasonableness of the practice is questionable, the department should consider requesting reimbursement on all payments made for snacks. For the period May 1, 1986, through February 29, 1988, Service America charged the city \$927 for snacks.

C. Children's Serving Sizes

During the year ended April 30, 1987, the Missouri Hills facility ordered 52,460 meals. Taking into consideration the daily census during the same period, only 29,298 meals should have been required. The Superintendent stated the boys were not receiving proper nourishment and he basically ordered two meals (equivalent to double portions) for each resident. The associated cost for the additional meals ordered during 1987 was approximately \$23,162.

D. Free Employee Meals

Employees at Missouri Hills and Children's Study Home were allowed to eat meals free of charge. This practice violated a city

ordinance and, in addition, resulted in additional costs to the city totaling approximately \$10,622.

Because employees at the children's facilities are required to monitor lunch periods they were given the option of eating with the residents free of charge.

The food service contract states employees may eat meals, but at a reasonable charge. Further, the city ordinance states a deduction shall be made on the payroll or a cash charge shall be collected for all subsistence provided to personnel.

E. Magdala Foundation

During July 1987, the Commissioner of Adult Services was contacted by Service America, Inc., with a request to use MSI kitchen facilities to prepare meals for the Magdala Foundation. Service America, Inc., indicated the meals would be prepared using city food and resources and would be shipped to the Magdala facility. In return, the city would be granted a five-cent credit for each meal prepared for the Magdala Foundation. The city agreed to this proposal. An addendum agreement was drafted with an effective date of August 1, 1987. Although we observed price credits being granted for amounts indicated as meals prepared for the Magdala Foundation, we had several concerns with the arrangement:

- 1) Service America, Inc., provided no documentation to support the price credit granted each month. As a result, we could not determine whether the city received the appropriate price adjustment.
- 2) It was not clear whether USDA commodities were being used to prepare Magdala Foundation meals. Because food was prepared in bulk and then transported, it would appear that there was no distinction made between USDA donated foods and other food products. The USDA donated food agreement specifically states donated foods are to be used solely for the benefit of those persons served or assisted by the recipient agency.

During the year ended April 30, 1987, food service costs related to the jail, MSI, Children's Study Home, and Missouri Hills totaled \$770,520. It is evident from the discussions above, the department has not properly monitored this expense. As a result, federal guidelines regarding donated foods have been violated, appropriate credits have not been extended, unnecessary costs have been incurred, and ultimately, city resources have been wasted. To ensure quality food is provided at a fair and reasonable cost, the city needs to implement stricter monitoring controls over the administration of the food contract.

WE RECOMMEND:

- A. The department ensure compliance with federal guidelines addressing the receipt and use of USDA donated food. This includes monitoring price credits to ensure a credit is associated with all commodities received, donated foods are solely used for the benefit of inmates and residents, and appropriate inventory records are maintained for inspection. We also recommend the department consider requesting a \$9,610 reimbursement from Service America, Inc., related to commodities received and not yet credited.
- B. Payment for snacks be discontinued and Service America's, Inc., practice of offsetting all commodities used by assessing equivalent snack charges no longer be accepted. To recover losses already incurred as a result of this practice, the city should consider requesting payment from Service America, Inc., of \$927.
- C. The practice of ordering additional meals be discontinued. If serving sizes are determined to be inadequate, formal negotiations should be held with Service America, Inc.
- D. The practice of allowing employees to eat meals free of charge be discontinued. A reasonable charge should be established. Consideration should be given to monthly payroll deductions related to employee subsistence.
- E. The agreement with Magdala Foundation be closely scrutinized for clear evidence of benefit to the city. If the decision is made to continue with the agreement, stricter controls should be implemented which ensure the city receives appropriate credit and no USDA commodities are used.

AUDITEE'S RESPONSE

- A. The Division of Corrections has been in contact with Mr. Richard Hinkelman, the District Manager of Service America, Inc., and Mr. Paul Spicer, Administrator of Food Assistance Programs for the Division of Family Services, concerning the handling of USDA donated food. The accounting staff of the Division of Corrections will set up a regular monitoring and inventory system for this program to comply with applicable federal guidelines. In order to determine if the city has a rightful claim to the \$9,610 shortage in price credits, a complete audit of all invoices at the MSI as well as the records of Service America, Inc., will be conducted.
- B. The snack charges in question were incurred at the Children's Study Home, Emergency Care Unit and Missouri Hills. The Director of Public Safety asked the City Counselor to review the food contract to determine if the city should have been subjected to additional charges for provisions of these snacks. Because there was no specific provision in the contract for extra payment for snacks, and because snacks were included in menu A which was the basis of the contract awarded to Service America, Inc., the snacks would be included in the bid price. We have requested reimbursement from Service America, Inc., in the amount of \$927.

- C. Additional meals were ordered at Missouri Hills when the Superintendent determined that the food portions were inadequate. Rather than ordering these additional meals, the Superintendent should have insisted on increasing the size of the portions. Should this problem arise in the future under the food service contract for the Division of Corrections it will be resolved immediately without ordering additional meals. The Commissioner of the Division of Corrections as well as the superintendents of the respective institutions have been directed to closely monitor the food service and to promptly and thoroughly investigate and resolve any complaints or observed deficiencies.
- D. The practice of allowing employees to eat meals free of charge occurred at the children's facilities which are no longer in existence. With regard to the Division of Corrections, employees are allowed to eat meals provided under the food service contract. This practice is desirable from our perspective since employees are required to remain at the worksite for the entire shift. Employees who elect to eat meals provided under the contract pay \$1 per meal, which equals the city's cost under the contract. The funds collected are deposited with the Treasurer's office on a weekly basis.
- E. We concur with this recommendation and effective August 1, 1989, the Division of Corrections ceased allowing meals for the Magdala Foundation to be prepared at the Medium Security Institution.

6. Payroll and Personnel Policies and Procedures

The Commissioner's office coordinates the budgeting and staffing for the municipal jail and MSI. In addition, the Commissioner supervises a small staff. Our review of the Commissioner's responsibilities relating to the administration of personnel policies and payroll procedures revealed the following concerns:

- A. Job classifications at the jail and MSI are misleading. During our review of operations, we noted the majority of MSI and jail personnel, irrespective of their job responsibilities, are classified as correctional officers. Examples of unrelated job titles and responsibilities include the volunteer coordinator, laundry supervisor, business manager, and switchboard operator. Each of these individuals perform nonsecurity related tasks but are classified as correctional officers. According to civil service job descriptions, the correctional officer is to "... perform work ... in maintaining security and in regulating and guarding the movement and behavior of residents in city security institutions..." Job title misclassifications may represent an effort to circumvent the budget process by creating nonsecurity positions and assigning correctional office titles to them.

In January 1988, the National Institute of Corrections (NIC) conducted a staffing survey at MSI. The NIC is a federal agency which provides assistance to correctional agencies by creating more effective, humane, safe, and just correctional facilities. The NIC reported that of 138 personnel positions at MSI, 123 were filled by

correctional officers. However, as many as 25 of these individuals were reported as having nonsecurity responsibilities.

We did not determine what correlation might exist between nonsecurity staff being improperly classified and reported incidents of violence. However, the MSI should evaluate current job responsibilities and related classifications to ensure budgetary compliance, while taking into consideration the security environment.

- B. Four Commissioner's office employees are paid from the MSI and municipal jail payrolls. The positions are a correctional officer, an administrative assistant, an investigator, and a clerk typist. Annual payroll expense related to these four positions during the year ended April 30, 1987, was \$81,406.

The Adult Commissioner was aware of the situation noted above. He stated he had inherited the condition and was "working on it". He could not provide written authorization to support the payment of these individuals from MSI and municipal jail payrolls. The effect of this situation is an apparent effort to circumvent the budget approval process. Reassigning security related personnel to administrative positions further complicates the security environment discussed in section A. above. To ensure compliance with budget guidelines and approved staffing positions, employees working in the commissioner's office should not be paid from alternate payrolls.

- C. Employees in the Commissioner's office are not required to document actual hours worked. According to the Commissioner, this practice was discontinued in June 1987. At the time of our review, bimonthly payroll requisitions were prepared on the assumption all employees had worked the required numbers of hours. This practice may be in violation of the Fair Labor Standards Act (FLSA) which requires employees to maintain accurate and complete records of time worked. Without records of time worked, there is no support for the \$145,302 paid to Commissioner's office employees during the year ended April 30, 1987.

To ensure compliance with federal regulations regarding timekeeping and to provide assurance payroll expenditures represent only valid claims for actual hours worked, all Commissioner's office employees should maintain complete time records.

WE RECOMMEND the Commissioner's office:

- A. Classify employees based on actual job functions and if additional staff is needed request actual need.
- B. Discontinue the practice of paying Commissioner's office employees from MSI and municipal jail payrolls. If additional staffing is needed, specific budget requests should be made for the Commissioner's office.

- C. Establish a time accounting system requiring all hours to be accounted for. This record should then be used as the basis for preparing the bimonthly payroll.

AUDITEE'S RESPONSE

- A. We agree that some of the job classifications at the jail and MSI are misleading. The problem has been partially addressed at the MSI where several clearly identifiable clerical and/or administrative support functions have been shifted from correctional officers to civilian personnel (e.g., typist, secretary, telephone operator, correctional counselor). The correctional officers who had been performing these functions have been reassigned to the security positions for which they were hired. Those positions for which the need for security versus civilian personnel are not so clearly identifiable will be addressed as part of the Department of Personnel's systematic classification review process as well as the budgetary process. We have been notified by the Department of Personnel that this process will begin in October of this year. The number of personnel involved at the city jail is less and a study of the situation there with respect to job classification is underway.
- B. Several employees on the payroll of either the MSI or the city jail are actually working in the office of the Commissioner of Corrections. While all of these individuals are performing necessary tasks for the entire division, an assessment of the need to have these individuals physically stationed in the Commissioner's office is being conducted. If it is determined that such a need exists, the positions will be transferred to the Commissioner's budget table of organization and we will ask the Personnel Department to review the duties and responsibilities of the positions to determine the appropriate classifications.
- C. In order to comply with the FLSA, the payroll clerk in the Commissioner's office has been instructed to maintain daily records of time worked, including sign-in sheets, for the Commissioner's office.

7. Ombudsman Program

The contract to provide social services to inmates was not competitively bid. Pursuant to a federal court order requiring social services be provided to inmates, the city contracted with the Lutheran Mission Association to operate an ombudsman program. Written contracts have been formulated and the agreement has been renewed annually since 1981. During 1987, the contract amount was \$32,000.

In discussions with the Adult Commissioner, it was revealed the ombudsman contract was not competitively bid. The commissioner stated the Lutheran Mission Association's reputation and reasonable rates had been relied on for several years. He saw no need to competitively bid the services. Because of the ongoing nature of the agreement, it is possible the city may not be paying the most favorable price for needed services. Although the current contractor may provide the best services at the most reasonable rates, the city currently has no basis for concluding this. In the future, to ensure city resources are used in the most efficient and effective manner available, all goods and services should be competitively bid.

WE RECOMMEND the Adult Commissioner's office place the ombudsman contract out on competitive bid. The selection process should be adequately documented in a manner which clearly indicates the city is receiving quality services at a reasonable cost.

AUDITEE'S RESPONSE

The original contract with Lutheran Ministries Association to provide the ombudsman service was competitively bid. After subsequent rebidding efforts, it was determined that the Lutheran Ministries was a sole source provider in that no other bids were received. Additionally, it should be noted that the city pays only a fraction of the actual cost of this program since the Lutheran Ministries receives funds for this service from sources other than the city. The current contract amount is \$26,400 and expires on June 30, 1990. We agree to solicit RFPs for this service prior to the expiration of the current contract.

MEDIUM SECURITY INSTITUTION

8. Cash Shortage

Department management failed to address a \$10,812 shortage in a timely manner. In 1986, the Commissioner of Adult Services, and the MSI superintendent became aware that funds from the active inmate account had not been properly deposited. The shortage was communicated to the department Director during 1987.

We examined the receipts and related bank deposits for the year ended December 31, 1986. Our review revealed \$9,938 in receipts to the active inmate account had not been deposited. Further examination into 1985 transactions revealed an additional \$874 shortage.

From interviews with various accounting personnel, we learned the shortage had been communicated to the MSI Superintendent in April 1986, when a substantial number of deposit in-transit entries failed to clear the bank. The shortage was not pursued however, and was written off as unrecoverable in late 1986.

At the conclusion of our detailed comparison of receipts to bank deposits which revealed the shortage, we spoke with the MSI Superintendent. He stated he was aware of the apparent theft but had communicated the situation in mid-1986 to the Commissioner. The Commissioner had informed him the condition would be addressed and resolved. The Superintendent stated he did not pursue the shortage any further, and in fact, was unaware the amount had been written off as unrecoverable.

Effective July 1, 1988, the operational responsibilities of the adult correctional facilities were transferred to the Department of Public Safety. Gay Carraway, the department Director, appointed a new MSI Superintendent and then referred the shortage to the St. Louis Police Department.

Although positive steps have been taken to address the shortage of inmate monies, it is important to note what internal control weaknesses allowed the shortage to occur.

During the period in which funds were misappropriated, there was inadequate segregation of duties as well as a lack of independent supervisory review. From our review, we identified the following procedures relating to active inmate cash receipts:

Money was received for a specific inmate either directly or through the mail. Only cash and money orders were accepted. We later noted instances where personal employee checks, government checks, or other city department checks were received. At the point where money was received or the mail was opened, a cashier would prepare a prenumbered receipt slip. The slip indicated the receipt amount as well as the form of payment (cash, check, or money order).

