



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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November 8, 2016

Mayor Francis G. Slay  
City Hall  
1200 Market Street, Room 200  
St. Louis MO 63103

RE: Fixed Asset Review of the Mayor's Office (Project 2017-FA01)

Honorable Mayor Slay:

The Internal Audit Section has completed a fixed asset review of the Mayor's Office. Enclosed is the report of our review, which contains a description of the scope of our work. Fieldwork was completed on August 16, 2016, and the Mayor's Office provided a management response to our observations and recommendations on October 25, 2016.

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) 657-3446.

Respectfully,

Mohammad Adil, CPA, CGMA  
Internal Audit Supervisor

Enclosure

Cc: Mary Ellen Ponder, Chief of Staff, Mayor's Office  
Rochelle Pruitt, FAMS Coordinator, Mayor's Office





# CITY OF ST. LOUIS

**MAYOR'S OFFICE**

**FIXED ASSET REVIEW**

**PROJECT #2017-FA01**

**DATE ISSUED: NOVEMBER 8, 2016**

**Prepared by:  
Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
MAYOR'S OFFICE  
FIXED ASSET REVIEW**

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MAYOR'S OFFICE  
FIXED ASSET REVIEW**

**SUMMARY**

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**Background**

The Mayor serves as a chief executive officer of the City. His primary responsibilities include policy formulation and executive direction and coordination of activities of City departments and agencies.

The Mayor's office is also responsible for managing its fixed assets and property control items as well as complying with 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 the FAMS Fixed Assets Property Listings (FAPL).
- Economical and efficient use of resources.

**Scope and Methodology**

The review was limited to evaluating the office's internal controls over its fixed assets and property control items in accordance with the FAMS Policy and Procedures as of June 30, 2016. The review procedures included:

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

**Conclusion**

The opportunity exists for the Mayor's Office to improve internal controls over fixed assets and property control items. The following observations were noted in our review:

1. Items Not Located
2. Annual Physical Inventory Count Not Performed

These observations are discussed in more detail in the *Detailed Observations and Recommendations* section of this report.

**Management Response**

The department declined an exit conference. However, the department provided written responses to the observations on October 25, 2016, which have been incorporated into this report.

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**SUMMARY**

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**Other Matters-Treatment of Donated Property**

Items have been donated to the City and received by the Mayor's Office. Concerns were expressed by the Mayor's Office regarding the proper accounting for these items to ensure they are properly cataloged, classified, and recorded as City property and remain accessible to citizens.

These items should be accounted for in accordance with the Donated Fixed Asset Procedures outlined in Section 215.02.04 of the FAMS Policy and Procedures Manual. In addition, the Comptroller's Fixed Asset Manager advises that per Article XIII of the City Charter, the City Board of Public Service (BPS) has the power to accept or reject grants or dedications of property. Therefore, the Mayor should officially present the items to BPS at the next regularly scheduled City Board of Aldermen meeting for their determination.

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**DETAILED OBSERVATIONS AND RECOMMENDATIONS**

**1. Items Not Located**

We selected twenty-one (21) items consisting of one (1) fixed asset and twenty (20) property control items from the FAMS FAPL reports, dated June 30, 2016, to verify their existence.

We could not locate one (1) fixed asset and nine (9) property control items of the selected sample as follows:

<b>Item #</b>	<b>Item Description</b>	<b>Serial Number</b>	<b>Type</b>
1	Reception Work Station	Not listed	Fixed Asset
2	Compaq PageMarq 20 with paper tray	SNB335ACY10020	Property Control
3	Laptop Satellite Pro 410CS 586/90	Not listed	Property Control
4	Compaq DeskPro 4000 Model 586/166MMX w/color printer	SN6732BPN3E437	Property Control
5	Compaq DeskPro 4000 Model 586/166MMX w/color printer	SN6732BPN3E715	Property Control
6	Compaq DeskPro 4000 Model 586/166MMX w/color printer	SN6732BPN3E751	Property Control
7	Compaq DeskPro 4000 Model 586/166MMX w/color printer	SN6806BPN3P034	Property Control
8	Compaq DeskPro 4000 Model 586/166MMX w/color printer	SN6807BPN3P567	Property Control
9	Compaq DeskPro 4000 Model 586/166MMX w/color printer	SN6807BPNEP882	Property Control
10	Cornelius Ice Machine Model #CCU0220AF11	SN 87B0708GC057	Property Control

According to the Mayor's office, the City Information Technology Services Agency (ITSA) replaced the older model computer and printers with the newer ones per the City Supply Division's City-wide contract with a new vendor. ITSA and the Supply Division collected the older model computers and printers. However, the Mayor's Office was not aware that it needed to complete proper FAMS forms to report the additions and retirements to FAMS since these were handled by ITSA and the Supply Division.

In addition, we noted that the Mayor's Office:

- Could not locate its copy of the FAMS Policy and Procedure Manual.
- Did not maintain internal listings of its fixed assets and property control items.

**Recommendation**

We recommend that the Mayor's Office:

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- Create and maintain internal listings of all fixed assets and property control items currently in its possession.
- Reconcile FAPL reports to the internal listings by completing proper FAMS addition and retirement forms and submitting them to the Comptroller's Office FAMS section.
- Set up a system of internal controls to ensure that:
  - All fixed assets and property control items are correctly classified and listed in FAPL and the internal listings with the asset number, brand name, model number, and serial number to facilitate their verification.
  - All future additions and dispositions must have approval from ITSA or the Supply Division.
  - All future additions and dispositions are promptly reported to the FAMS by completing the proper FAMS forms.
  - An annual physical inventory of the fixed assets and property control items is conducted to ensure the inventory agrees to the FAPL reports

***Management Response***

*The Reception Work Station, Item 1, was taken apart at the beginning of 2001 and could not be reassembled.*

*The Information Technology Systems Agency (ITSA) replaced the old computers, Items 2 through 9 above, with new Dell computers. The old computers were not removed from FAMS FAPL report at that time.*

*The Cornelius Ice Machine was no longer in working order and was replaced with a new one.*

*Acting on the Internal Audit recommendations, we will have a process in place to clean up and maintain our current FAPL reports in compliance with the FAMS Policy and Procedures.*

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**2. Annual Physical Inventory Count Not Performed**

The Mayor's Office did not have procedures in place to conduct a physical inventory count of its fixed assets and property control items.

A physical inventory count is an important detective control to account for fixed assets and property control items. Additionally, it allows for the identification and resolution of any variances between the physical count, the internal listings and FAMS reports.

**Recommendation**

We recommend that the Mayor's Office:

- Conduct and document a physical inventory count of its fixed assets and property control items annually.
- Compare the results of the physical inventory count to the fixed assets and property control items reported in the Mayor's Office internal listings and FAMS reports. Any variances should be investigated and resolved in a timely manner.

***Management response***

*The current FAMS Coordinator has now been provided with the adequate assistance to comply with the FAMS Policy and Procedures.*