

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "JUSTICE WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

**Nicole Galloway, CPA**

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**Missouri State Auditor**

**City of St. Louis**

**Department of Parks,  
Recreation, and Forestry**

Report No. 2022-085

September 2022

[auditor.mo.gov](http://auditor.mo.gov)



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the City of St. Louis - Department of Parks, Recreation, and Forestry

Payroll and Personnel Procedures	Department of Parks, Recreation, and Forestry (PRF) supervisors do not always perform a documented review of the payroll records. Additionally, the PRF did not retain adequate payroll documentation for several employees. Some employees did not obtain required ethics training and/or documentation was not retained to demonstrate attendance.
Capital Assets	PRF personnel have not performed a recent, documented physical inventory of capital assets. Additionally, the PRF has not established procedures to identify capital asset purchases and dispositions throughout the year and asset descriptions lack sufficient detail.
Permit Fees	Fees charged for permits do not always agree to the established fee schedule and amounts charged are not reviewed and approved.
Board of Parks and Recreation	The Board of Parks and Recreation is inactive, which is a violation of City Charter.

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.

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# City of St. Louis - Department of Parks, Recreation, and Forestry

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## **NICOLE GALLOWAY, CPA**

### **Missouri State Auditor**

To the Honorable Mayor  
and  
Director of Department of Parks, Recreation, and Forestry  
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Department of Parks, Recreation, and Forestry in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The City of St. Louis engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2021. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2021. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

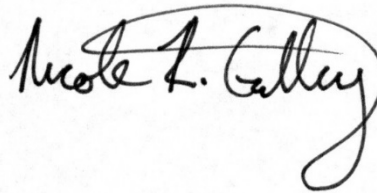
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and performing sample testing using haphazard and judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Department of Parks, Recreation, and Forestry.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the word "Galloway".

Nicole R. Galloway, CPA  
State Auditor

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# City of St. Louis - Department of Parks, Recreation, and Forestry Management Advisory Report State Auditor's Findings

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## **1. Payroll and Personnel Procedures**

Department of Parks, Recreation, and Forestry (PRF) controls and procedures over payroll and personnel need improvement. Payroll expenditures were approximately \$12.6 million for the fiscal year ended June 30, 2021.

### **1.1 Payroll**

PRF supervisors do not always perform a documented review of the payroll records. Additionally, the PRF did not retain adequate payroll documentation for several employees.

At the end of the bi-weekly pay period, the daily time records are summarized onto an attendance record and both the daily records and the attendance records are reviewed and approved by the employee's supervisors (generally the immediate supervisor and either the section supervisor or division commissioner) prior to submission to the payroll specialist for processing.

We tested one pay period for 25 employees to determine if the various time records agreed, a documented supervisory review was performed, leave requests were completed and approved, internal leave balances agreed to the City of St. Louis Comptroller's records, and the compensatory time or overtime awarded was calculated correctly.

PRF personnel could not locate the daily attendance record for 3 of the 25 employees tested. These 3 employees were awarded compensatory time and overtime totaling 67.5 hours during the pay period. Without the daily time records to support the time awarded, there is no assurance all of the hours were actually earned. In addition, PRF personnel did not perform a documented supervisory review of the various payroll records for 3 other employees.

City Department of Personnel (DOP) Administrative Regulation No. 134<sup>1</sup> states, "attendance and pay records must be maintained for a minimum period of three years and until the Comptroller's audit for the period covered has been completed." Without accurate and approved payroll records and documented supervisory reviews, the PRF cannot ensure hours worked and compensatory time earned is appropriate and documented.

PRF Management indicated errors occurred due to lack of monitoring and oversight.

### **1.2 Code of conduct and ethics training**

Some PRF employees did not obtain required ethics training and/or documentation was not retained to demonstrate attendance. We reviewed 25 employee files to determine if the employee received ethics training within

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<sup>1</sup> Department of Personnel Administrative Regulation No. 134 was amended August 23, 2021, to change the retention requirement from 3 to 5 years.



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City of St. Louis - Department of Parks, Recreation, and Forestry  
Management Advisory Report - State Auditor's Findings

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the required timeframe and if the employee signed the code of conduct acknowledgement. We determined 23 of the 25 employees (92 percent) did not have the ethics training documented in their personnel files and 1 of the remaining 2 employees did not receive the ethics training within the required timeframe. In addition, a signed Code of Conduct Acknowledgement was not present in 1 employee's personnel file. PRF personnel indicated errors occurred due to a lack of oversight.

DOP Administrative Regulation No. 108 (Employee Training) Section II, requires ethics training be attended by all employees within 6 months of an employee's initial date of employment, and thereafter, once every 3 calendar years. In addition, the City of St. Louis Employee Code of Conduct states all appointing authorities are required to issue a copy of the Code of Conduct to every employee under their authority. Issuance of the Code must be documented by having the employee and issuing supervisor or payroll clerk sign the "Acknowledgement" form issued by the DOP. The original form must be filed with the DOP within 5 working days of issuance.

