



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

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

Report No. 2018-080

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City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

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

We have compiled the statuses of the audit report findings contained in Report No. 2008-96, *City of St. Louis, Department of Parks, Recreation, and Forestry*, issued in December 2008, as part of our current audit of the City of St. Louis. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Parks, Recreation, and Forestry. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
 - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Parks, Recreation, and Forestry that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in June 2018.

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

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

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

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Forestry Division

Finding Number: 1.A.

Finding: The Forestry Division computer system billing rates for mowing vacant lots were not set at the correct amount. The division did not submit some billing information to the collection agency in a timely manner and did not submit the entire outstanding amount to the collection agency for some accounts. The Forestry Division billing system did not provide some information necessary to efficiently operate the division.

Recommendation: The Department of Parks, Recreation, and Forestry evaluate the need for a new billing system to provide the necessary information for the Forestry Division. The division should ensure the correct billing rates have been entered into the system. In addition, the division should ensure accounts over 90 days old are submitted to the collection agency in a timely manner and the entire outstanding account is submitted to the collection agency.

Status of Finding: Partially Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Dataflex billing system remains in place with corrections and minor improvements. A new billing system has not yet been implemented. The contracted collection agency is notified monthly of all accounts over 90 days old.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.B.

Finding: The Forestry Division was not adequately documenting adjustments and write-offs made in the billing system. The division was unable to produce a report from the billing system showing the amount and number of adjustments and write-offs. In addition, the employee who authorized and the employee who posted the adjustment or write-off was not identified and the reason and supporting documentation for the adjustment or write-off was not maintained.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the authorization and reasons for any billing adjustments or write-offs are adequately documented by the Forestry Division. In addition, the periodic review and approval of all such billing adjustments and write-offs by an appropriate management official should be documented.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Practices are in place requiring all customer service representatives to make a notation for any and all adjustments including the date and reason. A report is produced periodically and reviewed by the Executive Assistant, and any concerns are submitted to the Director.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.C.

Finding: The Forestry Division had not documented how the administrative fee charged for handling billings for the Department of Public Safety, Building Division was established or determined.

Recommendation: The Department of Parks, Recreation, and Forestry review and document the costs of administering the Department of Public Safety, Building Division's billing service and establish the administrative fee to recover those costs.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Forestry Division no longer handles billing for the Department of Public Safety, Building Division.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.1.

Finding: Accounting duties were not adequately segregated and there was no independent oversight related to the Forestry Division receipts.

Recommendation: The Department of Parks, Recreation, and Forestry segregate the accounting duties of the Forestry Division to the extent possible. If proper segregation of duties cannot be achieved, timely supervision or independent review of the work performed and investigation into unusual items and variances is necessary.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Invoices are prepared and mailed by the last Tuesday of each month. Data needed to prepare invoices is entered by a customer service representative (CSR). We have two CSRs during our peak season of March to October. The Executive Assistant coordinates with the Labor Supervisor and Foreman to ensure all work orders and ward rotation sheets are submitted for billing in a timely manner. Ward rotation sheets are generated from the billing system and given to the field staff supervisor before the field crew enters into a particular ward to perform grass maintenance services (vacant buildings or vacant lots).

Payments (checks/money orders) are processed only by the Secretary to the Commissioner of Forestry (Secretary). Receipts are recorded in a spreadsheet maintained by the Secretary, and then posted in the billing system by the Secretary. After posting in the billing system, payments are forwarded to the Director's office to be processed for transmittal to the Comptroller's office. Employees are restricted from making adjustments over \$200 without approval of the Executive Assistant. All adjustments are initiated by the CSRs.

Contact Person: Vicki Wakeland
Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.2.

Finding: Some monies received by the Forestry Division were not recorded in the billing system or the receipt spreadsheet in a timely manner.

Recommendation: The Department of Parks, Recreation, and Forestry ensure all receipts are promptly recorded on the spreadsheet.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Receipts are recorded within 24 to 48 hours. The Executive Assistant reviews the spreadsheet (receipt of payments) for accuracy and compares that to the payment information entered in the billing system.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.3.

Finding: The Forestry Division did not generate a report of daily receipts posted to the billing system which could then be reconciled with the receipt spreadsheet and transmittals to the Director's office.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the division reconciles receipts per the spreadsheet to the billing system and to amounts transmitted.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Forestry Division's billing system cannot generate a report of payments received by account. Therefore, as described in the response to finding 1.D.2., the division checks the accuracy of system entries by comparing the spreadsheet of receipts to the payment information in the billing system.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Forestry Division

Finding Number: 1.D.4.

Finding: Some monies received by the Forestry Division were not transmitted to the Director's office in a timely manner. In addition, checks and money orders received were not restrictively endorsed immediately upon receipt.

Recommendation: The Department of Parks, Recreation, and Forestry ensure all receipts are deposited intact on a timely basis. In addition, all checks should be restrictively endorsed immediately upon receipt.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

Upon receipt, all checks/money orders are restrictively endorsed by the Secretary. Payments received are transmitted to the Director's office for processing within 24 to 48 hours, not including weekends.

Contact Person: Vicki Wakeland

Contact Phone Number: (314) 613-7200



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Board of Parks and Recreation

Finding Number: 2.

Finding: The Board of Parks and Recreation was inactive.

