



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

February 7, 2012

Dr. Jack Krings, Executive Director
Catholic Family Services – Places for Fathers
9200 Watson Rd., G101
St. Louis, MO 63108

RE: Supportive Housing Program (SHP) (Project #2012-HOM24)

Dear Dr. Krings:

Enclosed is a report of the fiscal monitoring review of Catholic Family Services -Places for Fathers, a not-for-profit organization, SHP program, for the period February 1, 2011 through July 31, 2011. 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 October 27, 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) 657-3490.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

Cc: Parimal Mehta, 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 – PLACES FOR FATHERS
CONTRACT #62867
CFDA #14.235**

**FISCAL MONITORING REVIEW
FEBRUARY 1, 2011 THROUGH JULY 31, 2011**

PROJECT #2012-HOM24

DATE ISSUED: FEBRUARY 7, 2012

**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 – PLACES FOR FATHERS
FISCAL MONITORING REVIEW
FEBRUARY 1, 2011 THROUGH JULY 31, 2011

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INTRODUCTION

Background

Contract Name: Catholic Family Services – Places for Fathers

Contract Number: 62867

CFDA Number: 14.235

Contract Period: February 1, 2011 through January 31, 2012

Contract Amount: \$56,415

The contract provided Supportive Housing Program (SHP) funds to Catholic Family Services – Places for Fathers (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 Department of Human Services (DHS) requirements for the period February 1, 2011, through July 31, 2011, 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 October 27, 2011.

Exit Conference

The Agency declined an exit conference on January 9, 2012.

Management's Response

The management's response to the observation and recommendation identified in the report was received from the Agency on January 12, 2012. 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 #2011-HOM30, issued June 2, 2011, contained one observation.

- Opportunity to submit monthly financial reports in a timely manner (**Resolved**)

A-133 Status

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, 2011; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The report dated October 27, 2011, rendered an unqualified opinion on internal control over financial reporting and compliance for major programs. There were no material weaknesses, significant deficiencies or noncompliance instances to the financial statements noted.

There were audit findings disclosed not relating to the programs in this review that are required to be reported in accordance with section 510(a) of OMB Circular A-133.

The auditee did not qualify as a low-risk auditee.

Summary of Current Observations

- Opportunity to maintain timesheets for grant funded employees (Questioned costs, \$3,894.20)

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To Maintain Timesheets For Grant Funded Employees (Questioned Cost, \$3,894.20)

The Agency did not maintain timesheets for grant funded employees for the months of February and May 2011, resulting in questioned costs of \$3,894.20.

Section VII of the DHS Homeless Services Division Procedures Manual states, "a timesheet for each employee must be maintained for each pay period. The time report must display actual hours worked and/or time off for each working day. The time report must also be signed by the employee and the supervisor or authorized representative. Minimum information requirements include: Pay period, employee name, employee signature, supervisor signature (or authorized representative), individual days in the pay period, actual hours worked or charged to activities funded by the grant during the pay period.

Agency management did not have a system of internal controls in place to ensure compliance with the requirements of DHS procedures manual concerning time reporting.

The lack of internal controls over time reporting may result in erroneous payroll expenses leading to salaries paid for hours not worked.

Recommendation

It is recommended that the Agency prepare and maintain timesheets for every employee funded by the grant for each pay period and payback DHS \$3,894.20.

Management's Response

I disagree with the observation regarding time sheets. We do have procedures in place for all employees. All hourly employees are required to complete a timesheet for their hours worked. These timesheets are turned into our payroll department for each of our payroll periods. Salaried employees are not required to complete a time sheet.

In the case of Antwan Pope, Mr. Pope refused to complete his time sheet and sign it because he was being terminated. We do have individuals who can attest to the hours worked by Mr. Pope during the periods in question.

The timesheet in question was on Antwan Pope and the amount of money should only apply to him and not the other employees as there are salaried employees and are not required to complete a time sheet. In the past, the payroll register which we provide has been acceptable.

Auditor's Comment

Section VII of the DHS Homeless Services Division Procedures Manual requires that each employee must maintain and submit a time report for each pay period.