



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



FILE COPY

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Comptroller

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DR. KENNETH M. STONE, CPA  
Internal Audit Executive

April 18, 2011

Mike Morrison, Executive Director  
Bridgeway Counseling  
1570 S. Main  
St. Louis, MO 63303

RE: Emergency Shelter Grant (ESG) (Project #2011-HOM06)

Dear Mr. Morrison:

Enclosed is a report of the fiscal monitoring review of Bridgeway Counseling, a not-for-profit organization, ESG program, for the period January 1, 2009 through December 31, 2009. 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 Bridgeway Counseling. Fieldwork was completed on November 1, 2010.

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 grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

Cc: Walter Danneman, Accounting Coordinator, DHS  
Antoinette Triplett, Manager II - Homeless Services, DHS



# CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)  
EMERGENCY SHELTER GRANT (ESG)**

**BRIDGEWAY COUNSELING  
CONTRACT #59818  
CFDA #14.231**

**FISCAL MONITORING REVIEW**

**JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**

**PROJECT #2011-HOM06**

**DATE ISSUED: APRIL 18, 2011**

**Prepared by:  
The Internal Audit Section**



# OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS  
DEPARTMENT OF HUMAN SERVICES (DHS)  
EMERGENCY SHELTER GRANT (ESG)  
BRIDGEWAY COUNSELING  
FISCAL MONITORING REVIEW  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**

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## INTRODUCTION

### Background

**Contract Name:** Bridgeway Counseling

**Contract Number:** 59818

**CFDA Number:** 14.231

**Contract Period:** January 1, 2009 through December 31, 2009

**Contract Amount:** \$19,332

This contract provided funds from the Emergency Shelter Grant (ESG) funds to Bridgeway Counseling (Agency) to provide comprehensive continuum of care services for eligible homeless persons and persons at risk of becoming homeless in the City of St. Louis.

### Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local DHS requirements for the period January 1, 2009, through December 31, 2009 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 DHS. Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on November 1, 2010.

### Exit Conference

The Agency was offered an exit conference on March 23, 2011, but the Agency declined.

### Management's Responses

The management's responses to the observations and recommendations identified in the draft report were received from the Agency on April 7, 2011. These responses have 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 was not monitored previously by Internal Audit Section.

### **A-133 Status**

The Agency was required to have an A-133 audit for its fiscal year ended June 30, 2009 because it expended more than \$500,000 in federal funds. The report dated December 17, 2009, rendered unqualified opinions on the financial statements and major federal awards. There were no instances of noncompliance, material weaknesses or significant deficiencies identified.

The audit did not disclose any findings required to be reported in accordance with OMB Circular A-133.

The Agency was considered to be 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 local DHS requirements:

- Agency did not require two authorized signatures on grant funded disbursement checks

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

### **The Agency Did Not Require Two Authorized Signatures On Grant Funded Disbursement Checks**

IAS tested grant expenditures for April 2009, and during the review, it was noted the Agency did not require two authorized signatures on ESG disbursement checks.

Section VI of DHS Fiscal Procedures guidelines states, "except for petty cash expenditures, disbursements shall be made by prenumbered checks that are signed by the chief executive officer and the financial officer or any two duly authorized officers."

The Agency did not have a system of internal controls to ensure compliance with the requirements of DHS Fiscal Procedures guidelines that all grant disbursement checks have two authorized signatures. Failure to have two signatures on all ESG disbursement checks is a violation of the Agency grant agreement. Non-compliance with DHS Fiscal Procedures guidelines requirement of having two authorized signatures on grant disbursement checks may result in misappropriation or misuse of grant funds. In addition, it may also result in termination of the grant contract agreement.

### **Recommendation**

It is recommended that the Agency require two authorized signatures on ESG disbursement checks and comply with DHS Fiscal Procedures guidelines, or request a waiver from DHS from this requirement.

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

*Do not concur. We feel our system of internal controls effectively accomplishes the same purpose as a dual signature check. No check may be processed without the signature of our CFO on a payment voucher.*

### **Auditor's Comment**

DHS Fiscal Procedures guidelines require two duly authorized officers to sign all grant disbursement checks. The Agency is advised to obtain a waiver from DHS in order to be exempt from having two signatures present on all grant disbursement checks.