



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN  
Comptroller

*Internal Audit Section*

1520 Market St., Suite 3005  
St. Louis, Missouri 63103-2630  
(314) 657-3490  
Fax: (314) 552-7670

DR. KENNETH M. STONE, CPA  
Internal Audit Executive

November 1, 2011

Roderick Jones, Executive Director  
Grace Hill Settlement House  
2600 Hadley  
St. Louis, MO 63106

RE: Homelessness Prevention and Rapid Re-Housing Program (HPRP)  
(Project #2011-HOM20)

Dear Mr. Jones:

Enclosed is a report of the fiscal monitoring review of Grace Hill Settlement House, a not-for-profit organization, HPRP program, for the period January 1, 2010 through October 31, 2010. 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 Grace Hill Settlement House. Fieldwork was completed on April 13, 2011.

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) 657-3490.

Sincerely,

  
Dr. Kenneth M. Stone, CPA  
Internal Audit Executive

Enclosure

cc: Antoinette Triplett, Manager II - Homeless Services, DHS  
Parimal Mehta, Fiscal Manager, DHS



# CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)  
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)  
HOMELESSNESS PREVENTION AND RAPID RE-HOUSING  
PROGRAM (HPRP)**

**GRACE HILL SETTLEMENT HOUSE  
CONTRACT #60603  
CFDA #14.257**

**FISCAL MONITORING REVIEW  
JANUARY 1, 2010 THROUGH OCTOBER 31, 2010**

**PROJECT #2011-HOM20**

**DATE ISSUED: NOVEMBER 1, 2011**

**Prepared by:  
The Internal Audit Section**



# OFFICE OF THE COMPTROLLER

**HONORABLE DARLENE GREEN, COMPTROLLER**

**CITY OF ST. LOUIS**  
**DEPARTMENT OF HUMAN SERVICES (DHS) - HOMELESS SERVICES**  
**HOMELESSNESS PREVENTION AND RAPID**  
**RE-HOUSING PROGRAM (HPRP)**  
**GRACE HILL SETTLEMENT HOUSE**  
**FISCAL MONITORING REVIEW**  
**JANUARY 1, 2010 THROUGH OCTOBER 31, 2010**

**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
<b>DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES</b>	
	3

## INTRODUCTION

### Background

**Contract Name:** Grace Hill Settlement House  
**Contract Number:** 60603  
**CFDA Number:** 14.257  
**Contract Period:** October 1, 2009 through July 28, 2012  
**Contract Amount:** \$1,200,000

The contract provided Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds to Grace Hill Settlement House (Agency) to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized in the greater St. Louis Area.

### Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Department of Human Services (DHS) requirements for the period January 1, 2010 through October 31, 2010, 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 April 13, 2011.

### Exit Conference

An exit conference was offered to the agency on October 7, 2011; however, a response was not received.

### Management's Responses

On October 7, 2011, the Agency was provided with the observation and recommendation, identified in the report, and a response was requested by October 17, 2011; however, as of the date of the report, the Agency has not responded.

## SUMMARY OF OBSERVATIONS

### **Conclusion**

The Agency did not fully comply with federal, state and local DHS requirements.

### **Status of Prior Observations**

The Agency did not have a previous fiscal monitoring report for the HPRP contract. This was the Agency's first year administering the grant.

### **A-133 Status**

The Agency expended \$500,000 or more in federal funds for the year ended December 31, 2010; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The A-133 report dated December 31, 2010, rendered unqualified opinions on internal controls over financial reporting and on compliance for major programs. There were no material weaknesses but there were significant deficiencies identified.

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

### **Summary of Current Observations**

A recommendation has been made for the following observation, which if implemented could assist the Agency in fully complying with federal, state, and local DHS requirements.

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

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

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

IAS tested the Agency's HPRP disbursement checks for the months of March and October 2010 for authorized signatures. Seventy disbursement checks were examined, and it was noted that two authorized signatures were not present on all checks.

Section VI of the DHS Fiscal Procedures Manual requires all checks for expenditures reimbursed by the grant to be pre-numbered and signed by the chief executive officer and financial officer or any two duly authorized officers.

The Agency did not have a system of internal control to ensure compliance with the check signing requirements of the DHS Fiscal Procedures Manual for the grant related expenditures. Non-compliance with DHS fiscal procedures may result in suspension or termination of the Agency's federal grant agreement with DHS.

### **Recommendation**

It is recommended that the Agency comply with DHS Fiscal Procedures Manual and require two authorized signatures on all checks for grant related expenditures.

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

*On October 7, 2011, the Agency was provided with the above observation and recommendation and a response was requested by October 17, 2011; however, as of the date of the report, the Agency has not responded.*