



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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March 14, 2016

Evelyn Rice-Peebles, Commissioner
Recreation Division
Parks, Recreation & Forestry
5600 Clayton Avenue
St. Louis, MO 63110-1310

RE: Fixed Asset Review –Recreation Division (Project #2016-FA04)

Dear Ms. Rice-Peebles:

The Internal Audit Section has completed a fixed asset review of the Recreation Division. Enclosed is the report of our review. A description of the scope of our work is included in the report. Fieldwork was completed on December 4, 2015.

This review was made under authorization contained in Article XV , Section 2, 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 Adil, CPA, CGMA
Internal Audit Supervisor

CC: Greg Jones, Community Development Specialist





CITY OF ST. LOUIS

RECREATION DIVISION

PARKS, RECREATION & FORESTRY

FIXED ASSET REVIEW

PROJECT #2016-FA04

DATE ISSUED: MARCH 14, 2016

**Prepared by:
Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

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**CITY OF ST. LOUIS
RECREATION DIVISION
FIXED ASSET REVIEW**

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**CITY OF ST. LOUIS
FIXED ASSET REVIEW
RECREATION DIVISION**

SUMMARY

Background

The Recreation Division (the Division) offers recreational program activities throughout the City of St. Louis for residents of all ages. Activities include swimming, weight lifting, boxing, basketball, youth football, volleyball, arts and crafts and aerobics among other activities. The Division 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 risks related to fixed assets were effectively and efficiently managed 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 Division's internal controls over its fixed assets and property control items in compliance with the FAMS Policy & Procedures.

The review procedures included:

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

Conclusion

The opportunity exists for the Division to improve internal controls over fixed assets and property control items.

Current Observations

We were unable to locate some of the property control items.

This observation is discussed in more detail in the *Detailed Observations and Recommendations* section of this report.

Management Response

The Division declined an exit conference. However, the Division provided written response to the observation and recommendation noted in the report on February 22, 2016, which have been incorporated in this report.

**CITY OF ST. LOUIS
RECREATION DIVISION
FIXED ASSET REVIEW**

DETAILED OBSERVATIONS AND RECOMMENDATIONS

Property Control Items Not Located

We selected a sample of three (3) fixed assets and eleven (11) property control items from the Division's Fixed Asset and Property Control reports for verification. We could not locate the following four (4) property control items out of the sample tested:

Item #	Description	Type
1222200	LaserJet 4 M Printer snJPBG091961	Property control item
2759500	Service Counter, U-Shaped, Formica, 52" long, 5 Single unit drop-in freezers	Property control item
2759600	Dietary Work Station 11ftX6ftX36in high, with 2 under counter refrigerator sections	Property control item
2762900	Stencil Maker, Electric, AB Dick, Model 590	Property control item

According to the Division the above four (4) missing items had been retired and were no longer in their possession.

Recommendation

Internal Audit recommends that the Division:

- Work with the Comptroller's Office FAMS Coordinator to obtain, complete and submit the proper FAMS form to have the retired property control items removed from FAPL reports.
- Set up a system of internal controls to ensure all fixed assets and property control item additions and retirements are promptly reported to the Comptroller's Office FAMS Coordinator and are regularly reconciled to the Division's FAPL reports.

Management Response

The four items listed have been retired and are no longer in our possession. We will work with the Comptroller's Office to make sure proper FAMS forms are turned in as soon as possible for these items. In addition, we will review the FAMS report on a quarterly basis for retired items and send proper forms in promptly.