



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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Comptroller

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November 20, 2014

The Honorable Francis Slay, Mayor  
City of St. Louis  
1200 Market Street, Room 200  
St. Louis, MO 63103

RE: Expenditure Review of the Mayor's Office (Project #2015-ER01)

Dear Mayor Slay:

Enclosed is the Internal Audit Section's expenditure review report of the Mayor's Office for the period July 1, 2013 through June 30, 2014. A description of the scope of the work is included in the report.

Fieldwork was completed on September 26, 2014. Management's responses to the observations and recommendations noted in the report were received on November 13, 2014 and have been incorporated in the report.

This review was made under authorization contained in Article XV, Section 2 of the City of St. Louis Charter, 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

Ron Steinkamp, CPA, CIA, CFE, CRMA, CGMA  
Internal Audit Advisor

Enclosure

Cc: Mary Ellen Ponder, Executive Director for Operations



# CITY OF ST. LOUIS

**MAYOR'S OFFICE**

**EXPENDITURE REVIEW**

**JULY 1, 2013 THROUGH JUNE 30, 2014**

**INTERNAL AUDIT PROJECT #2015-ER01**

**DATE ISSUED: NOVEMBER 20, 2014**

**Prepared by:  
The Internal Audit Section**



# OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
MAYOR'S OFFICE  
EXPENDITURE REVIEW  
JULY 1, 2013 THROUGH JUNE 30, 2014**

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**CITY OF ST. LOUIS  
MAYOR'S OFFICE  
EXPENDITURE REVIEW  
JULY 1, 2013 THROUGH JUNE 30, 2014**

**SUMMARY**

**Background**

Article VII, Section 1 of the City Charter authorizes the Mayor to serve as chief executive officer of the City of St. Louis and to have and exercise all the executive powers of the City. The Mayor has general supervision over all executive affairs of the city and sees that each officer and employee performs their duty and that all laws, ordinances, and charter provisions are enforced.

As the chief executive, the Mayor's primary responsibilities include policy formulation and executive direction and coordination of the activities of City departments and agencies. The Mayor also is a member of the Board of Estimate and Apportionment.

The chart below provides a breakdown of the budgeted and actual non-payroll expenditures of the Mayor's Office in fiscal year 2014. As can be seen in the chart, the fiscal year 2014 non-payroll expenditures were under budget by 26%. Specifically:

<b>Non-Payroll Expenditure Category</b>	<b>Budget FY 2014</b>	<b>Actual FY 2014</b>	<b>Percent of Actual to Budget</b>
Material & Supplies	\$32,700	\$15,089	46%
Rental and Non-Capital Services	12,350	7,267	59%
Contractual and Other Services	177,800	142,058	80%
<b>Total</b>	<b>\$222,850</b>	<b>\$164,414</b>	<b>74%</b>

**Purpose**

The purpose of this review was to determine if the Mayor's Office effectively and efficiently managed fiscal risks related to its non-payroll expenditures to ensure:

- Compliance with applicable laws, regulations, policies and procedures.
- All expenditures are properly recorded and reported in a timely manner.
- The proper safeguarding of assets.
- The reliability and integrity of financial and operational information.
- The economic and efficient use of resources.

**Scope and Methodology**

The scope of the review included non-payroll expenditures from the period July 1, 2013 through June 30, 2014. The review was confined to evaluating internal controls over the fiscal activities relating to the objectives noted above. 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 internal controls and transactions.
- Follow-ups on prior audit observations.
- Other procedures considered necessary.

**CITY OF ST. LOUIS  
MAYOR'S OFFICE  
EXPENDITURE REVIEW  
JULY 1, 2013 THROUGH JUNE 30, 2014**

**SUMMARY**

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**Status of Prior Observations**

The Internal Audit Section (IAS) followed up on the observation included in the State Auditor's report issued April 2010. The observation was as follows:

- The Mayor's Office has not periodically solicited proposals for lobbying services.  
**(Repeated)**

**Conclusion**

Opportunities exist for the Mayor's Office to improve controls over expenditures. The following observations resulted from the review:

1. Solicit bid proposals for lobbying services in accordance with City laws and procurement policies **(Repeated from State Auditor's Report)**.
2. Process and document expenditures in accordance with City and State laws.
3. Questionable expenditures related to City Public School audit.
4. Develop formal policies, procedures and standards for processing expenditures.

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

**Management's Responses**

An exit conference was conducted at the Mayor's Office on October 31, 2014. In attendance from the Mayor's Office were the Executive Director for Operations and Operations Manager. In attendance from Internal Audit were the Internal Audit Supervisor and the Internal Auditor II. At the exit conference the report observations and recommendations were discussed. Management provided written responses on November 13, 2014 which have been incorporated in this report.