

Report on the

**State Law Library
State of Alabama
Montgomery, Alabama**

October 1, 2014 through September 30, 2018

Filed: February 14, 2020



**Department of
Examiners of Public Accounts**

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Rachel Laurie Riddle, Chief Examiner



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Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the State Law Library, Montgomery, Alabama, for the period October 1, 2014 through September 30, 2018, by Examiners Kirk A. Moore and Claudia M. Wise. I, Kirk A. Moore, served as Examiner-in-Charge on the engagement, and under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I submit this report to you on the results of the examination.

Sworn to and subscribed before me this
the 31st day of January, 2020.

Kelly D. Matthews
Notary Public

Respectfully submitted,

Kirk A. Moore

Kirk A. Moore
Examiner of Public Accounts

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Table of Contents

	<i>Page</i>
Summary	A
Contains items pertaining to state legal compliance.	
Comments	C
Contains information pertaining to agency operations and other matters.	
Schedule of State Legal Compliance and Other Findings	D
Contains detailed information about findings pertaining to state legal compliance and other findings.	
Exhibit #1	Schedule of Cash Receipts, Disbursements and Balances
	1
Exhibit #2	Official – a listing of the Official.
	2



Department of
Examiners of Public Accounts

SUMMARY

**State Law Library
October 1, 2014 through September 30, 2018**

The *Code of Alabama 1975*, Section 12-4A-2, designated the Supreme Court and State Law Library (the “Library”) as the State Law Library under the supervision of the State Law Librarian. The current State Law Librarian was appointed by the Supreme Court as provided for in Section 12-4A-1.

This report presents the results of an examination of the Library and a review of compliance by the Library with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. Our examination was performed to determine whether the public officers, agents, and employees of the Library properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the Library. Our examination included determining compliance by the Library with state laws and regulations that pertain to financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. As a part of our examination, we also reviewed internal control policies and procedures relating to the areas listed above. Our examination did not encompass managerial and operational matters, such as whether the Library accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

Findings are numbered and reported by the examination period in which the finding originally occurred.

The following instances of noncompliance with State laws and regulations and other matters were found during the examination as shown on the Schedule of State Legal Compliance and Other Findings and they are summarized below.

CURRENT FINDING

- 2018-01 relates to the miscoding of agency expenditures and the lack of supporting documentation.

UNRESOLVED PRIOR FINDING

- 2014-01 relates to a weakness in internal controls over the agency cash register.

State Law Librarian Timothy Lewis and Ms. Donna Richburg, Accountant, were invited to an exit conference held on January 21, 2020. Individuals in attendance were State Law Librarian Timothy Lewis and Donna Richburg, along with Wonzie Wooden, Kirk Moore, and Claudia Wise from the Department of Examiners of Public Accounts.



Department of
Examiners of Public Accounts

COMMENTS

**State Law Library
October 1, 2014 through September 30, 2018**

The *Code of Alabama 1975*, Section 12-4A-2, designated the Supreme Court and State Law Library (the “Library”) as the State Law Library under the supervision of the State Law Librarian. The current State Law Librarian was appointed by the Supreme Court as provided for in Section 12-4A-1.

The Library employed 10 merit system employees as of September 30, 2018. The Library operates from one General Fund account and one Education Trust Fund account maintained in the State Treasury, along with a bank account. The Library Fund (General Fund, Education Trust Fund, and bank account) of the Supreme Court and State Law Library consists of funds appropriated by the Legislature; fees collected under the provision of law; and moneys collected from the sale of copies, books and other materials received from donations, gifts, grants, and funds other than those appropriated. Expenditures out of this fund are made by the State Law Librarian for the use and benefit of the appellate courts under the direction of the justices, as authorized by the *Code of Alabama 1975*, Section 12-2-157.

The Supreme Court gives a portion of the Appellate Court’s Online Information Service (ACIS) fees to the Library. The Supreme Court also transferred additional funds to the Library in the 2015 and 2016 fiscal years.

The Library owned nonconsumable personal property consisting of an automobile, office furniture, computers, and equipment. We compared nonconsumable personal property in the custody of the Library with property records maintained by the Property Inventory Control Division of the State Auditor’s Office. No discrepancies were noted.

*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2018

Ref. No.	Finding/Noncompliance
2018-01	<p><u>Finding:</u> When recording expenditures, a good internal control system would help ensure that expenditures are coded correctly and all invoices are available for review. During the testing of a selection of 30 checks paid from the bank account at the Library, one invoice was coded as professional services instead of utilities and communication and another invoice was missing which would serve as supporting documentation for a check paid to another vendor. Thus, the expenditures shown in the major expenditure object codes are misstated by the amount of the miscoding and the Library was unable to document that the correct amount was paid to the other vendor.</p> <p><u>Recommendation:</u> The Library should ensure expenditures are charged to the correct expenditure object code and that invoices are maintained to support payments made to vendors.</p>
2014-01	<p><u>Finding:</u> The Library has not established an effective system of accounting controls over receipts processed through the cash register located on the Library premises. End of day register reports are not prepared. There was no documentation showing where an independent employee performed a cash count to balance cash on hand, receipts, and the register's authorized balance. The process of counting the money, reconciling the receipts, and balancing the cash drawer creates an accountability of the day's transactions.</p> <p><u>Recommendation:</u> The Library should establish formal procedures and internal controls over the operations of the cash register to ensure resources and assets of the State of Alabama are protected from loss and/or misuse.</p>

***Schedule of Cash Receipts, Disbursements and Balances
For the Period October 1, 2016 through September 30, 2018***

	2017-2018	2016-2017
<u>Receipts</u>		
General Fund Appropriations	\$ 830,598.00	\$ 965,715.00
Education Trust Fund Appropriations	250,000.00	250,000.00
Copy Fees and Tapes	2,430.25	3,210.95
ACIS Fees	13,710.23	16,955.08
Donation	13,735.20	
Refunds	929.65	15,874.20
Miscellaneous	849.26	30.27
Library/Docket Fees	5,565.00	5,530.00
Total Receipts	1,117,817.59	1,257,315.50
<u>Disbursements</u>		
Personnel Costs	515,064.03	498,816.00
Employee Benefits	200,832.77	192,414.49
Rentals and Leases	5,230.14	5,425.76
Utilities and Communication	106,540.75	121,374.16
Professional Services	33,347.84	43,555.74
Supplies, Materials, and Operating Expenses	297,276.72	220,858.33
Transportation Equipment Operations	182.12	117.90
Other Equipment Purchases	14,268.38	14,069.90
Prior Year General Fund Reversion	1,518.58	
Current Year General Fund Reversion	3,064.93	118,968.24
Prior Year Education Trust Fund Reversion	724.68	2,119.57
Current Year Education Trust Fund Reversion	637.75	167.45
Total Disbursements	1,178,688.69	1,217,887.54
Excess (Deficiency) of Receipts Over Disbursements	(60,871.10)	39,427.96
Cash Balances at Beginning of Year	150,329.54	110,901.58
Cash Balances at End of Year	\$ 89,458.44	\$ 150,329.54

Official
October 1, 2014 through September 30, 2018

Official

Timothy A. Lewis, M.L.S., J.D.,
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