At the end of each cashier's shift, receipt slips were batched and a calculator tape was prepared. The tape was then agreed to the total of the batched receipts. The monies and the receipt slips were then placed in the safe overnight. Documentation of the receipt slips to cash reconciliation was not retained.

The following day, the monies and receipt bundles would be delivered to the Accounting Department. There was no control requiring accounting personnel to acknowledge in writing the receipt of monies. The business manager or his assistant would record the total of the receipt slips in the cash receipts journal and the individual receipt amounts would be recorded on inmate ledger cards. A deposit slip would be prepared and a deposit would be made. The business manager typically prepared the bank deposit. MSI personnel indicated bank deposits were generally made three times each week. During the time period in which funds were misappropriated, time lags in excess of twenty days were noted between the date monies were initially received and the date they were deposited.

As indicated above, once monies were remitted to the Accounting Department, one individual generally performed all cash-related tasks. This included recording receipts in the cash receipts journal and preparing the bank deposit. The bank reconciliation was independently prepared but there appeared to be little, if any, investigation of unusual reconciling items.

The system documented above was in operation until approximately mid-April 1986. At that time, controls were implemented requiring daily deposits to be made. In addition, an independent daily reconciliation of receipt slips to funds received was performed. This system is currently still in place.

The department obviously recognized a problem in April 1986 when an effective system of cash internal controls was implemented. However, implementing a new control system did nothing to recover the \$10,812 shortage. The Department of Public Safety and its management has a fiduciary responsibility to continue in its endeavors to resolve the shortage.

WE RECOMMEND the Department of Public Safety continue efforts to recover the \$10,812 shortage. In addition, department management should continually assess the adequacy of cash internal control systems in place.

AUDITEE'S RESPONSE

We agree that this issue was not addressed in a timely fashion. When the Division of Corrections was transferred to the Department of Public Safety on July 1, 1988, the Director of Public Safety referred the matter to the St. Louis Police Department. After a full investigation by the Fraud Section of the Police Department, applications for warrants were made at the Circuit Attorney's office. Warrants were refused for lack of evidence. The \$10,812 shortage is, therefore, uncollectible and no longer appears as a deposit in transit. Steps have been taken to adequately control access to these funds within the institution (i.e. an accountant has been hired to put proper control systems in place).

9. Commissary Account

The MSI operates a commissary which provides spending privileges to inmates. Profits generated from sales, according to commissary policies

and procedures, are to be used for the general health and welfare of all resident inmates. Our review of the commissary operation indicated the following problems:

A. Commissary Inventory

Because of inadequate record keeping and lax physical controls over commissary items, significant discrepancies in inventory records and actual items on hand could not be explained.

The commissary is open for resident and employee purchases on Mondays, Wednesdays, and Fridays. To the extent an inmate has available funds, purchases of various food and sundry items can be made. Since money cannot be used, a commissary ledger card is maintained for each inmate. With each purchase, the sale is recorded on a cash register and the sale amount is simultaneously deducted from the inmate's ledger card. Deliveries of ordered goods are made on Tuesdays and Thursdays. Inventory counts are conducted on the last working day of each month. On the basis of monthly inventory counts, MSI office personnel prepare a consumption and inventory report. This report documents beginning and ending inventory balances, purchases during the month, and commissary sales. The sales figure is based strictly on the changes in inventory balances during the month. At the time of our review, it was not compared to the actual cash register sales tapes.

Our preliminary comparison of cash register sales tapes to recorded monthly sales revealed significant differences. As a result of these differences, an extensive review of the commissary inventory was conducted. Four inventory counts were conducted during the month of March 1988. Taking into consideration all inventory purchases, as well as any recorded spoilage or breakage, a retail sales figure for each commissary item was computed. The total of these computed retail sales was compared to sales recorded on the cash register. For the one-month period, sales based on the changes in actual inventory balances exceeded recorded sales by approximately \$1,472. Possible explanations for the noted difference include the following:

- 1) Adequate record-keeping controls over inventory items are not in place. Monthly counts are conducted but, because perpetual inventory records are not maintained, the counts are of no benefit. Based on the established control system, products could be removed without notice.

It should be noted that because perpetual inventory records are not maintained, it was not possible for us to identify shortages in specific product categories.

- 2) Physical controls over commissary products are virtually nonexistent from the point of delivery to storage. Inquiry of MSI personnel revealed ordered commissary items are initially delivered to a dock area at the facility. The dock area is not

in close proximity to the commissary. At the dock, items are unloaded. An undocumented count of delivered items is conducted by the commissary custodian and delivered goods are then transported by supervised inmates to the commissary area. A second undocumented count of items is conducted and compared to the shipping list. According to MSI personnel who conduct the count of goods, differences between items delivered to the dock and items transported to the commissary have never occurred. Because we were unable to verify this statement, we cannot be assured all ordered inventory items received actually get to the commissary.

- 3) If returned, spoiled, or broken items are not recorded as inventory reductions, a difference in recorded sales and computed sales based on inventory changes would be revealed. We also learned the commissary uses various office supplies and paper products; if these items are not properly recorded, a difference would likewise be evident. We cannot conclude on the extent to which this possibility would explain our noted difference.

As a result of lax or virtually nonexistent physical controls over commissary items as well as a failure to examine commissary operations by maintaining detail inventory records and comparing recorded sales to actual changes in inventory balances, significant unaccountable differences in inventory balances have occurred. Our review did not extend beyond March 1988, but we have no reason to believe the inventory differences were isolated to our review period. Commissary purchases during the year ended December 31, 1987, totaled approximately \$195,677. We have no assurance these purchases were accounted for properly.

Immediate attention to these noted differences is necessary. In addressing the problem, stricter record keeping and physical controls should be implemented.

B. Commissary Purchasing Procedures

Procedures for purchasing items for resale in the commissary provide little assurance all items are authorized for purchase and are properly accounted for on delivery. Two correctional officers assigned to the commissary are responsible for purchasing, receiving, and accounting for commissary items. This lack of segregated duties and absence of independent purchasing authorization significantly increases the risk the commissary system will be circumvented and manipulated for personal gain. To ensure all purchases are authorized and for commissary use, the purchasing, receiving, and record-keeping functions should be segregated. At a minimum, purchases should be independently authorized and accounting transactions should be independently reviewed.

C. Commissary Fund Expenditures

All expenditures from the Commissary Fund did not appear to be for the health and welfare of inmates. Any profits generated from commissary sales are designated for inmate use. The Commissary Fund policy states any expenditure from the fund should benefit all inmates equally. Our review of expenditures revealed several questionable transactions:

Installment payment for employee pagers	\$ 100
Purchase of a safe	486
Maintenance on a cash register	840
Banquet tickets	125
Total	<u>\$1,551</u>

The first three noted items do not clearly indicate inmate benefit. In fact, it appears the benefit derived from these purchases is more closely associated with employees rather than inmates. The fourth item relates to the purchase of five \$25 tickets to attend a high school banquet. We reviewed documentation indicating the purchase was considered a donation in return for the high school's assistance with the MSI's annual Christmas affair. The Superintendent indicated five MSI employees had attended the banquet.

When established policies are overridden, the risk for misuse of assets is significantly enhanced. From the results of our review, it is apparent all Commissary Fund expenditures have not been used for the health and welfare of inmate residents. In the future, all proposed expenditures should be strictly evaluated for compliance with established policy.

- D. Although the MSI does not charge sales tax on commissary sales, a sales tax exemption has not been obtained from the state of Missouri. The city has obtained exemption from paying sales tax, but the form specifically states "... when sales are made by your organization or agency, the sales are not exempt and are subject to sales tax" To comply with Section 144.030(19), RSMo 1986, the MSI should request a state exemption from charging sales tax on commissary sales.

WE RECOMMEND:

- A. The MSI management investigate the apparent discrepancies in inventory balances and transactions. In conjunction with this investigation, the following controls should be implemented:
- 1) Detail inventory records, maintained on a perpetual basis, should be formulated.
 - 2) An independent comparison of cash register sales figures to sales imputed from changes in inventory balances should be performed monthly. All discrepancies should be investigated.

- 3) All spoiled or broken items should be recorded and independently approved. Additionally, all items used for commissary operations should be recorded.
 - 4) Physical controls over inventory items should be implemented. These controls should address safeguarding of assets from the point items are delivered to the point they are stored.
- B. The functions of authorizing commissary purchases, receiving ordered goods, and recording all inventory transactions and balances be independently assigned.
 - C. All commissary expenditures be clearly for the health and welfare of resident inmates.
 - D. The MSI request exemption from charging sales tax on commissary sales in compliance with Section 144.030(19), RSMo 1986.

AUDITEE'S RESPONSE

- A&B. We agree that commissary record keeping has been inadequate. A policy and procedure manual has been developed and implemented which includes perpetual inventory procedures and controls, daily reconciliation of receipts and deposit amounts, maintenance of appropriate ledgers (e.g. cash, receipts, purchases, cash disbursement and general ledger) and adequate segregation of duties among the commissary, security and business office staff.
- C. In order to ensure that all commissary expenditures provide direct benefit to the inmate population, all purchases from profits generated by the commissary must be requested by the Superintendent and approved by the Commissioner of Corrections. Additionally, the commissary will be reimbursed from city funds for the purchases amounting to \$1,551 which did not directly benefit the inmates.
- D. Tax exemption has been applied for by Assistant City Counselor Brian Witherspoon.

10. Drug Inventories

To meet the medical needs of inmates, the MSI operates a small pharmacy. Drugs stocked consist of various antibiotics, pain relievers, and antidepressants. A limited number of controlled substances are also kept. Controlled substances, as defined by the Controlled Substances Act of 1970, are drugs with abuse potential which should be strictly safeguarded. Our review of pharmacy operations for adequate safeguarding, record keeping, and compliance with federal regulations relating to prescription drugs revealed the following deficiencies:

- A. Records of drugs on hand, drugs purchased and dispensed are not maintained. As a result, it is not possible to determine whether drugs have been properly handled. The lack of records significantly

increases the risk for unauthorized drug purchases, unauthorized use, and undetected theft. Records documenting all drugs purchased, administered, and on hand are imperative. Further, relating to controlled substances, the Controlled Substances Act requires detailed records of all receiving and dispensing transactions be maintained. The act also requires a documented biannual inventory of controlled substances.

- B. There is no documentation available to prove inmates actually received drugs administered by the nursing staff. Nursing staff indicated this was a time-consuming endeavor. However, lack of documentation could cause serious liability problems for the city if the fact prescribed drugs were properly administered was contested. Further, when inmates are not required to acknowledge receipt or refusal of prescribed drugs, there is an increased risk of drugs being erroneously prescribed and improperly dispensed. To protect against potential liability and to ensure the integrity of the dispensation of drugs, a system should be implemented which requires all inmates or a witness to acknowledge in writing the receipt or refusal of prescribed medications.
- C. Controlled substances have not been stored in compliance with the Controlled Substances Act. During a count of controlled substances, it was noted three types of Librium had been removed from the original container. As a result, the drugs were not clearly identified as controlled substances. The Controlled Substances Act requires all controlled substances to be stored in containers with an imprinted "C" indicating their controlled nature. Maintaining drugs in their original containers also assists in monitoring drug expiration dates.

WE RECOMMEND:

- A. Detailed drug inventory records be implemented in accordance with the Controlled Substances Act of 1970. Necessary information should include drug descriptions, current balances, and all purchases and dispensations of drugs. These records should be periodically agreed to drug supplies on hand by an individual with no record-keeping or custodial responsibilities.
- B. Medication administration forms be used to ensure all inmates are properly receiving prescribed drugs.
- C. Controlled substances be stored in compliance with the Controlled Substances Act of 1970.

AUDITEE'S RESPONSE

- A. A manual has been developed to set forth policy and procedures for the management, storage, prescription, and distribution of pharmaceuticals and controlled substances. This manual specifically provides for maximum security storage and daily inventory of all controlled substances, syringes and needles. A form has been developed to track the ordering and dispensing of medication and the inventory report is subject to review and

approval of nonmedical supervision (e.g., the Correctional Program Manager).

- B. A medication form has been developed to document prescribed medications, including inmate's name, prescription name, full and complete dispensing instructions, date of initiation, date and time administered, initials of medical personnel administering medication, and documentation of inmate refusal of prescribed medication.
- C. The manual referenced above addresses the storage of controlled substances, and the handling of such substances will be closely supervised.

11. Funds Held in Trust

Our review of the MSI's controls over inmate funds held in trust revealed the following deficiencies:

A. Active Inmate Account

The active inmate account is comprised of monies held by MSI for inmates currently incarcerated. Each inmate has a ledger card documenting incoming cash receipts, commissary purchases, and other miscellaneous withdrawals. At each month end, a listing of individual inmates and their corresponding balances is prepared. Monies associated with the active inmate account are held in a bank account specifically designated for current inmates.

- 1) There is no periodic comparison of monthly listings of inmate balances to the bank balance. As a result, there is no assurance cash receipts and disbursements have been properly handled and recorded. Further, there is little assurance available funds are sufficient to cover all amounts due to inmates.

We performed a comparison of inmate balances and the bank balance at December 31, 1987. After making adjustments for amounts due to the commissary for inmate purchases, amounts due to the inactive inmate account for discharged inmates, and other various amounts, the bank account revealed an approximate \$11,000 shortage. As a result of this noted shortage, an extensive review of the active inmate account was undertaken. Results are discussed in detail at Management Advisory Report (MAR) No. 9.

