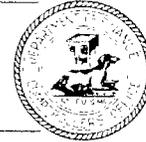




OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

DR. KENNETH M. STONE, CPA
Internal Audit Executive

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 642
St. Louis, Missouri 63101
(314) 622-4723
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December 8, 2010

Meg Ebersoldt, Project Director
Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives
1836 Lackland Hill Parkway
St. Louis, MO 63146

RE: Ryan White Part A and Minority AIDS Initiatives (Project #2010-DOH10)

Dear Ms. Ebersoldt:

Enclosed is a report of our fiscal monitoring review of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives, a for-profit organization, Ryan White Part A and Minority AIDS Initiative Programs, for the period March 1, 2009 through December 31, 2009. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives. Fieldwork was completed on April 15, 2010.

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* and through an agreement with the City of St. Louis Department of Health (DOH) to provide fiscal monitoring to all grant sub-recipients.

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

Sincerely,


Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Melba R. Moore, Commissioner, DOH
Amber Wagner, Grants Administer, DOH



CITY OF ST. LOUIS

**DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A**

**LACKLAND ACQUISITIONS II, LLC, D/B/A
HEALTHCARE STRATEGIC INITIATIVES
CONTRACT #HD-09-42 AND #HD-10-05
CFDA #93.914**

FISCAL MONITORING REVIEW

MARCH 1, 2009 THROUGH DECEMBER 31, 2009

PROJECT #2010-DOH10

DATE ISSUED: DECEMBER 8, 2010

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A
LACKLAND ACQUISITIONS II, LLC, D/B/A/
HEALTHCARE STRATEGIC INITIATIVES
FISCAL MONITORING REVIEW
MARCH 1, 2009 THROUGH DECEMBER 31, 2009**

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INTRODUCTION

Background

Contract Name: Healthcare Strategic Initiatives (HSI)

Contract Numbers: HD-09-42
HD-10-05

CFDA Number: 93.914

Contract Periods: March 1, 2009 through February 28, 2010
August 1, 2009 through July 31, 2010

Contract Amounts: \$2,104,043.00
\$ 35,000.00

These contracts provided Ryan White Part A and Minority AIDS Initiative funds to Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives (Agency) to provide a mechanism for authorization, delivery, reimbursement, and reporting of the HIV-related range of medical care services, oral health care services, and medications. These funds also provide procurement for case management services for Missouri residents living with HIV and/or AIDS and assisting them to receive appropriate healthcare and treatment.

Purpose

The purpose was to determine the Agency's compliance with federal, state and local Department of Health (DOH) requirements for the period March 1, 2009, through December 31, 2009, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DOH. Evidence was tested supporting the reports the Agency submitted to DOH and other procedures were performed as considered necessary. Fieldwork was completed on April 15, 2010.

Exit Conference

There were no observations; therefore, an exit conference was not considered necessary.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Agency did not fully comply with federal, state and local DOH requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2009-DOH16, issued September 3, 2009, contained no observations.

A-133 Status

The Agency expended over \$500,000 in federal awards for its year ending December 31, 2009. The Agency is a for-profit entity, so only a program-specific audit was completed.

The report was dated August 19, 2010 and rendered an unqualified opinion on the care service program. No findings or question costs reported in the audit and the Agency qualified as a low-risk auditee.

No material weakness relating to the audit of the major federal award program was reported in the report on compliance with requirements applicable to the federal program and on internal control over compliance in accordance with the program - specific audit option under OMB Circular A-133.

Summary of Current Observations

There were no current observations.