

FILE COPY

DARLENE GREEN
Comptroller



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



Internal Audit Section

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May 4, 2005

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-22 [Second Visit])

Dear Mr. Thomas:

Enclosed is a report of our fiscal monitoring review of MERS/Missouri Goodwill Industries [Second Visit] (Contracts #112-05 and #211-05) for the period September 1, 2004 through February 28, 2005. 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 April 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 Dwayne Crandall at 613-7257.

Sincerely,

Mohammad H. Adil, CPA
Internal Audit Manager

Enclosure

cc: Honorable Darlene Green, Comptroller
Tom Jones, Director, St. Louis Agency on Training and Employment
Kim Neske, Fiscal Manager, St. Louis Agency on Training and Employment



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)

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

FISCAL MONITORING REVIEW

SEPTEMBER 1, 2004 THROUGH FEBRUARY 28, 2005

PROJECT #2005-SLATE22

DATE ISSUED: MAY 4, 2005

*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 (2nd VISIT)
CONTRACTS #112-05 AND #211-05
FISCAL MONITORING REVIEW
SEPTEMBER 1, 2004 THROUGH FEBRUARY 28, 2005

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CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
MERS/MISSOURI GOODWILL INDUSTRIES (2nd VISIT)
CONTRACTS #112-05 AND #211-05
FISCAL MONITORING REVIEW
SEPTEMBER 1, 2004 THROUGH FEBRUARY 28, 2005

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 September 1, 2004 through February 28, 2005, 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 April 14, 2005.

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
MERS/MISSOURI GOODWILL INDUSTRIES (2nd VISIT)
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FISCAL MONITORING REVIEW
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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

We found no evidence to suggest that 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 November 22, 2004 identified no observations.

A-133 Status

The Metropolitan Employment and Rehabilitation Service (MERS)/ Goodwill Industries submitted its A-133 audit report for the year ended December 31, 2003 dated May 17, 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 reporting was found. The Agency included in the monthly billing requests the salaries of two employees that no longer worked on the grant. This finding was not considered to be a material weakness and did not pertain to the contracts with SLATE. The Internal Audit Section reviewed the audit report and recommended to SLATE to accept the report.

Summary of Current Observations

We noted no observations during our review.