Because the MSI is a fiduciary agent for inmate monies, it is imperative adequate accounting controls be in place to assure funds held in trust are sufficient to cover all liabilities. Had a periodic reconciliation of individual inmate balances to the bank balance been performed, the shortage would have been revealed in a more timely manner.

- 2) All inmate account cards were not located. As the cards become filled with transactions, they are placed in storage.

The filing system is based on the month in which the card became filled; the cards are not organized alphabetically. As a result, it is difficult to locate inmate ledger cards. This inefficiency and disorganization lends less assurance that all inmate cards are accounted for properly. Inmate cards should be organized and filed in a manner which facilitates their retrieval.

B. Inactive Inmate Account

Upon discharge from the MSI, inmates are entitled to their balance of monies held in trust. If the monies are not requested on release, the balance is transferred from the active inmate account to a bank account designated as the inactive bank account.

- 1) There is no **cumulative** listing of individual inactive inmate account balances maintained. As a result, it is not possible to determine whether the inactive bank account balance is sufficient to cover all related liabilities.

Immediate steps should be taken to implement a system whereby inactive inmate account balances can be periodically compared in detail to the bank account balance.

- 2) Because of the record-keeping inadequacies in the inactive inmate account, a \$14,083 difference between monthly listings of balances associated with discharged inmates and the general ledger account balance was revealed. It is likely the difference relates to an incomplete population of monthly inmate listings. (Listings prior to 1985 did not exist.) However, these monies cannot be identified with specific inmates and, as a result, it cannot be determined who the entitled party is or how long the funds have remained unclaimed. Section 447.530, RSMo 1986, requires any monies unclaimed for a period of seven years to be paid to the state of Missouri. MSI needs to determine the ownership of the funds, and should establish a reason for unclaimed funds. Any excess funds would then be transferred to the state.

C. Worker's Release Account

As discussed at MAR No. 14, some inmates are allowed privileges to leave the MSI and work. Their wages are deposited into a separate bank account and ledger cards are kept for each individual. There is no periodic comparison of the bank balance to the inmate cards. As a result, there is less assurance all receipts and disbursements have been properly handled and recorded. Further, there is little assurance the bank balance is sufficient to cover all amounts due to inmates.

A periodic comparison of the worker's release bank account and inmate ledger cards should be performed. Any differences should be investigated and resolved.

At December 31, 1987, the MSI held custody of approximately \$37,000 in inmate monies related to the active, inactive, and worker's release inmate accounts. The implementation of accounting controls is necessary to ensure these funds are accounted for properly.

WE RECOMMEND:

- A.1. A periodic comparison of the monthly inmate listings to the active inmate bank account be performed. A periodic comparison of the listings to the individual inmate ledger cards should also be performed. Any discrepancies in these comparisons should be immediately reported and investigated.
- 2. The filing and storage system for inmate ledger cards be improved. All inmate cards should be easily retrievable.
- B.1. Cumulative listings of inactive inmate account balances should be initiated and periodically compared to the inactive bank account. Any differences should be investigated and resolved.
- 2. The unidentified and unclaimed inmate funds of \$14,068 be remitted to the state of Missouri in accordance with Section 447.530, RSMo 1986.
- C. A periodic comparison of the worker's release bank account balance to individual inmate cards be performed.

AUDITEE'S RESPONSE

- A. The business office at the MSI is currently reconstructing the Active Inmate Account and developing written procedures governing such transactions.
- B. The business office is also reconstructing the Inactive Inmate Account and developing written procedures governing these funds. After this reconstruction is accomplished, we will then be able to determine the amount which should be remitted to the state.
- C. Written procedures governing the Work Release Program have been developed and implemented which address the issues raised in this item.

12. Payroll and Personnel Policies and Procedures

The MSI employs approximately 130 full-time employees, spending in excess of \$2,700,000 annually on payroll and fringe benefit costs. Our review of MSI's payroll system revealed the following concerns:

- A. Functions performed by the payroll clerk are not adequately segregated. Among other responsibilities, the clerk prepares necessary paper work to place new employees on the payroll system, prepares the payroll requisitions, receives and distributes payroll checks, and maintains vacation and sick leave records. Bimonthly payroll requisitions are signed by the Commissioner of Adult Services; however, based on the number of MSI employees it

would not be difficult to manipulate the payroll records. In addition to this risk, the lack of segregated duties increases the risk record-keeping errors would not be detected. To lessen these risks, the same person should not be responsible for processing new employee information, preparing payroll requisitions, and distributing payroll checks.

- B. Our review of vacation, sick leave, and compensatory time records revealed instances of unearned leave benefits being advanced.

- 1) Two instances were noted where employees used sick leave benefits in excess of their available balance. The dollar value associated with these benefits was approximately \$2,250.

Personnel regulation No. 115 states sick leave benefits may be advanced only with the approval of both the appointing authority and department head. The Adult Commissioner stated verbal approval had been granted. Written evidence was not available.

- 2) Two instances were also noted where compensatory time and vacation leave was advanced. The associated dollar value was \$146. There is no personnel regulation allowing employees to use vacation or compensatory time in amounts exceeding their available balance.

- C. Records relating to employee overtime worked are not maintained. All employees are required to sign in on arrival and sign out on departure. However, when individuals work overtime, their sign out time does not reflect the additional hours worked. This policy provides no supporting documentation for the accuracy or reasonableness of overtime paid.

Daily time sheets should reflect actual working hours, including any overtime worked. These records should be approved by supervisors and used as the basis for preparing the bimonthly payroll requisitions.

- D. The MSI volunteer coordinator is paid from the municipal jail's payroll system. The coordinator earns approximately \$15,500 annually. The stated reason for this arrangement was a position was available on the jail's budget, whereas there was no approval for a volunteer coordinator position at the MSI.

All personnel positions should be approved. In the event a position is not available or authorized, a request to the Board of Estimate and Apportionment to transfer positions should be made.

WE RECOMMEND:

- A. Functions performed by the payroll clerk be independently assigned. At a minimum, payroll checks should be independently received and distributed.

- B. Written approval be obtained for advances of sick leave and the practice of granting unearned vacation leave benefits be ceased.
- C. Records of actual working hours be maintained and used as the basis for computing the bimonthly payroll.
- D. All personnel positions at the MSI be specifically authorized by the Board of Estimate and Apportionment.

AUDITEE'S RESPONSE

- A. The payroll clerk at the MSI has traditionally been responsible for virtually all payroll-personnel transactions. This individual is no longer responsible for checking the payroll register against time sheets and issuing the payroll checks. These functions have been segregated. Systems have been in place for some time which would make it impossible for the payroll clerk to manipulate the payroll. All appointments must be made by the Commissioner of Corrections subject to submission of appropriate documentation to the Director of Personnel. Requisitions are acted on by the Personnel Department, which refers eligibles for filling vacancies. The payroll clerk has never been able to hire anyone.
- B. The regulations governing granting of leave do provide for advancing sick leave at the discretion of the appointing authority. Vacation and compensatory time, however, should not be advanced. Our investigation revealed that four employees were advanced vacation leave and were terminated prior to this leave actually being creditable. This resulted in an overpayment to these individuals totaling \$1,977.25. The individuals involved were notified of this liability and were advised to repay the amounts involved. To date, we have received no such repayments. With regard to advanced compensatory time, the negative balances have been charged against positive balances in accrued vacation leave. Steps have been taken to ensure that employees are not granted vacation or compensatory time off in excess of their accrued balance.
- C. The payroll clerk at the MSI has been trained in properly documenting payroll transactions, including overtime. Steps have been taken to ensure that overtime hours are accurately and timely reported and posted.
- D. The volunteer coordinator is division coordinator responsible for performing work for both institutions. There is no intent to circumvent the budget process. It is not possible to have the employee on both payrolls, however, since it is a divisional function, the employee should be on the divisional payroll (i.e. the Commissioner's office). Steps will be taken to accomplish this when the budget proposal is submitted for fiscal years 1990-1991.

13. Worker's Release Program

Section 221.170, RSMo 1986, provides a prisoner may be granted the privilege of leaving the jail facility for several approved purposes, including working at employment. In conjunction with this privilege prisoners are liable for the cost of their board. At MSI, this program is

referred to as the Worker's Release Program and prisoners are required to remit 10 percent of their wages to the city for room and board. Our review of the program brought to our attention the following concerns:

- A. Remittances to the city for working prisoners' board are not made on a timely basis. Upon receipt of their check, prisoners are required to deposit their earnings with the MSI. Check amounts are individually recorded for each prisoner on ledger cards. All checks are deposited into a workers release bank account. Periodically, the MSI is to remit 10 percent of each prisoner's earnings to the city for boarding costs. Our examination of payments made to the city for prisoner boarding costs revealed significant time lags between the date prisoner wages were earned and the date related board charges were deposited with the City Treasurer. For example, boarding costs related to prisoner wages for the period November through December 1985, were not remitted to the city until January 1987. Boarding costs relating to prisoner wages for the year ended December 31, 1986, were not transferred to the city until September 1987.

Untimely remittances of prisoner wages for room and board lessen the accounting controls over the accuracy and completeness of dollar amounts transferred. To provide the city with timely feedback on the Worker's Release Program and to make the related room and board payments available to the city for expenditure purposes, remittances should be made on a monthly basis.

- B. Some prisoners work in city-related programs, such as Operation Brightside and Land Reutilization Authority. These individuals are paid initially from the commissary account and the programs are billed for the value of services provided by inmate labor. We identified the following concerns:

- 1) The MSI charges city programs from \$2.50 to \$4 per day for inmate labor services. Inmates are paid only \$2 per day. Any residual amounts remain in the commissary account and are to be used for the general health and welfare of all prisoners. According to MSI personnel, the rates which various city departments are charged for prisoner services have been in effect several years. There is no documented reason for the variances noted above.

To ensure the Worker's Release Program operates in accordance with provisions outlined in Section 221.170, RSMo 1986, all inmate labor rates charged to various city departments should be documented in writing.

- 2) The MSI has no policy to investigate differences between amounts billed to city departments for inmate labor and amounts remitted to the MSI. For example, for the period January through June 1987, Operation Brightside was billed \$2,046 for inmate services. Only \$1,530 was received. MSI personnel were aware of the discrepancies but had done nothing to follow up on the situation. They stated there was

an apparent disagreement between MSI officials and Operation Brightside personnel regarding the actual number of prisoner hours worked.

Discrepancies such as those noted above could indicate city departments are aware of MSI's failure to investigate any billing and receipt differences and merely pay an arbitrarily determined amount. To ensure MSI is receiving the appropriate sum related to inmate labor services, all billing discrepancies should be thoroughly investigated and resolved.

WE RECOMMEND:

- A. Prisoner board payments be remitted to the City Treasurer on a monthly basis.
- B.1. Any arrangements involving inmates working in city departments be documented in writing, with payment terms and provisions being enumerated.
- 2. All discrepancies between worker release billing amounts and related cash receipts be thoroughly investigated and resolved.

AUDITEE'S RESPONSE

- A. Written procedures have been developed and implemented concerning the Work Release Program and set out that remittances to the city for room and board shall be made on a quarterly basis.
- B. Written contracts have been developed regarding inmate labor rates. Written procedures have been developed and implemented relating to the Work Incentive Program outlining the billing procedures mentioned in this item.

14. Supply Inventories

The MSI maintains an inventory of various cleaning and laundry supplies. Our review of the system of internal controls identified the following weaknesses:

- A. Responsibilities for maintaining custody of inventory items and performing related record-keeping functions are not segregated. One individual performs all necessary tasks relating to supply inventories. The custodian indicated he completed a monthly inventory report for the superintendent's review. There was no indication of a formal review.

The supply inventory is not large; during the year ended April 30, 1987, approximately \$6,000 was spent for cleaning and laundry supplies. However, when responsibilities are not independently assigned or supervised, the risk for undetected record-keeping errors or theft is enhanced. If independent assignment of duties is not feasible, at a minimum a formal supervisory review should be periodically conducted and documented.

- B. A periodic physical inventory count of supplies is not conducted. As a result, there is little assurance recorded inventory balances agree to the actual quantities on hand. This risk is further heightened by the lack of segregated responsibilities noted above. A periodic inventory should be independently conducted. All discrepancies in records and actual counts should be thoroughly investigated.

WE RECOMMEND:

- A. Responsibilities assigned to the supply inventory custodian be segregated to the extent possible. If it is not feasible to independently assign record-keeping and custodial functions, a periodic supervisory review should be performed and documented.
- B. Periodic inventory counts of supplies be conducted with the results being compared to inventory records maintained. The inventory counts should be independently performed or supervised.

AUDITEE'S RESPONSE

Written procedures have been developed and implemented concerning the procurement, receiving, distribution and inventory of institutional supplies and equipment, including laundry and cleaning supplies. With regard to segregation of duties, the Business Office Manager is responsible for requisitioning, cost analysis, and overall management of supplies and equipment. Supplies and equipment are now divided into appropriate categories and receiving, inventory and utilization is under direction of the appropriate Program Supervisor. All supplies are issued through approved requisitions.

15. Inmate Personal Property

- A. A periodic inventory of inmate personal property is not conducted. Due to space limitations, male inmate personal property items are transported to the jail. Female inmate personal property is stored at the MSI. Stored items, however, are not periodically agreed to personal property records. As a result, there is limited assurance all stored items have remained intact; the risk for misplaced or stolen items is increased.

Personal property items held in trust until the release of inmate should be properly safeguarded.

