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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

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March 4, 2005

Michael D. Devereaux, Jury Supervisor  
Office of the Jury Supervisor  
Civil Courts Building  
10 N. Tucker Boulevard, Third Floor  
St. Louis, MO 63101-2044

RE: Fixed Assets Management System (FAMS) Review – Office of the Jury Supervisor  
(Project # 2005-15)

Dear Mr. Devereaux:

Enclosed is a report of our FAMS review of the Office of the Jury Supervisor as of October 31, 2004. The objective of this review was to determine if control procedures are in place to ensure fixed assets and property control items are properly recorded, reported, and safeguarded.

Our fieldwork was substantially completed on November 9, 2004. The Office of the Jury Supervisor declined an exit-conference to discuss the observations and recommendations noted in the report. Management responses to the observations and recommendations noted in the report were received on February 23, 2005 and have been attached to the report.

We have made the following observations and recommendations:

**1. Opportunity to Improve Tagging of Fixed Assets and Property Control Items**

Section 210.14 of the FAMS policies and procedures manual states that all fixed assets and property control items owned by the City of St. Louis shall have a tag attached in a uniform and a consistent location. The tagging will provide positive identification of the City owned fixed assets and property control items.

We noted that none of the fixed and the property control items located in the Office of the Jury Supervisor had a City of St. Louis tags on them. The Office of the Jury

## **1. Continued...**

Supervisor appeared not to be aware of the requirement for the tagging of all of the fixed assets and property control items.

When fixed assets are not properly tagged, the City has no way of ensuring that items listed on the FAPL are properly safeguarded and accounted for.

### **Recommendation**

We recommend that all fixed assets and property control items are properly tagged as prescribed in Section 210.14 of the FAMS policies and procedures manual.

## **2. Opportunity to Develop Comprehensive Internal Records of Fixed Assets and Property Control Items**

Good management practice requires that internal records of fixed assets and property control items are maintained by the organization. Section 110.10 of the FAMS policies and procedures manual states that detailed records of fixed assets and property control item will provide management with information to assist them in examining and evaluating asset replacement, rate-setting and other costs of providing services.

We noted that the Office of the Jury Supervisor did not maintain detailed internal records of its fixed assets and property control items to assist it in their identification and reconciliation to the Comptroller's Fixed Asset Property Listing (FAPL). The Court's Information Systems currently maintains a list of computer equipment recently acquired by the Court's various departments including the Office of the Jury Supervisor.

Failure to maintain a complete fixed asset records will affect management decision making, planning abilities and its control over fixed assets. The Office of the Jury Supervisor will not be able to reconcile items on FAPL to its own internal records to ensure accurate accounting of its fixed assets.

### **Recommendation**

We recommend that the Office of the Jury Supervisor develop detailed internal records of fixed assets and property control items and reconcile its fixed assets to FAPL. The records should include, at a minimum, the following:

1. Description of fixed asset
2. Serial/model number
3. Fixed asset number

## **2. Continued...**

4. Cost
5. Acquisition date

## **3. Opportunity to Designate a FAMS Coordinator and Maintain FAMS Policies and Procedures Manual in the Office**

Section 210.08 of FAMS policies and procedures manual encourages every budgetary level department to assign the custodial responsibility for fixed assets and property control items to a designated FAMS Coordinator. As stated in Section 105.01 of the FAMS policies and procedures manual, departments are also required to maintain a copy of the FAMS policies and procedures manual.

The Office of the Jury Supervisor does not have a designated FAMS Coordinator. It also, does not maintain a copy of the current FAMS policies and procedures manual.

The Office of the Jury Supervisor has not considered the need to designate a FAMS Coordinator and he did not appear to be aware of the existence of FAMS policies and procedures manual.

Failure to designate a FAMS Coordinator may result in the following:

- (i) Inaccurate reporting of the activities with respect to fixed assets and property control items such as exchanges, donations, transfers, retirements and adjustments
- (ii) Annual inventories of fixed assets not timely performed.
- (iii) Inadequate physical safeguard of fixed assets and property control items against theft or loss.

Maintaining FAMS policies and procedures manual will provide the following information:

- (i) City policies governing the accounting for the fixed assets.
- (ii) Methods and formats for collecting fixed asset information.
- (iii) Description and use of reports produced by the automated system.
- (iv) Flow of fixed asset information between the City organization and the Comptroller's FAMS Section.

## **Recommendation**

We recommend the Office of the Jury Supervisor designate a FAMS Coordinator within the Office and obtain a copy of the FAMS policies and procedures manual from the Comptroller's Office Accounting Coordinator.

#### **4. Opportunity to Document Annual Physical Inventory**

Section 210.12 of the FAMS policies and procedures manual states that an annual physical inventory be performed and documented by each FAMS Coordinator on all fixed asset and properly control items for their respective budgetary level organization.

According to the Office of the Jury Supervisor, the annual physical inventory of its fixed assets and property control items was performed recently. However, we were unable to determine the same because the Office of the Jury Supervisor did not document the performance of the physical inventory.

By not properly documenting annual physical inventory, fixed assets and property control items may not be properly accounted for. Furthermore, the fixed assets reported on FAPL may not be accurate.

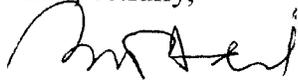
#### **Recommendation**

We recommend that the Office of the Jury Supervisor properly document annual physical inventory of its fixed assets and property control items in order to accurately report the results of the physical inventory.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for Professional Practice of Internal Auditing*.

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

Respectfully,



Mohammad H. Adil, CPA  
Internal Audit Manager

Attachment

CC: Honorable Darlene Green, Comptroller  
Thomas J. Bozzo, Deputy Comptroller



**MISSOURI CIRCUIT COURT  
TWENTY-SECOND JUDICIAL CIRCUIT**

OFFICE OF THE JURY SUPERVISOR  
CIVIL COURTS BUILDING, THIRD FLOOR  
ST. LOUIS MISSOURI, 63101

**MICHAEL D. DEVEREAUX**  
JURY SUPERVISOR

314-622-4457

**M E M O**

**TO: OLAIDE HASSAN, AUDITOR II  
COMPTROLLER'S OFFICE**

**FROM: MICHAEL D. DEVEREAUX**  
JURY SUPERVISOR

**DATE: 2/18/05**

**RE: FIXED ASSET REVIEW**

**WE HAVE RECEIVED A COPY OF THE FIXED ASSET MANAGEMENT  
SYSTEM POLICY AND PROCEDURES MANUAL AND WILL IMPLEMENT  
THE PROCEDURES AS NECESSARY.**