



CITY OF ST. LOUIS

CITY MARSHAL'S OFFICE

PROCESS REVIEW

JULY 1, 2011 THROUGH JUNE 30, 2012

PROJECT #2013-P11

DATE ISSUED: JULY 10, 2013

**Prepared By:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER



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FILE COPY

July 10, 2013

Ronald G. Hill, City Marshal
City Marshal's Office
1520 Market Street, Suite 1051
St. Louis, MO 63103

RE: Process Review of City Marshal's Office (Project #2013-P11)

Dear Mr. Hill:

Enclosed is the Internal Audit Section's report on the process review of the City Marshal's Office for the period July 1, 2011 through June 30, 2012. A description of the scope of work is included in the report.

Fieldwork was completed on April 17, 2013. Management's responses to the observations and recommendations noted in the report were received on June 28, 2013, and have been incorporated into the report.

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) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive

Enclosure

cc: Honorable Lewis E. Reed, President, Board of Aldermen
Jeff Rainford, Chief of Staff to the Mayor
Eddie Roth, Director of Operations, Mayor's Office
Sam Dotson, Chief of Police, St. Louis Metropolitan Police Department

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EXECUTIVE SUMMARY

Background

The mission of the City Marshal's Office is to protect the Municipal Courts, Municipal property, and conduct operations as dictated by the Municipal Judicial System.

Services provided by the City Marshal's Office included, but are not limited to:

- Protective service program for person's designated by the City Marshal or Mayor's Office
- Contrabands seizure management at City Hall and the Courthouse
- Fugitive investigation and apprehension program

Purpose

The City Marshal's office was selected for review based on the Internal Audit Section's annual risk assessment. The purpose was to determine if the City Marshal's Office effectively and efficiently managed risks in achieving goals and objectives relating to:

- 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 scope of the review included operations of the City Marshal's Office for the period July 1, 2011 through June 30, 2012. The review was confined to evaluating internal controls over the City Marshal's Office operations. The review procedures included:

- Inquiries of management and staff
- Observations of relevant processes
- Reviews for compliance with policies and procedures, as well as applicable laws and regulations
- Limited tests of controls
- Follow-up on prior observations
- Other procedures as considered necessary

Exit Conference

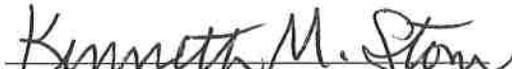
An exit conference was conducted at the City Marshal's Office, on June 19, 2013. City Marshal and the Chief of Police, St. Louis Metropolitan Police Department, represented the City Marshal's Office. Audit Supervisor and Auditor-in-charge represented the Internal Audit Section.

Conclusion

City Marshal's Office adequately addressed internal controls and risks relating to its operations, except for the following observations:

1. Opportunity to improve internal controls over seized contrabands (drugs and weapons)
2. Opportunity to improve internal controls over returned uniforms

These observations are discussed in more detail in the *Detailed Observations, Recommendations and Management's Responses* section of this report.


Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive


Date

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OBSERVATIONS

Status of Prior Observations

The Internal Audit Section has not performed process review of the City Marshal's Office previously.

Summary of Current Observations

Written standards of operations on various aspects of the City Marshal's Office activities developed by the City Marshal's Office were noted as internal control strengths. These included, but were not limited to the following written:

- Mission Statement
- Code of Ethics
- Statement of Values
- Policies of Firearms Use
- Standards of Conduct for Deputy Marshals
- Drug and Alcohol Policy

The opportunity exists, however, for the City Marshal's Office to improve internal controls over its operations. The following observations resulted from the review:

1. Opportunity to improve internal controls over seized contrabands (drugs and weapons)
2. Opportunity to improve internal controls over returned uniforms

These observations are discussed in more detail in the *Detailed Observations, Recommendations and Management's Responses* section of this report.

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANGEMENT'S RESPONSES

1. Opportunity To Improve Internal Controls Over Seized Contrabands (Drugs And Weapons)

During the review of the internal controls over seized contrabands, it was observed that:

- The City Marshal's Office did not maintain written procedures on handling, safekeeping, and disposal of seized contraband (drugs and weapons).
- Seized weapons were not secured by storing them in a locked cabinet
- Seized weapons were not disposed off in a timely manner.

An effective system of internal controls over seized contraband items (drugs and weapons) would require:

- Written procedures on handling of seized contraband items.
- Secured storage of seized weapons with access limited to responsible personnel.
- Prompt disposal of all seized weapons.

The City Marshal's Office Standards of Operations Manual has not been updated since it was developed.

The Metropolitan Police Department has discontinued the collection and disposal of seized weapons and the City Marshal's Office does not have any spare locked cabinets for storing these weapons.

Lack of written procedures on seized contraband items may increases the risk that the procedures are not consistently performed in accordance with the stated procedures.

Failure to properly secure and promptly dispose the seized weapons may result in their unauthorized removal and use.

Recommendation

It is recommended that the City Marshal's Office:

- Develop written procedures on handling, safekeeping and disposal of seized contraband items. Such procedures need to be:
 - Approved by the City Marshal
 - Formally communicated to all employees and
 - Consistently applied
 - Updated periodically

1. Continued...

- Maintain a log of seized drugs
- Securely store the seized weapons until they are disposed.

Management's Response

The following policies as written will be posted and added to our overall policy manual.

Weapon:

All weapons seized will be held for a period not to exceed 2 months, after which they will be destroyed by the St. Louis Police Department or as designated by the Department of Public Safety for the City of St. Louis.

Drugs:

All illegal drugs seized by Marshal's at the check point shall be documented in a written report, after which the St. Louis Police Department will be notified that the person and drugs are in custody. Once the officer arrives the change of custody shall be executed.

2. Opportunity To Improve Internal Controls Over Returned Uniforms

The City Marshal's Office did not maintain an inventory of the uniforms returned by employees who were no longer employed. In addition, there was no evidence that a physical inventory count was performed of the returned uniforms. A physical inventory count provides an assurance that all returned uniforms are accounted for when they are reconciled to the inventory records.

An effective system of internal controls requires that inventory records are maintained for all returned uniforms and physical inventory counts are performed at regular intervals. Any differences between the inventory records and counts are investigated and resolved.

City Marshal's Office has not assigned the responsibility for maintaining inventory records and performing annual physical inventory count of the returned uniforms.

Lack of inventory records and regular physical inventory counts may increase the risk that some of the returned uniforms remain unaccounted. This may result in the City incurring additional cost for the new uniforms.

2. Continued...

Recommendation

It is recommended that the City Marshal's Office:

- Maintain inventory records of returned uniform
- Perform and document physical inventory counts of the returned uniform at a minimum annually.
- Investigate and resolve the differences between the inventory records and physical counts.

Management's Response

The department will develop a detail spreadsheet that will register all uniforms and equipment. The sheet will have the items listed along with the date and time of issuance as well as the items returned (spreadsheet attached).