- B. We were unable to locate signed personal property receipts for all items in storage. When items are placed in MSI's custody, a receipt is completed documenting item description, inmate name, and storage location. Policy requires the inmate to sign the receipt. To ensure compliance with these policies, we examined the personal property of ten inmates. In one instance, a personal property receipt was not on file. In three separate instances, the receipts were not signed by the inmate. Incomplete documentation can lead to misplaced items and can also result in disputes with inmates. In the event a receipt is not signed by the inmate and there is

disagreement regarding personal property items reclaimed upon release, the MSI would not have sufficient documentation to support the original inventory of personal property.

Increased emphasis should be placed on ensuring all property receipts are signed by inmates and are properly filed.

- C. There is no formal policy addressing the disposition of unclaimed personal property. The MSI had adopted a general policy of holding items for a period of thirty days. According to MSI staff, though, personal property is held indefinitely. Storage of these unclaimed items is severely limiting available space for current inmate properties. A written policy addressing the disposition of unclaimed properties should be adopted. The policy should specifically address the need for independent authorization for any items destroyed or discarded.

WE RECOMMEND:

- A. A periodic inventory of inmate personal property items be conducted and compared to available records. This should be performed by someone with no record-keeping or custodial responsibilities.
- B. All inmates be required to sign personal property receipts acknowledging those items being placed in MSI's trust. In addition, steps should be taken to ensure all property receipts are properly filed.
- C. A formal policy addressing the disposition of unclaimed personal property items be implemented.

AUDITEE'S RESPONSE

- A. Inventory forms and policy and procedure manual are being developed and will be implemented.
- B. When inventory form is developed better controls will be possible.
- C. The manual listed above will provide formal policy for disposition of unclaimed personal property.

MUNICIPAL JAIL

16. Controls over Drug Supplies

The municipal jail is required to provide necessary medical services and, as a result, maintains a supply of various pharmaceutical drugs. Our review of this area revealed serious deficiencies relating to record keeping and drug administration:

- A. Inventory records documenting drugs purchased, administered, and supplies on hand are not maintained. The drug supply was examined on January 26, 1988, and we observed various types of medication. We also identified some controlled substances prescribed to individual inmates. Controlled substances, as defined by the federal Controlled Substances Act of 1970, are drugs with an abuse potential. Because records do not exist, we could not be assured all drug purchases were authorized and specifically for medical use at the jail. Further, we could not ascertain drugs had been properly administered or existing drug supplies represented only proper drug transactions.

Our concern prompted a detailed review of drug purchases, usage, and balances. Our review centered on controlled substances because of their abuse potential. The results of our work revealed shortages in the following drug categories:

<u>Drug Type</u>	<u>Shortage</u>
Librium 10 mg.	28 pills
Darvocet-N 100	46 pills

The shortages noted above occurred over a one-week period and could not be explained by the jail's registered nurse. Librium is a tranquilizer and Darvocet is a painkiller.

The deficiencies we encountered make it impossible to conclude drug supplies have been properly controlled and administered. The Controlled Substances Act requires all entities engaged in handling controlled substances to keep complete and accurate records of all receiving and dispensing transactions. Similar controls should also be in place for all other drugs.

- B. From discussions with medical personnel we learned all medications administered require a written physician's order. From the order, medication dosages are prepared and documented in inmate medical files. Medications are distributed and inmates are required to sign a medication administration sheet acknowledging receipt or refusal of the drugs. Correctional officers are allowed to sign for inmates in some instances. A closer examination of this procedure revealed the following concerns:
- 1) Medication administration sheets do not document the name of the drug to be administered. The sheets contain an area for the prescribed medication but it is not completed. As a result, there is no specific documentation that the intended medication was given to an inmate. To provide assurance all

medications were properly administered, the medication sheets should include drug names.

- 2) Physician orders are not on file for all drugs given to inmates. In ten cases where drugs were given to inmates, one case had no corresponding physician's order. The absence of the order could indicate the drug was unauthorized or was inappropriately administered. All drugs should be given only on the basis of a written physician order.
- 3) Medication administration sheets do not always contain an inmate's signature as having received or refused prescribed drugs. For a three-day period, we traced drugs prescribed for ten inmates to the medication administration sheet. In four instances, there was no evidence the inmate had or had not received the drug. In one case, an inmate was prescribed a drug over a three-day period. His name was included on the medication sheet but there was no signature. Because no records exist documenting drug usage, it was not possible to determine whether the drug was actually administered. To help ensure against drug abuse and to provide a clear indication of medications received by inmates, it is imperative all inmates or a witness acknowledge in writing the receipt or refusal of drugs.

- C. In conjunction with our detailed review of drug transactions and balances, we noted three groups of expired drugs, as identified below:

<u>Drug Type</u>	<u>Balance On 02-23-88</u>	<u>Expiration Date</u>	<u>Time Expired</u>
Librium 10 mg.	868 pills	May 1987	9 months
Librium 25 mg.	916 pills	April 1987	10 months
Phenobarbital 15 mg.	983 pills	January 1987	13 months

The existence of expired drugs can result in serious ramifications. First, administering expired drugs can cause health problems and, as a result, could represent potential liability to the city. Although we could not determine the cause, the Librium 10 mg. which had been expired nine months, had a twenty-eight pill shortage (see A. above). Secondly, large quantities of expired drugs indicate imprudent purchasing practices. According to the jail's drug supplier, each of the expired drugs noted above had been originally purchased in one thousand pill quantities. He indicated smaller quantities were available for purchase.

The expired drugs should be disposed of immediately. The Drug Enforcement Agency (DEA) must authorize all disposals of controlled substances. In the disposal of noncontrolled substances, it is advisable the disposal be independently authorized and supervised and detail records be maintained. In addition to the immediate disposal of already expired drugs, procedures should be implemented to purchase only necessary drug quantities and monitor drug expiration dates for timely disposal.

- D. The jail's pharmacy is not registered with the DEA as required by the Controlled Substances Act of 1970. Medical personnel were unaware such a requirement existed. Registration of pharmacies is intended to provide a more controlled environment over the administration and usage of drugs. Registration also assists the DEA in properly monitoring drug dispensing facilities.

WE RECOMMEND:

- A. Drug inventory records, documenting purchases, usage, and balances by drug type be established. These records should be periodically agreed to actual drug quantities on hand by an independent party.
- B.1. Medication administration sheets include the name of drugs given.
2. Drugs be dispensed and administered only on the basis of a written physician order.
3. Inmates or a witness be required to acknowledge in writing the receipt or refusal of all prescribed drugs.
- C. Expired drugs be disposed of in accordance with DEA authorization. Further, procedures should be implemented to purchase only necessary drug quantities and monitor drug expiration dates for timely disposal.
- D. Jail personnel take immediate steps to register the pharmacy with the DEA.

AUDITEE'S RESPONSE

- A. The Division of Corrections employs one physician who serves both institutions as the Chief Medical Officer. The policy and procedure manual described in response to Item 11.A will help identify and remedy these problems at both institutions.
- B. A medication form has been developed to document prescribed medications, including inmate's name, prescription number, prescription name, full and complete dispensing instructions, date of initiation, date and time administered, initials of medical personnel administering medication, and documentation of inmate refusal of prescribed medication.
- C. The application of the inventory procedures in the manual referenced above will address the problem of expired drugs.
- D. All drugs are dispensed at the direction of the physician, who is registered with the DEA, and this registration is now posted at the jail and MSI. All ordering is done using the physician DEA number to provide for tracking of controlled substances.

AUDITOR'S COMMENT

The State Board of Pharmacy personnel indicated that any facility including a pharmacy, which handles controlled substances, must be registered with DEA.

17. Accounting Controls over Cash

Our review of established controls relating to the jail's handling of approximately \$200,000 annually in cash receipts revealed the following concerns:

- A. Responsibilities relating to the handling of inmate cash receipts are not adequately segregated. From our review, we determined all monies are initially received by a cashier. The cashier prepares a prenumbered receipt and, at the end of each day, agrees the total of receipts issued to cash received. The monies and receipt slips are then remitted to an account clerk. The account clerk records individual receipt amounts on inmate account cards and then records total receipts in a cash receipts journal. The account clerk also prepares the bank deposit. The monthly bank reconciliation is independently prepared; however, the preparer uses the totals recorded in the cash receipts journal. Because the account clerk prepares the bank deposit and also maintains the accounting records, the risk for undetected theft or error is increased.

To ensure all inmate monies are properly handled and deposited in full, the responsibilities of record keeping and bank deposit preparation should be independently assigned. If this segregation is not feasible, at a minimum, documentation of the cashier's totals should be maintained and independently reconciled to bank deposits. This could be performed in conjunction with the preparation of the monthly bank reconciliation.

- B. Account balance listings organized by inmate name are not periodically reconciled to available cash balances. The jail maintains two listings: one for inmates still incarcerated and one for released inmates. These lists are updated daily on the basis of monies received or disbursed. At the end of each month, individual inmate balances are accumulated. The listings are used primarily as a monitoring tool for ensuring inmates do not spend in excess of their available fund balances. Consideration had not been given to agreeing the cumulative balance of the listings to cash held in the checking account.

We performed a reconciliation of inmate account balances to available cash for both the active and inactive inmate accounts and did not note significant differences. At December 31, 1987, the jail maintained custody of \$6,118 and \$3,359 in the active and inactive inmate accounts, respectively. When procedures are not in place to ensure the adequacy and completeness of these funds held in trust, there is less assurance that available cash funds are adequate to meet existing obligations. A monthly reconciliation of inmate account balances to available cash would provide that assurance.

WE RECOMMEND:

- A. The responsibilities of record keeping and deposit preparation be independently assigned. At a minimum, bank deposits should be independently agreed to receipt slips issued.
- B. Monthly listings of active and inactive inmate account balances be independently reconciled to available cash balances.

AUDITEE'S RESPONSE

- A. Two persons handle money for inmate accounts — the cashier and the account clerk. The account clerk posts money to inmate cards. Additional staff is required to adequately segregate duties and this will be addressed as part of the classification study references in response to Item 6.A. of this document.
- B. We agree that these accounts should be reconciled monthly and have begun doing so. Additional staff is required to make this an independent function.

18. Commissary Account

The municipal jail operates a commissary to allow incarcerated individuals spending privileges. The commissary account receives transfers from individual inmate accounts for commissary sales and other various sources. Profits from sales and other sources are to be used exclusively for inmate health and welfare purposes. Our review of commissary operations and related controls brought to our attention the following concerns:

A. Cash Controls

One individual is responsible for maintaining commissary records and handling cash. The account clerk is responsible for tabulating commissary sales, preparing a check from the active inmate account to the commissary account for sales made during the month, preparing bank deposits for the commissary account, and maintaining inmate commissary cards. This lack of segregated responsibilities increases the risk for undetected errors and possible misuse of funds. To ensure appropriate handling of commissary funds, the responsibilities of cash handling and record keeping should be independently assigned.

B. Purchasing and Expenditures

- 1) There is inadequate segregation of duties related to the purchasing function. Two correctional officers have been assigned to the commissary. These individuals have the authority to make purchasing decisions, order necessary items, and receive ordered goods. None of these functions are independently supervised. The result of inadequate segregation of duties is an increased risk for unauthorized

purchases and misuse or theft of commissary items. The functions of purchase authorization and receipt of ordered goods should be separately assigned.

- 2) The purchase of a \$3,500 word processor in September 1987, does not appear to directly and exclusively benefit the health and welfare of resident inmates. At the time of our review, the word processor was used to compile various commissary reports and listings. The bimonthly employee fringe benefit listing was also compiled. Discussions with jail personnel indicated future applications of the word processor related almost entirely to general jail operations. Based on this, it would appear commissary funds were spent to expedite office operations rather than benefit the health and welfare of residents. If intentions are to use the word processor for both commissary and general office purposes, the cost associated with the machine's purchase should be allocated according to expected use. Expenditures of commissary funds should be strictly monitored to ensure compliance with operational goals.

C. Inventories

The monthly report of inventory balances and consumption is not based on actual sales information. A physical inventory is conducted at the end of each month. Commissary purchases, which consist of numerous food and personal hygiene items, are tabulated during each month. At month-end, commissary employees prepare a report that reconciles beginning inventory balances, purchases, and sales to ending inventory balances. The inherent weakness with the report is the beginning balance and purchases are added, the ending inventory balance is subtracted from this sum and the remainder is assumed to be commissary sales. There is no comparison of this number to daily sales records. As a result, there is little assurance the sales figure is correct and, therefore, there is less assurance commissary inventory has been properly handled. Because sales figures are forced into the report format, it is possible these figures are erroneous and inventory balances are over or understated. The monthly report should be based on actual sales figures. Any discrepancies should be investigated and resolved.

WE RECOMMEND:

- A. Cash handling and record-keeping responsibilities related to the commissary account be segregated.
- B.1. The functions of authorizing purchases, ordering and receiving goods be independently assigned.
2. All commissary purchases be exclusively for the health and welfare of resident inmates.

- C. The inventory report be revised to include actual sales figures. These figures should be reviewed for reasonableness with all discrepancies being thoroughly investigated.

AUDITEE'S RESPONSE

- A. We agree that there is inadequate segregation of duties with respect to both the cash controls over the commissary and the commissary purchases and expenditures. In addition to the staff required to accomplish this segregation of duties, there is a definite need for the establishment of written policies and procedures for all aspects of the commissary operation. This system is currently being developed.
- B. We also agree that stricter controls are needed to ensure that commissary expenditures directly and exclusively benefit the health and welfare of residents. Since the word processor is used for both commissary and general jail operations, we will determine correct allocation of usage and reimburse the commissary account accordingly.
- C. During 1987, several months elapsed where commissary purchases were not posted properly. Systems are currently in place to provide for proper posting as well as more adequate testing. Commissary sales are now reconciled with daily cash register tapes.

19. Payroll and Personnel Policies and Procedures

Our review of the municipal jail's payroll and personnel policies and procedures brought to our attention the following concerns:

- A. The duties performed by the payroll clerk are not adequately segregated. From our survey of jail operations, we determined the payroll clerk maintains personnel files, time sheets, and leave records. This same person also prepares the payroll requisitions and distributes payroll checks. As noted below, we later discovered the payroll clerk also authorizes all new employee positions. This situation increases the probability that errors will go undetected and also creates an environment where fictitious employees could be placed on the payroll system. To ensure payroll checks are distributed only to valid employees, it is necessary to segregate the functions of hiring authorization, payroll preparation, and payroll check distribution.
- B. The payroll clerk prepares the form that places a new employee on the payroll system; she also approves this transaction by signing it as the appointing authority. During our preliminary review, we were told all employee hires are specifically approved by the Adult Services Commissioner. Our examination of five employee hires provided no documentation of the Commissioner's approval signature. Rather, we found in every instance of an employee being hired, the payroll clerk had authorized the transaction. Irrespective of whether the Commissioner was aware of the transaction, the fact the payroll clerk is allowed to authorize employee hires is a serious deficiency in the payroll internal control system. To reduce the risk of unauthorized transactions occurring, it is necessary that

steps be taken to require the Commissioner to approve, in writing, all new employee positions.

- C. The municipal jail has not established a formal related party policy. A jail official stated it is not unusual for relatives to work at the jail. Although he stated these situations generally involve only correctional officers, he was unaware of a specific policy outlining the conditions of related party employment situations. When such a policy, prohibiting the occurrence of related party supervisor/subordinate situations, does not exist, there is an increased risk that established controls over assets will be destroyed. This risk could manifest itself through theft of assets, unfair granting of leave benefits, and security compromises. To ensure against these potential weaknesses, a formal policy addressing allowable and unallowable related party employment situations should be implemented.

The importance of established controls over payroll and personnel functions becomes evident when taking into consideration that for the year ended April 30, 1987, payroll expenditures totaled approximately \$2,720,000. The need for adequate segregation of duties, independent supervisory review, and enforceable personnel policies cannot be overlooked.

WE RECOMMEND:

- A. The responsibilities of personnel authorization and payroll preparation and distribution be independently assigned.
- B. The Commissioner approve all new employee positions by signing the new employee form.
- C. A formal policy addressing related party situations be formulated and used.

AUDITEE'S RESPONSE

- A. The payroll clerk is responsible for preparing virtually all forms required to process the biweekly payroll and maintains the resulting files. The payroll clerk has no hiring authority. With regard to pay check distribution, this is no longer a function of the payroll clerk.
- B. We disagree with this audit comment. Several systems are currently in place and have been for some time to prevent the placement of fictitious employees on the payroll. First, all positions must exist within the table of organization as established by the city Budget Director. Secondly, the filling of all positions is done in the manner prescribed by the city Personnel Director, from an eligible list. The process involves preparing a personnel requisition which can only be approved by the appointing authority, in this case the Commissioner of Corrections. The payroll clerk prepares the requisition, forwards it for approval to the Commissioner who subsequently forwards it to the Personnel Department. If the position is authorized in the budget table of organization, the Personnel Department will then proceed with the filling of the position, that is refer eligible candidates to the Commissioner for appointment. The

Commissioner makes the selection and forwards the appointment to the Personnel Department. The payroll clerk then prepares the new employee information form and forwards this to the Department of Personnel where it is reviewed for appropriate information, including class title, rate of pay, etc. If all information is correct, the form is forwarded to the Payroll Section of the Comptroller's office and the individual is placed on the payroll. The new employee information form, by itself, will not accomplish placing an employee on the payroll. Finally, the biweekly payroll (time sheet) must be approved by the appointing authority - the Commissioner of Corrections. Thus, it is our position that the systems currently in place provide more than adequate safeguards against placing fictitious persons on the payroll.

- C. We agree that there is no formal related party policy in place. Insofar as practicable we attempt to place related parties at the alternate facility. If this is not possible, they will be physically separated by assignment to a different floor. This is currently an informal policy, but we will incorporate this policy into our divisional work rules which are currently being updated.

AUDITOR'S COMMENT

- B. While the procedures outlined by the department indicate the Commissioner approves the hiring of a new employee, our test specifically indicated the payroll clerk prepared and approved the transaction. We did not find any approval by the Commissioner.

20. Unclaimed Inmate Monies

The municipal jail has not complied with Section 447.530, RSMo 1986, concerning the disposition of unclaimed funds. Upon discharge, inmates are responsible for requesting the return of their personal property items, including money. If the inmate fails to request his funds, the amount is transferred to a separate account referred to as the inactive account. Efforts are made by jail personnel to contact released inmates for payment but, in the event the contacts are unsuccessful, the monies remain indefinitely in the inactive account.

Section 447.530, RSMo 1986, states if after seven years, funds held in trust have not been claimed by the entitled party, monies should be paid over to the state of Missouri. At December 31, 1987, inactive account records indicated approximately \$395 in unclaimed funds should be transferred to the state.

WE RECOMMEND \$395, representing unclaimed funds for the period ending December 31, 1987, be transferred to the state of Missouri. In addition, procedures should be implemented that ensure all required fund transfers will be made in accordance with Section 447.530, RSMo 1986.

AUDITEE'S RESPONSE

We agree that the jail is behind by approximately two years in the uniform distribution of the unclaimed inmate funds and have requested the required forms from the Missouri Department of Taxation. The procedures manual will include a section on this particular transaction when updated.

21. Inmate Personal Property

Established controls over inmate personal property do not ensure all items are accounted for properly. Upon jail admission, all personal clothing and related articles are removed from inmates. Any money in the inmate's custody is deposited with the cashier and accounted for by inmate name. Clothing is recorded on an inventory card system and is then placed on hangers in alphabetical order. Other personal items, such as jewelry, are recorded on a personal property receipt, which the inmate is required to sign. The items are then placed in a plastic bag, permanently sealed, and stored in a locked cabinet. Upon discharge, inmates have a two year period to claim their personal effects.

Through discussions with the personal property custodian, we learned an annual inventory of inmate personal property is conducted. The verification process is conducted by the custodian and is not documented. As a result, there is less assurance all personal property items are accounted for accurately. Because this property is held in trust for the inmates, it is necessary controls be in place which ensure its security.

WE RECOMMEND annual inventories of inmate personal property be conducted by an individual with no custodial or record-keeping responsibilities. The inventory should be documented and any exceptions should be thoroughly investigated.

AUDITEE'S RESPONSE

We agree with the recommendation to conduct an annual independent inventory of inmate property and will develop and implement a procedure for conducting such inventory and resolving discrepancies. We are also in the process of developing a form to provide inmates with a receipt for personal property.

22. Expenditure Reconciliations

The jail processes all payments for goods and services through the Comptroller's office. Monthly, the Comptroller circulates reports of monthly and year-to-date charges against appropriations.

The jail's accountant maintains a manual ledger of invoices submitted to the Comptroller, but only a limited effort is made to reconcile monthly expenditure reports to the manual ledger. The need for maintaining the ledger is questionable unless a complete reconciliation is performed on a timely basis. Such a reconciliation, however, can provide assurance that all amounts charged against jail appropriations represent bona-fide expenditures. The reconciliations can also provide a valuable monitoring tool in ensuring expenditures do not exceed approved budget amounts.

It is essential jail personnel reconcile expenditures and available appropriation balances on a monthly basis.

WE RECOMMEND municipal jail personnel perform a monthly reconciliation between the expenditure ledger and monthly reports of expenditures and available balances circulated by the Comptroller.

AUDITEE'S RESPONSE

Expenditures are now being reconciled to the expenditure ledger on a monthly basis as well as the Comptroller's available balance report.

DIVISION OF CHILDREN SERVICES

23. Community Center Policies and Procedures

Prior to reorganization, the Children Commissioner supervised community activities held at the West St. Louis and Carr Community Centers. Responsibilities included scheduling events, formulating contracts, accepting cash deposits, paying security personnel, and depositing fees. Our review of the Commissioner's handling of these responsibilities revealed serious deficiencies in the receipt and deposit of cash as discussed below:

A. Cash Controls

Virtually no audit trail exists between the time a community center event is scheduled, fees are paid, and monies are deposited with the Treasurer.

To evaluate the completeness and adequacy of the community center's receipt system, we scheduled all community center events held during the year ended April 30, 1987. The community center coordinator's monthly activity report was used. From this schedule, procedures were undertaken to trace the scheduling of an event to evidence of cash receipt and deposit with the treasury. Results of this work revealed the following significant deficiencies:

- 1) Evidence of cash receipt and deposit was not sufficient for seventeen of the fifty-one scheduled events. In some instances there were notations the fee had been waived (see discussion of this in B. below). However, in most instances, nothing was available to determine whether money had or had not been received. From this, we could conclude in any one of three ways: the monthly activity reports documented more events than were actually held, a number of unauthorized free events were held, or money was actually received for these events and was not recorded or deposited.
- 2) Prenumbered and unnumbered receipt slips were issued. In one instance, we noted a receipt number being used more than once. Because we could not specifically trace a receipt to deposit and contracts did not consistently indicate the receipt of payment, we could not conclude that all fees were properly recorded and deposited.
- 3) The receipts and disbursements ledger was found to be incomplete and basically unreliable. When the ledger was established January 1, 1988, existing cash on hand was not included. Therefore, the related asset balance for all future transactions was understated.
- 4) Deposits with the treasury were not made on a timely basis. Because of the inadequacy of available records, an average time lag between cash receipt and deposit could not be determined. However, it was apparent deposits were not being made in accordance with Article XV, Section 24 of the Revised Code of St. Louis, which requires deposits to be made daily.

- 5) Payments to security guards and refunds of damage deposits were made in cash. There was no available source documentation to determine whether security guards actually received the amount of cash indicated. Documentation was incomplete regarding the refunding of damage deposits. That is, we were informed a larger number of refunds had been made than supporting documentation would warrant. Because of these noted weaknesses, it cannot be concluded that all security guards were paid the indicated amounts and refunds were properly made.
- 6) Receipt coding forms (RCFs) which accompanied treasury deposits did not specify the source or composition of the deposit. As a result, it was not possible to associate receipts with deposits.

All of these noted weaknesses were further complicated by the fact the Commissioner was primarily involved in all aspects of community center rentals. The center coordinator maintained the master calendar and the secretary maintained some correspondence files, but the Commissioner had final approval of all events and related cash transactions. As noted earlier, we cannot conclude all monies received by the Commissioner were properly deposited. Had controls been established which provided a clear audit trail between the scheduling of an event and final disposition of all monies received, these serious weaknesses could have been mitigated.

B. Community Center Rental Policies and Procedures

- 1) The Commissioner was responsible for the establishment of rental policies and procedures. Upon inquiry, we were informed such policies existed but were not in writing. We understood the policy for using community center space to be one where a per hour charge was assessed for all money-making events. For any event deemed by the Commissioner to be for community benefit, the rental fee was waived. The charging of damage deposits and security guard fees was applied on a case by case basis, depending on the Commissioner's judgment.

A review of files relating to events held revealed a policy inconsistent with the one previously communicated. We noted several instances of events held where no contracts were available for review nor could we locate any evidence of rental fees being charged.

The community centers are intended for the use of all community users. Policies should be formally established in a manner which ensures fair and consistent treatment of all community users. Rental fees should be assessed according to a written policy and all exceptions should be clearly documented and independently approved.

- 2) Written agreements were not consistently on file for all community center events held. According to the Commissioner, prior to holding any event, the requesting individual was required to sign a written agreement and make all necessary payments. Our review of contract files revealed that for the fifty-one events held during the year ended April 30, 1987, only twenty-five written agreements were found.

When agreements are not formalized, the risk for miscommunication in responsibilities is increased. To ensure all parties are cognizant of contractual provisions, written agreements should be prepared for all events held at the community centers.

WE RECOMMEND:

- A. An accounting system be established that provides clear documentation of all community center events held, and the related receipt and deposit of rental fees paid. The RCFs should specify the source of cash receipts and should be periodically reconciled to the accounting records. In addition, cash deposits should be made daily.

Also, all refunds and related payments be made through the Comptroller's office.

- B.1. Rental policies be formulated in writing and consistently applied to all community members.
2. Rental agreements be signed for all events held; copies should be maintained.

AUDITEE'S RESPONSE

- A. As of January 1 through August 31, 1989, a system was established providing documentation of events scheduled at the West St. Louis Center, receipt and deposit of rental fees paid. The RCF's specified the source of cash receipts. As of August 31, 1989, the West St. Louis Center is no longer rented for use.
- B. Rental policies and rental agreements were put in writing, signed and copies maintained for all events for the period of January 1 through August 31, 1989.

Carr Community Center was placed under the jurisdiction of the Carr Tenant Management Corporation as of July 1988 and is no longer a city-managed facility.

