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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
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St. Louis, Missouri 63101
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July 23, 2008

Sheroo Mukhtiar, Executive Director
Almost Home
3200 St. Vincent Avenue
St. Louis, MO 63104

RE: Review of Almost Home, Federal Emergency Shelter Grant (FESG),
CFDA #14.231, Contract #55748 (Project #2008-HOM5)

Dear Ms. Mukhtiar:

Enclosed is a report of our fiscal monitoring review of Almost Home, FESG, for the period January 1, 2007 through November 30, 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 Almost Home. Our fieldwork was completed on December 14, 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 Human Services (DHS) to provide fiscal monitoring to all grant sub recipients.

If you have any questions, please contact me at (314) 622-4723.

Sincerely,

A handwritten signature in black ink, appearing to read "Mohammad H. Adil".

Mohammad H. Adil
Internal Audit Manager

Enclosure

cc: Patrick Brennan, Fiscal Manager, DHS



CITY OF ST. LOUIS

*DEPARTMENT OF HUMAN SERVICES (DHS)
HOMELESS SERVICES PROGRAM*

*ALMOST HOME
FEDERAL EMERGENCY SHELTER GRANT (FESG)
CONTRACT #55745
CFDA #14.231*

FISCAL MONITORING REVIEW

JANUARY 1, 2007 THROUGH NOVEMBER 30, 2006

PROJECT #2008-HOM5

DATE ISSUED: JULY 23, 2008

*Prepared by:
The Internal Audit Section*



OFFICE OF THE COMPTROLLER

Honorable Darlene Green, Comptroller

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES
ALMOST HOME
FEDERAL EMERGENCY SHELTER PROGRAM
FISCAL MONITORING REVIEW
JANUARY 1, 2007 THROUGH NOVEMBER 30, 2007**

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**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES
ALMOST HOME
FEDERAL EMERGENCY SHELTER PROGRAM
FISCAL MONITORING REVIEW
JANUARY 1, 2007 THROUGH NOVEMBER 30, 2007**

INTRODUCTION

Background

Contract Name: Federal Emergency Shelter Grant (FESG)

Contract Number: 55748

CFDA Number: 14.231

Contract Period: January 1, 2007 through December 31, 2007

Contract Amount: \$76,230

This contract provided Federal Emergency Shelter Grant (FESG) funds to Almost Home (Agency) for providing transitional housing to homeless, unwed teenage mothers and their children who are residents of the city of St. Louis.

Purpose

The purpose of this fiscal monitoring review was to determine if the Agency complied with OMB Circular A-133, state and local DHS requirements for the period January 1, 2007 through November 30, 2007 and make recommendations for improvements, if needed.

Scope and Methodology

We made inquiries regarding the Agency's internal controls relating to the grant administered by DHS, tested evidence supporting the reports the Agency submitted to DHS and performed other procedures considered necessary. Our fieldwork was completed on December 14, 2007.

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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

We found evidence to suggest that the Agency did not fully comply with local DHS requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring report dated January 12, 2007 identified the following observation:

- The Agency did not require two authorized signatures on checks. **(Repeated. See Current Observation.)**

A-133 Status

According to a letter received from Agency's management dated May 24, 2007, the Agency was not required to obtain an A-133 audit for the period ending December 31, 2006 because it did not expend \$500,000 or more in federal funds.

Summary of Current Observations

We made a recommendation for the following observation, which if implemented, could assist Almost Home in fully complying with local DHS requirements.

- The Agency did not require two authorized signatures on disbursement checks.

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

The Agency did not require two authorized signatures on disbursement checks.

The Department of Human Services policy guidelines require the Agency to have two authorized signatures on checks. The Agency had only one authorized signature on checks. Non-compliance with DHS policy guidelines may result in misappropriation of federal funds.

Recommendation

We recommend the Agency comply with DHS policy guidelines and use two signatures on checks or request a waiver from the Department of Human Services.

Management's Response

The agency concurs with the observation. The agency understands that the Department of Human Services requires two signatures on each check but this is difficult for Almost Home due to the size of the agency staff and the role and responsibilities of each staff person (segregation of duties). The issue has been discussed with our independent auditors, Zielinski and Associates and they have not been able to offer a viable solution. As a result of this they pay particular attention to our accounts payable process when performing their annual audit. The auditors are satisfied with how accounts payable procedures are handled.