

FILE 001



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

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April 6, 2005

Mr. Michael Howard
Director
Five Star Senior Center
2832 Arsenal
St. Louis, MO 63118

RE: Fiscal Monitoring Report of Five Star Senior Center (2005-SLA17)

Dear Mr. Howard:

Enclosed is a report of our fiscal monitoring review of Five Star Senior Center's contract with the Department of Human Services (Contract #48989) for the period July 1, 2004 through December 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 Five Star Senior Center. Our fieldwork was substantially completed on February 24, 2005.

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 Dwayne Crandall at 613-7257.

Sincerely,

A handwritten signature in black ink that reads "Mohammad Adil".

Mohammad Adil, CPA
Internal Audit Manager

Enclosure

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



CITY OF ST. LOUIS

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

*FIVE STAR SENIOR CENTER
DOCUMENT #48989*

FISCAL MONITORING REVIEW

JULY 1, 2004 THROUGH DECEMBER 31, 2004

PROJECT #2005-SLA17

DATE ISSUED: APRIL 6, 2005

*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)
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FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: Five Star Senior Center
Contract Period: July 1, 2004 through June 30, 2005
Contract Amount: \$286,669
Contract Number: 48989

The funds are used to provide services such as transportation, congregate meals 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 Five Star Senior Center's compliance with federal, state and local Department of Human Service (DHS) requirements for the period July 1, 2004 through December 31, 2004 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding Five Star Senior Center'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 February 24, 2005. Management's responses were received on March 25, 2005 and have been incorporated into this report.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Five Star Senior Center did not fully comply with federal, state and local Department of Human Services' requirements.

Status of Prior Observations

The prior fiscal monitoring review, dated January 6, 2004 noted three observations:

1. Volunteer hours included employee's time and were not always signed by the volunteers or approved by management. **Resolved.**
2. Signatures were not always obtained for transportation units of service. **Resolved.**
3. NAPIS database needs to be updated correctly. **Resolved.**

A-133 Status

We obtained a letter from the Director of the Agency, dated February 21, 2005, 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 June 30, 2004.

Summary of Current Observations

We made a recommendation for the following observation, which if implemented, could assist Five Star Senior Center in fully complying with federal, state, and local DHS requirements.

- Total expenditures were not accurately reported.

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DETAILED OBSERVATIONS, RECOMMENDATIONS,
AND MANAGERMENTS RESPONSES

Total Expenditures were not Accurately Reported

The Department of Human Services policy guidelines require the Agency to submit accurate monthly reports. The Agency's Non-Federal report for December 2004 was inaccurate. Total expenditures reported to SLAAA for December 2004 were \$35,856.20. We reviewed the Agency's financial statements and calculated the total expenditures to be \$34,917.66. This is an overstatement of \$938.54. This error could affect the Agency's Non-Federal Other Cash (NFOC), and ultimately can affect the matching requirement. In this case, the Agency was able to meet the match.

Recommendation

We recommend the Agency submit accurately Non-Federal reports to DHS, and correct the overstatement on the next monthly report.

Management's Response

We concur with the observation and will make necessary adjustments to correct it.