



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



DARLENE GREEN  
Comptroller

*Internal Audit Section*

Carnahan Courthouse Building  
1114 Market St., Room 608  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

# Memorandum

**To:** Dr. William Kincaid, Director  
**From:** Sedrick D. Blake, Internal Audit Executive *SDB*  
**Date:** 08/09/06  
**Re:** A-133 Audit Review Response – BJC HealthCare

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The attached A-133 report, issued September 16, 2005 for BJC HealthCare, shows no federal funds passed through the City of St. Louis Department of Health and Hospitals were expended by the Agency for the period ended December 31, 2004.

However, the St. Louis Children's Hospital, which is part of the BJC Health Care organization, received \$43,000 in funds under contract HD #04-36, March 1, 2004 through February 28, 2005, CFDA 93.914. We contacted BJC HealthCare Audit Services on 08/04/06 and spoke with Karen James (314-286-0312, FAX 314-286-0330) who informed us that these expenditures were reported on the Schedule of Expenditure of Federal Awards (page 24 of the report) although they were not identified as passed through the City of St. Louis.

**We recommend the Department of Health and Hospitals request this Agency correct its Schedule of Expenditures of Federal Awards to show the funds as passed through the City of St. Louis.**

The Agency received an unqualified opinion on its financial statement but a qualified opinion on the auditors' report issued on compliance for major programs. The reportable conditions were not considered to be material weaknesses. The three findings were required to be reported in accordance with OMB Circular A-133 (Section— .510(a)). None of the findings related to the contract with the City. The Agency qualified as a low-risk auditee as defined by the Circular.

If you have any questions concerning the above, please contact me at 589-6132.

cc: Charles Hickey, DOH