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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

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SEDRICK D. BLAKE, CPA
Audit/Fiscal Executive

January 28, 2008

Ms. Meg Ebersoldt
Healthcare Strategic Initiatives (HSI)
1836 Lackland Hill
St. Louis, MO 63146

RE: Fiscal Monitoring Report of Healthcare Strategic Initiatives (HSI)
Contracts #HD-07-23 and #HD-07-34, CFDA #93.914 and #93.917
(Project #2008-DOH05)

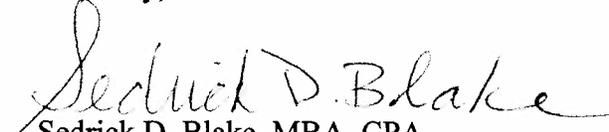
Dear Ms. Ebersoldt:

Enclosed is a report of our fiscal monitoring review of Healthcare Strategic Initiatives (HSI), Contracts #HD-07-23 and #HD-07-34, for the period March 1, 2007 through October 31, 2007. 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 HSI. Our fieldwork was completed on October 30, 2007.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Department of Health to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact Ishmael Ikpeama at (314) 589-6113.

Sincerely,


Sedrick D. Blake, MBA, CPA
Audit/Fiscal Executive

Enclosure

cc: David Fagala, Accounting Supervisor, City of St. Louis Department of Health



CITY OF ST. LOUIS

*DEPARTMENT OF HEALTH (DOH)
LACKLAND ACQUISITIONS II, LLC
DBA HEALTHCARE STRATEGIC INITIATIVES (HSI)*

*RYAN WHITE TITLE I – CFDA #93.914
CONTRACT #HD-07-23 – DOCUMENT #55468
RYAN WHITE TITLE II – CFDA #93.917
CONTRACT #HD-07-34 – DOCUMENT #55475*

FISCAL MONITORING REVIEW

MARCH 1, 2007 THROUGH OCTOBER 31, 2007

PROJECT #2008-DOH05

DATE ISSUED: JANUARY 28, 2008

Prepared by: Internal Audit Section



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
LACKLAND ACQUISITIONS II, LLC
dba HEALTHCARE STRATEGIC INITIATIVES (HSI)
RYAN WHITE TITLE I – CONTRACT #HD-07-23 – DOCUMENT #55468
RYAN WHITE TITLE II – CONTRACT #HD-07-34 – DOCUMENT #55475
FISCAL MONITORING REVIEW
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**CITY OF ST. LOUIS
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INTRODUCTION

Background

Contract Name: Lackland Acquisitions II, LLC
dba Healthcare Strategic Initiatives (HSI)

Contract Programs: Ryan White Title I – CFDA #93.914
Ryan White Title II – CFDA #93.917

Contract Numbers: HD-07-23
HD-07-34

Contract Periods: March 1, 2007 through February 29, 2008
March 1, 2007 through February 29, 2008

Contract Amounts: \$1,235,846
\$63,000 (as revised)

These contracts provided funds for Healthcare Strategic Initiatives to provide Program Management and Quality Assurance services to the City of St. Louis Department of Health (DOH). These services assist in providing Ryan White Title I and Ryan White Title II benefits to low-income and uninsured persons living with HIV and AIDS.

Purpose

The purpose of this fiscal monitoring review was to determine Healthcare Strategic Initiatives' (Contracts #HD-07-23 and #HD-07-34) compliance with federal, state and local DOH requirements for the period March 1, 2007 through October 31, 2007. We will make recommendations for improvements if necessary.

Scope and Methodology

We made inquiries regarding Healthcare Strategic Initiatives' internal controls relating to the grant administered by the DOH, tested evidence supporting the reports the agency submitted to DOH and performed other procedures considered necessary. Our fieldwork was completed on October 30, 2007.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

Healthcare Strategic Initiatives appears to be in compliance with federal, state and City of St. Louis Department of Health requirements.

Status of Prior Observations

The prior fiscal monitoring report dated July 3, 2007 did not have any observations.

A-133 Status

The A-133 audit for fiscal year ended December 31, 2006, and dated August 31, 2007, did not have any findings or questioned costs regarding federal awards. The report identified no material weaknesses or reportable conditions considered to be material weaknesses in the agency's internal controls over major programs. An unqualified opinion was issued in the report on compliance for the major programs. The agency did qualify as a low-risk auditee as defined in OMB Circular A-133. An audit of the financial statements of Lackland Acquisitions II, LLC (dba Healthcare Strategic Initiatives) was not performed. As permitted by section 510(a) of OMB Circular A-133, a program specific audit was performed. Internal Audit Section management reviewed the report dated September 15, 2007 and recommended the report be accepted with no further action taken.

Summary of Current Observations

There are no current observations.