

FILE COPY



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



**DARLENE GREEN**  
Comptroller

*Internal Audit Section*

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

Camahan Courthouse Building  
1114 Market St., Room 642  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

April 29, 2009

Denise Robertson, President  
Mark Twain Community Alliance – Community Based Development Organization  
(CBDO)  
4122 San Francisco  
St. Louis, MO 63115

RE: Community Development Block Grant (Project #2009-CDA44)

Dear Ms. Robertson:

Enclosed is a report of the fiscal monitoring review of the Mark Twain Community Alliance – CBDO, a not-for-profit organization, CDBG Program, for the period January 1, 2008, through December 31, 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 Mark Twain Community Alliance – CBDO. The fieldwork was completed on February 20, 2009.

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, Community Development Administration (CDA) to provide fiscal monitoring to all federal grant sub-recipients.

If you have any questions, please contact the 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: Lorna Alexander, Special Assistant for Development, CDA  
Jill Claybour, Acting Executive Director, CDA



# CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**MARK TWAIN COMMUNITY ALLIANCE, CBDO  
CONTRACTS #08-31-22  
CFDA #14.218**

**FISCAL MONITORING REVIEW  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008**

**PROJECT #2009-CDA44**

**DATE ISSUED: April 29, 2009**

**Prepared by:  
The Internal Audit Section**



# OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
MARK TWAIN COMMUNITY ALLIANCE – CBDO  
FISCAL MONITORING REVIEW  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008**

**TABLE OF CONTENTS**

<b><u>Description</u></b>	<b><u>Page(s)</u></b>
<b>INTRODUCTION</b>	
Background	1
Purpose	1
Scope and Methodology	1
Exit Conference	1
Management’s Responses	1
<b>SUMMARY OF OBSERVATIONS</b>	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2
<b>DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT’S RESPONSES</b>	
	3

## **INTRODUCTION**

### **Background**

**Contract Name:** Mark Twain Community Alliance, CBDO

**Contract Number:** 08-31-22

**CFDA Number:** 14.218

**Contract Period:** January 1, 2008 through December 31, 2008

**Contract Amount:** \$144,586

This contract provided Community Development Block Grant (CDBG) funds to Mark Twain Community Alliance – CBDO (Agency) for assistance in further development of housing in the St. Louis area by providing the funds necessary to acquire land and plan for projects associated with these contracts.

### **Purpose**

The purpose was to determine the Agency's compliance with federal, state and local CDBG requirements for the period January 1, 2008, through December 31, 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 Community Development Administration (CDA), evidence tested supporting the reports the Agency submitted to CDA and other procedures performed as considered necessary. The fieldwork was completed on February 20, 2009.

### **Exit Conference**

The Agency was offered the opportunity for an exit conference on April 10, 2009, but the Agency did not respond.

### **Management's Responses**

The Agency did not submit its response to the observations and recommendations noted in the report.

## **SUMMARY OF OBSERVATIONS**

### **Conclusion**

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

### **Status of Prior Observations**

The Agency's previous fiscal monitoring report, Project #2008-CDA20, issued on September 23, 2008, contained two observations:

1. The Agency does not have adequate Board oversight. **(Repeated - see Current Observation)**
2. The Agency does not have adequate segregation of duties. **(Repeated - see Current Observation)**

### **A-133 Status**

According to a letter received from the Agency dated December 22, 2008, it did not expend \$500,000 or more in federal funds in its fiscal year ended December 31, 2008 and was not required to have an A-133 audit report.

### **Summary of Current Observations**

Recommendation is made for the following observation, which if implemented, could assist the Agency in fully complying with federal, state and local CDBG requirements.

- Agency failed to provide access to financial data

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

**1. Agency Failed to Provide Access to Financial Data**

The Agency's accounting records were not available to conduct the fiscal monitoring review of the CDBG funds it received from CDA.

Section 2.3 of the Operating Fiscal Procedures Manual states, "Each Operating Agency is required to have accounting records that adequately identify the source and use of CDBG funds provided to them. In addition, each organization must maintain a separate set of books for each Community Development Block Grant-funded project it has a contract to operate." It further states that to meet this requirement, all Operating Agencies must include at the minimum the following items:

- A standard general ledger
- A chart of accounts, a comprehensive listing of account codes used to:
  - Record and report financial information
  - Track revenue and expenditure budgets
  - Insure budgets are within contractual limits
  - Prepare financial statements

After several requests, the Agency declined to assist the Internal Audit Section in retrieving its accounting records for the purpose of the review.

Due to the Agency's failure to provide the Internal Audit Section access to its accounting records, it could not be determined whether the Agency complied with the federal, state and local CDBG requirements for the CDBG funds for \$144,586 it received from CDA.

**Recommendation**

It is recommended that the Agency make its financial records available or return CDA \$144,586 of the CDBG funds it received from CDA.

**Management's Response**

*The Agency did not respond to the above observation and the recommendation.*