24. Deposit Practices

Deposits of state and federal reimbursement checks are not made on a timely basis. During the year ended April 30, 1987, the Children's Study Home and Missouri Hills Home for Boys received approximately \$560,350

in care subsidy payments from federal and state sources. A portion of these monies is received by each care facility and then transferred to the Commissioner's office for deposit; another portion is received directly by the Commissioner's office. During our review of cash controls in the Commissioner's office, a detailed comparison of service dates and deposit dates for various reimbursement checks disclosed the following examples of untimely deposits:

<u>Revenue Source</u>	<u>Check Amount</u>	<u>Service Date</u>	<u>Deposit Date</u>	<u>Time Lag, In Months</u>
USDA lunch and breakfast reimbursement	\$ 3,421	03-86	07-17-86	4 months
	2,944	01-87	05-07-87	4 months
	2,831	04-87	07-29-87	3 months
State water reimbursement	109	01-86	06-12-86	5 months
	136	12-86	05-07-87	5 months
	105	03-87	07-29-87	4 months
State purchase of service reimbursement	17,788	03-25-87	05-07-87	1 month
State parental school reimbursement	37,832	January through March 86	06-12-86	3 months
	48,560	April through June 87	08-21-87	2 months

Discussions with children services' personnel revealed that checks from the state for water and purchase of service reimbursement were initially sent to either the Children's Study Home or the Missouri Hills Home for Boys. Each respective superintendent would hold these checks until the next scheduled monthly staff meeting. At that time, the checks would be remitted to the Commissioner. Once the Commissioner's secretary received them, she would deposit them on her bimonthly schedule. As evidenced above, the monthly purchase of service check received averaged approximately \$18,000. This situation clearly indicates checks were being held for excessive time periods prior to deposit.

When checks are not deposited in a timely manner, the city forfeits interest revenue. More importantly, however, when monies are allowed to accumulate for up to several months, the risk for misuse, theft, and/or undetected misplacement is significantly enhanced. To protect against these risks, the Commissioner should deposit all monies daily in accordance with the city of St. Louis Code provisions. Article XV, Section 24 of the code requires all monies to be deposited daily with the treasury. Enforcement of this provisions also includes requiring facility superintendents to remit reimbursement checks immediately upon receipt.

WE RECOMMEND immediate steps be undertaken to comply with Article XV, Section 24 of the City of St. Louis Revised Code, which requires

daily deposits. In addition, measures should be implemented which require all monies received on care facility premises be remitted immediately upon receipt to the Commissioner's office.

AUDITEE'S RESPONSE

Checks were not deposited daily according to ordinance; however, the lag time on deposits from service date to deposit date are not necessarily reflective of the actual amount of time checks were held in the department. The turnaround time for checks from service date to receipt of reimbursement could range from thirty to ninety days. The Department of Human Services no longer operates Missouri Hills or the Children's Study Home.

25. West St. Louis Community Center

Our review of the community center's operations and system of internal controls revealed the following concerns:

A. Tenant Contracts

Written agreements, outlining contractual obligations and expectations, do not exist for various groups occupying space in the community center. Informal agreements increase the risk for tenancy disputes and misunderstandings. Section 432.070, RSMo 1986, requires all contractual relationships to be made in writing. Article XXV, Section 9 of the City Charter also requires all contracts to be in writing. This is important irrespective of whether the relationship is a compensatory one.

B. Service Agreements

A written agreement does not exist for chemical fire protection. Because this is a contractual relationship, Section 432.070, RSMo 1986, and Article XXV, Section 9 of the City Charter requires a written agreement.

WE RECOMMEND:

- A. Written agreements be formulated for all organizations occupying space in the community center.**
- B. All service agreements be made in writing.**

AUDITEE'S RESPONSE

- A. At the time of the audit, no formalized agreements were used. Currently a formal process of contractual agreements is in effect between the tenants of West St. Louis County Center and the city of St. Louis.**
- B. We will execute written agreement for chemical fire protection as required.**

OFFICE ON THE DISABLED

26. Disabled Services

The Office on the Disabled currently serves both St. Louis city and county residents. However, the office is entirely funded through city appropriations. According to the office's Commissioner, approximately 15 percent of total services provided to the disabled relate to county residents. This figure was obtained from contact and referral information maintained by the Office on the Disabled. Since the services provided encompass all resources available through the office, the Commissioner estimated the annual cost associated with counseling disabled county residents to be approximately \$8,800.

WE RECOMMEND the Office on the Disabled seek a more equitable funding distribution by formalizing an agreement with the county of St. Louis to provide funding proportionate to the level of services received by its residents.

AUDITEE'S RESPONSE

We concur with your finding and will continue to monitor.

27. Payroll and Personnel Policies and Procedures

Employees do not maintain records of actual hours worked. Based on our review, the three individuals who comprise the office work flexible hours; there is no requirement for staff to account for all working hours within a pay period. According to the payroll clerk, informal time sheets are maintained, but only for the purpose of recording the accrual and use of vacation and sick leave.

The office's total payroll expense for the year ended April 30, 1987, was approximately \$87,300. Without proper administrative controls over these transactions, the office cannot be assured that these expenditures have been properly authorized and represent only valid claims for wages actually earned. A positive time reporting structure should be established and used as the basis for computing bimonthly payroll.

WE RECOMMEND the Office on the Disabled require all employees to formally record actual hours worked. These records should be independently approved and used as the basis for computing bimonthly payroll expense.

AUDITEE'S RESPONSE

The staff of the Office on the Disabled currently uses a daily sign-in/sign-out sheet to document the actual numbers of hours worked by office staff. These sheets are verified, approved by the Commissioner, and submitted to the office's payroll clerk for each pay period. This procedure is in accordance with the city of St. Louis Department of Personnel standard operating procedure.

28. Expenditure Controls

The Office on the Disabled processes all payments for goods and services, including personal services, through the Comptroller's office.

Monthly, the Comptroller's office gives the Office on the Disabled reports of monthly and year-to-date charges against appropriations.

The Office on the Disabled maintains a manual ledger of invoices submitted for payment to the Comptroller. The ledger is reconciled on a regular basis with monthly expenditure reports. However, the ledger does not contain any information relating to payroll expenditures. No procedures are performed to verify the accuracy of personal service charges. The office's payroll clerk stated that the personal service appropriation balances regularly fluctuated and could never be reconciled to her records. Therefore, she relies solely on information sent to her by the Comptroller. During the year ended April 30, 1987, personal service and fringe benefit expenditures comprised approximately 98 percent of the Office on the Disabled's total expenditures.

To provide assurance that all amounts charged against their appropriations represent bona fide Office on the Disabled expenditures, it is essential that all expenditures be included in the expenditure ledger and reconciled monthly with the Comptroller's records.

WE RECOMMEND the Office on the Disabled include personal service and fringe benefits in the expenditure ledger and continue to reconcile monthly charges and balances reported by the Comptroller's office.

AUDITEE'S RESPONSE

Concur with recommendation. An internal ledger is now being kept.

APPENDICES

Appendix A-1

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF REVENUES BY DIVISION
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Office of Director	Missouri Hills	Children's Study Home	Community Centers	City Jail	Medium Security Institution	Total (Memorandum Only)
GENERAL FUND							
Charity solicitation permits	\$ 4,098	-0-	-0-	-0-	-0-	-0-	4,098
School lunch reimbursement	-0-	23,997	17,631	-0-	-0-	-0-	41,628
Child care subsidy	-0-	91,768	59,328	-0-	-0-	-0-	151,096
State water reimbursement	-0-	2,231	-0-	-0-	-0-	-0-	2,231
Contractual payments	-0-	-0-	382,484	-0-	-0-	-0-	382,484
State payments for residents	-0-	-0-	-0-	-0-	1,368,083	-0-	1,368,083
Resident contribution for room and board	-0-	-0-	-0-	-0-	-0-	8,241	8,241
Total General Fund	4,098	117,996	459,443	-0-	1,368,083	8,241	1,957,861
TRUST AND AGENCY FUND							
Community center rental	-0-	-0-	-0-	2,805	-0-	-0-	2,805
Total All Funds	\$ 4,098	117,996	459,443	2,805	1,368,083	8,241	1,960,666

Appendix A-2

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF REVENUES BY DIVISION
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Office of Director	Missouri Hills	Children's Study Home	Community Centers	City Jail	Medium Security Institution	Total (Memorandum Only)
GENERAL FUND							
Charity solicitation permits	\$ 3,374	-0-	-0-	-0-	-0-	-0-	3,374
School lunch reimbursement	-0-	17,379	16,533	-0-	-0-	-0-	33,912
Child care subsidy	-0-	78,936	70,384	-0-	-0-	-0-	149,320
State water reimbursement	-0-	1,422	-0-	-0-	-0-	-0-	1,422
Contractual payments	-0-	-0-	375,711	-0-	-0-	-0-	375,711
State payments for residents	-0-	-0-	-0-	-0-	746,002	-0-	746,002
Resident contribution for room and board	-0-	-0-	-0-	-0-	-0-	1,952	1,952
Total General Fund	3,374	97,737	462,628	-0-	746,002	1,952	1,311,693
TRUST AND AGENCY FUND							
Community center rental	-0-	-0-	-0-	2,395	-0-	-0-	2,395
Total All Funds	\$ 3,374	97,737	462,628	2,395	746,002	1,952	1,314,088

Appendix A-3

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF ESTIMATED AND ACTUAL REVENUES - GENERAL FUND
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

Revenue Type	Estimated	Actual	Actual Over (Under) Estimated
Charity solicitation permits	\$ 3,000	4,098	1,098
School lunch reimbursement	33,000	41,628	8,628
Child care subsidy	195,000	151,096	(43,904)
State water reimbursement	2,000	2,231	231
Contractual payments	475,000	382,484	(92,516)
State payments for residents	1,465,000	1,368,083	(96,917)
Resident contribution for room and board	1,500	8,241	6,741
Total	\$ 2,174,500	1,957,861	(216,639)

Appendix A-4

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
SCHEDULE OF ESTIMATED AND ACTUAL REVENUES - GENERAL FUND
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

Revenue Type	Estimated	Actual	Actual Over (Under) Estimated
Charity solicitation permits	\$ 3,000	3,374	374
School lunch reimbursement	25,500	33,912	8,412
Child care subsidy	165,000	149,320	(15,680)
State water reimbursement	2,000	1,422	(578)
Contractual payments	442,500	375,711	(66,789)
State payments for residents	910,000	746,002	(163,998)
Resident contribution for room and board	1,000	1,952	952
Total	\$ 1,549,000	1,311,693	(237,307)

Appendix B-1

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE OF DIRECTOR
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 448,215	438,144	10,071
Fringe benefits	55,223	53,855	1,368
Workers' compensation	100,230	33,323	66,907
Total Personal Service	603,668	525,322	78,346
EXPENSE AND EQUIPMENT			
Office and operating supplies	6,270	4,151	2,119
Operating expenses	19,877	17,474	2,403
Contractual services	27,166	24,609	2,557
Rental expense	20,000	20,000	-0-
Homeless contractual services	822,686	673,811	148,875
St. Louis Area Agency on Aging - contractual services	312,033	251,194	60,839
Audit expenses	10,000	7,440	2,560
Total Expense and Equipment	1,218,032	998,679	219,353
Total Expenditures	\$ 1,821,700	1,524,001	297,699

Appendix B-2

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE OF DIRECTOR
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 351,480	346,926	4,554
Fringe benefits	65,525	65,261	264
Workers' compensation	117,215	117,015	200
Total Personal Service	534,220	529,202	5,018
EXPENSE AND EQUIPMENT			
Office and operating supplies	3,000	1,845	1,155
Operating expenses	25,778	15,703	10,075
Contractual services	22,548	22,548	-0-
Equipment purchases and repairs	18,741	18,741	-0-
Rental expense	21,443	21,443	-0-
Homeless contractual services	460,250	414,169	46,081
St. Louis Area Agency on Aging:			
Contractual services	210,545	178,173	32,372
Training expense	1,000	-0-	1,000
Audit expenses	10,000	7,770	2,230
Total Expense and Equipment	773,305	680,392	92,913
Total Expenditures	\$ 1,307,525	1,209,594	97,931

Appendix B-3

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE OF CHILDREN SERVICES
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 124,077	137,054	(12,977)
Fringe benefits	14,427	14,902	(475)
Workers' compensation	230	85	145
Total Personal Service	138,734	152,041	(13,307)
EXPENSE AND EQUIPMENT			
Office and operating supplies	625	362	263
Operating expenses	1,897	1,755	142
Total Expense and Equipment	2,522	2,117	405
Total Expenditures	\$ 141,256	154,158	(12,902)

Appendix B-4

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE OF CHILDREN SERVICES
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 94,407	90,550	3,857
Fringe benefits	16,330	14,700	1,630
Workers' compensation	200	-0-	200
Total Personal Service	110,937	105,250	5,687
EXPENSE AND EQUIPMENT			
Office and operating supplies	500	389	111
Operating expenses	1,570	1,284	286
Contractual services	45	0	45
Total Expense and Equipment	2,115	1,673	442
Total Expenditures	\$ 113,052	106,923	6,129

Appendix B-5

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - MISSOURI HILLS
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 462,809	450,931	11,878
Fringe benefits	68,770	63,422	5,348
Workers' compensation	25,616	28,205	(2,589)
Total Personal Service	557,195	542,558	14,637
EXPENSE AND EQUIPMENT			
Office and operating supplies	11,875	10,606	1,269
Construction and maintenance supplies	1,000	694	306
Operating expenses	29,354	28,305	1,049
Food contract	58,651	55,017	3,634
Total Expense and Equipment	100,880	94,622	6,258
Total Expenditures	\$ 658,075	637,180	20,895

