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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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Comptroller

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June 20, 2007

Carol Wilson, Chairperson  
Board of Election Commissioners  
300 N. Tucker Boulevard  
St. Louis, MO 63101-1914

RE: Payroll Distribution of Board of Election Commissioners for Period Ended  
February 17, 2007 (Project # 2007-32)

Dear Ms. Wilson:

We have conducted a payroll distribution of the Board of Election Commissioners for the pay period ended February 17, 2007. The objectives of this review were to:

- Determine if eligible City employees received wages.
- Determine whether wages are adequately safeguarded.
- Determine if employees are only paid for actual hours worked.
- Determine if the accrual and use of paid leave is accurate.

Our fieldwork was completed on March 14, 2007. Management responses to the observations and recommendations noted in the report were received on June 6, 2006 and have been incorporated into the report. During the review, nothing came to our attention that caused us to believe that wages were not properly distributed or adequately safeguarded. However, we made the following observations and recommendations:

**1. Inadequate policies and procedures for payroll distribution (Repeat)**

In our last Board of Election Commissioners payroll distribution report, dated May 19, 2000, we noted that current policies and procedures, with regard to payroll distribution, only address the employee's request to release payroll checks to someone other than the employee. During this review we noted the same situation in regards to the policies and procedures for payroll distribution.

**Recommendation**

We recommend the Board of Election Commissioners revise their current policies and procedures to include the entire process for the distribution of payroll checks. Procedures should include (but not limited to):

- Process for obtaining checks from the Treasurer's Office.
- Process for transporting checks.

## 1. Continued...

- Process for distributing checks.
- Process for safeguarding unclaimed checks.
- Process for returning unclaimed checks to the Treasurer's Office.
- Process for notifying the Comptroller's Office Payroll Section of returned checks.
- Process for notifying the Personnel Department of returned checks.

## Management's Response

We agree with the recommendation, have begun to implement it, and will develop written procedures to address the process described in the report.

## 2. Lack of controls over leave balances (Repeat)

In the prior payroll distribution report, we noted several instances where negative leave balances existed for vacation, sick and compensatory time taken.

In a memorandum from the department's directors, dated October 26, 1999, in reference to time deficits, the revised policy indicated:

- Time deficits will not be forgiven.
- Deficits will be paid with time. If the employee has no time, he or she will not accrue time until the deficit is satisfied.
- If there is a positive balance in one area of time and a negative balance in another, the employee may choose to have the negative amount deducted from the positive balance.

The department does not allow employees to carry a negative leave balance. However, we noted negative vacation, sick and compensatory balances in the February 17, 2007, Vacation and Sick Leave Report.

- Four employees had negative sick leave balances of 36.16, 42.25, 47.50 and 62.24 hours respectively.
- Three employees had negative compensatory leave balances of 0.4, 8.0 and 8.0 hours respectively.
- Two employees had negative vacation leave balances of 6.54 and 28.87.

## Recommendation

We recommend the Board of Election Commissioners coordinate efforts with the Department of Personnel to eliminate negative vacation, sick and compensatory leave balances.

2. Continued...

**Management's Response**

We agree with the recommendation and will develop written procedures to implement it.

3. **An Opportunity to improve procedures for unclaimed checks**

In our review for pay period ending February 17, 2007, we noted one employee resigned her position effective December 15, 2006. However, the payroll process continued to report her as an employee for the next four (4) pay periods. Checks were printed for this person although the checks were not issued to the former employee. The policies and procedure manual should address management instructions on when unclaimed checks are returned to the Treasurer's Office and the correct action to take to remove a former employee from the payroll.

**Recommendation**

We recommend the Board of Election Commissioners review and revise the current department policies and procedure manual in order to provide staff with written instructions on how to proceed in matters relating to terminated employees or employees that resign/retired.

**Management's Response**

We agree with the recommendation and will develop written procedures to implement it.

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 the Professional Practice of Internal Auditing.*"

If you have any questions, please contact me at (314) 589-6132.

Respectfully,



Sedrick D. Blake, CPA  
Audit/Fiscal Executive

cc: Kathryn Lawson, Payroll Manager  
Ronald Smith, City Operations Manager, Office of the Mayor