

CHAPTER:	1	Administration and Management	1.2.4
SECTION:	2	Fiscal Management	EFFECTIVE DATE: 12/18/2008
SUBJECT:	4	Financial Audits	
APPROVED:			REVISION DATE:
Gene Stubblefield COMMISSIONER OF CORRECTIONS			DATE: 12/18/08
Reviewed:			

I. POLICY

It is the policy of the Division of Corrections to support and provide for independent financial audit of the Division by City’s Comptrollers Office, Internal Audit Section, or its’ independent auditor in accordance with the Governmental Accounting Standards Board (GASB).

II. PURPOSE

The purpose is to ensure that City Comptroller or designee has access at all times to all of the books, accounts, reports, vouchers, and other records or information in the division.

III. APPLICABILITY

This policy is applicable to all divisional staff, volunteer and contractors.

IV. STANDARDS

The City of St. Louis Charter: Article VIII, Section 10

ACA Adult Local Detention Facilities, 4th Edition

7D-12

A facility or parent agency fiscal process includes a financial audit of the facility annually, or at time periods stipulated by applicable statutes and/or regulations.

V. DEFINITIONS

Divisional Audit Coordinator: The Executive Assistant and/or the Business Office Manager.

Financial Audit: The review of the Division's internal accounting controls and financial statements in accordance with generally accepted accounting principles.

Financial Auditor: An independent auditor expressing an opinion on the financial statements or internal controls based on a review performed in accordance with generally accepted auditing standards.

Single Audit Act: A federal statute that requires recipients of federal funds to be audited by an independent financial auditor expressing an opinion on compliance at the local level.

Internal Audit Section: An audit agency within the City's Comptroller's Office.

VI. CANCELLATION

This policy cancels all previous Division policies, statements, memorandums, directives, orders, notices, rules and regulations which are inconsistent with this policy.

VII. GENERAL INFORMATION

1. The Division will comply with any directive from City's Comptroller's Office to produce documents and records upon request, for the purpose of conducting a financial audit of the Division, including audit of funded programs that may involve "single audit act," at any time.
2. The Internal Audit Section staff is required to wear City identification badge and/or Divisional visitor's badge while in the facility.
3. The Division, as a unit of city government, has read-only access to a fully computerized Accounting Information Management System (AIMS) with a single input of information managed by the Comptroller's Office. Staff may access these accounting or audit information through the City's web site or by contacting the Comptroller's office.
4. Upon request, or at the discretion of the Divisional Audit Coordinator, a copy of this policy will be made available to a financial auditor.

VIII. FORMS

The following forms are included within this policy and procedure:

None

IX. PROCEDURES

1. Audits will begin with an entrance conference attended by Divisional Audit Coordinator, the Comptroller's representative(s), divisional designated staff and other affected accounting divisional employees.
2. The Divisional Audit Coordinator requests that an engagement letter outlining the audit scope and identifying the audit team be submitted by the Auditor to the Commissioner of Corrections, prior to commencing financial audits.
3. The Internal Audit Section will coordinate financial audits with the Divisional Audit Coordinator(s).
4. The Division will provide office space and telephone at the divisional administrative area for use by the auditor(s).
5. Divisional employees in areas being audited will comply fully with all auditor requests for interview time and supporting documents.
6. The Divisional Audit Coordinator (s) are to remain current on the audit's status to be aware of any findings; to assist the Auditor in obtaining information; and to work with Auditor to keep the audit on schedule.
7. Issues that could become audit findings are to be treated seriously by Divisional Audit Coordinator, and, if an audit finding is arguable, it is incumbent upon the Divisional Audit Coordinator to produce the documentation to submit as a rebuttal to the finding.
8. After the Auditors conclude their work, they will conduct an exit conference where all findings and recommendations are presented and possible Divisional responses are discussed.
9. The Auditors will present their findings and recommendations in draft form, the Divisional Audit Coordinator, in consultation with the Commissioner will formulate a written response to the draft document. The draft audit report will be distributed to the Department of Public Safety Director and the Comptroller by the Audit Manager.

10. The Divisional Audit Coordinator may request a copy of the final draft of the auditor's report through the audit manager.
11. The Commissioner of Corrections will coordinate with the Executive Assistant and the Business Office Manager to formulate all final responses to the financial audit.

X. SEVERABILITY CLAUSE

If any part of this policy is, for any reason, held to be in excess of the authority of the appointing authority, such decisions will not affect any other part of this policy.

XI. TRAINING

Training for financial audit is available through the Comptroller's Office.