



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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April 14, 2015

Mavis T. Thompson, Esq., License Collector
City Hall
1200 Market Street Room 104
St. Louis, MO 63103-2884

RE: Revenue Review, License Collector's Office (Project #2015-RR07)

Dear Ms. Thompson:

Enclosed is the Internal Audit Section's revenue review report of the License Collector's Office - Restaurant Gross Receipts Tax for the period July 1, 2013 to December 31, 2014. A description of the scope of our work is included in the report. Fieldwork was completed on April 2, 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,

Dr. Ishmael Ikpeama
Internal Audit Supervisor

cc: Aaron Phillips, Chief of Staff



CITY OF ST. LOUIS

**LICENSE COLLECTOR'S OFFICE
RESTAURANT GROSS RECEIPTS TAX**

REVENUE REVIEW

JULY 1, 2013 TO DECEMBER 31, 2014

PROJECT #2015-RR07

DATE ISSUED: APRIL 14, 2015

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

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REVENUE REVIEW
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SUMMARY

Background

The License Collector's Office collects a 1.5% tax on restaurant gross receipts from food, other sales and non-alcoholic beverages from restaurants. Each restaurant must file quarterly reports for their gross receipts with the License Collector's Office. Gross Receipts restaurant tax collected for the scope of this review was \$2,306,152 per City's general ledger.

Purpose

The purpose of this review was to determine if the License Collector's Office effectively and efficiently managed fiscal risks related to the Restaurant Gross Receipts Tax to ensure:

- Compliance with applicable laws, regulations, policies and procedures.
- All revenues were properly recorded and reported in a timely manner.
- Safeguarding of assets.
- Reliability and integrity of financial and operational information.
- Economic and efficient use of resources.

Scope and Methodology

The scope of this review included Restaurant Gross Receipts Tax revenues collected for the period July 1, 2013 thru December 31, 2014. The review was confined to evaluating License Collector's Office's internal controls over the fiscal activities pertaining to Restaurant Gross Receipts Tax revenues. The review procedures included:

- Inquiries of management and staff.
- Observations of relevant processes.
- Reviews of compliance with applicable laws, regulations, policies and procedures.
- Limited tests of related controls.
- Other procedures considered necessary.

Status of Prior Observations

There were no recent Internal Audit reports noting observations specifically pertaining to Restaurant Gross Receipts Tax.

Conclusion

We found no evidence to suggest that the License Collector's Office did not effectively and efficiently manage fiscal risks related to Restaurant Gross Receipts Tax revenues. As a result, we did not note any observations or make any recommendations for improvement.

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SUMMARY

Management Response

No management response was required since there were no observations and recommendations.