



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA  
Internal Audit Executive

FILE COPY

May 25, 2012

Linda Renaud, Social Service Manager  
Cardinal Ritter Senior Services  
7601 Watson Road  
St. Louis, MO 63119

RE: Cardinal Ritter Senior Services (Project #2012-AHC08)

Dear Ms. Renaud:

Enclosed is a report of our fiscal monitoring review of Cardinal Ritter Senior Services for the period July 1, 2011 through March 26, 2012. 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 Cardinal Ritter Senior Services. Fieldwork was completed on March 27, 2012.

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 Affordable Housing Commission (AHC) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Angela M. Conley, Executive Director, Affordable Housing Commission



# CITY OF ST. LOUIS

**AFFORDABLE HOUSING COMMISSION (AHC)**

**CARDINAL RITTER SENIOR SERVICES  
CONTRACT #30-11G**

**FISCAL MONITORING REVIEW  
JULY 1, 2011 THROUGH MARCH 26, 2012**

**PROJECT #2012-AHC08**

**DATE ISSUED: MAY 25, 2012**

**Prepared by:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
AFFORDABLE HOUSING COMMISSION (AHC)  
CARDINAL RITTER SENIOR SERVICES  
FISCAL MONITORING REVIEW  
JULY 1, 2011 THROUGH MARCH 26, 2012**

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## INTRODUCTION

### Background

**Contract Name:** Cardinal Ritter Senior Services

**Contract Number:** 30-11G

**Contract Period:** July 1, 2011 through June 30, 2012

**Contract Amount:** \$22,000

The contract provides funds from Affordable Housing Commission (AHC) to Cardinal Ritter Senior Services (Agency) to assist seniors at 20% or below the St. Louis median income by preventing homelessness through rent, mortgage, and utility assistance.

### Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local AHC requirements for the period July 1, 2011 through March 26, 2012, 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 AHC. Evidence supporting the reports the Agency submitted was tested and other procedures were performed, as considered necessary.

### Exit Conference

An exit conference was conducted at the Agency on May 24, 2012. The Agency was represented at the exit conference by the Social Service Manager. The Internal Audit Section was represented by an Auditor I and Auditor II.

### Management's Responses

Management's response to the observation and recommendations identified in the report was received from the Agency on May 24, 2012. The response has been incorporated into the report.

## **SUMMARY OF OBSERVATIONS**

### **Conclusion**

The Agency did not fully comply with local AHC requirements.

### **Status of Prior Observations**

The Agency did not have any previous AHC fiscal monitoring reviews.

### **Summary of Current Observations**

Recommendations were made for the following observation, which if implemented, could assist the Agency in fully complying with local AHC requirements.

- Opportunity to document client eligibility

## DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

### 1. Opportunity To Document Client Eligibility

IAS reviewed the Agency's client list and application forms to determine whether clients served were eligible under the terms of the contract. A sample of nine clients and application forms revealed that client income was not adequately documented. The Agency obtained income verification by the client through verbal consent over the phone.

Section 27 of the contract requires AHC funds be used to benefit St. Louis City residents and households earning 20% of the St. Louis median income or below.

According to the Agency, it had difficulty meeting with clients in person, and obtaining supporting income documentation through the mail. The Agency did not establish adequate controls to ensure proper documentation of client eligibility.

Without proper supporting documentation the Agency cannot provide assurance that only eligible clients are served and program objectives are met. This increases the risk that reported program expenses will not be fully allowable under the terms of the contract.

#### **Recommendations**

It is recommended that the Agency establish a procedure for obtaining clients proof of income, or discuss with AHC to ensure requirements can be adequately obtained.

#### ***Management's Response***

*Recently, a new procedure has been developed and implemented, as of 5/1/12, to obtain copy of proof of income, personal identification, and proof of need and St. Louis City residency (copy of utility disconnection notice) for each person receiving utility assistance with Affordable Housing Commission funds.*