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CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA  
Internal Audit Executive

May 11, 2010

Pamela Walker, Acting Director  
Department of Health  
1520 Market Street, Room 4043  
St. Louis, MO 63103

RE: Follow-Up Review of the State Auditor's Report for the Department of Health  
(DOH) 2009-59 (Project # 2010-35-9)

Dear Ms. Walker:

A limited follow-up review has been completed on the report noted above. This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised, and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

A limited follow-up review does not necessarily involve detailed testing or verification. The review instead relies on communication with department management and staff, as well as limited observations.

The purpose of this follow-up review is to determine the status, as of January 31, 2010, of findings in the report.

The finding below has been **resolved**:

**1. Air Pollution Control Program (Original Report Finding #3)**

A. DOH revised their Vehicle Policy as of October 2, 2009, requiring City-owned vehicles be used exclusively for the conduct of municipal business. The Commissioner stated the Air Pollution Control Program (APCP) now has three vehicles for the Bio-Watch grant. Two vehicles are being stored overnight at the Street department and one at Vector.

Enforcement employees are not currently assigned a City vehicle, instead they secure a vehicle from the Municipal garage, as needed. The two APCP supervisors are using their personal vehicles for business purposes and submitting mileage logs as supporting documentation for reimbursement.

**B.** DOH completed inspections on all required pollution emitting facilities during the year ended June 30, 2009. All facilities were in compliance as of October 2009.

It appears DOH will now be in compliance with the Missouri Department of Natural Resources agreement and has established a method of assigning priority codes to inspect all facilities.

**C.** DOH currently has three members on the Board of Air Pollution and Variance Review with terms ending May 8, 2011. However, the department is currently developing an ordinance to eliminate the Board and establish an administrative hearing for appeals in its place. The Board has not held any meetings since the State Audit.

The finding below has been **resolved**:

## **2. School Nurse Program (Original Report Finding #4)**

DOH reviewed the school nurse program to ensure the department is providing equitable services to all city students. The Commissioner stated all public schools already have on-site nurses so there was no option of providing this exact same service, only comparable services.

There is a memo of understanding between Saint Louis Public Schools and DOH, where DOH is now documenting all Health Education and Promotion Activities that are provided for public schools. Examples of services provided include Health Screenings/ Testing and/or Clinics, Healthy Community Activities, and Health Information.

The finding below has been **partially resolved**:

## **3. Travel Expenses (Original Report Finding #1)**

**A.** DOH revised their internal Travel Policy as of March 16, 2010; however revisions were not made to allow reimbursement for travel expenses incurred within a city (i.e. taxi services) that would allow employees to possibly obtain more reasonable lodging rates by staying at a non-sponsoring hotel(s).

The Fiscal Manager stated that further revisions to the City's travel policy, as suggested by state auditors, would have to be made through the Comptroller's Office.

**B.** Travel expenditures and the applicable grant agreements were reviewed. Travel expenses were paid at the rates allowed by City travel regulations and/or applicable grant agreements.

**C.** DOH uses a Tracking Sheet to obtain appropriate approval of travel requests and maintains the appropriate supporting documentation.

The Fiscal Manager mentioned one issue associated with the approval process: once DOH sends the request to the Mayor's Office, DOH is not notified if the travel was approved or not. DOH has revised their tracking sheet to include signatures for the

Mayor's Office and Federal Grants. IAS also recommends meeting with these departments to ensure notification is sent to DOH regarding final approval or denial of travel requests; and DOH should follow up with the Mayor's Office to confirm approval, if necessary.

**Management's Response**

*Management concurs with the finding as partially resolved. The DOH will continue to comply with the current travel policies. The Fiscal Manager will provide the cover letter requesting notification when a travel document is approved and fully executed.*

The finding below has been **partially resolved**:

**4. Payroll and Other Expenditures (Original Report Finding #2)**

A. All DOH employees (salaried and hourly) now document time spent on grant-related functions using a Time Documentation form on a bi-weekly basis. The form is then reviewed and signed by the appropriate supervisor.

B. The Fiscal Manager stated that no new policies or procedures have been implemented regarding processing grant-funded expenditures since the State Audit.

The Fiscal Manager would like, in the future, to work with Federal Grants to clarify indirect cost vs. indirect administrative funds, and any other misunderstandings associated with these purchases. In addition, the Fiscal Manager would like to develop a form that would be used by awarding agencies that listed items that could be purchased and classified as indirect cost, which would be attached to the contract.

C. The Fiscal Manager stated that DOH is currently working on updating contracting procedures and will meet with the Professional Service Agreements Committee to improve procedures.

The Fiscal Manager stated there haven't been any emergency purchases by DOH since August 2009.

D. DOH has the same Sole Source agreement with the Department of Human Services that was in place at the time of the State Audit. The contract period is from June 1, 2009- June 30, 2010. No new agreements have been executed since the State Audit.

All program managers will be attending a training session to review various policies and procedures in an effort to improve compliance.

**Management's Response**

*Management concurs with the finding as partially resolved. The DOH will continue to comply with procedures regarding grant-funded expenditures. The Contract Compliance Officer will revise the DOH Contracting Procedures and assure emergency purchase and sole source guidelines are adhered to. In addition, there will be training for all program managers.*

We provided management the opportunity to discuss our determination of the status of each finding and to provide written responses to this report. Management provided written responses to us on May 4, 2010, which have been incorporated into this report.

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

Respectfully,

A handwritten signature in black ink that reads "Kenneth M. Stone". The signature is written in a cursive style with a large initial 'K'.

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive