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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

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December 6, 2004

Ms. Jan Quinn, Director  
Badenfest Community Corporation  
8122 N. Broadway  
St. Louis, MO 63147

RE: Fiscal Monitoring Report of Badenfest Community Corporation (2005-SLA8)

Dear Ms. Quinn:

Enclosed is a report of our fiscal monitoring review of Badenfest Community Corporation's contract with the Department of Human Services (Contract #48949) for the period July 1, 2004 through September 30, 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 Badenfest Community Corporation. Our fieldwork was substantially completed on November 8, 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 to provide fiscal monitoring to all grant sub-recipients. If you have any questions, please contact me at 613-7257.

Sincerely,

Dwayne Crandall, MHA, CIA, CPA  
Internal Audit Supervisor

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

Enclosure



# CITY OF ST. LOUIS

*DEPARTMENT OF HUMAN SERVICES (DHS)  
ST. LOUIS AREA AGENCY ON AGING (SLAAA)*

*BADENFEST COMMUNITY CORPORATION  
DOCUMENT #48949*

*FISCAL MONITORING REVIEW*

*JULY 1, 2004 THROUGH SEPTEMBER 30, 2004*

*PROJECT #2005-SLA8*

*DATE ISSUED: DECEMBER 6, 2004*

*Prepared by:  
The Internal Audit Section*



# OFFICE OF THE COMPTROLLER

*HONORABLE DARLENE GREEN, COMPTROLLER*

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
ST. LOUIS AREA AGENCY ON AGING (SLAAA)  
BADENFEST COMMUNITY CORPORATION  
FISCAL MONITORING REVIEW  
JULY 1, 2004 THROUGH SEPTEMBER 30, 2004**

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**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
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BADENFEST COMMUNITY CORPORATION  
FISCAL MONITORING REVIEW  
JULY 1, 2004 THROUGH SEPTEMBER 30, 2004**

**INTRODUCTION**

**Background**

**Contract Name:** Badenfest Community Corporation

**Contract Period:** July 1, 2004 through June 30, 2005

**Contract Amount:** \$35,107

**Contract Number:** 48949

The funds are used to provide services such as congregate and home delivered meals for elderly and disabled residents of the City of St. Louis, in accordance with Title III of the Older Americans Act.

**Purpose**

Our purpose was to determine Badenfest Community Corporation's compliance with federal, state and local Department of Human Service (DHS) requirements for the period July 1, 2004 through September 30, 2004 and make recommendations for improvements.

**Scope and Methodology**

We made inquiries regarding Badenfest Community Corporation's internal controls relating to the grant administered by St. Louis Area Agency on Aging (SLAAA), tested evidence supporting the reports the agency submitted to SLAAA and performed other procedures considered necessary. Our fieldwork was substantially completed on November 8, 2004. Management's response was received on December 2, 2004 and has been incorporated into this report.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Badenfest Community Corporation did not fully comply with federal, state and local Department of Human Services' requirements.

Status of Prior Observations

The prior fiscal monitoring review, dated November 7, 2003, noted one observation:

Program income was not deposited in a timely manner. **(Repeated. See current observation.)**

A-133 Status

We obtained a letter from the Director of the Agency, dated October 19, 2004, stating that an A-133 Audit was not required because the Agency did not expend \$500,000 or more in Federal funds for the year ended August 31, 2004.

Summary of Current Observations

We made a recommendation for the following observation, which if implemented, could assist Badenfest Community Corporation in fully complying with federal, state, and local DHS requirements.

- Program income was not deposited in a timely manner.

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**DETAILED OBSERVATION, RECOMMENDATION,  
AND MANAGEMENT RESPONSE**

**Program Income was not Deposited in a Timely Manner**

The Department of Human Services policy guidelines require the Agency to deposit program income when it reaches \$100 or weekly, whichever comes first. We reviewed the September 2004 Program Income Report. The Agency made only three deposits for the month of September 2004, which consisted of five weeks. The first week and two days of the second week (September 1-8) of program income totaling \$134 were deposited on September 9, 2004. Two days of the second week and four days of the third week (September 9-16) of program income totaling \$72 were deposited on September 21, 2004. One day of the third week and the last two weeks of the month (September 17-30) of program income totaling \$126 were deposited on October 6, 2004. Agency management fears robbery if they deposit program income at the end of each week routinely. This is a case of non-compliance with DHS policy guidelines, and increases the risk of safeguarding assets.

**Recommendation**

We recommend the Agency deposit program income at least once a week, or when it reaches \$100.00 in accordance with DHS policy and discussed this issue with DHS.

**Management's Response**

*The Badenfest Community Center concurs with this finding and will make every attempt to resolve without putting safety of employees or security of deposits in jeopardy.*