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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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Comptroller

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July 3, 2007

Ms. Meg Ebersoldt  
Healthcare Strategic Initiatives (HSI)  
1836 Lackland Hill  
St. Louis, MO 63146

RE: Fiscal Monitoring Report of Healthcare Strategic Initiatives (HSI)  
Contracts #HD-06-45 and HD-06-56  
(Project #2007-DOH17)

Dear Ms. Ebersoldt:

Enclosed is a report of our fiscal monitoring review of Healthcare Strategic Initiatives (HSI) (Contract #s HD-06-45 and HD-06-56) for the period March 1, 2006 through February 28, 2007. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of HSI. Our fieldwork was completed on May 3, 2007.

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 subrecipients. If you have any questions, please contact Ishmael Ikpeama at 589-6113.

Sincerely,

A handwritten signature in cursive script that reads "Sedrick D. Blake".

Sedrick D. Blake, CPA  
Audit/Fiscal Executive

Enclosure

cc: David Fagala, Accounting Supervisor, City of St. Louis Department of Health



# CITY OF ST. LOUIS

*DEPARTMENT OF HEALTH (DOH)  
LACKLAND ACQUISITIONS II, LLC  
DBA HEALTHCARE STRATEGIC INITIATIVES (HSI)*

*RYAN WHITE TITLE I – CFDA #93.914  
CONTRACT #HD-06-45 – DOCUMENT #53149*

*RYAN WHITE TITLE II – CFDA #93.917  
CONTRACT #HD-06-56 – DOCUMENT #53147*

*FISCAL MONITORING REVIEW*

*MARCH 1, 2006 THROUGH FEBRUARY 28, 2007*

*PROJECT #2007-DOH17*

*DATE ISSUED: JULY 3, 2007*

*Prepared by:  
The Internal Audit Section*



# OFFICE OF THE COMPTROLLER

*Honorable Darlene Green, Comptroller*

**CITY OF ST. LOUIS**  
**DEPARTMENT OF HEALTH (DOH)**  
**LACKLAND ACQUISITIONS II, LLC**  
**dba HEALTHCARE STRATEGIC INITIATIVES (HSI)**  
**RYAN WHITE TITLE I – CONTRACT #HD-06-45 – DOCUMENT #53149**  
**RYAN WHITE TITLE II – CONTRACT #HD-06-56 – DOCUMENT #53147**  
**FISCAL MONITORING REVIEW**  
**MARCH 1, 2006 THROUGH FEBRUARY 28, 2007**

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**CITY OF ST. LOUIS  
DEPARTMENT OF HEALTH (DOH)  
LACKLAND ACQUISITIONS II, LLC  
dba HEALTHCARE STRATEGIC INITIATIVES (HSI)  
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FISCAL MONITORING REVIEW  
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**INTRODUCTION**

**Background**

**Contract Name:** Lackland Acquisitions II, LLC  
dba Healthcare Strategic Initiatives (HSI)

**Contract Programs:** Ryan White Title I – CFDA #93.914  
Ryan White Title II – CFDA #93.917

**Contract Numbers:** HD-06-45  
HD-06-56

**Contract Periods:** March 1, 2006 through February 28, 2007  
March 1, 2006 through February 28, 2007

**Contract Amounts:** \$2,486,321  
\$54,000

These contracts provided funds for Healthcare Strategic Initiatives to provide Program Management and Quality Assurance services to the City of St. Louis Department of Health. These services assist in providing Ryan White Title I Benefits to low-income and uninsured persons living with HIV and AIDS.

**Purpose**

The purpose of this fiscal monitoring review was to determine Healthcare Strategic Initiatives' (Contract #s HD-06-45 and HD-06-56) compliance with federal, state and local Department of Health (DOH) requirements for the period March 1, 2006 through February 28, 2007. We will make recommendations for improvements if necessary.

**Scope and Methodology**

We made inquiries regarding Healthcare Strategic Initiatives' internal controls relating to the grant administered by the City of St. Louis Department of Health, tested evidence supporting the reports the Agency submitted to DOH and performed other procedures considered necessary. Our fieldwork was completed on May 3, 2007.

**CITY OF ST. LOUIS  
DEPARTMENT OF HEALTH (DOH)  
LACKLAND ACQUISITIONS II, LLC  
dba HEALTHCARE STRATEGIC INITIATIVES (HSI)  
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**CONCLUSION AND SUMMARY OF OBSERVATIONS**

**Conclusion**

Healthcare Strategic Initiatives is in compliance with federal, state and City of St. Louis Department of Health requirements.

**Status of Prior Observations**

The prior fiscal monitoring report dated 5/5/06 noted no observations.

**A-133 Status**

Although it operates on a for-profit basis, the Agency was required by its contract with the Missouri Department of Health to have an annual audit performed in accordance with OMB Circular A-133 for the fiscal year ended December 31, 2005. The A-133 audit for FYE December 31, 2005, dated August 3, 2006, noted no findings or questioned costs over federal awards. The report identified no material weaknesses or reportable conditions considered to be material weaknesses in the Agency's internal controls over major programs. An unqualified opinion was issued in the report on compliance for the major programs. The Agency did qualify as a low-risk auditee as defined in OMB Circular A-133. A financial statement audit of the financial statements of Lackland Acquisitions II, LLC (dba Healthcare Strategic Initiatives) was not performed. As permitted by section 510(a) of OMB Circular A-133 a program specific audit was performed. The IAS review recommended the report be accepted and no further action be taken.

**Summary of Current Observations**

There are no current observations.