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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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November 22, 2004

Mr. Larry Thomas, Chief Finance Officer
MERS/Missouri Goodwill Industries
1727 Locust St.
St. Louis, MO 63139

RE: Fiscal Monitoring Report of MERS/Missouri Goodwill Industries.
(#2005-SLATE-5)

Dear Mr. Thomas:

Enclosed is a report of our fiscal monitoring review of MERS/Missouri Goodwill Industries (Contracts #112-05 and #211-05) for the period July 1, 2004 through August 31, 2004. 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 MERS/Missouri Goodwill Industries. Our fieldwork was substantially complete on October 14, 2004.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and an agreement with the St. Louis Agency on Training and Employment to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact me at 613-7257.

Sincerely,

Dwayne Crandall

Dwayne Crandall, MHA, CIA, CPA
Internal Audit Supervisor

cc: Honorable Darlene Green, Comptroller
Tom Jones, Director, St. Louis Agency on Training and Employment (SLATE)

Enclosure



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)

*MERS/GOODWILL INDUSTRIES
CONTRACTS #112-05 AND #211-05*

FISCAL MONITORING REVIEW

JULY 1, 2004 THROUGH AUGUST 31, 2004

PROJECT #2005-SLATE5

DATE ISSUED: NOVEMBER 22, 2004

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
MERS/MISSOURI GOODWILL INDUSTRIES
CONTRACTS #112-05 AND #211-05
FISCAL MONITORING REVIEW
JULY 1, 2004 THROUGH AUGUST 31, 2004

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
INTRODUCTION	
Background	1
Purpose	1
Scope and Methodology	1
CONCLUSION AND SUMMARY OF OBSERVATIONS	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
MERS/MISSOURI GOODWILL INDUSTRIES
CONTRACTS #112-05 AND #211-05
FISCAL MONITORING REVIEW
JULY 1, 2004 THROUGH AUGUST 31, 2004

INTRODUCTION

Background

Contract Name: MERS/Missouri Goodwill Industries
Contract Number: #112-05 and #211-05
Contract Period: July 1, 2004 through June 31, 2005
Contract Amount: \$265,648.06 and \$163,717.20

These contracts provide Workforce Investment Act funds through the St. Louis Agency on Training and Employment (SLATE) to Metropolitan Employment & Rehabilitation Services (MERS)/Missouri Goodwill Industries for its Workforce Investment Act Adult and Youth programs. MERS/Missouri Goodwill Industries provides services to sixty-eight (68) adults in job seeking skills, job development/placement services, and follow-up. Also, the Agency provided services to forty (40) In-School Youth (the majority of which were assigned by SLATE) and fifteen (15) Out-of-School Youth. The youths were assisted in attaining basic skills, work readiness or occupational skills training, or GED.

Purpose

The purpose of our review was to determine the MERS/Missouri Goodwill Industries' compliance with federal, state and local SLATE requirements for the period July 1, 2004 through August 31, 2004, and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding the MERS/Missouri Goodwill Industries' internal controls relating to the grant administered by the St. Louis Agency on Training and Employment (SLATE), tested evidence supporting the reports the Agency submitted to SLATE and performed other procedures considered necessary. Our fieldwork was substantially complete on October 14, 2004.

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
MERS/MISSOURI GOODWILL INDUSTRIES
CONTRACTS #112-05 AND #211-05
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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

We found no evidence to suggest that the Metropolitan Employment and Rehabilitation Services (MERS)/Goodwill Industries did not comply with federal, state, and local SLATE requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring report dated June 15, 2004 identified no observations.

A-133 Status

Internal Audit reviewed the Agency's A-133 audit report for the year ended December 31, 2003 dated May 17, 2004 on October 7, 2004. Unqualified opinions were rendered on both the general purpose financial statements as well as the report issued on compliance for major programs. No material weaknesses were identified, but one (1) reportable conditions related to internal control over a major program was noted:

- The Agency included in the monthly billing requests the salaries of two employees that no longer worked on the grant.

This federal grant was not passed through the City of St. Louis.

Summary of Current Observations

We noted no observations during our review.