



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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April 5, 2012

James Buford, President
The Urban League of Metropolitan St. Louis, Inc.
3701 Grandel Square
St. Louis, MO 63108

FILE COPY

RE: The Urban League of Metropolitan St. Louis, Inc. (Project #2012-AHC07)

Dear Mr. Buford:

Enclosed is a report of our fiscal monitoring review of The Urban League of Metropolitan St. Louis for the period June 1, 2011 through January 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 The Urban League of Metropolitan St. Louis. Fieldwork was completed on March 9, 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 Affordable Housing Commission (AHC) to provide fiscal monitoring to grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Angela M. Conley, Executive Director, Affordable Housing Commission
Victoria Reaves, Vice President, The Urban League of Metropolitan St. Louis, Inc.



CITY OF ST. LOUIS

AFFORDABLE HOUSING COMMISSION (AHC)

**THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
CONTRACT #36-11G**

**FISCAL MONITORING REVIEW
JUNE 1, 2011 THROUGH JANUARY 31, 2012**

PROJECT #2012-AHC07

DATE ISSUED: APRIL 5, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
THE URBAN LEAGUE OF METROPOLITAN ST. LOUIS, INC.
FISCAL MONITORING REVIEW
JUNE 1, 2011 THROUGH JANUARY 31, 2012**

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INTRODUCTION

Background

Contract Name: The Urban League of Metropolitan St. Louis, Inc.

Contract Number: 36-11G

Contract Period: June 1, 2011 through May 31, 2012

Contract Amount: \$53,200

The contract provides funds from the Affordable Housing Commission (AHC) to The Urban League of Metropolitan St. Louis, Inc. (Agency). The funds are to assist individuals, who are at or below 20% of the St. Louis median income, by providing rent/mortgage and utility assistance.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local AHC requirements for the period June 1, 2011 through January 31, 2012, and to 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 AHC. Evidence supporting the reports the Agency submitted was tested, and other procedures were performed, as considered necessary.

Exit Conference

An exit conference was conducted at the Agency on March 23, 2012. The Agency was represented at the exit conference by the CFO. The Internal Audit Section was represented by the Auditor-in-Charge and the Auditor II.

Management's Responses

Management's responses to the observations and recommendations identified in the draft report were received from the Agency on April 2, 2012. These responses have been incorporated into the report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with AHC's requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2010-AHC10, issued November 5, 2010, contained the following observations:

- Opportunity to establish controls in determining client eligibility (**Resolved**)
- Opportunity to submit timely reports (**Resolved**)

Summary of Current Observations

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

- Opportunity to request reimbursement for only allowable costs (questioned cost \$434.16)

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

1. Opportunity To Request Reimbursement For Only Allowable Cost (Questioned Cost \$434.16)

A review of expenditures was performed to ensure that costs reimbursed were allowable under the terms of the contract. It was observed that the payroll cost totaling \$434.16 for two employees was submitted for reimbursement for the pay period ending May 28, 2011. Since, the cost occurred before the start of the contract, June 1, 2011, it is considered unallowable.

Section 3 of the contract requires that the time of performance for the Agency to commence delivery or services and/or products on June 1, 2011.

According to the Agency, all costs paid in June were submitted without attention paid to the time frame. As a result, the Agency risked having to repay the funds not spent in accordance with the terms of the contract agreement.

Recommendations

It is recommended that the Agency discuss the questioned costs with AHC, and submit requests for reimbursement for only those costs that are allowable during the contract period.

Management's Responses

The Urban League does not agree with the finding noted in the latest review of the program. As discussed in the closeout meeting, our staff accountant inadvertently sent incorrect timecards for the invoice covering June 1, 2011 through August 31, 2011. The timecards that were sent included the payroll period ending 5/28/2011. The total number of hours that were charged to the program for the period 6/01/11 – 8/31/11 was 135.62 hours, of which 97.87 hours were for Community Organization specialist employee and 37.75 hours were for accounts payable employee.

Auditor Comments

IAS observed from the additional salary information obtained from the Agency that total payroll hours before allocation, did not correspond with AHC's information. Also, the additional information included percentages for allocating the hours that did not correspond with the contract percentages of 17% and 7%, as the original information provided to AHC. The questioned cost should be discussed with AHC.