



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA
Internal Audit Executive

February 8, 2011

Flint Fowler, President
Herbert Hoover Boys & Girls Club
2901 N. Grand
St. Louis, MO 63107

RE: Community Development Block Grant (CDBG) (Project #2011-CDA8)

Dear Mr. Fowler:

Enclosed is a report of our fiscal monitoring review of the Herbert Hoover Boys & Girls Club, a not-for-profit organization, CDBG 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 agency. Fieldwork was completed on December 22, 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 Community Development Administration (CDA) to provide fiscal monitoring to all grant subrecipients.

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: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**HERBERT HOOVER BOYS AND GIRLS CLUB
CONTRACT #10-11-31
CFDA #14.218**

FISCAL MONITORING REVIEW

JANUARY 1, 2010 THROUGH OCTOBER 31, 2010

PROJECT #2011-CDA8

DATE ISSUED: FEBRUARY 8, 2011

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
HERBERT HOOVER BOYS AND GIRLS CLUB
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: Herbert Hoover Boys & Girls Club

Contract Number: 10-11-31

CFDA Number: 14.218

Contract Period: January 1, 2010 through December 31, 2010

Contract Amount: \$100,000

This contract provided Community Development Block Grant (CDBG) funds to Herbert Hoover Boys & Girls Club (Agency) to provide a comprehensive, year-round job readiness and career development program for approximately 150 youths at its Adams Park Unit, located at 4317 Vista Avenue, St. Louis MO 63110.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) 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 CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on December 22, 2010.

Exit Conference

The Agency was offered the opportunity for an exit conference on January 27, 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 February 4, 2011. These responses have been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

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

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2009-CDA54, issued August 15, 2009, contained two observations:

1. Opportunity to file monthly financial and programmatic report in a timely manner. **(Repeated)**
2. Opportunity for CDBG checks signed by two duly authorized officers. **(Resolved)**

A-133 Status

According to a letter received from the Agency dated December 6, 2010, the Agency was not required to have an A-133 audit because it did not expend \$500,000 or more in federal funds in its fiscal year ended December 31, 2010.

Summary of Current Observations

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

- Opportunity to submit monthly financial reports in a timely manner

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To Submit Monthly Financial Reports In A Timely Manner

The Agency did not timely submit its monthly financial reports for the period of the review. The reports for the months of January through November 2010 were all submitted on December 12, 2010. The reports were late by an average of 152 days.

CDA regulation requires the Agency to submit its monthly financial reports by 10th of the month following the reporting month.

The Agency did not have a system of internal controls in place to ensure compliance with the reporting requirements of the grant contract.

Non-compliance with the requirements of the grant agreement, including the reporting requirements, may cause a delay or suspension in the processing of reimbursement requests or termination of the grant contract with CDA.

Recommendation

We recommend the Agency comply with CDA regulations and submit its monthly financial reports in a timely manner.

Management's Response

Going forward for the 2011 CDA grant year, to correct this finding, HHBGC will submit monthly financial reports by the 10th of the month. Department procedures have been reviewed and necessary changes have been made to prevent from happening in the future.