



Office of Missouri State Auditor  
**Nicole Galloway, CPA**

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**FOLLOW-UP REPORT ON AUDIT FINDINGS**

City of St. Louis  
Department of Health

Report No. 2018-116  
November 2018

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# City of St. Louis - Department of Health

## Follow-Up Report on Audit Findings

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## **NICOLE GALLOWAY, CPA**

### **Missouri State Auditor**

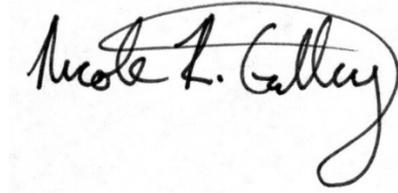
To the Honorable Mayor  
and  
Acting Director of the Department of Health/Commissioner of Health  
City of St. Louis, Missouri

We have compiled the statuses of the audit report findings contained in Report No. 2009-59, *City of St. Louis, Department of Health*, and applicable audit report findings contained in Report No. 2009-60, *City of St. Louis, Lead Safe St. Louis Program*, both issued in June 2009, as part of our current audit of the City of St. Louis. The functions of the Lead Safe St. Louis Program are performed by the Community Development Administration, Department of Public Safety - Building Division, and Department of Health; therefore, applicable follow-up statuses for the Lead Safe St. Louis Program have been included in these agency follow-up reports. These results were determined by city officials and have not been audited. We will evaluate each status and the procedures implemented to address the related audit findings as appropriate in our upcoming audit of the Department of Health. The objectives of the follow-up compilation were to:

1. Provide status information from city officials for each recommendation. The status of each recommendation will be one of the following:
  - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
  - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
  - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
  - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.
  - No Longer Applicable: The recommendation is no longer applicable.
2. Compile the information reported.

To obtain the status for each recommendation, we sent questionnaires to the Department of Health that included a brief summary of each finding and recommendation, and requested the status of each finding and a brief description of the steps taken or planned to implement the recommendation or reason(s) why the recommendation has not been implemented or is no longer applicable. This report is a compilation of the information provided, which we received in May and June 2018.

Audits of various officials and departments of the City of St. Louis are in process, and any findings and recommendations will be included in the subsequent reports.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end of the word "Galloway".

Nicole R. Galloway, CPA  
State Auditor

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# City of St. Louis - Department of Health

## Follow-Up Report on Audit Findings

### Status of Findings

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**Finding Title:** Travel Expenses

**Finding Number:** 1.A.

**Finding:** Department of Health (DOH) employees attended out-of-state conferences and incurred excessive lodging expenses by staying at the hotels that sponsored the conferences. City travel regulations encouraged employees to stay at the sponsoring hotel for the conference and allowed transportation expenses between the airport and the hotel; however, travel regulations stated taxi services within a city were unallowable expenses. As a result, it appeared employees had little choice except to stay in sponsoring hotels.

**Recommendation:** The DOH work with the Board of Estimate and Apportionment to change city travel policies to allow reimbursement for travel expenses incurred within a city.

**Status of Finding:** Not Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A travel policy was implemented on March 10, 2010, and updated and revised on July 19, 2017. The City of St. Louis travel regulations do not allow taxi services within a city and DOH staff are encouraged to obtain lodging at either the sponsoring hotel or at a comparable hotel.

**Contact Person:** Robin S. Jones

**Contact Phone Number:** (314) 657-1415



City of St. Louis - Department of Health  
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**Finding Title:** Travel Expenses

**Finding Number:** 1.B.

**Finding:** The DOH incurred travel expenses that did not appear allowable under the funding grant or included expenses that were not allowed by travel regulations.

**Recommendation:** The DOH ensure travel expenses are paid only for amounts allowed by city travel regulations and applicable grant agreements.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A travel policy was implemented on March 10, 2010, and updated and revised on July 19, 2017. The DOH has taken the necessary actions to ensure that travel expenses are paid only for amounts allowed by the City of St. Louis travel regulations and applicable grant agreements. All travel paid for using grant funds must be included in the grant budget and must relate to the grant deliverables and outcomes.

**Contact Person:** Robin S. Jones  
**Contact Phone Number:** (314) 657-1415



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**Finding Title:** Travel Expenses

**Finding Number:** 1.C.

**Finding:** The DOH allowed requested trips to be completed without required approvals and documentation.

**Recommendation:** The DOH adopt procedures to ensure all travel requests and reimbursements are approved by the appropriate authorities and required documentation is obtained prior to approval.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A travel policy was implemented on March 10, 2010, and updated and revised on July 19, 2017. The DOH has procedures in place that require travel requests be submitted and approved in advance. At least 45 days in advance of travel, the staff must obtain his/her manager's approval. The travel packet is then logged and submitted to the Fiscal Services Section of the DOH. The appropriate accountant ensures that funding is available and all necessary paperwork is submitted to the Fiscal Manager, DOH Director, and the Comptroller's and Mayor's offices for approval.

