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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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January 24, 2007

William F. Siedhoff, Director  
Department of Human Services  
634 N. Grand Boulevard, Room 720  
St. Louis, MO 63103-1002

RE: Follow-up Review of the City of St. Louis, Department of Human Services (DHS), 2005 OMB Circular A-133 Single Audit Report (Project # 2007-15)

Dear Mr. Siedhoff:

We have conducted a limited follow-up review on the 2005 OMB A-133 Single Audit Report (DHS), Project #2004-47, issued December 6, 2005. This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. A limited follow-up review does not necessarily involve detailed testing or verification but instead relies on communication with department's management and staff, as well as limited observations. The purpose of this follow-up review is to determine the status of the observation made in the report issued December 6, 2005 as of October 2, 2006 as it related to DHS.

We determined that the following observation has been **resolved**.

Compliance with Sub-recipient Monitoring Requirements, Finding #05-03

DOH had awarded Fortress Outreach \$35,000 for property acquisition and rehabilitation. DOH has a contract with the Comptroller's Office Internal Audit Section (IAS) to conduct fiscal monitoring of sub-recipients for the period July 1, 2006 through June 30, 2007. IAS made numerous unsuccessful attempts to audit Fortress Outreach. Subsequently, DOH stopped contracting with it.

In January 2006, Fortress Outreach filed for bankruptcy. We determined that Fortress Outreach has paid the City/DOH \$15,000 (Voucher # JH 010207, Check #12701294) to settle the \$35,000 it owed.

Mr. Siedhoff  
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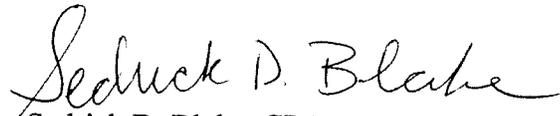
We determined that the following observation has **not been resolved**:

2. Compliance with Reporting Requirements, Finding #05-02

In compliance with 24 CFR, section 583, each sub-recipient is required to prepare and submit an Annual Progress Report (APR) to DHS, which in turn, is required to submit it to HUD within 90 days after the end of the contract period. The APR for the fiscal year ending June 30, 2006, which was due on September 30, 2006, was not submitted until November 11, 2006. However, we noted that DHS has hired three (3) new employees to ensure that APRs are prepared and submitted timely.

If you have any questions, please contact me at (314) 589-6132.

Sincerely,



Sedrick D. Blake, CPA  
Audit/ Fiscal Executive

cc: Pat Brennan, Fiscal Manager, DHS  
Antoinette Triplett, Program Manager, DHS