



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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October 18, 2004

Mr. David A. Visintainer, P.E., Water Commissioner
Department of Public Utilities – Water Division
1640 S. Kingshighway Boulevard
St. Louis, MO 63110-2285

RE: Follow-up Review of the Water Division (Pay Location #415-006)
Project # 2004-F24

Dear Mr. Visintainer:

We have conducted a limited follow-up review on the Payroll Distribution Report, (Project #2003-47), issued July 25, 2003. 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 but 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 of the observations made in the report issued July 25, 2003, as of June 30, 2004.

We determined that the following observations have been **resolved**:

1. Opportunity to Improve Controls over Overtime Hours – Our review of the Water Division's control procedures and payroll records revealed that:
 - a) Supervisory approval of overtime is documented on the employees' time sheets.
 - b) Changes in the payroll records are reviewed by management.
 - c) Payroll records are independently reviewed and reconcile to the Payroll Variance and the Payroll Register reports.
2. Discrepancies between Vacation & Sick Leave Report, Sign-in Sheets and Employee Vacation and Sick Leave Request Forms – IAS observed that as of June 30, 2004 approved request forms for vacation, sick and compensatory leave are maintained and agree with the hours reported on the Vacation & Sick Leave Report.

We determined that the following observation **has not been resolved**:

3. Negative Leave Balances on the Vacation & Sick Leave Report – Our review of the report and the personnel records revealed that one employee had a negative one hour vacation balance for the pay period ending of June 26, 2004; however as of June 12, 2004 the person is no longer a City employee. The Division failed to recover the pay from the employee. Management has issued a memo directing all supervisors to review the balances on Vacation & Sick Leave Report prior to approving leave requests.

We offered to meet with department management on August 18, 2004 to discuss our determination of the status of each observation and offered them an opportunity to provide written responses to this report. The Water Division was in agreement with the status of the observations and therefore, declined to have an exit conference.

If you have any questions, please contact me at (314) 613-7410.

Respectfully,



Mohammad H. Adil, CPA
Internal Audit Supervisor

cc: Honorable Darlene Green, Comptroller
Rita Kirkland, Director of Operations, Office of the Mayor
Marie Jeffries, Executive Assistant, Budget Division

Attachment