**Contact Person:** Robin S. Jones  
**Contact Phone Number:** (314) 657-1415



City of St. Louis - Department of Health  
Follow-Up Report on Audit Findings  
Status of Findings

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**Finding Title:** Payroll and Other Expenditures

**Finding Number:** 2.A.

**Finding:** Our review of payroll expenditures from grant funds noted applicable timesheets reviewed did not have documentation of time spent on grant-related functions.

**Recommendation:** The DOH require all employees document time spent on grant-related functions.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A policy was implemented in 2010 and updated and revised on November 20, 2016. Managers or supervisors must ensure that all employees assigned to a grant submit time documentation forms that indicate the time spent/hours worked on and charged to the grant. These forms are due bi-weekly at the end of each pay period. The manager or supervisor approves the form, retains a copy for his/her records, and sends the original to the payroll section where it is shared with the appropriate accountant. The accountant for the grant uses the time documentation form and the employee timesheet information to reconcile spending against the approved grant budget.

**Contact Person:** Robin S. Jones  
**Contact Phone Number:** (314) 657-1415



City of St. Louis - Department of Health  
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**Finding Title:** Payroll and Other Expenditures

**Finding Number:** 2.B.

**Finding:** Our review of grant-funded expenditures noted items that did not appear allowable under the funding grant.

**Recommendation:** The DOH implement procedures to ensure only allowable items are purchased with grant funds.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A purchasing and expenditure policy was implemented on October 23, 2008, and updated and revised on April 30, 2018. All purchases from grant monies must be included in the grant budget and must be tied to the grant's scope of work, deliverables, and outcomes. Employees within each program complete an internal requisition and attach a copy of the page of the grant contract that clearly states that the expenditure is allowable and a statement justifying the purchase. The internal requisition, copy of the grant contract page, and brief justification/explanation for the purchase should be forwarded to the Fiscal Accountant for verification of funds and then to the DOH Director or Commissioner of Health for approval.

**Contact Person:** Robin S. Jones

**Contact Phone Number:** (314) 657-1415



City of St. Louis - Department of Health  
Follow-Up Report on Audit Findings  
Status of Findings

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**Finding Title:** Payroll and Other Expenditures

**Finding Number:** 2.C.

**Finding:** Our review of certain emergency purchases noted none included a documented justification that adequately met the city's definition of an emergency.

**Recommendation:** The DOH ensure city policy is followed for all emergency purchases, including adequately documenting the emergency nature of the purchase. Bids should be solicited for purchases that do not meet the city's definition of an emergency.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A purchasing and expenditure policy was implemented on October 23, 2008, and updated and revised on April 30, 2018. The DOH follows the City of St. Louis Supply Division's policies and procedures for all purchases. The DOH has worked diligently to ensure that emergency purchases are true emergencies. During fiscal year 2018, the DOH had one emergency purchase (sexually transmitted infection medication).

**Contact Person:** Robin S. Jones  
**Contact Phone Number:** (314) 657-1415



City of St. Louis - Department of Health  
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**Finding Title:** Payroll and Other Expenditures

**Finding Number:** 2.D.

**Finding:** The DOH entered into two agreements for the creation of data management systems without soliciting proposals or justifying the reason for the sole source purchase.

**Recommendation:** The DOH ensure city purchasing policies are followed for purchases of data management systems.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

A purchasing and expenditure policy was implemented on October 23, 2008 and updated and revised on April 30, 2018. The DOH follows the City of St. Louis Supply Division's policies and procedures for requests for proposal and entering into contractual agreements, including the sole source purchases. The contract with Innovative Data Systems was canceled in December 2016, resulting in a cost savings of \$10,000. The Functional Needs Registry contract was funded in part by the DOH (the Department of Human Services is the contract holder). The DOH no longer provides funding for this contract.

**Contact Person:** Robin S. Jones  
**Contact Phone Number:** (314) 657-1415



City of St. Louis - Department of Health  
Follow-Up Report on Audit Findings  
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**Finding Title:** Air Pollution Control Program

**Finding Number:** 3.A.

**Finding:** Eight employees of the Air Pollution Control Program (APCP) regularly took their assigned vehicles home rather than parking them at the air pollution control building. APCP officials stated there was no particular business purpose for allowing the inspectors to drive the vehicles home and this practice had been allowed for many years. In addition, the inspectors were not required to maintain mileage logs.

**Recommendation:** The DOH require mileage logs for all city vehicles and discontinue the practice of allowing employees to commute in city vehicles when there is no clear business purpose.

**Status of Finding:** No Longer Applicable

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

On June 10, 2011, the State of Missouri discontinued funding of local air pollution agencies, including the City of St. Louis DOH APCP. There have been no air pollution control employees since November 2013.

Any future air pollution control employees will make use of personal vehicles and will submit mileage records for reimbursement. Any persons using city vehicles will make use of a daily report form to document mileage, purpose, etc. for each trip.

**Contact Person:** Jeanine Arrighi

**Contact Phone Number:** (314) 657-1507



City of St. Louis - Department of Health  
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Status of Findings

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**Finding Title:** Air Pollution Control Program

**Finding Number:** 3.B.

**Finding:** The APCP did not inspect some required pollution emitting facilities. The APCP received state grant funds and maintained an agreement with the Missouri Department of Natural Resources (DNR) to inspect pollution emitting facilities in the City of St. Louis.

