

DARLENE GREEN
Comptroller



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



Internal Audit Section

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November 28, 2006

Edward T. Jones, Executive Director
St. Louis Agency on Training and Employment (SLATE)
1017 Olive Street, 3rd Floor
St. Louis, Missouri 63101

RE: Follow-Up Review of the City of St. Louis OMB Circular A-133 Audit Report as it relates to SLATE (Project # 2007-18)

Dear Mr. Jones:

We have conducted a limited follow-up review on the City of St. Louis' OMB Circular A-133 Audit report, as it relates to SLATE, issued July 7, 2006. 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 management and staff, as well as limited observations. Our purpose was to determine the status of the findings and recommendations noted in the Schedule of Findings and Question Cost of the above report.

We determined that the following findings have been **resolved**:

1. Opportunity to Comply with the U. S. Department of Labor's Cash Management Requirements (Findings #05-06 and #05-08, A-133 Report)

During fiscal year 2005, SLATE staff completed reconciliation for that period where proper allocation of expenditures and distribution of cash did occur. Additionally, SLATE has implemented procedures to comply with the US Department of Labor's cash management requirements. These procedures are as follows:

1. The City of St. Louis general ledger is reconciled monthly to the SLATE in-house general ledger.
2. The expenditures reported on the Contract Progress Report (CPR) and the subsequent drawdown requests are based on the true expenditures reported on the City of Saint Louis general ledger.
3. The expenditures reported on CPR are reconciled to the formal drawdown request before it is submitted to the Missouri Department of Economic Development.
4. All records are maintained in SLATE office to support the monthly reconciliation, reporting of expenditures and drawdowns.

2. Opportunity to Comply with the U. S. Department of Health and Human Services' Earmarking Requirements (Finding #05-09, A-133 Report)

Beginning fiscal year 2005 the 15 percentage earmarking of program funds for training expenditures is no longer required under the Temporary Assistance for Needy Families (TANF) program (CFDA #93.558). The training part of TANF has been moved to the Department of Labor's Welfare-to-Work program (CFDA #17.253).

We determined that the following finding has been **partially resolved**:

1. Opportunity to Record Accurately the Schedule of Expenditures of Federal Awards (Finding #05-10, A-133 Report)

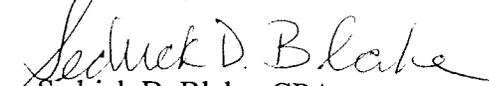
The Federal Grants Section of the Comptroller's Office prepares the Schedule of Expenditures of Federal Awards. To ensure that the Schedule of Expenditures of Federal Grants Awards include all federal expenditures, the Federal Grants section has established procedures to:

1. Contact the funding agency and obtain the CFDA numbers and title for each federal award.
2. Include the above information in the City general ledger grant setup.

As of the date of this report, however, not all of the federal awarded grants have been verified by their CFDA numbers.

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

Respectfully,


Sedrick D. Blake, CPA
Internal Audit Executive

Enclosure

cc: Ronald Smith, Operations Manager, Office of the Mayor