Appendix B-6

DEPARTMENT OF HUMAN SERVICES
 CITY OF ST. LOUIS, MISSOURI
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES - MISSOURI HILLS
 YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 375,411	353,687	21,724
Fringe benefits	81,258	69,468	11,790
Workers' compensation	4,628	4,628	-0-
Total Personal Service	461,297	427,783	33,514
EXPENSE AND EQUIPMENT			
Office and operating supplies	11,862	8,728	3,134
Construction and maintenance supplies	1,000	567	433
Operating expenses	29,150	26,303	2,847
Food contract	61,727	59,794	1,933
Total Expense and Equipment	103,739	95,392	8,347
Total Expenditures	\$ 565,036	523,175	41,861

Appendix B-7

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - CHILDREN'S STUDY HOME
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 739,713	742,381	(2,668)
Fringe benefits	104,366	104,809	(443)
Workers' compensation	2,302	126	2,176
Total Personal Service	846,381	847,316	(935)
EXPENSE AND EQUIPMENT			
Office and operating supplies	11,625	8,697	2,928
Operating expenses	21,848	17,800	4,048
Contractual services	2,400	1,718	682
Food contract	43,923	42,609	1,314
Total Expense and Equipment	79,796	70,824	8,972
Total Expenditures	\$ 926,177	918,140	8,037

Appendix B-8

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - CHILDREN'S STUDY HOME
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 609,166	582,790	26,376
Fringe benefits	122,040	117,768	4,272
Workers' compensation	2,000	106	1,894
Total Personal Service	733,206	700,664	32,542
EXPENSE AND EQUIPMENT			
Office and operating supplies	10,180	6,407	3,773
Operating expenses	20,345	14,051	6,294
Contractual services	2,500	1,692	808
Food contract	42,143	42,142	1
Total Expense and Equipment	75,168	64,292	10,876
Total Expenditures	\$ 808,374	764,956	43,418

Appendix B-9

DEPARTMENT OF HUMAN SERVICES
 CITY OF ST. LOUIS, MISSOURI
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES - COMMUNITY CENTERS
 FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 126,418	128,286	(1,868)
Fringe benefits	18,591	17,567	1,024
Workers' compensation	230	34	196
Total Personal Service	145,239	145,887	(648)
EXPENSE AND EQUIPMENT			
Office and operating supplies	2,670	1,565	1,105
Construction and maintenance supplies	260	37	223
Operating expenses	2,322	2,018	304
Contractual services	1,315	1,285	30
Total Expense and Equipment	6,567	4,905	1,662
Total Expenditures	\$ 151,806	150,792	1,014

Appendix B-10

DEPARTMENT OF HUMAN SERVICES
 CITY OF ST. LOUIS, MISSOURI
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES - COMMUNITY CENTERS
 YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 103,624	107,727	(4,103)
Fringe benefits	20,942	21,308	(366)
Workers' compensation	200	36	164
Total Personal Service	124,766	129,071	(4,305)
EXPENSE AND EQUIPMENT			
Office and operating supplies	3,435	1,416	2,019
Construction and maintenance supplies	793	222	571
Operating expenses	2,500	2,351	149
Contractual services	1,050	826	224
Total Expense and Equipment	7,778	4,815	2,963
Total Expenditures	\$ 132,544	133,886	(1,342)

Appendix B-11

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE OF ADULT SERVICES
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 156,412	139,948	16,464
Fringe benefits	19,584	16,839	2,745
Workers' compensation	230	-0-	230
Total Personal Service	176,226	156,787	19,439
EXPENSE AND EQUIPMENT			
Office and operating supplies	2,359	1,662	697
Operating expenses	8,821	3,215	5,606
Contractual services	800	120	680
REJIS court information system	49,046	26,289	22,757
Ombudsman contractual service	26,000	23,960	2,040
Resident's medical expense	275,700	294,176	(18,476)
Total Expense and Equipment	362,726	349,422	13,304
Total Expenditures	\$ 538,952	506,209	32,743

Appendix B-12

DEPARTMENT OF HUMAN SERVICES
 CITY OF ST. LOUIS, MISSOURI
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE OF ADULT SERVICES
 YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 123,244	123,053	191
Fringe benefits	23,087	22,249	838
Workers' compensation	200	-0-	200
Total Personal Service	146,531	145,302	1,229
EXPENSE AND EQUIPMENT			
Office and operating supplies	2,200	1,159	1,041
Operating expenses	4,950	2,542	2,408
Contractual services	300	69	231
REJIS court information system	25,000	23,101	1,899
Ombudsman contractual service	20,500	19,886	614
Resident's medical expense	250,000	249,884	116
Total Expense and Equipment	302,950	296,641	6,309
Total Expenditures	\$ 449,481	441,943	7,538

Appendix B-13

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - CITY JAIL
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 2,917,271	2,817,022	100,249
Fringe benefits	430,342	407,390	22,952
Workers' compensation	32,449	25,020	7,429
Total Personal Service	3,380,062	3,249,432	130,630
EXPENSE AND EQUIPMENT			
Office and operating supplies	71,595	44,418	27,177
Construction and maintenance supplies	1600	358	1,242
Operating expenses	17,530	11,788	5,742
Food contract	295,300	271,761	23,539
Total Expense and Equipment	386,025	328,325	57,700
Total Expenditures	\$ 3,766,087	3,577,757	188,330

Appendix B-14

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - CITY JAIL
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 2,265,943	2,265,809	134
Fringe benefits	454,405	453,361	1,044
Workers' compensation	11,326	11,325	1
Total Personal Service	2,731,674	2,730,495	1,179
EXPENSE AND EQUIPMENT			
Office and operating supplies	60,329	51,356	8,973
Construction and maintenance supplies	500	373	127
Operating expenses	13,600	11,817	1,783
Food contract	211,000	270,937	(59,937)
Total Expense and Equipment	285,429	334,483	(49,054)
Total Expenditures	\$ 3,017,103	3,064,978	(47,875)

DEPARTMENT OF HUMAN SERVICES
 CITY OF ST. LOUIS, MISSOURI
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES - MEDIUM SECURITY INSTITUTION
 FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 2,963,160	2,949,569	13,591
Fringe benefits	429,198	417,214	11,984
Workers' compensation	26,813	28,465	(1,652)
Total Personal Service	3,419,171	3,395,248	23,923
EXPENSE AND EQUIPMENT			
Office and operating supplies	78,230	58,171	20,059
Construction and maintenance supplies	2550	670	1,880
Operating expenses	41,895	36,085	5,810
Food contract	484,930	413,129	71,801
Residential labor expense	15,000	8,832	6,168
Resident Work Program expense	11,870	8,962	2,908
Total Expense and Equipment	634,475	525,849	108,626
Total Expenditures	\$ 4,053,646	3,921,097	132,549

Appendix B-16

DEPARTMENT OF HUMAN SERVICES
 CITY OF ST. LOUIS, MISSOURI
 STATEMENT OF APPROPRIATIONS AND EXPENDITURES - MEDIUM SECURITY INSTITUTION
 YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 2,431,761	2,286,393	145,368
Fringe benefits	479,970	458,024	21,946
Workers' compensation	20,970	20,970	-0-
Total Personal Service	2,932,701	2,765,387	167,314
EXPENSE AND EQUIPMENT			
Office and operating supplies	72,450	54,049	18,401
Construction and maintenance supplies	2200	1654	546
Operating expenses	43,225	34,617	8,608
Food contract	429,800	397,697	32,103
Residential labor expense	9,000	8,208	792
Resident Work Program expense	10,000	8,277	1,723
Prior year encumbrances	12,000	8,401	3,599
Total Expense and Equipment	578,675	512,903	65,772
Total Expenditures	\$ 3,511,376	3,278,290	233,086

Appendix B-17

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE ON THE DISABLED
FOURTEEN MONTHS ENDED JUNE 30, 1988

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 91,899	91,819	80
Fringe benefits	11,398	11,665	(267)
Workers' compensation	230	-0-	230
Total Personal Service	103,527	103,484	43
EXPENSE AND EQUIPMENT			
Office and operating supplies	800	718	82
Operating expenses	2,000	1,654	346
Total Expense and Equipment	2,800	2,372	428
Total Expenditures	\$ 106,327	105,856	471

Appendix B-18

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
STATEMENT OF APPROPRIATIONS AND EXPENDITURES - OFFICE ON THE DISABLED
YEAR ENDED APRIL 30, 1987

(U N A U D I T E D)

	Appropriation	Expenditures	Appropriation Balance
PERSONAL SERVICE			
Salaries	\$ 70,891	73,951	(3,060)
Fringe benefits	13,139	13,344	(205)
Workers' compensation	200	-0-	200
Total Personal Service	84,230	87,295	(3,065)
EXPENSE AND EQUIPMENT			
Office and operating supplies	600	368	232
Operating expenses	2,675	1,779	896
Total Expense and Equipment	3,275	2,147	1,128
Total Expenditures	\$ 87,505	89,442	(1,937)

Appendix C-1

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - OFFICE OF THE DIRECTOR

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 432,952	346,926	106,863	92,982	97,276
Per performance	5,192	5,161	1,675	-0-	0
Employer:					
Social security coverage	31,655	24,868	7,589	6,507	5,838
Medical insurance	19,238	15,858	3,230	2,808	2,194
Retirement contribution	-0-	17,081	5,849	5,058	-0-
Life insurance costs	2,962	2,293	654	521	654
Workers' compensation settlements	33,323	117,015	25,716	-0-	0
Total Personal Service	525,322	529,202	151,576	107,876	105,962
EXPENSE AND EQUIPMENT					
Office supplies	4,151	1,845	415	364	263
Printed supplies	0	0	-0-	0	-0-
Painting supplies	-0-	-0-	0	-0-	0
Postage	1,635	600	530	530	556
Telephone and other communications	0	1,422	-0-	0	-0-
Office services	23	580	559	-0-	19
Allowance for personal-owned cars	613	119	-0-	22	6
Repairs to office and other operating equipment	273	128	114	9	276
Equipment rental	14,930	11,581	447	127	-0-
Light and power services	0	1,067	-0-	0	-0-
Printing services	-0-	206	418	249	294
Miscellaneous contractual services	24,609	22,548	-0-	12,292	-0-
Equipment services by Equipment Services Division	-0-	13,238	7,754	4,004	-0-
Capital equipment - Equipment Services Division	-0-	5,503	-0-	0	-0-
Rents	20,000	21,443	-0-	0	-0-
Homeless contractual services	673,811	414,169	87,675	-0-	0
St. Louis Area Agency on Aging - contractual services	251,194	178,173	-0-	0	-0-
Audit expense	7,440	7,770	-0-	0	-0-
Total Expense and Equipment	998,679	680,392	97,912	17,597	1,414
Total Expenditures	\$ 1,524,001 **	1,209,594	249,488	125,473	107,376

* Fourteen months ended June 30, 1988.

** Total expenditures do not include encumbrances of \$48,127 at June 30, 1988.

Appendix C-2

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - OFFICE OF CHILDREN SERVICES

(U N A U D I T E D)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 137,054	90,550	94,903	85,878	82,437
Employer:					
Social security coverage	9,564	5,970	6,172	5,631	5,124
Medical insurance	4,468	3,843	3,002	2,808	2,282
Retirement contribution	-0-	4,427	5,771	7,907	-0-
Life insurance costs	870	660	590	472	615
Workers' compensation settlements	85	-0-	-0-	-0-	-0-
Total Personal Service	152,041	105,250	110,438	102,696	90,458
EXPENSE AND EQUIPMENT					
Office supplies	362	389	476	278	300
Postage	200	175	150	114	40
Office services	197	380	88	21	29
Allowance for personal-owned cars	828	-0-	-0-	-0-	-0-
Repairs to office and other operating equipment	192	209	-0-	-0-	97
Equipment rental	338	448	402	127	-0-
Printing services	-0-	72	241	108	755
Total Expense and Equipment	2,117	1,673	1,357	648	1,221
Total Expenditures	\$ 154,158	106,923	111,795	103,344	91,679

* Fourteen months ended June 30, 1988.

Appendix C-3

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - MISSOURI HILLS

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 447,910	348,767	392,320	370,438	423,357
Employer:					
Social security coverage	32,867	25,029	27,536	25,706	28,459
Medical insurance	27,430	22,709	21,280	19,116	18,545
Retirement contribution	-0-	19,279	21,096	30,799	-0-
Life insurance costs	3,125	2,451	2,364	1,933	3,031
Workers' compensation	28,205	4,628	2,132	13,876	-0-
Overtime	3,021	4,920	1,351	843	1,426
Total Personal Service	542,558	427,783	468,079	462,711	474,818
EXPENSE AND EQUIPMENT					
Office supplies	824	795	772	696	454
Laundry and cleaning supplies	2,590	1,939	2,456	1,825	1,423
Medical surgical and laboratory supplies	1,119	697	694	658	391
Household supplies	760	813	1,221	978	1,009
Small tools and implements	96	145	121	148	234
Wearing apparel	2,245	2,244	2,195	4,276	4,086
Education and recreation supplies	386	219	360	473	394
Agriculture and botanical supplies	29	-0-	44	-0-	-0-
Gasoline supplies	2,468	1,701	2,787	2,872	3,815
Miscellaneous supplies	89	175	387	115	197
Construction material and building hardware	341	336	178	453	112
Plumbing, heating, venting, and air conditioning supplies	100	27	290	136	91
Painting materials	253	204	95	130	290
Miscellaneous materials	-0-	-0-	47	-0-	91
Postage	315	495	495	585	540
Telephone and other communications	4,814	5,763	5,189	5,226	5,711
Office services	1,250	850	986	1,575	-0-
Allowance for personal-owned cars	1,250	1,166	1,221	1,234	1,471
Repairs to office and other operating equipment	2,436	2,937	1,134	2,183	2,339
Cleaning services	1,246	1,183	1,064	1,545	1,624
Health care services	9,425	7,475	7,860	8,724	8,252
Water usage charges	5,177	4,046	3,277	3,369	3,273
Printing services	-0-	-0-	795	426	184
Miscellaneous contractual services	2,392	2,388	2,503	2,831	2,718
Food contract	55,017	59,794	45,270	46,559	49,174
Total Expense and Equipment	94,622	95,392	81,421	87,017	87,873
Total Expenditures	\$ 637,180	523,175	549,500	549,728	562,691

* Fourteen months ended June 30, 1988.

