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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

January 9, 2009

Darryl Commings, Director of Finance
Better Family Life
724 N. Union, Suite 301
St. Louis, MO 63133

RE: Fiscal Monitoring Review of Better Family Life. (Project #2008-SLATE11)

Dear Mr. Commings:

Enclosed is a report of our fiscal monitoring review of Better Family Life, a not for profit organization, Workforce Investment Act (WIA) and Temporary Assistance for Needy Families (TANF) programs, for the period July 1, 2007 through February 29, 2008. 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 Better Family Life. Our fieldwork was completed on June 11, 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 the Professional Practice of Internal Auditing* and through an agreement with the St. Louis Agency on Training and Employment (SLATE) to provide fiscal monitoring to all grant sub-recipients.

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

Sincerely,


Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Michael Holmes, Director, SLATE
Kim Neske, Fiscal Manager, SLATE



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)

BETTER FAMILY LIFE

WORKFORCE INVESTMENT ACT (WIA)

CONTRACTS #190-08 and #231-08

CFDAS #17.258 and #17.259

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

CONTRACTS #660-08 & #661-08

CFDA #93.558

FISCAL MONITORING REVIEW

JULY 1, 2007 THROUGH FEBRUARY 29, 2008

PROJECT #2008-SLATE11

DATE ISSUED: JANUARY 9, 2009

Prepared by:

Internal Audit Section



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
BETTER FAMILY LIFE
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH FEBRUARY 29, 2008

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BETTER FAMILY LIFE
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH FEBRUARY 29, 2008**

INTRODUCTION

Background

Contract Name: Better Family Life

Contract Numbers: 190-08, 231-08, 660-08, 661-08,

CFDA Numbers: 17.258 (Contract #190-08),
17.259 (Contract #231-08)
93.558 (Contracts #660-08 & #661-08)

Contract Periods: July 1, 2007 through June 30, 2008

Contract Amounts: \$1,694,276.42 (Contract #190-08)
\$50,000.00 (Contract #231-08)
\$441,682.00 (Contract #660-08)
\$100,000.00 (Contract #661-08)

Contract #660-08 provides Better Family Life (Agency) with employment services to Temporary Assistance to Needy Families (TANF) Career Assistance Program (CAP) adults to develop job seeking skills, job development/placement services, and follow-up. These programs include: (1) development of individual employment plans, (2) support services such as day-care, housing and transportation, and (3) counseling for participants to become self sufficient.

Contract #661-08 provides the Agency with funds for its transportation and mobility counseling programs. These services are provided through four area faith-based churches.

Contract #231-08 provides the Agency with funds for its Work Enforcement Act (WIA) youth program, called *Project R.E.S.P.E.C.T. – Youth Passport to the Future Education and Employment Program*. Services provided includes Individual Employment Plan development, job readiness training, GED preparation, supportive services (transportation, child care, food bank, etc.), clinical services (peer-to-peer, crisis intervention, one-on-one sessions), cultural/recreational activities, mentoring, college and career resource fairs, job placement, retention services, post secondary education/other accredited program placements, and health and social services (tobacco, alcohol, drug, STD prevention, abstinence, and parenting).

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INTRODUCTION

Background (Continued)

Contract #190-08 provides the Agency with services to 200 CAP/WIA participants. Individuals referred for training and employment services via the Career Assistance Program (CAP) are given the option to dually enroll in the WIA program, upon meeting the eligibility requirements. Through the Project R.E.S.P.E.C.T program, participants receive daily participant orientation, Individual Employment Plan development, job readiness training, supportive services (child care, transportation, parenting classes, domestic violence intervention, substance abuse counseling, financial literacy, housing needs, and English for speakers of other languages), and integrated wrap-around services provided by appropriate Family Development Team members.

Purpose

The purpose of our review was to determine the Agency's compliance with federal, state and local St. Louis Agency on Training and Employment (SLATE) requirements for the period July 1, 2007 through February 29, 2008 and make recommendations for improvements as necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by SLATE, evidence tested supporting the reports the Agency submitted to SLATE and performed other procedures performed as considered necessary. The fieldwork was completed on June 11, 2008.

Exit Conference

On December 1, 2008, The Agency was offered an opportunity for an exit conference, but the Agency declined.

Management's Responses

Management's responses to the observations and recommendations noted in the report were received on December 29, 2008, and have been incorporated into this report.

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SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state and local SLATE requirements.

Status of Prior Observations

The Agency's most recent fiscal monitoring report dated April 27, 2007 identified one observation.

- Disputed indirect cost calculation rate. **(Resolved)**

A-133 Status

At the time of this audit, the Agency's A-133 audit report for the year ended December 31, 2007 had not been received yet. Because of this, the Internal Audit Section reviewed the Agency's A-133 audit report for the year ended December 31, 2006. There were no reportable conditions, instances of noncompliance material to the financial statements or federal award findings or questioned costs noted.

