



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA
Internal Audit Executive

FILE COPY

December 12, 2012

Freddie Dunlap, Supply Commissioner
Supply Division
1200 Market Street, Room 324
St. Louis, Missouri 63103-2842

RE: Mail Room (Project #2013-RRV03)

Dear Mr. Dunlap:

Enclosed is the Internal Audit Section's revenue and expenditure review report of the Mail Room for the period January 1, 2011 through June 30, 2012. A description of the scope of our work is included in the report. Fieldwork was completed on November 16, 2012.

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,

Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive

Enclosure:

cc: Wes Bokal



CITY OF ST. LOUIS

SUPPLY DIVISION - MAIL ROOM

REVENUE AND EXPENDITURE REVIEW

JANUARY 1, 2011 THROUGH JUNE 30, 2012

PROJECT #2013-RRV03

DATE ISSUED: DECEMBER 12, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
SUPPLY DIVISION – MAIL ROOM
REVENUE AND EXPENDITURE REVIEW
JANUARY 1, 2011 THROUGH JUNE 30, 2012**

EXECUTIVE SUMMARY

Purpose

The purpose was to determine if the Mail Room effectively and efficiently manages risks to ensure:

- The accomplishment of established objectives and goals
- Compliance with applicable laws, regulations, and policies and procedures
- The proper safeguarding of assets
- The reliability of financial and operational information
- The economic and efficient use of resources
- Contractual and Other Services expenditures are properly authorized
- Contractual and Other Services expenditures are properly budgeted and recorded in the proper account and center
- Department followed City Purchasing procedures, including bidding when required
- All goods and services paid for were received

Scope and Methodology

The scope of the period of review included revenues and expenditures from January 1, 2011 through June 30, 2012. 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 for compliance with policies and procedures, as well as applicable laws and regulations
- Limited tests of controls
- Follow-ups on prior audit observations
- Other procedures considered necessary

Background

The City Mail Room is “Service Driven.” It was established August 1, 1994 with the expressed purpose to:

- Reduce cost of postage when using the U.S. Postal Service for out-going mail sent by City departments and agencies.
- Expedite the pick up and delivery of inter-departmental mail among City offices.

- Advise City departments on simplifying and preparing their mail for cost savings through USPS automation on out-going mail.

The Mail Room coordinates both out-going City mail and mail between City offices. Services provided by the Mail Room include, but are not limited to: a mail inserting service, a parcel/courier delivery service with three drive routes running twice daily to most departments and "Rush" service.

Exit Conference

There were no observations. Exit conference was considered not necessary.

Conclusion

No evidence was noted to suggest the Mail Room did not effectively and efficiently manage its risks for processing revenues and expenditures.


Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive


Date

**CITY OF ST. LOUIS
SUPPLY DIVISION – MAIL ROOM
REVENUE AND EXPENDITURE REVIEW
JANUARY 1, 2011 THROUGH JUNE 30, 2012**

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OBSERVATIONS

Status of Prior Observations

We reviewed the Internal Audit Section's audit report issued July 13, 2010. The report contains no observation.

Summary of Current Observations

Several control procedures were noted in processing revenues and expenditures. These included, but were not limited to, the following:

- Proper segregation of duties
- Written policies and procedures manual
- Proper authorization and approval of expenditures
- Proper safeguarding of assets

No evidence was noted to suggest the Mail Room did not effectively and efficiently manage its risks for processing revenues and expenditures.