Appendix C-4

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - CHILDREN'S STUDY HOME

(U N A U D I T E D)

	June 30, 1988*	Year Ended April 30.			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 734,749	574,202	597,176	519,324	526,156
Employer:					
Social security coverage	54,180	41,669	42,708	40,861	42,010
Medical insurance	45,329	38,321	32,414	30,492	26,969
Retirement contribution	-0-	33,634	35,366	51,093	-0-
Life insurance costs	5,300	4,144	3,705	3,140	4,454
Workers' compensation	126	106	23	9,851	-0-
Overtime	7,632	8,588	7,759	9,451	9,359
Total Personal Service	847,316	700,664	719,151	664,212	608,948
EXPENSE AND EQUIPMENT					
Office supplies	185	199	262	201	219
Laundry and cleaning supplies	972	1,244	1,264	1,421	901
Medical surgical and laboratory supplies	265	468	385	459	281
Household supplies	1,682	1,017	1,762	1,723	1,603
Wearing apparel	5,221	3,112	5,024	5,422	6,202
Education and recreation supplies	281	184	219	246	357
Miscellaneous supplies	111	183	142	234	-0-
Postage	300	300	300	200	225
Telephone and other communication	7,790	5,399	6,069	6,730	4,902
Office services	1,299	900	1,023	1,425	13
Allowance for personal-owned cars	-0-	-0-	-0-	96	365
Repairs to office and other operating equipment	2,287	2,591	2,008	1,895	1,282
Cleaning services	3,667	2,786	3,920	4,780	3,848
Health care services	2,457	2,075	5,239	5,143	7,498
Printing services	-0-	-0-	132	97	105
Miscellaneous contractual services	1,718	1,692	2,026	2,369	2,618
Food contract	42,609	42,142	36,759	45,355	25,751
Child abuse unit	-0-	-0-	-0-	55,676	85,329
Total Expense and Equipment	70,824	64,292	66,534	133,472	141,499
Total Expenditures	\$ 918,140 **	764,956	785,685	797,684	750,447

* Fourteen months ended June 30, 1988.

** Total expenditures do not include encumbrances of \$74 at June 30, 1988.

Appendix C-5

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI

COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - COMMUNITY CENTERS

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 124,170	104,327	127,278	124,578	61,491
Employer:					
Social security coverage	9,365	7,702	9,253	9,104	4,449
Medical insurance	7,273	6,576	6,916	6,984	3,042
Retirement contribution	-0-	6,253	7,783	11,475	-0-
Life insurance costs	929	777	811	692	461
Workers' compensation	34	36	-0-	-0-	-0-
Overtime	4,116	3,400	3,410	5,185	3,988
Total Personal Service	145,887	129,071	155,451	158,018	73,431
EXPENSE AND EQUIPMENT					
Office supplies	49	43	50	55	94
Laundry and cleaning supplies	220	137	687	415	426
Household supplies	932	944	1,066	1,175	177
Small tools and implements	-0-	-0-	-0-	8	37
Painting supplies	-0-	168	7	42	-0-
Miscellaneous supplies	364	292	199	162	-0-
Construction materials and building hardware	37	54	189	217	-0-
Postage	50	50	50	45	40
Telephone and other communication	1,523	1,191	1,119	1,202	541
Office services	88	129	-0-	105	-0-
Allowance for personal-owned cars	212	278	262	325	280
Repairs to office and other operating equipment	145	703	15	200	281
Printing services	-0-	-0-	32	-0-	-0-
Miscellaneous contractual services	1,285	826	992	812	488
Total Expense and Equipment	4,905	4,815	4,668	4,763	2,364
Total Expenditures	\$ 150,792	133,886	160,119	162,781	75,795

* Fourteen months ended June 30, 1988.

Appendix C-6

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - OFFICE OF ADULT SERVICES

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 139,948	123,053	132,262	142,890	133,334
Employer:					
Social security coverage	9,661	8,019	8,644	9,457	8,451
Medical insurance	6,168	5,961	5,358	6,228	4,563
Retirement contribution	-0-	7,377	8,095	13,474	-0-
Life insurance costs	1,010	892	833	824	969
Workers' compensation	-0-	-0-	-0-	720	-0-
Total Personal Service	156,787	145,302	155,192	173,593	147,317
EXPENSE AND EQUIPMENT					
Office supplies	1,114	674	526	360	866
Education and recreation supplies	548	485	-0-	946	562
Postage	544	484	1,000	355	600
Office services	786	469	233	324	285
Allowance for personal-owned cars	58	756	827	552	614
Repairs to office and other operating equipment	975	495	257	178	519
Equipment rental	852	338	446	376	749
Printing services	-0-	-0-	456	1,084	96
Miscellaneous contractual services	120	69	-0-	-0-	1,969
REJIS information system	26,289	23,101	23,991	21,658	54,995
Ombudsman contractual service	23,960	19,886	180,826	18,637	17,484
Resident's medical expense	294,176	249,884	-0-	-0-	-0-
Total Expense and Equipment	349,422	296,641	208,562	44,450	78,739
Total Expenditures	\$ 506,209	441,943	363,754	218,043	226,056

* Fourteen months ended June 30, 1988.

Appendix C-7

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - CITY JAIL

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 2,765,481	2,218,248	2,183,055	2,090,880	2,161,628
Per performance	-0-	-0-	4,857	13,727	19,138
Employer:					
Social security coverage	205,860	162,047	158,613	153,866	153,615
Medical insurance	181,779	158,394	127,832	119,700	103,814
Retirement contribution	-0-	116,880	115,443	176,421	-0-
Life insurance costs	19,751	16,040	13,380	11,298	15,660
Workers' compensation	25,020	11,325	4,717	8,712	-0-
Overtime	51,541	47,561	49,873	93,454	81,555
Total Personal Service	3,249,432	2,730,495	2,657,770	2,668,058	2,535,410
EXPENSE AND EQUIPMENT					
Office supplies	3,004	2,602	4,277	3,647	4,186
Laundry and cleaning supplies	4,308	3,866	5,993	2,905	5,785
Medical surgical and laboratory supplies	1,806	1,486	1,240	1,835	2,292
Household supplies	9,234	12,630	12,841	12,328	13,763
Wearing apparel	9,760	17,987	3,753	2,340	25,807
Education and recreation supplies	104	1,142	2,267	2,496	2,957
Painting supplies	522	496	691	1,186	471
Linen supplies	3,778	2,151	2,174	1,916	3,240
Drugs and medicines	9,609	6,074	4,667	4,274	4,860
Miscellaneous supplies	2,651	3,295	3,312	5,015	4,198
Postage	396	396	506	300	380
Office services	1,710	92	262	210	17
Allowance for personal-owned cars	126	140	332	670	836
Repairs to office and other operating equipment	7,932	3,439	9,930	8,849	11,357
Equipment rental	1,563	3,105	3,258	3,681	4,862
Cleaning supplies	61	148	42	430	1,025
Printing services	-0-	4,497	4,926	6,168	1,734
Food contract	271,761	270,937	210,864	237,191	186,686
Total Expense and Equipment	328,325	334,483	271,335	295,441	274,466
Total Expenditures	\$ 3,577,757 **	3,064,978	2,929,105	2,963,499	2,809,876

* Fourteen months ended June 30, 1988.

** Total expenditures do not include encumbrances and commitments of \$515 and \$344, respectively, at June 30, 1988.

Appendix C-8

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - MEDIUM SECURITY INSTITUTION

(U N A U D I T E D)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ 2,798,014	2,218,764	2,126,741	1,968,506	2,142,690
Per performance	37,530	31,200	33,753	161,276	178,958
Employer:					
Social security coverage	213,745	162,287	157,692	158,392	159,816
Medical insurance	183,535	161,043	123,766	112,104	96,689
Retirement contribution	-0-	118,447	113,814	171,242	-0-
Life insurance costs	19,934	16,247	13,003	10,741	14,852
Workers' compensation	28,465	20,970	9,283	9,825	-0-
Overtime	114,025	36,429	67,340	125,413	46,081
Total Personal Service	3,395,248	2,765,387	2,645,392	2,717,499	2,639,086
EXPENSE AND EQUIPMENT					
Office supplies	2,469	1,981	1,803	2,584	2,584
Laundry and cleaning supplies	7,792	6,204	7,517	8,034	15,630
Medical surgical and laboratory supplies	1,827	1,222	2,542	2,316	3,050
Household supplies	8,642	9,841	8,632	8,336	8,867
Food supplies	-0-	-0-	-0-	-0-	1,644
Small tools and implements	-0-	249	137	25	184
Wearing apparel	19,153	18,462	16,182	23,420	27,700
Education and recreation supplies	530	942	1,588	1,767	1,415
Painting supplies	3,291	1,747	2,995	4,068	746
Linen supplies	3,755	4,521	1,901	3,394	3,908
Drugs and medicines	5,698	6,485	8,046	5,238	5,825
Building equipment and maintenance supplies	670	1,271	444	1,241	2,045
Miscellaneous supplies	5,014	2,778	3,345	2,759	4,073
Postage	400	400	400	380	400
Telephone and other communication	23,504	22,194	24,279	24,947	28,823
Office services	2,650	275	195	182	202
Allowance for personal-owned cars	2,617	1,298	1,080	921	606
Repairs to office and other operating equipment	5,985	4,988	5,180	12,733	11,238
Equipment rental	929	2,860	1,948	2,355	3,425
Cleaning supplies	-0-	1,505	-0-	91	-0-
Printing services	-0-	1,097	5,672	4,313	671
Food contract	413,129	397,697	442,624	421,154	436,577
Resident labor	8,832	8,208	12,661	8,940	11,383
Resident work supplies	8,962	8,277	5,247	-0-	-0-
Prior year encumbrance	-0-	8,401	-0-	-0-	-0-
Total Expense and Equipment	525,849	512,903	554,418	539,198	570,996
Total Expenditures	\$ 3,921,097 **	3,278,290	3,199,810	3,256,697	3,210,082

* Fourteen months ended June 30, 1988.

** Total expenditures do not include encumbrances and commitments of \$378 and \$125, respectively, at June 30, 1988.

Appendix C-9

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - OFFICE ON THE DISABLED

(UNAUDITED)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries - regular employees	\$ 91,819	73,951	69,454	67,682	65,101
Employer:					
Social security coverage	6,705	5,288	4,918	4,748	4,421
Medical insurance	4,280	3,548	2,964	2,736	2,083
Retirement contribution	-0-	3,986	3,674	4,118	-0-
Life insurance costs	680	522	435	367	448
Total Personal Service	103,484	87,295	81,445	79,651	72,053
EXPENSE AND EQUIPMENT					
Office supplies	718	368	568	470	403
Postage	1,100	729	700	550	450
Office services	83	26	22	93	107
Allowance for personal-owned cars	-0-	39	10	86	67
Repairs to office and other operating equipment	471	198	412	158	140
Printing services	-0-	787	1,738	1,044	226
Total Expense and Equipment	2,372	2,147	3,450	2,401	1,393
Total Expenditures	\$ 105,856	89,442	84,895	82,052	73,446

* Fourteen months ended June 30, 1988.

Appendix C-10

DEPARTMENT OF HUMAN SERVICES
CITY OF ST. LOUIS, MISSOURI

COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES - ST. LOUIS AREA AGENCY ON AGING

(U N A U D I T E D)

	June 30, 1988*	Year Ended April 30,			
		1987	1986	1985	1984
PERSONAL SERVICE					
Salaries:					
Regular employees	\$ -0-	-0-	173,923	167,661	155,859
Per performance	-0-	-0-	6,152	-0-	-0-
Employer:					
Social security coverage	-0-	-0-	12,490	11,397	10,007
Medical insurance	-0-	-0-	4,180	4,068	3,253
Retirement contribution	-0-	-0-	7,852	12,017	-0-
Life insurance costs	-0-	-0-	810	692	1,068
Total Personal Service	-0-	-0-	205,407	195,835	170,187
EXPENSE AND EQUIPMENT					
Office supplies	-0-	-0-	-0-	861	1,178
Telephone and other communication	-0-	-0-	8,027	9,485	10,398
Allowance for personal-owned cars	-0-	-0-	194	265	887
Equipment rental	-0-	-0-	19,437	18,833	17,281
Light and power services	-0-	-0-	3,053	-0-	-0-
Printing services	-0-	-0-	2,230	1,140	154
Miscellaneous contractual services	-0-	-0-	15,854	14,430	8,000
Rents	-0-	-0-	19,600	28,500	30,000
Judgments miscellaneous	-0-	-0-	-0-	3,050	-0-
Cash match - federal grants	-0-	-0-	65,000	59,245	68,770
Total Expense and Equipment	-0-	-0-	133,395	135,809	136,668
Total Expenditures	\$ -0-	-0- **	338,802	331,644	306,855

* Fourteen months ended June 30, 1988.

** The St. Louis Area Agency on Aging was consolidated with Office of Director operations effective for the year ended April 30, 1987. See Appendix C-1.

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