



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

September 25, 2009

Honorable James W. Murphy
Sheriff
City of St. Louis
1114 Market Street, Suite 112
St. Louis, MO 63101

RE: Observation and Review of Tax Delinquent Land Auction (Project #2010-02)

Dear Sheriff Murphy:

Enclosed is a report of the observation and review of the Tax Delinquent Land Auction (Land Reutilization Authority, Suit #146) held by the Sheriff's Office from July 21 through July 23, 2009. The objectives of this review were to determine if:

- Land sales transactions and proceeds were accurately recorded and reported
- Land sales proceeds were adequately safeguarded
- Land sales process was performed in compliance with applicable Missouri State Statutes, applicable policies and procedures of the Sheriff's Office

Fieldwork was completed on July 23, 2009.

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 the Internal Audit Section at (314) 622-4723.

Respectfully,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Major Randy Lynch, Administrative Section Commander, Sheriff's Office



CITY OF ST. LOUIS

SHERIFF'S OFFICE

*OBSERVATION AND REVIEW OF TAX DELINQUENT
LAND AUCTION*

JULY 21 THROUGH JULY 23, 2009

PROJECT #2010-02

DATE ISSUED: SEPTEMBER 28, 2009

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
SHERIFF'S OFFICE
OBSERVATION AND REVIEW OF TAX DELINQUENT LAND AUCTION
JULY 21, 2009 THROUGH JULY 23, 2009**

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INTRODUCTION

Background

The Municipal Land Reutilization Law was established by Revised Statutes of Missouri (RSMo.), Section #s 92.700 to 92.920. RSMo. Section #92.875 created the Land Reutilization Authority (LRA) for the management, sale, transfer and other disposition of tax delinquent real estate acquired by virtue of the foreclosure of the liens for delinquent real estate taxes. The statutes also authorize the courts to order the Sheriff to advertise and sell (or attempt to sell) the subject property at public auction, in an effort to recover the delinquent taxes and incurred collection costs, before turning any unsold property over to LRA.

Purpose

The objectives of this observation and review were to determine if:

- Land sales transactions and proceeds were accurately recorded and reported.
- Land sales proceeds were adequately safeguarded.
- Land sales process was performed in compliance with applicable Missouri State Statutes, and with applicable policies and procedures of the City of St. Louis and the Sheriff's Office.

Scope and Methodology

The review was confined to evaluating the tax delinquent land sales process for LRA Suit #146, which was conducted on July 21 through July 23, 2009. Procedures included inquiries of management and staff, observation of relevant processes, and reviews for compliance with policies and procedures, as well as applicable laws and regulations. Related controls were tested on a limited basis, prior audit observations were followed up and other procedures were performed as considered necessary

Fieldwork was completed on July 23, 2009.

Exit Conference

Since there were no current observations, an exit conference was not considered necessary.

OBSERVATIONS

Status of Prior Observations

The following observation, included in the audit report issued March 11, 2009, was followed up:

- Opportunity to update written procedures (**Resolved**)

Summary of Current Observations

There were no current observations.