



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



**FILE COPY**

DARLENE GREEN  
Comptroller

DR. KENNETH M. STONE, CPA  
Internal Audit Executive

*Internal Audit Section*

Carnahan Courthouse Building  
1114 Market St., Room 642  
St. Louis, Missouri 63101  
(314) 622-4723  
Fax: (314) 613-3004

October 10, 2011

David Kessel, Chief Operating Officer  
Employment Connections  
2838 Market Street  
St. Louis, MO 63103

RE: Supportive Housing Program (SHP) (Project #2011-HOM 18)

Dear Mr. Kessel:

Enclosed is a report of the fiscal monitoring review of the Employment Connections, a not-for-profit organization, SHP program, for the period October 1, 2010 through March 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 Employment Connections. Fieldwork was completed on May 31, 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 federal 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: Walter Danneman, Accounting Coordinator DHS  
Antoinette Triplett, Program Manager II, DHS



# CITY OF ST. LOUIS

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

**EMPLOYMENT CONNECTIONS  
CONTRACT #61930  
CFDA #14.235**

**FISCAL MONITORING REVIEW  
OCTOBER 1, 2010 THROUGH MARCH 31, 2011**

**PROJECT #2011-HOM 18**

**DATE ISSUED: OCTOBER 10, 2011**

**Prepared by:  
The Internal Audit Section**



## OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
SUPPORTIVE HOUSING PROGRAM (SHP)  
EMPLOYMENT CONNECTIONS  
FISCAL MONITORING REVIEW  
OCTOBER 1, 2010 THROUGH MARCH 31, 2011**

**TABLE OF CONTENTS**

<b>Description</b>	<b>Page(s)</b>
<b>INTRODUCTION</b>	
Background	1
Purpose	1
Scope and Methodology	1
Exit Conference	1
<b>SUMMARY OF OBSERVATIONS</b>	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2
<b>DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES</b>	
	3

## INTRODUCTION

### Background

**Contract Name:** Employment Connections  
**Contract Number:** 61930  
**CFDA Number:** 14.235  
**Contract Period:** October 1, 2010 through September 30, 2011  
**Contract Amount:** \$172,498

The contracts provided Supportive Housing Program (SHP) funds to Employment Connections (Agency) for assistance in helping disabled, homeless veterans obtain and remain in permanent housing by providing the funds necessary to increase participants skills and income and empower veterans to achieve greater self determination in the City of St. Louis.

### Purpose

The purpose the review was to determine Agency's compliance with federal, state and local Department of Human Services (DHS) requirements for the period October 1, 2010 through March 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 grants administered by the Department of Human Services (DHS). Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on May 31, 2011.

### Exit Conference

The Agency was offered an exit conference; however, it was declined

### Management's Responses

Management's response to the observation and recommendation noted in the report were received from the Agency on October 4, 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-HOM11, issued December 9, 2010, contained no observations.

### **A-133 Status**

The Agency expended \$500,000 or more in federal funds for the year ended September 30, 2009; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The report, dated June 8, 2010, rendered unqualified opinions on the general-purpose financial statements and major federal awards. There were no reportable conditions.

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

### **Summary of Current Observations**

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

- Opportunity to submit monthly financial and programmatic reports timely

## **DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES**

### **1. Opportunity To Submit Monthly Financial And Programmatic Reports Timely**

The monthly financial and programmatic reports were not submitted timely. Reports for October 2010, and January, February, and March 2011 were submitted late. These reports were submitted on December 3, 2010, and March 2, March 30, and April 26 2010 respectively. The reports were submitted late by 18, 15, 15, and 11 days respectively.

Section three of the grant contract states that the contractor shall submit monthly reports to DHS. These reports are due by the fifteenth day following the reporting month. Financial reports detail the grant funds spent during the month along with supporting documentation. Programmatic reports detail the number and types of clients served during the month.

According to the Senior Manager for Accounting Services delays were caused by the Agency conferring with DHS. When the Agency has an issue with the reimbursement request, reports are held until the issue is resolved with DHS. Once the issue is resolved, the reports are submitted with the reimbursement request. ↵

Late filing of reports may delay the receipt of reimbursement checks. In addition, the late submission of reports may result in suspension or termination of the grant agreement.

#### **Recommendation**

It is recommended that the Agency implement procedures to ensure that its financial and programmatic reports are submitted by the fifteenth day following the reporting month.

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

*Employment Connection appreciates the recommendation for improvement. We apologize that some of the reports were not submitted sooner. Our contract renews October 1 each year. This may have contributed to the delay in forwarding our October invoice. December 31 is the end of our fiscal year. Meeting various audit deadlines may have contributed to the delay of our January, February and March invoices. We understand the importance of meeting the report filing deadlines and will continue to make efforts to improve.*