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CITY OF ST. LOUIS



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Comptroller

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

April 30, 2009

Helen D. Haskins, Circuit Court Administrator
Civil Courts Building, Room 412
10 N. Tucker Boulevard
St. Louis, MO 63101-2044

RE: 22nd Judicial Circuit Court, Division 30 – Juvenile Detention Center (JDC)
(Project #2009-20)

Dear Ms. Haskins:

Enclosed is the Internal Audit Section's Process Review report of the Juvenile Detention Center, Fiscal Management, for the review period July 1, 2007 through September 30, 2008. The objectives of the review were to determine if JDC effectively and efficiently manages risks to ensure the:

- Accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, policies and procedures
- Safeguarding of assets
- Reliability and integrity of financial and operational information
- Economic and efficient use of resources

Fieldwork was completed on January 23, 2009.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Respectfully,


Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Kathryn Herman, Assistant Court Administrator, JDC
Debbie Crescenzo, Business Office Manager, JDC



CITY OF ST. LOUIS
CITY OF ST. LOUIS

22ND JUDICIAL CIRCUIT COURT – DIVISION 30

JUVENILE DETENTION CENTER

PROCESS REVIEW

JULY 1, 2007 THROUGH SEPTEMBER 30, 2008

PROJECT #2009-20

DATE ISSUED: APRIL 30, 2009

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER
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HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
22nd JUDICIAL CIRCUIT COURT – DIVISION 30
JUVENILE DETENTION CENTER (JDC)
PROCESS REVIEW
JULY 1, 2007 THROUGH SEPTEMBER 30, 2008

EXECUTIVE SUMMARY

Purpose

The purpose was to determine if JDC effectively and efficiently manages risks to ensure the:

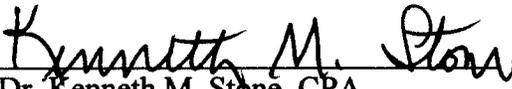
- Accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, policies and procedures
- Safeguarding of assets
- Reliability and integrity of financial and operational information
- Economic and efficient use of resources

Conclusion

JDC has an effective system of internal controls in place to ensure that risks within the Finance Section are effectively and efficiently managed.

There were no current observations.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.



Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Date 5/4/09

CITY OF ST. LOUIS
22nd JUDICIAL CIRCUIT COURT – DIVISION 30
JUVENILE DETENTION CENTER (JDC)
PROCESS REVIEW
JULY 1, 2007 THROUGH SEPTEMBER 30, 2008

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INTRODUCTION

Background

JDC's mission is to facilitate the care, protection and discipline of children who come under the jurisdiction of the Juvenile Court. Authorization and specific requirements are contained in the Revised Missouri State Statute, Chapter 211.011. To achieve its mission, JDC's budget includes the cost of institutional care for delinquent juveniles and grant funds to support additional personnel and services. The Business Office is responsible for the accounting of all funds and expenditures budgeted for the JDC.

JDC's 2008 fiscal budget included \$2,468,000 in revenues from State reimbursements for salaries, childcare days, and the USDA milk and lunch program. Budgeted expenditures were \$15,932,071, which included \$13,726,384 for payroll. The majority of non-payroll expenditures were for contractual obligations for services ordered by the court.

Purpose

The purpose was to determine if JDC effectively and efficiently manages risk to ensure the:

- Accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, policies and procedures
- Safeguarding of assets
- Reliability and integrity of financial and operational information
- Economic and efficient use of resources

Scope and Methodology

The review was confined to evaluating controls for general fund revenues and expenditures for the period July 1, 2007 through September 30, 2008. Procedures included inquiries of JDC staff, observation of relevant processes, and reviews for compliance with policies and procedures, as well as applicable laws and regulations. Limited tests of controls, follow up on prior audit observations, and other procedures considered necessary were performed. Fieldwork was completed on January 23, 2009.

Exit Conference

JDC was offered the opportunity for an exit conference on April 15, 2009, however, JDC declined.

OBSERVATIONS

Status of Prior Observations

The Internal Audit Section followed-up on observations in the prior report, project #2003-26, issued March 10, 2004. There were no unresolved observations relating to the USDA milk and lunch program, child care days or the State reimbursements that may affect the scope of this review. The most recent IAS follow-up review was completed December 12, 2005.

Summary of Current Observations

Several controls at JDC were noted that contributed to the successful management of the Finance Section. The controls included, but were not limited to the following:

- An administrative policy and procedures manual and written policies and procedures for processing and accounting for funds and personnel costs. The manual was authorized by the Court Administrator, reviewed by the Circuit Court Juvenile and Personnel Committees, and approved by the Court en banc, pursuant to Local Court Rule 100.8.3. The manual is distributed to all new and current employees. Upon acknowledgment of receipt, employees are obligated to read the manual and seek clarification for its contents and comply with the stated provisions.
- Employees receive a copy of their job descriptions, performance standards for evaluations, and orientation training and the mission statement for posting in their work areas.
- There are regular staff meetings among various units and monthly management meetings.
- Managers supervise, review and monitor employees' work.
- Management has reduced employees' overtime.
- Receipts for child care days, USDA milk and lunch program, and the State reimbursements are directly deposited to the Treasurer's Office and reconciled monthly to the general ledger.
- JDC staff has received training on and currently uses the State's new Justice Information System (JIS) for tracking the court ordered admission and release of juveniles.

There were no current observations.