



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis Office of Collector of Revenue

Procurement Procedures, Contracts, and Disbursements	Controls and procedures over procurement and contracts for professional services and department disbursements need improvement. The Collector of Revenue did not solicit proposals or conduct a competitive selection process for various professional services, such as legal and consulting services. A relative of a high ranking office employee was hired without documenting the reason why, creating the appearance of a conflict of interest. On some out-of-state trips, office personnel used the office's credit card to purchase alcohol and did not provide detailed support for meals purchased.
Payroll Controls and Procedures	The office did not properly report the total value of personal and commuting mileage for the Chief of Staff's use of a city vehicle on his W-2 form. Timesheets are not maintained for employees of the Collector's office. The office does not submit employee leave records to the Comptroller's office to maintain and reconcile with the city's centralized leave records.
Receipt and Deposit Controls and Procedures	The office needs to improve verifications of receipts and deposits. Daily batch reports are not consistently signed to document employees' verification of payments received. Office personnel did not obtain customer acknowledgment documentation for 3 of 6 prepayment void motor vehicle and license transactions tested.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



Recommendations in the audit of the City of St. Louis Office of Collector of Revenue

Procurement Procedures,
Contracts, and Disbursements

The Collector of Revenue:

- 1.1 Solicit proposals for professional services and update the bidding policy to address professional services. In addition, enter into written agreements for those services as required by state law.
- 1.2 Document explanations for why certain vendors were selected to avoid appearances of a conflict of interest.
- 1.3 Ensure all disbursements are a necessary and prudent use of public funds and are supported by proper detailed documentation. In addition, the Collector of Revenue should establish a more detailed purchasing policy.

Payroll Controls and
Procedures

The Collector of Revenue:

- 2.1 Comply with IRS guidelines for reporting fringe benefits related to personal and commuting mileage and require logs that distinguish between business and personal/commuting use. In addition, the Collector of Revenue should evaluate whether a city-owned vehicle is necessary for the Chief of Staff.
- 2.2 Maintain sufficient documentation of actual time worked that is prepared and signed by employees and reviewed and approved by the supervisor.
- 2.3 Ensure records of vacation leave, medical/sick leave, and compensatory time are forwarded to the Comptroller's office.

Receipt and Deposit Controls
and Procedures

The Collector of Revenue:

- 3.1 Require documentation of deposit verification procedures for deposits made by office departments. In addition, the Collector of Revenue should ensure personnel are accounting for the numerical sequence of receipts issued and reconciling the composition of receipts to the composition of deposits.
- 3.2 Ensure all prepayment void transactions are supported by customer acknowledgement of the void, when applicable.