Summary of Current Observations

Recommendations were made for the following observations which, if implemented, could assist the Agency, in fully complying with federal, state, and local SLATE requirements.

1. Questioned payroll costs
2. Inadequate expenditure documentation

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

1. Questioned Payroll Costs

Some of the Agency's employee salaries were in excess of the SLATE contract's Budget Detail for Operational Costs as follows:

Contract #	Employee - Title	Pay Period Ending	Contract Amount	Amount Reimbursed	Variance
190-08	TL - Intake Specialist	12/7/2007	\$1,000.00	\$1,076.92	\$(76.92)
190-08	CS - Case Manager	12/7/2007	-	\$ 567.31	\$(567.31)
190-08	MW - Case Manager	12/7/2007	\$1,096.15	\$1,115.38	(19.23)
660-08	LC - Lead Case Manager	12/7/2007	\$1,384.62	\$1,461.54	\$(76.92)
660-08	DS - Director Client Intake/Case Management	12/7/2007	\$1,730.77	\$1,846.16	\$(115.39)
660-08	MC - Placement & Retention	12/7/2007	\$1,192.31	\$1,230.78	\$(38.47)
660-08	MQ - Placement & Retention	12/7/2007	\$1,173.08	\$1,423.08	\$(250.00)
661-08	TH - Office Manager	12/7/2007	\$312.50	\$ 675.47	\$(362.97)
661-08	TH - Office Manager	12/21/2007	\$312.50	\$ 322.12	\$(9.62)
661-08	RI - Office Manager	12/7/2007	-	\$124.28	\$(124.28)
661-08	RI - Office Manager	12/21/2007	-	\$157.33	\$(157.33)
Total Questioned Costs					\$ (1,798.44)

The Agency did not obtain written approval from SLATE for exceeding the budget.

The effect of not obtaining written approval from SLATE for contract modifications/amendments may lead to the suspension or termination of the grant.

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DETAILED OBSERVATIONS, RECOMMENDATIONS
AND MANAGEMENT'S RESPONSES

1. Continued...

Recommendation

We recommend that the Agency obtain written approval from SLATE for any changes to the contract's budget prior to such changes. We also recommend that the Agency repay the questioned amount of \$1,798.44 back to SLATE.

Management's Response

Better family life concurs with your assessment regarding a variance in reported salaries on our monthly reimbursement and SLATE contract's Budget Detail for operating costs. The employees in question subsequently received pay increases after approval of the contract. SLATE was notified of salary increases for some BFL employees on the monthly reimbursement billing. For Contract #661-08 BFL noted on the payroll summary report to SLATE that Tawonna Hughes and Robin Ingram received pay increases. No provisions were made to receive approval from SLATE to modify or amend the contract as a result.

In the future, we will obtain written approval from SLATE for any changes in the salaries and make whatever modifications or amendments necessary. We will issue a check in the amount of \$1,798.44 to repay the questioned salaries.

2. Inadequate Expenditure Documentation

Federal regulations (OMB Circular A-122) require requests for reimbursement to be adequately documented, for example, using actual or allocated costs. Per Section 14, Fiscal Administration, of the SLATE contract, "The contractee will establish in accordance with WIA Section 184, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of and accounting for funds made available by this contract."

For contract #231-08, the Agency did not submit any supporting documents for \$206.75 reimbursed by SLATE under the category of "Testing/Instructional Supplies."

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

2. Continued...

Unsupported expenditures claimed for reimbursements may result in delay in reimbursements or termination of the Agency's contract with SLATE.

Recommendation

It is recommended that the Agency submit adequate supporting documents with the expenses requested for reimbursement clearly correlating the expenditures to the appropriate cost categories. We also recommend that the Agency repay the questioned amount of \$206.75 back to SLATE.

Management's Response

Better Family Life has documentation to support \$92.75 of the questioned costs of \$206.75 for Testing/Instructional Supplies. A credit of \$114.00 was issued against the original invoice of \$206.75 resulting in a balance of \$92.75 that was paid by Better Family Life. The amount of the questioned cost that Better Family Life owes is \$114.00. Enclosed please find the documentation to support the credit issued and the payment for this invoice. A check in the amount of \$114.00 will be issued.

Better Family Life submitted documentation in its reimbursement request totaling \$606.81 for Professional Development that should not have been included. Although the support documentation was included in our reimbursement request submitted, the amount of \$606.81 was not calculated in the total, nor did we receive compensation for it.

For future reference, we will take the necessary precaution to assure that we provide supporting documentation that clearly itemizes and correlates expenditures to the appropriate cost categories and documents which are not relevant to the requested amount not be submitted.