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**DARLENE GREEN**  
Comptroller



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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

May 12, 2009

Charles Bryson, Executive Director  
Department of Public Safety  
1200 Market Street, Room 401  
St. Louis, MO 63103

RE: Community Development Block Grant (CDBG)  
(Project #2009-CDA13)

Dear Mr. Bryson:

Enclosed is a report of our fiscal monitoring review of the City of St. Louis Department of Public Safety, Problem Property Team-Public Safety, for the period January 1, 2008 through June 30, 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 the Department of Public Safety. The fieldwork was completed on July 9, 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 the Internal Auditing* and through an agreement with the Community Development Administration (CDA) 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,

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

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

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



# CITY OF ST. LOUIS

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

**DEPARTMENT OF PUBLIC SAFETY  
CONTRACT #08-10-65  
CFDA #14.218**

**FISCAL MONITORING REVIEW  
JANUARY 1, 2008 THROUGH JUNE 30, 2008**

**PROJECT #2009-CDA13**

**DATE ISSUED: MAY 12, 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)  
DEPARTMENT OF PUBLIC SAFETY  
FISCAL MONITORING REVIEW  
JANUARY 1, 2008 THROUGH JUNE 30, 2008**

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## **INTRODUCTION**

### **Background**

**Contract Name:** Problem Property Team – Public Safety  
**Contract Number:** 08-10-65  
**CFDA Number:** 14.218  
**Contract Period:** January 1, 2008 through December 31, 2008  
**Contract Amount:** \$19,000

The contract provided Community Development Block Grant (CDBG) funds to the Department Board of Public Service (Agency) to support its efforts in pursuit of legal remedies to problem properties throughout the City of St. Louis such as to create new opportunities for the City to prosecute individuals for housing codes and public nuisance violations.

### **Purpose**

The purpose of our review was to determine the Agency's compliance with federal, state and local CDA requirements for the period January 1, 2008 through June 30, 2008, and make recommendations for improvements as considered necessary.

### **Scope and Methodology**

Inquiries were made regarding the Agency's internal controls relating to the grant administered by the Community Development Administration (CDA), evidence tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork completed on July 9, 2008.

### **Exit Conference**

The Agency did not require an exit conference.

### **Management's Response**

Management's response to the observation and recommendation identified in this report was received from the Agency on May 11, 2009. The response has been incorporated into this 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 #2007-CDA), dated September 25, 2007, contained no observations.

### **A-133 Status**

The Agency is part of City of St. Louis government; and covered by the City's 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 CDA requirements.

- Opportunity to maintain adequate payroll records

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

**Opportunity to Maintain Adequate Payroll Records**

The Agency claimed reimbursements for hours worked on the project based on the blanket certification on time sheets that the employee spent 25% of his or her time on the project. The contract allowed the Agency 25% of the one employee's salary based on the employee's bi-weekly pay rate plus the fringe benefits. However, the actual hours worked per timesheets for the seven pay periods from February 16, 2008, through May 24, 2008, were less than hours reimbursed to the Agency based on its requests for reimbursement as follows:

Salary reimbursed (25% of 640 hours at hourly rate of \$14.49)	\$ 2,318.00
Add fringe benefits (37.9% of the gross salary)	<u>878.52</u>
Total amount reimbursed	\$ <u>3,196.52</u> [A]
Salary as per actual hours worked per time sheets (37 hours at hourly rate of \$14.49)	\$ 536.13
Add fringe benefits	<u>203.20</u>
Total salary based on actual hours per timesheet	\$ <u>739.33</u> [B]
Unsupported (excess) reimbursements ([A]-[B])	\$ <u>(2,457.19)</u>

The excess reimbursements would be greater if all payroll reimbursements for the period of review had been reviewed.

All requests for the reimbursement of salaries must be in accordance with approved work-program personnel schedules of the approved contract between CDA and the Agency.

If salaries do not conform to an approved schedule, then a request for approval of a revised personnel schedule must be submitted to CDA as part of a contract revision request.

The Agency did not comply with the requirements of the CDBG contract with CDA.

Non-compliance with the terms or condition of the grant contract agreement may result in the termination of the contract.

**Recommendation**

It is recommended that the Agency repay the unsupported salary reimbursements of \$2,457.19 to CDA.

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

**Management's Response**

*We do not concur. These time sheets have notes regarding specific times the employee stayed late, worked over lunch, etc. These notations are for purpose of documenting compensatory time and are not meant to be a specific accounting of CDBG activities. Since there has been a misunderstanding about the actual and apparently required notations on the employee's time sheet, we are recommending a separate box on the timesheet to capture hours worked on CDBG activities from this pay period forward. In this way, we can satisfy our basic payroll needs and capture more detailed information on CDBG problem properties activities without creating confusion in the future.*