



# CITY OF ST. LOUIS

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**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
HOME INVESTMENT PARTNERSHIP (HOME)**

**HOME SERVICES, INC.  
CONTRACT #12-36-21 AND 12-HM-36-21  
CFDA #14.218 AND #14.239**

**FISCAL MONITORING REVIEW**

**JANUARY 1, 2012 THROUGH OCTOBER 31, 2012**

**PROJECT #2013-CDA17**

**DATE ISSUED: MARCH 21, 2013**

**Prepared by:  
The Internal Audit Section**



# OFFICE OF THE COMPTROLLER

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**HONORABLE DARLENE GREEN, COMPTROLLER**



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA  
Internal Audit Executive

FILE COPY

March 21, 2013

John Vincenzo, Executive Director  
Home Services, Inc.  
5019 Northrup  
St. Louis, MO 63110

RE: Community Development Block Grant (CDBG) Home Investment Partnership  
(HOME)(Project #2013-CDA17)

Dear Mr. Vincenzo:

Enclosed is a report of the fiscal monitoring review of the Home Services, Inc., a not-for-profit organization, CDBG and HOME Programs, for the period January 1, 2012, through October 31, 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 Home Services, Inc. Fieldwork was completed on January 18, 2013.

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, 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) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA, CGMA  
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA  
Lorna Alexander, Special Assistant for Development, CDA  
Cerese Pennington, Program Manager, CDA

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**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

## INTRODUCTION

### Background

**Contract Name:** Home Services, Inc.

**Contract Numbers:** 12-36-21 and 12-HM-36-21

**Contract Periods:** January 1, 2012 through December 31, 2012

**CFDA Numbers:** 14.218 (12-36-21)  
14.239 (12-HM-36-21)

**Contract Amounts:** \$2,959,078 (12-HM-36-21)  
\$1,048,534 (12-36-21)

The contracts provided Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds to Home Services, Inc. (Agency) to support its efforts in providing minor residential home repairs, safety and security modifications and energy/weatherization services to elderly and disabled homeowners residing in the City of St. Louis.

### Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements, for the period January 1, 2012, through October 31, 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 the 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 January 18, 2013.

### Exit Conference

An exit conference was offered to the Agency on March 18, 2013, but the agency declined

## SUMMARY OF OBSERVATIONS

### Conclusion

No evidence was found to suggest that the Agency did not fully comply with federal, state and local CDA requirements.

### Status of Prior Observations

The Agency's previous fiscal monitoring report #2012-CDA19, issued January 23, 2012, contained one observation:

- Opportunity to comply with OMB Circular A-133 single audit reporting requirement (**Resolved**)

### A-133 Status

The agency expended \$500,000 or more in federal funds during its calendar year ended December 31, 2011; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The report dated September 27, 2012, rendered unqualified opinions on internal control over financial reporting and compliance for major programs. There were no identified material weaknesses or significant deficiencies that were considered to be material weaknesses to the financial statements. There were no disclosed audit findings that were required to be reported in accordance with section 510 (a) of OMB Circular A-133.

The agency did qualify as a low-risk auditee.

### Summary of Current Observations

There are no current observations.