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OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



**DARLENE GREEN**  
Comptroller

*Internal Audit Section*

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**DR. KENNETH M. STONE, CPA**  
Internal Audit Executive

October 15, 2008

Jennifer Bess, Executive Director  
Bevo Area Community Improvement Corporation  
4705 Ridgewood  
St. Louis, MO 63116

RE: Fiscal Monitoring of Bevo Area Community Improvement Corporation, Community Development Block Grant (CDBG) – Bevo Senior Center Services, Contracts #06-12-65, #07-12-65, CFDA #14.218 (Project #2008-CDA38)

Dear Ms. Bess:

Enclosed is a report of our fiscal monitoring review of Bevo Area Community Improvement Corporation, a not-for-profit organization, CDBG – Bevo Senior Center Services, for the period January 1, 2006 through December 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 Bevo Area Community Improvement Corporation. Our fieldwork was completed on March 26, 2008.

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 Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

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

Sincerely,

A handwritten signature in black ink that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acing Executive Director, CDA  
Lorna Alexander, Special Assistant for Development, CDA



# CITY OF ST. LOUIS

*COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)*

*BEVO AREA COMMUNITY IMPROVEMENT CORPORATION  
COMMUNITY SENIOR CENTER SERVICES  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)*

*CONTRACTS #06-12-65 AND #07-12-65  
CFDA #14.218*

*FISCAL MONITORING REVIEW  
JANUARY 1, 2006 THROUGH DECEMBER 31, 2007  
PROJECT #2008-CDA38*

*DATE ISSUED: OCTOBER 15, 2008*

*Prepared by:  
The Internal Audit Section*



## OFFICE OF THE COMPTROLLER

*HONORABLE DARLENE GREEN, COMPTROLLER*

**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
BEVO AREA COMMUNITY IMPROVEMENT CORPORATION  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
FISCAL MONITORING REVIEW  
JANUARY 1, 2006 THROUGH DECEMBER 31, 2007**

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**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
BEVO AREA COMMUNITY IMPROVEMENT CORPORATION  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
FISCAL MONITORING REVIEW  
JANUARY 1, 2006 THROUGH DECEMBER 31, 2007**

**INTRODUCTION**

**Background**

**Contract Name:** Bevo Senior Center Services

**Contract Numbers:** 06-12-65  
07-12-65

**CFDA Number:** 14.218

**Contract Periods:** January 1, 2006 through December 31, 2006  
January 1, 2007 through December 31, 2007

**Contract Amounts:** \$30,000  
\$30,000 (\$90,000 Revised)

These contracts provided CDBG funds to Bevo Area Community Improvement Corporation (Agency) for its supportive services to senior citizens in the Bevo service area.

**Purpose**

The purpose of our review was to determine the Agency's compliance with federal (including OMB Circular A-133), state and local CDBG requirements for the period January 1, 2006 through December 31, 2007 and make recommendations for improvements as necessary.

**Scope and Methodology**

We made inquiries regarding Agency's internal controls relating to the grant administered by the Community Development Administration (CDA), tested evidence supporting the reports the Agency submitted to CDA and performed other procedures considered necessary. Our fieldwork was completed on March 26, 2008.

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FISCAL MONITORING REVIEW  
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**INTRODUCTION**

**Exit Conference**

We conducted an exit conference at the agency August 4, 2008. Jennifer Bess, Executive Director, represented the Agency. Jeremy Holtzman, Auditor II, and Shania Woodhouse, Auditor I, represented the Internal Audit Section.

**Management Responses**

We received management's responses to the observations and recommendations noted in the report from the Agency on October 3, 2008. These responses have been incorporated into this report.

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**CONCLUSION AND SUMMARY OF CURRENT OBSERVATIONS**

**Conclusion**

The Agency did not fully comply with federal (OMB Circular A-133), state and local CDBG requirements.

**Status of Prior Observations**

The Agency's previous Fiscal Monitoring Report dated December 22, 2006 noted two observations.

1. Opportunity exists to improve on documenting services provided (**Resolved**)
2. Monthly financial reports were not submitted in a timely manner (**Resolved**)

**A-133 Status**

The Agency did not expend over \$500,000 in federal funds for fiscal year 2007. The Agency is therefore not required to have a single audit in accordance with OMB Circular A-133.

**Summary of Current Observations**

We made recommendations for the following observations, if implemented, could assist the Agency in fully complying with federal, state and local CDBG requirements.

1. The Agency did not maintain potential participants' records adequately

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

**1. The Agency Did Not Maintain Potential Participants' Records Adequately**

The purpose of the Agency's outreach program is to identify potential participants to the variety of services provided by the Agency and encourage them to utilize these services.

The Agency did not maintain adequate records of the potential participants identified and contacted through its outreach program. The Agency's records of the potential participants consisted of the sheets of a notebook that did not include all the pertinent information of the participants and the services they would like to utilize.

Section 2.2 of the CDA Manual states "internal controls are a combination of procedures including separating functional responsibilities, hiring qualified personnel, and keeping proper records that together create accountability in the organization's financial systems and safeguard its cash, property and other assets." Internal controls are a useful management tool to ensure that resources are used for authorized purposes; protected against waste, mismanagement or loss; and reliable information on the source and uses of agency resources are secured, up-to-date and disclosed in appropriate records and reports.

**Recommendation**

We recommend the Agency maintain the potential participants' details in a bound book. Such details should include names and addresses of the potential participants and the services they would like to utilize. In addition, the staff member contacting the participants and his or her supervisor should sign these records.

**Management's Response**

*In Part C/Budget Justification (Non-Municipal Agency) outreach is defined as a service provided for the purpose of identifying potential participants and encouraging their use of existing services and benefits.*

*A large portion of Bevo's outreach is provided through phone contact; therefore, we are unable to obtain signatures. Documentation for outreach services was provided in our CDA files; however, it was not on a separate form indicating the same. We have created a form for outreach and clarified with the comptroller's office a procedure satisfactory for the audit process. The form has required fields for name and address of service recipient, and description of conversation. Both the staff members who spoke with the service recipient and the director will sign off to indicate the service was received.*