



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



LE COPY

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Comptroller

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Internal Audit Executive

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August 31, 2011

Gloria Taylor, Executive Director
Community Women Against Hardship
3963 West Belle Avenue
St. Louis, MO 63108

RE: Community Development Block Grant (CDBG) (Project #2011-CDA6)

Dear Ms. Taylor:

Enclosed is a report of our fiscal monitoring review of the Community Women Against Hardship, not-for-profit organization, CDBG program, for the period January 1, 2010 through August 31, 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 Community Women Against Hardship. Fieldwork was completed on November 19, 2010.

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 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,

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 CITY OF ST. LOUIS

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

**COMMUNITY WOMEN AGAINST HARDSHIP
CONTRACT: #10-10-04
CFDA #14.218**

FISCAL MONITORING REVIEW

JANUARY 1, 2010 THROUGH AUGUST 31, 2010

PROJECT #2011-CDA6

DATE ISSUED: AUGUST 31, 2011

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
COMMUNITY WOMEN AGAINST HARDSHIP
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: Community Women Against Hardship

Contract Number: 10-10-04

CFDA Number: 14.218

Contract Period: January 1, 2010 through August 31, 2010

Contract Amount: \$50,000

The contract provided Community Development Block Grant (CDBG) funds to Community Women Against Hardship (Agency) for services such as classes, training, counseling on interpersonal relationship and conflict resolution to low-income women and their families in the City of St. Louis. Funds also provided training for parent-child relationships, family counseling, homework sessions, and parent-child activities.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local CDBG requirements for the period January 1, 2010 through August 31, 2010, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by Community Development Administration (CDA). Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on November 19, 2010.

Exit Conference

The Agency was offered the opportunity for an exit conference on July 21, 2011 but the Agency declined.

Management's Responses

Management's response to the observation and recommendations stated in the report were received on August 8, 2011 and has been incorporated into the 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 #2010-CDA2, issued December 2, 2009 contained no observations.

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 December 31, 2009, and was not required to have an A-133 audit.

Summary of Current Observations

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

- Opportunity for two duly authorized signatures on disbursement checks

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity For Two Duly Authorized Signatures On Disbursement Checks

The grant-funded disbursement checks were not signed by two duly authorized officers of the Agency. It was observed that 30 out of 34 checks, or 89 %, reviewed had one authorized signature.

Community Development Administration (CDA) Operating Agency Procedures Manual Section 2.2 Internal Controls states, "CDA requires that two authorized individuals sign all grant disbursement checks."

The Executive Director stated that it was difficult to receive signatures from other officers because the officers were volunteers and locating them was challenging.

Non-compliance with dual signature internal controls may result in misappropriation of federal funds. In addition, it may result in possible delay or suspension of expenditure reimbursements to the Agency.

Recommendation

It is recommended that the Agency ensure that all CDA grant funded disbursement checks are signed by two duly authorized officers of the Agency or obtain a CDA waiver from this requirement in writing.

Management's Response

I received the summary of your audit from January – August 2010 that outlines observations and recommendations for Community Women Against Hardship. It is well to note that this document is several months after the completion of the audit. However, I wanted to confirm that we did have a conversation regarding dual signatures. As of our payroll date of July 28, 2011, I will be very conscious of seeing that the Administrative Assistant's checks are always signed by one of the members of the Executive Committee of the Board of Directors.

You are correct in quoting me saying that it is sometimes a hardship reaching two of the members of the Executive Committee. As you know we have limited staff; however, we will diligently work to meet this requirement.

In deep appreciation of your understanding because we all agree, we do not want to jeopardize lost of funds, as our mission is having remarkable results to many of the city residents struggling with poverty issues.