



Office of Missouri State Auditor
Nicole Galloway, CPA

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of St. Louis
Board of Aldermen

Report No. 2018-118
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City of St. Louis - Board of Aldermen

Follow-Up Report on Audit Findings

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NICOLE GALLOWAY, CPA **Missouri State Auditor**

To the Board of Aldermen
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2008-62, *City of St. Louis, Board of Aldermen*, issued in September 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 Board of Aldermen. 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 - No Longer Applicable: The recommendation is no longer applicable.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 Board of Aldermen 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taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable.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 and October 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 - Board of Aldermen

Follow-Up Report on Audit Findings

Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.A.1.

Finding: The Board of Aldermen (BOA) policy on expense reimbursement allowed several items to be reimbursed which did not appear to be prudent uses of taxpayer monies. Seven aldermen submitted reimbursement requests totaling approximately \$10,600 for donations and charitable contributions. The city code also allowed for reimbursement of flowers, gifts, and lobbying.

Recommendation: The BOA discontinue the practice of reimbursing for charitable contributions, lobbying expenses, gifts, and flowers.

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:

No steps have been taken by the BOA on this finding. Reimbursement of these items is still allowed per city code.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.A.2.

Finding: The BOA policy did not require adequate documentation for some reimbursements. Although aldermen submitted receipts for meal purchases, the business purpose of the meeting and the individuals present were not documented. The city code did not specifically require the submission of receipts and documentation of business purpose and individuals present for meal purchases. In addition, one meal reimbursement reviewed included the purchase of alcohol.

Recommendation: The BOA require the business purpose and names of individuals attending meetings be documented on meal receipts. In addition, the BOA should consider banning reimbursement for the purchase of alcohol.

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 majority of board members do not utilize the accountable plan for expense reimbursement. The members who choose to use the accountable plan must submit receipt slips for reimbursement of meals. The BOA does not allow reimbursement for the purchase of alcohol.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.A.3.

Finding: Adequate supporting documentation was not received or retained for some expense account reimbursements. The city code did not specifically indicate the type of supporting documentation required for reimbursement.

Recommendation: The BOA specifically address in the city code supporting documentation requirements for expense account reimbursements.

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 code has not been changed to specifically indicate the type of supporting documentation required for expense account reimbursements.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Elected Officials' Allowances

Finding Number: 1.B.

Finding: Some accountable expense plan reimbursement requests were not submitted in a timely manner.

Recommendation: The BOA require the submission of expense account reimbursement requests on a monthly basis.

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 BOA does not have a penalty if expense account reimbursement requests are not submitted within a certain time frame.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Vehicle

Finding Number: 2.

Finding: The BOA President used his city-owned vehicle for personal use and did not maintain vehicle usage logs to document commuting and personal use of the vehicle.

Recommendation: The BOA discontinue allowing the Board President to use a city-owned vehicle for personal use. In addition, the Board of Aldermen should require the preparation of usage logs for the vehicle and ensure these logs are properly reviewed.

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 President of the BOA no longer uses a city-owned vehicle for work or personal purposes.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622 4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Minutes

Finding Number: 3.A.

Finding: The BOA minutes were prepared and signed by the clerk/legal counsel; however, they were not signed by a member of the BOA.

Recommendation: The BOA ensure the minutes are signed by the preparer and a board member to attest to their completeness and accuracy.

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:

A member of the BOA (the Chairman of the Rules and Engrossments Committee) now signs all minutes.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Minutes

Finding Number: 3.B.

Finding: Reasons and the vote for closing meetings were not documented in the minutes of the open meeting. Open session minutes did not provide any indication of the board voting to close the meetings or the specific reason for closing the meetings.

Recommendation: The BOA ensure the reason and vote for closing a session is documented in the open minutes.

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 BOA currently documents the reason and vote for closing a session in the open minutes.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Minutes

Finding Number: 3.C.

Finding: The BOA closed meeting minutes were not adequate. The closed meeting minutes did not include sufficient detail of matters discussed and actions taken. The only closed meeting minutes were roll call sheets with brief descriptions and the record of the vote by the board. It was often difficult to understand what was being voted on and the final decision of the board. In addition, decisions made during closed session were not disclosed in open session as required.

Recommendation: The BOA ensure minutes of closed meetings clearly document all business conducted and the votes taken in closed session are disclosed in open session.

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:

BOA closed meeting minutes document all business, and votes taken in closed session are disclosed.

Contact Person: Tom Shepard
Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Personnel Policies

Finding Number: 4.

Finding: The BOA considered all 15 of its employees exempt from the overtime and compensatory time provisions of the Fair Labor Standards Act (FLSA), and therefore, not entitled to overtime compensation. However, several of these employees may not have been exempt from these provisions.

Recommendation: The BOA review the classification of its employees and its current overtime and compensatory time policies to ensure such policies comply with the FLSA.

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 BOA gives compensatory time to non-management employees if there is an evening meeting of the BOA or a BOA committee meeting that they are required to attend. BOA employees work shifts are 8 a.m. to 4 p.m. and 9 a.m. to 5 p.m., Monday through Friday. Non-management employees have a sign-in sheet to record their hours of work. The office is not open on the weekend.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114



City of St. Louis - Board of Aldermen
Follow-Up Report on Audit Findings
Status of Findings

Finding Title: Cellular Telephones

Finding Number: 5.

Finding: Procedures for approval of cellular telephone usage could have been improved. In February 1997, the BOA passed ordinance 63999 which prohibited the possession or use of city-owned cellular telephones by any official or employee of the City of St. Louis except for those designated by resolution of the BOA. However, various city departments reimbursed employees for use of their personal cellular telephones and approval by the BOA for employees to receive this reimbursement was not required.

Recommendation: The BOA revise its policy to require approval by the board for reimbursement of personal cellular telephone usage.

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:

Ordinance 68654 requires the passing of a resolution by the BOA and recommendation of the Board of Estimate and Apportionment to designate any employee that has a city-owned or leased cellular phone. The ordinance requires the same approval process if any city official or employee is requesting reimbursement for personal cellular phone costs that relate to official city business.

Contact Person: Tom Shepard

Contact Phone Number: (314) 622-4114