Without timely ethics training, employees are not aware of relevant ethics and compliance issues and/or requirements in the city. Being ethically aware helps to maintain a positive ethical culture and upholds a strong public image.

## Recommendations

The PRF ensure:

- 1.1 Payroll records are retained and supervisors perform a documented review of the records.
- 1.2 Employees attend ethics training and sign the code of conduct acknowledgement as required by Department of Personnel policy.

## Auditee's Response

*Our department agrees with the findings and will implement the following:*

- 1.1 *Our department table of organization has three Payroll Specialists who are responsible for all payroll-related functions. They function independently by division but they occasionally interface. The applicable supervisors of these individuals/positions will perform reviews of the applicable records and subsequently document the information. The Director will be apprised of any concerns.*
- 1.2 *Ethics training and signed Code of Conduct forms are mandatory. Our Commissioners and section heads will review all staff member files to ensure any needed Ethics training is addressed by scheduling the same with the Department of Personnel. In addition, all divisions will have a standard template form to ensure all staff members have all of the necessary city employee-related forms signed, dated, and in their respective files.*



## 2. Capital Assets

PRF personnel have not performed a recent, documented physical inventory of capital assets. Additionally, the PRF has not established procedures to identify capital asset purchases and dispositions throughout the year and asset descriptions lack sufficient detail. PRF records indicate the department maintained approximately \$249.5 million in capital assets as of June 30, 2021.

The listing of the PRF's assets is not up-to-date and PRF personnel could not determine when office personnel performed the last complete physical inventory. Additionally, details/descriptions for fixed assets recorded in the Fixed Asset Management System (FAMS) are vague making it difficult to trace/verify the asset associated with the item in the list.

We tested 20 assets selected from the FAMS to ensure the asset existed and the description on the FAMS was accurate. PRF personnel could not locate 5 of the 20 assets tested (25 percent). PRF personnel indicated one of the items was disposed of over 15 years ago and should have been removed from the FAMS and they could not determine the status of the remaining 4 assets. In addition, several asset descriptions in the FAMS did not include sufficient detail to determine the asset location. The PRF director indicated these issues occurred due to a lack of oversight/monitoring and the department was aware of these issues.

The Comptroller's office reported similar issues in an internal audit report issued in January 2019.<sup>2</sup>

The city's FAMS policies and procedures manual requires each department to conduct an annual physical inventory of all departmental property, reconcile the inventory to the capital asset listing provided by the Comptroller's office, and notify the Comptroller's office of capital asset additions, dispositions, transfers, and adjustments or corrections necessary to ensure city records are accurate and complete.

Compliance with the FAMS policies and procedures manual is necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

## Recommendation

The PRF ensure complete, detailed, and accurate inventory records are maintained and annual documented physical inventories are conducted. In addition, establish procedures for tracking capital asset purchases and dispositions throughout the year.

<sup>2</sup> See City of St. Louis - Comptroller's office audit report at <https://www.stlouis-mo.gov/government/departments/comptroller/documents/audits/asset-review-parks-recreation-forestry-director-office.cfm>, accessed August 12, 2022.





## Auditee's Response

*Our department agrees with the finding and will implement the following:*

*All Commissioners and section heads will assign a FAMS (Fixed Asset Management System) Coordinator role to one staff member if that delegation is not in place already. This individual will be responsible for conducting an annual physical inventory report on all assets within that particular division. In addition, one standard list of capital assets procedures will be implemented for our department to ensure we have a complete, detailed, and accurate listing of all capital assets throughout the year. This process involves direct communication with the Comptroller's office on additions and deletions of capital assets.*

## 3. Permit Fees

Fees charged by the PRF for permits do not always agree to the established fee schedule and amounts charged are not reviewed and approved. Permit fee receipts totaled \$545,139 during the year ended June 30, 2021.

To rent a park venue, citizens apply for a permit and pay the required fees. If a citizen wishes to change the rental venue, Parks personnel will cancel the active permit, refund the amount paid, and process the new rental permit application and payment. In addition, individuals requesting special rental fees must complete a waiver form. There is no review or approval for initial permits issued, changes to existing permits, or fee waivers to ensure completeness and accuracy.

We tested 10 billings to determine if charges were calculated correctly. We noted the fee billed did not agree with the fee schedule for 2 of the 10 billings (20 percent) tested. Park personnel indicated 1 of the 2 errors was because the venue changed but the fee was not changed accordingly. The second instance occurred when an organization approached the Parks Director and asked for a reduced rental fee because the permit would be for a recurring event. There was no written documentation or approval to support the reduced fee. The PRF Director indicated this was caused by a breakdown in oversight and follow up.

By strengthening controls related to billings, the PRF can ensure all customers receive equitable treatment, fees charged are appropriate, and errors are reduced.

## Recommendation

The PRF establish procedures to perform a documented review of initial permits issued, changes to existing permits, and special fees.

## Auditee's Response

*Our department agrees with the finding and will implement the following:*

*The current permit fee process will be reviewed to ensure we have consistent procedures in place and we will conduct documented reviews of all associated permits, possible permit changes, and special fees.*



## 4. Board of Parks and Recreation

The Board of Parks and Recreation is inactive, which is a violation of City Charter. City Charter, Article XIII, Section 14-B, establishes a 6-member board of parks and recreation, with members appointed by the Mayor to advise the PRF Director on matters relating to parks and recreation. In addition, the board is to hear complaints of individuals and groups concerning the use of the parks and recreational facilities, with recommendations to be made to the Director.

The PRF Director indicated the Board of Parks and Recreation has been inactive since approximately 1981. Letting the Board of Parks and Recreation become inactive, is a violation of the City Charter. The board could be used as a resource for the director to seek advice and recommendations on issues concerning the department and would be a way individuals and groups could voice concerns about the parks and recreation facilities.

Similar conditions previously reported

A similar condition was noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis - Department of Parks, Recreation, and Forestry*, Report No. 2018-080, released in September 2018, department officials indicated the previous recommendation had not been implemented.

Recommendation

The PRF work with the Mayor's office to reestablish the Board of Parks and Recreation or, if the Board is no longer necessary, determine if a change to the City Charter is necessary.

Auditee's Response

*Our department agrees with the finding and will implement the following:*

*Our department will work with the Mayor's Office to reestablish the 6-member board which is listed in the City Charter. If the board is deemed unnecessary then a change to City Charter will be pursued to ensure action is taken to rectify this prior audit finding.*

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# City of St. Louis - Department of Parks, Recreation, and Forestry Organization and Statistical Information

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The City of St. Louis Department of Parks, Recreation, and Forestry (PRF) was created by a Charter Amendment in 1958. The department consists of the Director's Office and the divisions of Parks, Recreation, and Forestry. The department operates under the direction of the Director, Greg Hayes. The department, when fully staffed, has approximately 320 employees in the following divisions:

## Director's Office

The Office of the Director of PRF is responsible for the supervision and coordination of all activities in the department. The office works to coordinate efforts of community groups to maximize their positive impact on city parks, activities, and programs. The department has oversight for the purchasing and accounts payable and receivable for the three divisions. In addition, the Director's Office oversees the Soulard Market and Operation Brightside (a partnership of residents, businesses, organizations, and city government to clean and green the city).

## Parks Division

The Parks Division's mission is to provide safe, accessible, attractive, open space and to offer a variety of recreational opportunities. The Administration program is responsible for the management and operation of the Parks Division. The program's responsibilities including preparing the Parks Division budget, establishing goals and objectives, responding to citizen inquiries, and monitoring expenditures. The division's mission is achieved via the Horticulture, Permits, Park Maintenance, Facility Services, and Neighborhood Parks Fund Programs. Areas included in the division's care include the 108 city parks, including Forest Park and Tower Grove Park, and overseeing all use permits issued by the department for athletic fields, picnics, vending and concession, and for major functions, such as weddings at the Jewel Box.

## Recreation Division

The Recreation Division's mission is to utilize recreation centers by offering a wide variety of programs that reflect the needs and desires of the community, while providing a safe environment for youth during non-school hours. The Recreation Division partners with many individuals, groups, and agencies to host additional programming in 7 recreation centers. The year-round recreation centers offer a wide variety of leisure activities to the city including supervised sports and recreational activities. The Summer Day Camps programs receive Community Development Block Grant funds to operate 7 campsites to provide structured programs to youth during summer vacations. The Recreation Division also is responsible for maintaining the city's 3 outdoor and 4 indoor pools and organizing activities and programs for city residents. The Boxing and Recreation Leaders are also overseen by the Recreation Division. Finally, the Administration Program provides healthy and holistic projects, programs, and services for youth, senior citizens, and families.



City of St. Louis - Department of Parks, Recreation, and Forestry  
Organization and Statistical Information

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Forestry Division

The Forestry Division's mission is to enhance public safety and appearance of the urban forest by responding to service requests and managing the systematic tree maintenance plan. The Division works to beautify neighborhoods and provide a safe environment by maintaining public and private properties on a schedule or as-requested basis. This is achieved through the Tree Maintenance, Debris and Weed Control, and District Debris Removal Programs. The Administration Program responds to and handles all citizens' service bureau requests, documents account balances, and responds to all applicable citizen inquiries.