



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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Internal Audit Executive

FILE COPY

January 28, 2013

Mr. Daniel Skillman  
Commissioner of Parks  
5600 Clayton Avenue  
St. Louis, Missouri 63110-1310

RE: Parks Division Fixed Assets Review (Project #2012-25)

Dear Mr. Skillman:

Enclosed is the Internal Audit Section's report of the Parks Division Fixed Assets as of December 2011. A description of the scope of our work is included in the report. Fieldwork was completed on January 23, 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: Gary Bess, Director of Parks, Recreation & Forestry



# CITY OF ST. LOUIS

**PARKS DIVISION**

**FIXED ASSETS REVIEW**

**AS OF DECEMBER 2011**

**PROJECT #2012-25**

**DATE ISSUED: JANUARY 28, 2013**

**Prepared by:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
PARKS DIVISION  
FIXED ASSETS REVIEW  
AS OF DECEMBER 2011**

**EXECUTIVE SUMMARY**

**Purpose**

The Internal Audit Section (IAS) has completed a fixed asset review of the Parks Division. The purpose was to determine if the Parks Division effectively and efficiently managed risks to ensure:

- Compliance with applicable policies and procedures.
- Safeguarding of assets.
- Reliability and integrity of Fixed Assets Property Listing (FAPL) report.
- Economic and efficient use of resources.

**Scope and Methodology**

The review was confined to evaluating the Parks Division's internal controls over the operational and physical activities pertaining to the Fixed Asset Management System (FAMS). 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.

**Background**

The Parks Division of the Parks, Recreation and Forestry department operates and maintains the 111 parks in the City of St. Louis. The Parks Division also maintains all facilities in the parks including 8 recreation centers, playgrounds, fountains, countless statues and monuments, the Jewel Box, and the World's Fair pavilion in Forest Park and all playing fields in the parks.

**Exit Conference**

The Parks Division's management was offered the opportunity for an exit conference on January 4, 2013, but they declined.

## Conclusion

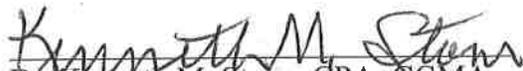
There were some positive internal controls noted during the review, they include:

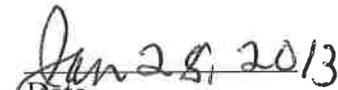
- Annual physical inventory performed by the Parks Division.
- Monthly reconciliations of internal Fixed Assets and Property Control List to Fixed Assets Property Listing.

The opportunity also exists for the Parks Division to improve internal controls over fixed assets and property control items. The following is the observation resulting from the review:

Opportunity to update the Fixed Assets Property Listing.

This observation is discussed in more detail in the *Detailed Observation, Recommendation and Management's Response* section of this report.

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

  
Date

**CITY OF ST. LOUIS  
PARKS DIVISION  
FIXED ASSETS REVIEW  
AS OF DECEMBER 2011**

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## OBSERVATIONS

### Status of Prior Observations

There was no review of the Parks Division fixed assets within the past five years. Therefore, there are no prior observations to be followed-up on.

### Summary of Current Observations

There were some positive internal controls noted during the review; they include:

- Annual physical inventory performed by the Parks Division.
- Monthly reconciliations of internal Fixed Assets and Property Control List to Fixed Assets Property Listing.

The opportunity also exists for the Parks Division to improve internal controls over fixed assets and property control items. The following is the observation resulting from the review:

Opportunity to update the Fixed Assets Property Listing.

This observation is discussed in more detail in the *Detailed Observation, Recommendation and Management's Response* section of this report.

## **DETAILED OBSERVATION, RECOMMENDATION AND MANAGEMENT'S RESPONSE**

### **Opportunity To Update The Fixed Assets Property Listing**

A review of the Fixed Asset Property Listing (FAPL) for the Parks Division was conducted. Of the fifty-two items reviewed, twelve did not have serial numbers listed on the FAPL. Without serial numbers there is no way to conclusively identify that these assets belong to the City. The twelve items are:

1. 2 - Elite Club Goals 8 ft. x 24 ft.
2. 1 - Fume Hoods, Controlled Atmosphere glove box
3. 1 - Loudspeaker, turbo sound two way full range
4. 2 - Containers steel composition wood floor
5. 2 - 40 ft. containers
6. 2 - Club soccer goals
7. 2 - 18 ft. trailers

Section 205.02 page 2 of the FAMS manual states: "The user organization is the source of all fixed asset information, since they authorize all acquisitions, retirements, and transfers of fixed assets within their jurisdiction. They are responsible for maintaining physical control over fixed assets and ensuring that all fixed asset information is properly recorded in the FAMS."

Serial numbers or City identification numbers were not recorded on the FAPL. The Parks Division did not add or update the FAPL during monthly reconciliations.

There is no effective means to track items that do not have serial numbers. The lack of control over the fixed assets increases the risk that they may be misused, lost or stolen.

#### **Recommendation:**

IAS recommends that all items listed on the FAPL be assigned a City identification number or have its serial number recorded on the FAPL.

#### ***Management's Response:***

*Management agrees with the Internal Audit Section recommendation.*