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CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA
Internal Audit Executive

FILE COPY

February 27, 2013

Ms. Meg Ebersoldt, Executive Director
Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives
1836 Lackland Hill
St. Louis, MO 63146

RE: Department Of Health (DOH) (Project #2013-DOH08)

Dear Ms. Ebersoldt:

Enclosed is the report of the fiscal monitoring review of Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives, a for-profit organization, Ryan White Part A, and Minority AIDS Initiative programs for the period March 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 Lackland Acquisitions II, LLC d/b/a Healthcare Strategic Initiatives. Fieldwork was completed on January 14, 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 Department of Health (DOH) 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, CGMA
Internal Audit Executive

Enclosure

cc: Joan McCray, Fiscal Manager, Department of Health (DOH)
Sylvia Nelson, Grant Administrator, Department of Health (DOH)



CITY OF ST. LOUIS

**DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A (RWA)
MINORITY AIDS INITIATIVE (MAI)**

**LACKLAND ACQUISITIONS II, LLC, D/B/A
HEALTHCARE STRATEGIC INITIATIVES
CONTRACT #12-30 AND #12-23
CFDA #93.914**

FISCAL MONITORING REVIEW

MARCH 01, 2012 THROUGH OCTOBER 31, 2012

PROJECT #2013-DOH08

DATE ISSUED: February 27, 2013

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HEALTH (DOH)
RYAN WHITE PART A, AND MINORITY AIDS INITIATIVE
LACKLAND ACQUISITIONS II, LLC D/B/A
HEALTHCARE STRATEGIC INITIATIVES
FISCAL MONITORING REVIEW
MARCH 01, 2012 THROUGH OCTOBER 31, 2012**

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INTRODUCTION

Background

Contract Name: Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives

Contract Number: 12-30 (Ryan White Part A)
12-23 (Minority AIDS Initiative)

CFDA Number: 93.914

Contract Period: March 01, 2012 through February 28, 2013

Contract Amount: \$2,648,000 (Ryan White Part A)
\$30,000 (Minority AIDS Initiative)

These contracts provided Department of Health (DOH) funds to Lackland Acquisitions II, LLC, d/b/a Healthcare Strategic Initiatives (Agency). The purpose of these funds were to provide a mechanism for authorization, delivery, reimbursement, and reporting of the HIV related range of medical care services, oral health care services for Missouri residents living with HIV and/or AIDS and assisting them to receive appropriate healthcare and treatment.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local Department of Health (DOH) requirements for the period March 01, 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 grants administered by DOH. Evidence was tested supporting the reports the Agency submitted to DOH and other procedures were performed as considered necessary. Fieldwork was completed on January 14, 2013.

Exit Conference

Agency was offered but declined exit conference on February 25, 2013.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did fully comply with federal, state, and local DOH requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2012-DOH07, issued August 2, 2012 contained no observations.

A-133 Status

The Agency expended over \$500,000 in federal awards for the fiscal year ended December 31, 2011 and was required to have an A-133 audit.

The report rendered an unqualified opinion on internal control over financial reporting and compliance for major programs. There was no material weaknesses identified.

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

Summary of Current Observation

There were no current observations.