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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

April 22, 2009

Pamela Boyd, Executive Director
St. Louis Connecting and Assisting Neighborhoods
5140 Riverview
St. Louis, MO 63120

RE: Community Development Block Grant (CDBG) (Project #2009-CDA16)

Dear Ms. Boyd:

Enclosed is a report of the fiscal monitoring review of the St. Louis Connecting and Assisting Neighborhoods, a not-for profit organization, CDBG Program, for the period January 1, 2008 through July 31, 2008. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of St. Louis Connecting and Assisting Neighborhoods. The fieldwork was completed on August 19, 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 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: 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)**

**ST. LOUIS CONNECTING AND ASSISTING NEIGHBORHOODS
CONTRACT #08-11-05
CFDA #14.218**

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

PROJECT #2009-CDA16

DATE ISSUED: APRIL 22, 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)
ST. LOUIS CONNECTING AND ASSISTING NEIGHBORHOODS
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: St. Louis Connecting and Assisting Neighborhoods

Contract Number: 08-11-05

CFDA Number: 14.218

Contract Period: January 1, 2008 through July 31, 2008

Contract Amount: \$80,000

The contract provided Community Development Block Grant (CDBG) funds to St. Louis Connecting and Assisting Neighborhoods' (Agency) After-School program to provide assistance in academic success for youth ages 8-18 years through sports, academics, GED classes, health screenings, counseling and therapy.

Purpose

The purpose of the review was to determine Agency's compliance with federal, state and local CDBG requirements for the period January 1, 2008, through July 31, 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 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 August 19, 2008.

Exit Conference

The Agency was offered an exit conference to discuss the observation identified in the report; however, the Agency declined.

Management's Responses

The management's response to the observation and recommendation noted in the report was received from the Agency on April 16, 2009. This 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-CDA27 issued May 21, 2007 contained six observations:

1. Failure to file IRS Form 990. **(Resolved)**
2. There appears to be a going concern issue. **(Resolved)**
3. Payment of salaries not in accordance with approved personnel schedule (\$66.00) **(Repeated – see current observation)**
4. Inadequate segregation of grant funds. **(Resolved)**
5. Failure to maintain bonding. **(Resolved)**
6. The Agency did not use two duly authorized signatures for checks. **(Resolved)**

A-133 Status

According to a letter received from the Agency, it did not expend \$500,000 or more in federal funds in its fiscal year ended June 30, 2007 and was not required to have an A-133 audit report.

Summary of Current Observations

A recommendation has been made for the following observation, which if implemented, could assist the Agency in fully complying with federal, state and local CDA requirements.

- Payment of salaries not in accordance with approved personnel schedule (\$66) **(Repeated)**

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

**Payment of Salaries not in Accordance with Approved Personnel Schedule
(\$66) (Repeated)**

The prior fiscal monitoring report of the Agency dated May 21, 2007, noted that the Agency received reimbursements for salaries in excess of the grant budget by \$66 and recommended that the Agency repay \$66 to CDA. However, as of the end of the fieldwork date of this review the Agency had not repaid this amount.

Recommendations

It is recommended the Agency repay for the excess reimbursements over the budgeted salaries by remitting CDA a check for \$66.

Management's Responses

Thank you for the summary of current observations contract #08-11-05, CFDA #14.218. A check in the amount of \$66.00 for the excess reimbursements over the budgeted salaries will be mailed to CDA ...

Auditor's Response

The Agency submitted a check for \$66, made payable to the City of St. Louis, on April 20, 2009. This observation is considered resolved.