



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

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Comptroller

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June 2, 2011

Dr. Mary Curran, Executive Director
Catholic Family Services
4532 Lindell Boulevard
St. Louis, MO 63108

RE: Supportive Housing Program (SHP) (Project #2011-HOM30)

Dear Dr. Curran:

Enclosed is a report of the fiscal monitoring review of the Society of Catholic Family Services, a not-for-profit organization, SHP program, for the period July 1, 2010 through November 30, 2010. 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 the Catholic Family Services. Fieldwork was completed on January 28, 2011.

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 Department of Human Services (DHS) 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,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

Cc: Ron Hicks, Fiscal Manager, DHS
Antoinette Triplett, Manager II - Homeless Services, DHS



CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)
SUPPORTIVE HOUSING PROGRAM (SHP)**

**CATHOLIC FAMILY SERVICES
CONTRACT #58087
CFDA #14.235**

**FISCAL MONITORING REVIEW
JULY 1, 2010 THROUGH NOVEMBER 30, 2010**

PROJECT #2011-HOM30

DATE ISSUED: JUNE 2, 2011

**Prepared By:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS) - HOMELESS SERVICES
SUPPORTIVE HOUSING PROGRAM
CATHOLIC FAMILY SERVICES
FISCAL MONITORING REVIEW
JULY 1, 2010 THROUGH NOVEMBER 30, 2010

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INTRODUCTION

Background

Contract Name: Catholic Family Services

Contract Number: 58087

CFDA Number: 14.235

Contract Period: February 1, 2008 through January 31, 2011

Contract Amount: \$169,242

The contract provided Supportive Housing Program (SHP) funds to Catholic Family Services (Agency) to promote the delivery of supportive housing and supportive services to assist homeless persons in the transition from homelessness to independency and permanent housing who currently reside in a location which is more than 100 miles from the City of St. Louis or whose last known permanent address was more than 100 miles from the City of St. Louis.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local DHS requirements for the period July 1, 2010, through November 30, 2010, 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 DHS. Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on January 28, 2011.

Exit Conference

The Agency was offered an exit conference on May 2, 2011, but the Agency declined.

Management's Response

The management's response to the observation and recommendation identified in the report was received from the Agency on May 24, 2011. The response has been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

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

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2010-HOM04, issued July 12, 2010, contained no observations.

A-133 Status

The Agency did not expend \$500,000 or more in federal funds during its fiscal year 2010, but did have an A-133 completed. The Agency is part of the Archdiocese of St. Louis which expended \$500,000 or more in federal funds in its fiscal year ended June 30, 2010.

Summary of Current Observations

- Opportunity to submit monthly financial reports in a timely manner

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To Submit Monthly Financial Reports In A Timely Manner

IAS tested and identified that six out of nine monthly financial reports were submitted late. The Agency submitted the reports late on an average of 16 days for the months of January, February, May, June, July, and August 2010.

Section VI of DHS policies and procedures manual states "the financial and program report must be submitted by the 15th day of the following month unless otherwise specified in the contract.

The Agency did not have an effective system of internal control in place to ensure compliance with the reporting compliance requirements. The Agency lacked the time to complete and submit the reports timely due to heavy workloads.

Submitting monthly financial reports late may result in delays or suspension in the processing of the Agency's reimbursement requests, resulting in interruption in the Agency's service to its clients.

Recommendation

It is recommended that the Agency comply with the DHS policies and procedures to ensure its monthly financial reports are submitted by the required dates.

Management's Response

We work hard to fully comply with federal, state and local DHS requirements. Catholic Charities has an effective system in place of internal controls to ensure compliance with financial reporting. All of the financial reports were submitted for the contract. Of the nine financial reports tested, six were submitted on average to be 6 days late. We are reviewing our internal process to assure all future financial reports are delivered on time. Services for clients were not interrupted by any delays of our financial submissions. We appreciate you bringing this to our attention.