



# CITY OF ST. LOUIS

**OFFICE OF THE MEDICAL EXAMINER**

**FIXED ASSET REVIEW**

**PROJECT #2016-FA02**

**DATE ISSUED: OCTOBER 22, 2015**

**Prepared By:  
Internal Audit Section**



# OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**



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October 22, 2015

Michael Graham, M.D., Chief Medical Examiner  
Office of the Medical Examiner  
1300 Clark Avenue  
St. Louis, MO 63103-2718

RE: Fixed Asset Review – Office of the Medical Examiner (Project #2016-FA02)

Dear Mr. Graham:

Internal Audit has completed a fixed asset review of the Office of the Medical Examiner. Enclosed is the report of our review. A description of the scope of our work is included in the report. Fieldwork was completed on August 21, 2015.

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,

Mohammad H. Adil, CPA, CGMA  
Internal Audit Supervisor

CC: Baxter W. Leisure, Jr., Executive Assistant to the Chief Medical Examiner



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**SUMMARY**

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**Background**

The Office of the Medical Examiner (Medical Examiner) is responsible for the investigation of all deaths which occur in the City of St. Louis through unusual or suspicious circumstances. The Medical Examiner is also responsible for managing its fixed assets and property control items by following the City Fixed Asset Management System (FAMS) policy and procedures.

**Purpose**

The purpose of our review was to determine if the Medical Examiner managed the risks related to its fixed assets effectively and efficiently to ensure:

- Compliance with applicable policies and procedures.
- Safeguarding of assets.
- Reliability and integrity of Fixed Assets Property Listing (FAPL) reports.
- Economic and efficient use of resources.

**Scope and Methodology**

The review was confined to evaluating the Medical Examiner's internal controls over the management of the fixed assets and property control. The review procedures included:

- Inquiries of management and staff.
- Reviews for compliance with policies and procedures.
- Limited tests of related controls.
- Other procedures as considered necessary.

**Conclusion**

The opportunity exists for the Medical Examiner to improve internal controls over the management of fixed assets.

**Summary of current Observations**

We noted the following observations and opportunities for improvement:

1. Transfers and Retirements Not Properly Reported
2. Additions Not Properly Reported
3. Annual Physical Inventory Not Performed

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

**Management Response**

The Medical Examiner declined an exit conference. However, the Medical Examiner did provide written responses to the observations and recommendations noted in the report on October 14, 2015, which have been incorporated in this report.

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**DETAILED OBSERVATIONS AND RECOMMENDATIONS**

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**1. Transfers and Retirements Not Properly Reported**

We selected twenty (20) fixed assets and property control from the City Fixed Asset Property Listing (FAPL) reports, dated June 30, 2015, and traced them within the Medical Examiners Offices. We could not locate two (2) items: a Chevy Blazer truck (fixed asset) and a portable non-encrypted radio (property control item).

According to the Medical Examiner, the Chevy Blazer truck was transferred to the Police Department and the radio was retired. However, we noted that the appropriate FAMS transfer and retirement forms were not prepared and submitted to Comptroller's Office to document the transfer and retirement.

**Recommendation**

Internal Audit recommends that the Medical Examiner:

- Prepare and submit appropriate FAMS asset transfer and retirement forms to the Comptroller's FAMS Coordinator.
- Conduct a physical inventory of the department's fixed assets and property control items and compare the results to the FAPL report.
- Research all variances noted during the physical inventory and, as appropriate, prepare the proper addition or deletion forms and submit them to the Comptroller's FAMS Coordinator.
- Ensure all future additions or deletions of the fixed assets and property control items are reported to the Comptroller's FAMS Coordinator.

***Management Response***

*Management will comply with the recommendations. Every effort will be made to correct the observations reflected by submitting the necessary transfer and retirement forms to the Comptroller's Office.*

*Management is currently in discussions with the Department's fixed asset Coordinator to ensure that physical inventories are completed throughout the year and as a result any discrepancies will be addressed in a timely manner.*

**2. Additions Not Properly Reported**

We selected a sample of ten (10) fixed assets and property control items located within the Medical Examiner's office and attempted to trace them to the FAPL reports, dated June 30, 2015. Three (3) of the selected fixed assets could not be traced to the FAPL report:

- Two forensic opal radiation PACS. The two items costing \$100,000 and \$25,000 with the same name did not have serial numbers on the FAPL report. Therefore, we could not determine if they were the selected items.
- One Imagistics fax machine.

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**Recommendation**

Internal Audit recommends that the Medical Examiner:

- Identify the serial numbers of the two forensic opal radiation PACS listed on the FAPL report and determine if they are the same as the selected items. Otherwise investigate and resolve the variances.
- Prepare and submit the appropriate FAMS addition form to the Comptroller's FAMS Coordinator to have the Imagistic fax machine added to the FAPL report.
- Include the brand name, model number and serial number as well as any other distinct description when reporting an addition to FAMS to ensure its proper identification on the FAPL report.

***Management Response***

*Management will make every effort to identify the serial numbers of the two Forensic opal radiation PACS servers listed. If there are any discrepancies we will ensure that those are reconciled and will be reported accordingly. We will also prepare the necessary forms to add the Imagistic Fax Machine to our report.*

*In the future management will be sure to include the necessary information concerning the assets when submitting the necessary additions to the FAMS Coordinator.*

**3. Annual Physical Inventory Not Performed**

According to the Medical Examiner, a physical inventory of its fixed assets and property control items was performed in 2013. However, the physical inventory was not documented. It appears that the Medical Examiner performed the last documented physical inventory in 2005.

When a physical inventory of the fixed assets and property control items within the Medical Examiner is not performed and documented on a regular basis, variances will not be identified, investigated and resolved. This may result in the FAPL report overstating or understating the Medical Examiner's fixed assets and property control items.

**Recommendation**

Internal Audit recommends that the Medical Examiner ensure that:

- Physical inventory of the fixed assets and property control items is performed and documented annually.
- The variances between the fixed assets and property control items identified through the physical inventory and those listed on FAPL report are promptly investigated and resolved.

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- Proper forms are completed and submitted to Comptroller's FAMS Coordinator for all variances to update the FAPL report.

***Management Response***

*Management will comply with the recommendations resulting from the audit. Also please see Management's reply to #1.*