**Recommendation:** The DOH fulfill its agreement with the DNR and inspect all required pollution emitting facilities.

**Status of Finding:** No Longer Applicable

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

On June 10, 2011, the State of Missouri discontinued funding of local air pollution agencies, including the City of St. Louis DOH APCP. The DOH is in the process of executing a new Memorandum of Agreement with the DNR for responsibilities that do not include inspecting pollution emitting facilities.

**Contact Person:** Jeanine Arrighi

**Contact Phone Number:** (314) 657-1507



City of St. Louis - Department of Health  
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**Finding Title:** Air Pollution Control Program

**Finding Number:** 3.C.

**Finding:** The city did not have a Board of Air Pollution Control Appeals and Variance Review as required by city code.

**Recommendation:** The DOH work with the Mayor's office to reinstate the Board of Air Pollution Control Appeals and Variance Review to comply with city code.

**Status of Finding:** No Longer Applicable

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

City Ordinance 68657 (effective June 2, 2010) eliminated the Board of Air Pollution Control Appeals and Variance Review. City Ordinance 70607 (effective July 19, 2017) replaced Ordinance 68657, and did not reinstate a Board of Air Pollution Control Appeals and Variance Review due to two factors:

1. City Ordinance 70607 relies on the Administrative Citation Fine Ordinance 69821 (effective January 24, 2015) to address any appeal for fines.
2. The scope of City Ordinance 70607 covers limited air pollution functions, including asbestos abatement/demolition and air pollution nuisance, and any variance will be considered by the Commissioner of Health or his/her designee.

**Contact Person:** Jeanine Arrighi

**Contact Phone Number:** (314) 657-1507



City of St. Louis - Department of Health  
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**Finding Title:** School Nurse Program

**Finding Number:** 4.

**Finding:** The DOH provided nurses to private schools in the City of St. Louis but did not provide a similar service to the city's public schools.

**Recommendation:** The DOH review the school nurse program and consider providing equitable services to all city students.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

The DOH provided services to private schools in the city; however, the DOH also provided services (asthma, lead, nutrition, and other public health related services) to the city schools during the 2001-2017 school years. These same services were offered to private schools.

**Contact Person:** Steven Estopare

**Contact Phone Number:** (314) 657-1485



City of St. Louis - Department of Health  
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Status of Findings

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**Finding Title:** Temporary Relocation Expenditures

**Finding Number:** 3.

**Finding:** The DOH and Department of Public Safety, Building Division (BD) did not adequately monitor the Lead Safe St. Louis Program (LSSL) temporary relocation process, resulting in expenditures in excess of the maximum allowance for lodging and meals.

**Recommendation:** The DOH and BD continue to monitor the eligibility and expenditures of temporarily relocated families to ensure compliance with LSSL policies.

**Status of Finding:** No Longer Applicable

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

The DOH has no responsibilities regarding relocation programs at this time.

**Contact Person:** Steven Estopare

**Contact Phone Number:** (314) 657-1485



City of St. Louis - Department of Health  
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**Finding Title:** Special Fund Receipts

**Finding Number:** 4.

**Finding:** The DOH did not reconcile Medicaid or court fine deposits to applicable billing and receipt records. While the DOH received monthly reports of deposits into the Remediation Special Fund from the Comptroller's office, the DOH did not reconcile deposits to BD Medicaid billing records or to fines received from the municipal court.

**Recommendation:** The DOH implement procedures to reconcile deposits into the Remediation Special Fund to applicable billing and receipt records.

**Status of Finding:** Partially Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

Changes in personnel have interrupted this reconciliation procedure but it is being restored. Court fines from the Problem Property Court will be received by the DOH each month from the Law Department. Medicaid invoices will be received by the DOH each month from the BD's Lead Program. These receipts will be compared to the monthly revenue report to ensure funds are deposited in the Remediation Special Fund for the Lead Program.

**Contact Person:** Steven Estopare  
**Contact Phone Number:** (314) 657-1485



City of St. Louis - Department of Health  
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**Finding Title:** Grant Compliance

**Finding Number:** 5.

**Finding:** The DOH and BD overspent applicable grant funding during the year ended June 30, 2008, and the errors were not corrected in a timely manner.

**Recommendation:** The DOH and BD implement controls to ensure grant monies are expended within grant budgets, and correcting entries are made timely.

**Status of Finding:** Implemented

**Description of steps taken or planned to implement the finding or reason for not implementing or why finding is no longer applicable:**

Many of the positions supported by grant funds were partially paid by other city funds. On a monthly basis the DOH's Fiscal Services Section prepares documents known as "payroll exceptions" to transfer any payroll costs from grants to the other funds that partially cover payroll expenses. For example, a nurse may be paid 50 percent from a grant and 50 percent from other city funds. The payroll expenditures are initially charged to the grant. After the payroll is completed, the payroll exceptions documents transfer half of the payroll expenses from the grant fund to the city fund. These controls help ensure that grant funds expended are not in excess of the available funds.

**Contact Person:** Steven Estopare

**Contact Phone Number:** (314) 657-1485