



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
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DR. KENNETH M. STONE, CPA
Internal Audit Executive

November 15, 2010

Tammy Laws, Executive Director
United Methodist Metro Ministries – Shalom House
1040 S. Taylor Avenue
St. Louis, MO 63110

RE: United Methodist Metro Ministry – Shalom House (Project #2010-AHC09)

Dear Ms. Laws:

Enclosed is a report of the fiscal monitoring review of United Methodist Metro Ministry - Shalom House (Agency), for the period of March 1, 2008 through February 28, 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 the Agency. Fieldwork was completed on July 27, 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 Affordable Housing Commission (AHC), 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: Angela Conley, Executive Director, AHC

CITY OF ST. LOUIS

**AFFORDABLE HOUSING COMMISSION (AHC)
UNITED METHODIST METRO MINISTRY
SHALOM HOUSE
CONTRACT #68-08G**

**FISCAL MONITORING REVIEW
MARCH 1, 2008 THROUGH FEBRUARY 28, 2009**

PROJECT #2010-AHC09

DATE ISSUED: November 15, 2010

**Prepared By:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
UNITED METHODIST METRO MINISTRY – SHALOM HOUSE
FISCAL MONITORING REVIEW
MARCH 1, 2008 THROUGH FEBRUARY 28, 2009**

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INTRODUCTION

Background

Contract Name: United Methodist Metro Ministry – Shalom House

Contract Number: 68-08G

Contract Period: March 1, 2008 through February 28, 2009

Contract Amount: \$150,000

The contract provided funds from the Affordable Housing Commission (AHC) to United Methodist Metro Ministries (Agency) to provide services through its Shalom House 24-Hour Emergency Shelter program.

Shalom House provides supportive services to single, mentally ill and/or chemically dependent women, who meet the St. Louis City residency guidelines. Supportive services includes individualized case management, assessments, on-site classes and support groups, occupational therapy, health and medication management, substance abuse counseling, and referrals to other social service providers.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local AHC requirements for the period March 1, 2008 through February 28, 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 AHC. Evidence supporting the reports the Agency submitted to AHC was tested and other procedures were performed, as considered necessary.

Exit Conference

An exit conference was conducted at the Agency on November 3, 2010. The Agency was represented at the exit conference by Tammy Laws, Executive Director, and Kathy Glass, Business Manager. The Affordable Housing Commission was represented by Sheryl Luxen, Account Clerk. The Internal Audit Section was represented by Dorothy Middleton, Auditor II, and Anchaleeya Thompson, Auditor I.

INTRODUCTION

Management's Responses

The management's response to the observation and recommendation identified in the draft report was received on November 10, 2010. The response has been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with local AHC requirements.

Status of Prior Observations

There are no prior AHC fiscal monitoring reports on this Agency.

Summary of Current Observations

Recommendations were made for the following observation, which if implemented, could assist the Agency in fully complying with federal, state, and local AHC requirements.

- Opportunity to implement internal controls over time reporting

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To Implement Internal Controls Over Time Reporting

Employee time cards from the two pay periods in February 2009 were reviewed. Out of 32 time cards that were reviewed, 9 time cards were not signed by the employees. Additionally, all of the time cards did not have the signature or initials of a supervisor or manager to indicate that the time cards were reviewed and approved.

Sound accounting practices require that internal control procedures are implemented to ensure that time reported is accurate and reliable. Control procedures should require that time-reporting documents are signed by the employee and approved by a supervisor or manager for accuracy. Evidence of approval can be either a supervisor or manager's signature or initials.

Control procedures were not in place to ensure that all time cards submitted were signed by personnel. Also, control procedures were not in place to ensure that time cards were reviewed and approved by a supervisor or manager.

When there are no employee, supervisor or manager signatures on time cards, the chances of inaccurate reporting increases. This may result in questioned costs. Questioned costs may lead to the suspension or termination of funds received from the AHC.

Recommendation

It is recommended that the Agency implement internal control procedures to ensure time cards are accurate and reliable. This can be achieved by making sure that employees sign all of their time cards. Additionally, a supervisor or manager's signature or initials on all time cards will provide proof that the times reported were reviewed and approved.

Management's Response

Shalom House will include in its internal control procedures the following steps:

- *Make sure that all employees sign all their time cards.*
- *A supervisor or manager will initial all time cards as proof that the times reported were reviewed and approved.*