



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

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Comptroller

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

March 22, 2010

Lewis E. Reed, President
Board of Aldermen
1200 Market Street, Room 232
St. Louis, MO 63103

RE: Follow-Up Review of the State Auditor Board of Aldermen Report 2008-62
(Project # 2010-35-4)

Dear Mr. Reed:

A limited follow-up review has been completed on the report noted above. This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

A limited follow-up review does not necessarily involve detailed testing or verification. The review instead relies on communication with department management and staff, as well as limited observations.

The purpose of this follow-up review is to determine the status as of December 31, 2009, of findings in the report.

The findings below have been **resolved**:

1. **Minutes (Original Report Finding #3)** –

- a. The Chair of the Rules and Engrossment Committee now also signs the minutes of the board meetings to attest to their completeness and accuracy.
- b. The reason and vote for closed sessions is now being recorded and made available to the public.
- c. The Chief of Staff to the President stated there has not been a closed session of the full board meeting since the State audit was performed.

2. **Personnel Policies (Original Report Finding #4)** – The Board of Aldermen did implement changes to the Employee Handbook that address the issue of compensatory time and the Fair Labor Standards Act.

The findings below have been **partially resolved**:

3. **Vehicle (Original Report Finding #2)** – The Chief of Staff to the President of the Board of Aldermen stated the State auditor erroneously cited the City Vehicle Policy Manual that covers vehicles driven by “ ...all employees of the City coming under the purview of the Comptroller, Mayor or President of the Board of Aldermen.. ”, not elected officials. The Chief of Staff noted that the criterion that should have been applied is the law as written in the Revised City Code, Section 4.13.020 that states the Board President has one automobile assigned for personal use. However, a mileage log is not maintained to track business versus personal use to support tax filings. The Chief of Staff to the President stated the Board President provides an estimate every year for W2 purposes. The estimate is provided since the filing is required prior to year end.

Management’s Response:

The Chief of Staff to the President stated the Board President provides an estimate every year for W-2 purposes as requested by the City of St. Louis' Comptroller's Office.

The findings below **have not been resolved**:

4. **Elected Officials’ Allowances (Original Report Finding #1)** - The Chairman of the Ways & Means Committee will be calling a meeting within the next two months to discuss recommendations as they related to elected officials' allowances.

Management’s Response:

Management agrees with the status of this finding.

5. **Cellular Telephones (Original Report Finding #5)**- Per the Board of Aldermen, information is being gathered relating to which employees are receiving a reimbursement for cellular phone usage and policies will be implemented to address any concerns in this area.

Management’s Response:

Management agrees with the status of this finding.

We provided management the opportunity to discuss our determination of the status of each finding and to provide written responses to this report. Management provided written responses to us on March 18, 2010, which have been incorporated above.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Respectfully,

A handwritten signature in black ink that reads "Kenneth M. Stone". The signature is written in a cursive style with a large initial "K".

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

cc: Tom Shepard, Chief of Staff