



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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April 27, 2005

Judith Moore, Director
Grand Oak Hill Community Corporation
4168 Juniata
St. Louis, MO 63116

RE: Fiscal Monitoring Report of Grand Oak Hill Community Corporation (2005-SLA24)

Dear Ms. Moore:

Enclosed is a report of our fiscal monitoring review of Grand Oak Hill Community Corporation's contract with the Department of Human Services (Contract #48792) for the period July 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 Grand Oak Hill Community Corporation. Our fieldwork was substantially completed on March 29, 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,

Mohammad H. 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)*

*GRAND OAK HILL COMMUNITY CORPORATION
DOCUMENT #48792*

FISCAL MONITORING REVIEW

JULY 1, 2004 THROUGH FEBRUARY 28, 2005

PROJECT #2005-SLA24

DATE ISSUED: APRIL 27, 2005

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

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INTRODUCTION

Background

Contract Name: Grand Oak Hill Community Corporation

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

Contract Amount: \$67,381

Contract Number: 48792

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 Grand Oak Hill Community Corporation's compliance with federal, state and local Department of Human Service (DHS) requirements for the period July 1, 2004 through February 28, 2005 and make recommendations for improvements.

Scope and Methodology

We made inquiries regarding Grand Oak Hill 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 March 29, 2005. Management's responses were received on April 26, 2005 and have been incorporated into this report.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Grand Oak Hill 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 April 12, 2004 noted one observation:

- Financial reports were not submitted on time. **Repeated. See Current Observation #1.**

A-133 Status

We obtained a letter from the Director of the Agency, dated March 11, 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 December 31, 2004.

Summary of Current Observations

We made recommendations for the following observations, which if implemented, could assist Grand Oak Hill Community Corporation in fully complying with federal, state and local DHS requirements.

1. The Agency did not sign client contributions on a daily basis.
2. Program Income was not reported accurately.
3. Financial reports were not submitted on time.

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**DETAILED OBSERVATIONS, RECOMMENDATIONS AND
MANAGEMENT'S RESPONSE**

1. The Agency did not Sign Client Contributions on a Daily Basis

The Department of Human Services policy guidelines require the Agency to count program income and sign contribution sheets on a daily basis. Two signatures are required, one volunteer and one employee. We reviewed the program income for February and March 2005. The Agency made timely deposits. However, the volunteer did not sign the daily client contribution sheet for February 9, 10, and 11 and for March 9, 10, and 11. Internal controls, including safeguarding of assets, are improved when the DHS guidelines are followed.

Recommendation

We recommend the Agency count program income and sign the contribution sheets on a daily basis.

Management's Response

The issue with client contributions is important. We have always counted the contributions on a daily basis; our mistake was not counting the contributions together: volunteer and employee. Since you have pointed the correct process to us, we have made sure that I and a volunteer count the contributions together.

2. Program Income was not Reported Accurately

The Department of Human Services policy guidelines require the Agency to accurately record, safeguard, report, and deposit all program income. We reviewed the February 2005 Program Income Report. The Agency reported \$1,263 to SLAAA. We recalculated the amounts from the client contribution reports and came up with \$1,411.05. We had a difference of \$148.05. We found that the Agency did not report program income received on February 15, 2005. We reviewed the deposit slips and the deposit was made on March 7, 2005. This error could affect the Agency's Non-Federal Other Cash (NFOC), and ultimately can affect the matching requirement. We recalculated the matching amount based on correct program income and found the Agency appeared to meet the match at the time of our visit.

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Recommendation

We recommended the Agency comply with the Department of Human Services requirements and accurately report program income.

Management's Response

We agree that a mistake was made in reporting an accurate total of program income. We think that the math will be more accurate since we have begun to follow the recommendation in finding #1. The \$148.05 was reported in the March report to SLAAA.

3. Financial Reports were not Submitted on Time

The Department of Human Services policy guidelines require the Agency to submit all monthly reports or records to the City, by the third (3rd) working day of the month following the last day of the reported month. This allows for expeditious processing of payments. We reviewed financial reports from August 2004 through February 2005. Reports for the months of August, October, November, December and January were one, one, three, one and one days late respectively. In addition, we were informed by DHS personnel initial submissions were often incomplete. The payments for the service may be delayed beyond the expected payment date.

Recommendation

We recommend the Agency submit complete and accurate financial reports on time.

Management's Response

We agree that the reports were received after 5pm on the date of the submission. Initially we believed that the date and time on our fax was the reason our reports were believed to be sent late. That has been corrected. The incompleteness of reports is still a mystery to us, since no one has detailed what was incomplete in which report. We have observed that later Napis reports for specific months do not match original reports we sent in and have had no explanation for the changes, nor were informed that changes were made. However, all reports will be submitted to SLAAA before the 5pm deadline on the 3rd day of the month.