Recommendation: The Department of Parks, Recreation, and Forestry ensure it is in compliance with the city charter and work with the Mayor's office to reestablish the Board of Parks and Recreation or to determine if a change to the city charter is necessary.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The city charter did not change and the Board of Parks and Recreation has not been in existence for approximately 35 years. The Parks Division sets internal policies and meets with the Board of Aldermen annually on all proposed capital projects in the division's parks. The Board of Aldermen also has an established Parks Committee that Parks Division staff meet with on any related matters.

Contact Person: Greg Hayes

Contact Phone Number: (314) 289-5310



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Written Agreements

Finding Number: 3.A.

Finding: The Forestry Division had not entered into a written agreement for services performed on property owned by the Land Reutilization Authority (LRA).

Recommendation: The Department of Parks, Recreation, and Forestry enter into formal written contracts for services rendered or obtained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Forestry Division has an agreement with the LRA to maintain properties, and sends the LRA an annual letter after each fiscal year which lists the total costs of maintaining the properties. The Forestry Division has no control over funds that may be received from the LRA and included in the Forestry Division's General Revenue Fund budget.

Contact Person: Alan Jankowski

Contact Phone Number: (314) 613-7204



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Written Agreements

Finding Number: 3.B.

Finding: The Parks Division performed grass cutting services without charge for a not-for-profit organization.

Recommendation: The Department of Parks, Recreation, and Forestry bill for all services rendered such as grass cutting.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

If similar instances were to occur, the Department of Parks, Recreation, and Forestry would verify rates with the Forestry Division and bill accordingly.

Contact Person: Kim Haegele
Contact Phone Number: (314) 289-5339



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Written Agreements

Finding Number: 3.C.

Finding: The Department of Parks, Recreation, and Forestry had not conducted a review of the accounting records of the catering company that operated the boathouse under a lease agreement with the city. The lease agreement called for a monthly rent payment of which a portion was based on the gross revenues of the catering company. In addition, the lease agreement required the catering company to keep complete and accurate records of revenues for three years which were to be open to the city for inspection. The Department of Parks, Recreation, and Forestry had not conducted a review of the accounting records nor had it requested the Internal Audit Section of the Comptroller's office to conduct a review to ensure the accuracy of the gross revenues reported to the department. There were also other resources available to the department that could have been used to help independently verify some of the information submitted by the catering company.

Recommendation: The Department of Parks, Recreation, and Forestry ensure a periodic review is conducted of the boathouse accounting records to ensure accounting records and rent payment calculations are accurate. In addition, the department should verify information received with other city government offices.

Status of Finding: Not Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The Comptroller's office is responsible for performing internal audit services.

Contact Person: Kathy Sullivan
Contact Phone Number: (314) 289-5387



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Emergency Purchases

Finding Number: 4.

Finding: Some emergency purchases did not appear to meet the city's definition of "emergency." In addition, the department did not have one individual responsible for approving emergency purchases.

Recommendation: The Department of Parks, Recreation, and Forestry ensure emergency purchases meet the definition of an emergency and centralize the approval process for emergency purchases through one individual.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

No policies were amended. The Director and three Commissioners are the only individuals authorized to request emergency purchases. Concerted effort is being made to limit these requests which must involve both the Comptroller's office and the Supply Division.

Contact Person: Vanessa Carter
Contact Phone Number: (314) 289-5372



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Parks Division Receipts

Finding Number: 5.

Finding: The numerical sequence of receipt slips was not accounted for properly and voided receipt slips were not properly defaced and retained in the Parks Division.

Recommendation: The Department of Parks, Recreation, and Forestry, Parks Division, require the numerical sequence of receipt slips be accounted for properly, voided receipts be properly defaced, and all copies of voided receipt slips be retained.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

All staff have been instructed that voided receipt slips are to remain in the receipt book with a detailed message written on the receipt slip documenting the reason for the void. Periodic checks of receipt slips are conducted by the Permit Section Manager to ensure all receipt slips are accounted for and all monies have been received and deposited.

Contact Person: Kim Haegele

Contact Phone Number: (314) 289-5339



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Soulard Market

Finding Number: 6.A.

Finding: The Soulard Market petty cash fund was short \$80 because the Market Manager deposited a petty cash reimbursement check into a personal account. In addition, a petty cash ledger supporting the petty cash fund's activity did not adequately document receipts, disbursements, and the balance of the petty cash fund.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the petty cash funds are repaid by the Market Manager. In addition, the ledger should properly account for the receipts, disbursements, and balance of the petty cash fund.

Status of Finding: No Longer Applicable

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The practice of keeping petty cash has not been allowed since the prior audit.

Contact Person: Kathy Sullivan
Contact Phone Number: (314) 289-5387



City of St. Louis - Department of Parks, Recreation, and Forestry
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Soulard Market

Finding Number: 6.B.

Finding: The method of payment (cash or check) was not indicated on some receipt slips issued.

Recommendation: The Department of Parks, Recreation, and Forestry ensure the method of payment is recorded on receipt slips and the composition of receipt slips is reconciled to transmittals.

Status of Finding: Implemented

Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:

The method of payment notation on receipt slips is confirmed when deposits are processed.

Contact Person: Kathy Sullivan
Contact Phone Number: (314) 289-5387