



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA
Internal Audit Executive

FILE COPY

August 2, 2012

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

RE: Ryan White Part A and Minority AIDS Initiative (Project #2012-DOH07)

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, 2011 through February 29, 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 June 19, 2012.

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
Internal Audit Executive

Enclosure

cc: Joan McCray, Fiscal Manager, DOH
Sylvia Nelson, Fiscal Manager, 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
CONTRACTS #11-29 AND #11-36
CFDA #93.914**

FISCAL MONITORING REVIEW

MARCH 1, 2011 THROUGH FEBRUARY 29, 2012

PROJECT #2012-DOH07

DATE ISSUED:

**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 DBA HEALTHCARE
STRATEGIC INITIATIVES
FISCAL MONITORING REVIEW
MARCH 1, 2011 THROUGH FEBRUARY 29, 2012**

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INTRODUCTION

Background

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

Contract Numbers: 11-29 (Ryan White Part A)
11-36 (Minority AIDS Initiative)

CFDA Number: 93.914

Contract Period: March 1, 2011 through February 29, 2012

Contract Amounts: \$3,002,975 (Ryan White Part A)
\$30,000 (Minority AIDS Initiative)

These contracts provided Ryan White Part A and Minority Initiative 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 contract terms for the purchase of services and federal laws and regulations relating to for profit vendors and local Department of Health (DOH) requirements for the period March 1, 2011 through February 29, 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 June 19, 2012.

Exit Conference

The Agency has declined an exit conference on July 5, 2012.

SUMMARY OF OBSERVATIONS

Conclusion

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

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2011-DOH04, issued February 16, 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 Audit report was not reviewed by IAS.

Summary of Current Observations

There were no current observations.