

2005-HCM16

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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

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November 15, 2004

Mr. Steve Campbell  
Executive Director  
Peter and Paul Community Services, Inc.  
1025 Park Ave.,  
St. Louis, MO 63104

RE: Fiscal Monitoring Report of Peter and Paul Community Services, Inc.

- Supportive Housing Services (SHP), Document #47402
- Homeless Challenge Program (HCP), Document #48349

Dear Mr. Campbell:

Enclosed is a report of our fiscal monitoring review of Peter and Paul Community Services, Inc. for Supportive Housing Services (SHP) and the Homeless Challenge Program (HCP) for the period August 1, 2003 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 Peter and Paul Community Services, Inc. Our fieldwork was substantially completed on October 1, 2004.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and through an agreement with the Department of Human Services (DHS) to provide fiscal monitoring to all grant subrecipients. If you have any questions, please contact me at 314-613-7257.

Sincerely,

Dwayne Crandall, MHA, CIA, CPA  
Internal Audit Supervisor

cc: Honorable Darlene Green, Comptroller  
Patrick Brennan, Fiscal Manager, Department of Human Services



# CITY OF ST. LOUIS

*DEPARTMENT OF HUMAN SERVICES (DHS)  
HOMELESS SERVICES PROGRAM*

*PETER & PAUL COMMUNITY SERVICES, INC.  
SUPPORTIVE HOUSING PROGRAMS (SHP) AND  
HOMELESS CHALLENGE PROGRAM (HCP)  
DOCUMENTS #47042 AND #48349*

*FISCAL MONITORING REVIEW*

*AUGUST 1, 2003 THROUGH AUGUST 31, 2004*

*PROJECT #2005-HOM6*

*DATE ISSUED: NOVEMBER 15, 2004*

*Prepared by:  
The Internal Audit Section*



# OFFICE OF THE COMPTROLLER

**Honorable Darlene Green, Comptroller**

**CITY OF SAINT LOUIS  
DEPARTMENT OF HUMAN SERVICES  
PETER & PAUL COMMUNITY SERVICES, INC.  
SUPPORTIVE HOUSING PROGRAM (SHP),  
HOMELESS CHALLENGE PROGRAM (HCP)  
FISCAL MONITORING REVIEW  
AUGUST 1, 2003 through AUGUST 31, 2004**

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**CITY OF SAINT LOUIS  
DEPARTMENT OF HUMAN SERVICES  
PETER & PAUL COMMUNITY SERVICES, INC.  
SUPPORTIVE HOUSING PROGRAM (SHP),  
HOMELESS CHALLENGE PROGRAM (HCP)  
FISCAL MONITORING REVIEW  
AUGUST 1, 2003 through AUGUST 31, 2004**

**INTRODUCTION**

**Background**

**Contract Name:** Peter and Paul Community Services, Inc.

**Document Number(s):** #47042, #48349

**Contract Period(s):** August 1, 2003 through July 31, 2005 for Document #47042, October 1, 2003 through September 30, 2004 for Document #48349

**Contract Amount(s):** \$644,079 (Document #47042), \$5,089 (Document #48349)

**Purpose**

The purpose of this fiscal monitoring review was to determine Peter & Paul Community Services, Inc.'s Supportive Housing Program (SHP) (Document # 47042) and Homeless Challenge Program (HCP) (Document #48349) compliance with federal, state and local Department of Human Services (DHS) requirements for the period August 1, 2003 through August 31, 2004, and make recommendations for improvements.

**Scope and Methodology**

We made inquiries regarding Peter and Paul Community Services, Inc.'s internal controls relating to the grant administered by the Department of Human Services (DHS), tested evidence supporting the reports the Agency submitted to the Department of Human Services (DHS) and performed other procedures considered necessary. Our fieldwork was substantially completed on October 1, 2004. Management's response was received on November 12, 2004 and incorporated into this report.

CITY OF SAINT LOUIS  
DEPARTMENT OF HUMAN SERVICES  
PETER & PAUL COMMUNITY SERVICES, INC.  
SUPPORTIVE HOUSING PROGRAM (SHP),  
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FISCAL MONITORING REVIEW  
AUGUST 1, 2003 through AUGUST 31, 2004

CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Peter and Paul Community Services, Inc. did not fully comply with federal, state, and local DHS requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring for the Supportive Housing Program dated August 9, 2002 noted two observations:

- The Agency did not submit its monthly financial reports in a timely manner. **Resolved.**
- The Agency did not document program income at either shelter. **Resolved.**

The Agency's most recent fiscal monitoring report for Homeless Challenge Program dated June 17, 2004 noted one observation:

- The Agency did not require two (2) Authorized Signatures on Checks for the SHP contract. **Repeated. See Current Observation.**

A-133 Status

The Agency was required to have an A-133 Audit for year ended June 30, 2003. Internal Audit reviewed the report, dated July 29, 2003 on February 2, 2004. The independent auditors rendered unqualified opinions on the general-purpose financial statements as well as the report on compliance for major programs. There was one reportable finding regarding the financial statements, which pertained to inadequate segregation of duties. This was a repeat finding from the prior year. In following up on this observation, we interviewed the Executive Director. The Executive Director stated the duties of the Business Manager and Program Coordinator are now separated.

Summary of Current Observation

- The Agency did not have two (2) authorized signatures on checks.

**CITY OF SAINT LOUIS  
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SUPPORTIVE HOUSING PROGRAM (SHP),  
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FISCAL MONITORING REVIEW  
AUGUST 1, 2003 through AUGUST 31, 2004**

**DETAILED OBSERVATIONS, RECOMMENDATIONS,  
AND MANAGEMENT RESPONSES**

**The Agency Did Not Have Two (2) Authorized Signatures on Checks**

The Department of Human Services procedure manual states that an agency should have two (2) authorized officers sign checks. The Department of Human Services guidelines were applied to the Homeless Challenge Program (HCP) (Document #48349) and Supportive Housing Program (SHP) (Document #47042).

The Agency failed to have 8% (23 of 262) of its checks signed by duly authorized officers. This analysis was done over a three (3) month period, from June 2004 through August 2004. The Agency did not meet DHS guidelines. Our interview with the Executive Director revealed that many of the checks did not have two signatures because of the shortage of personnel along with the number of vacations being taken.

**Recommendation**

We recommend the Agency comply with guidelines or apply to the Department of Human Services for a waiver for the two (2) signature requirement.

**Management's Response**

*We concur with the observation made. [We] have spoken with the agency business manager and administrative assistant, and reminded them of the DHS requirement, and our own agency requirement. Every effort will be made to ensure that each check written has two authorized signatures.*

*Mitigating circumstances: In the time frame of this observation, one of the positions with check signing authority was vacant, and two others were out of town. This left only two authorized signers in town, only one of whom works at our administrative offices.*