



DATE: December 13, 2016

TO: Barbara Harris, Assistant City Manager

FROM: Internal Audit Division

SUBJECT: Housing Opportunities for Persons with AIDS (HOPWA) Grant-
FY 2015-2016
(No Response Required)

The Internal Audit Division has performed our monitoring visit of Central Carolina Health Network ("CCHN" or "Agency") on August 10, 2016; which received a Tenant Based Rental Assistance and Administrative Fee Grant in the amount of \$528,148 from the City of Greensboro ("City"), which is comprised of \$206,966 in unexpended funding from fiscal year 2014-2015 and a \$321,182 funding allocation for fiscal year 2015-2016.

CCHN is one of 10 regional networks formed in North Carolina for the purpose of providing essential health and supportive services to persons in North Carolina living with HIV disease. The Network serves eight county areas consisting of Alamance, Caswell, Davidson, Guilford, Montgomery, Randolph, Rockingham, and Stanley.

The City contracted with the Agency on July 1, 2015 to distribute grants to organizations qualified to provide housing services for people with HIV/AIDS in Guilford County, Randolph County and Rockingham County. Eligible HOPWA services are: short-term rent, mortgage and utility payments, and tenant based rental assistance. Of the \$528,148 to be distributed by CCHN, no more than 7% (\$36,970) of the total HOPWA expenditures could be spent toward the qualified organizations' administrative costs.

The grant period extends from July 1, 2015 to December 31, 2016. As of July 31, 2016, the City has reimbursed CCHN \$215,882.90 in eligible costs.

We examined selected financial transactions and program documentation maintained by the Agency for compliance with the contract and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of their contract without exception. Also, we noted in the Management Letter dated November 23, 2015, the auditors wrote the following regarding CCHN's segregation of duties: "During our audit, we noted that the Network has limited segregation of duties due to the size of the Network. We found that the Network's management assumes an active role in supervising day-to-day operations. Management's close perspective is a critical factor toward offsetting potential weaknesses in internal controls due

to the limited number of staff among whom key duties are assigned. We also realize that as many controls as possible have been put in place with the limited number of staff."

We would like to thank Mr. Kent Gammon, Executive Director; and the staff of the Central Carolina Health Network for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development
Kent Gammon, Executive Director of Central Carolina Health Network



NEIGHBORHOOD DEVELOPMENT

December 13, 2016

Kent Gammon
Central Carolina Health Network
1 Centerview Drive, Ste. 202
Greensboro, NC 27407

Dear Mr. Gammon:

Enclosed is a copy of the City of Greensboro's programmatic review of the HOPWA grant that includes Tenant Based Rental Assistance and an Administrative Fee Grant.

Neighborhood Development staff appreciates the assistance and documentation provided during the monitoring visit by Mr. Kent Gammon, Executive Director, and the staff of the Central Carolina Health Network.

Sincerely,

Charla Gaskins
Federal Compliance Coordinator

B. Lamont Taylor
Grants, Finance, & Administration Manager

Programmatic Review of Central Carolina Network HOPWA Grant

Overview

Central Carolina Health Network (CCHN) administers the HOPWA grant for the City of Greensboro. CCHN distributes grant funds to organizations qualified to provide housing services for people with HIV/AIDS in Guilford County, Randolph County, and Rockingham County. Eligible HOPWA services are short-term rent, mortgage and utility payments, and tenant based rental assistance.

Funding for the HOPWA grant was for \$528,148 of which \$206,966 was unexpended funding from fiscal year 2014-2015 and \$321,182 was an allocation for fiscal year 2015-2016. The grant period extends from July 1, 2015 to December 31, 2016. As of July 31, 2016, the City has reimbursed CCHN \$215,882.90 in eligible costs.

The purpose of this programmatic review is to determine whether agreement requirements and federal and state rules, regulations and guidelines are being met during FY 15/16. CCHN provided shadow files and financial documentation for the City of Greensboro's Neighborhood Development staff and Internal Audit staff to review.

Process

City of Greensboro staff conducted an on-site monitoring visit of the Central Carolina Health Network office, located at 1 Centerview Drive, on August 10, 2016. Prior to the visit, the City provided a letter to CCHN to schedule the visit and to request documentation needed to conduct the review. In response to the letter, CCHN confirmed scheduling and provided copies of requested documentation. During the visit, Internal Audit conducted a financial review and Neighborhood Development conducted a programmatic review. Staff of CCHN was available to answer any questions. Note that CCHN monitors sub agencies twice a year. CCHN provided shadow files (not inclusive of all documents obtained) and copies of the resulting monitoring reports for the programmatic review.

Review of Medical Eligibility

The purpose of this review is to determine compliance with agreement requirements and HOPWA medical documentation that was maintained for each client. A sampling of ten client files was chosen for review. All of the shadow files included a statement of HIV verification. Medical documentation is in compliance requirements and regulations.

Review of Certification of Tenant Incomes

The purpose of this review is to determine compliance with agreement requirements and income documentation that was maintained for each resident. A sampling of ten resident files was chosen for review. The shadow files did not include income verification documentation. CCHN reviewed client records during their monitoring of their sub-agencies and provided the City with

those reports. CCHN did not note any concerns with tenant income certifications. City staff suggests that staff include income verification documentation in the shadow files.

Review of Lead Based Paint Disclosure

The purpose of this review is to determine whether HOPWA funding requirements are being met. CCHN reviewed client files during their monitoring of their sub-agencies and provided the City with those reports. CCHN did not note any concerns with lead based paint disclosure.

Review of Residential Lease

The purpose of this review is to determine compliance with agreement requirements. CCHN reviewed client files to determine whether leases met state and local standards in place for each participant receiving tenant-based rental assistance. CCHN did not note any concerns.

Review of Rents

The purpose of this review is to determine compliance with the agreement and federal and state regulations. CCHN checked client files for accurate calculations of rent portion payments. Based upon their review, one HOPWA client's rent was not exempt from minimum rent. CCHN provided documentation for the New Reidsville Housing Authority to implement in the next recertification. HOPWA regulations were met with the aforementioned exception. No response is needed.

Review of Contractual Compliance

CCHN has met contractual requirements by administering the HOPWA grant and monitoring the performance of the sub agencies. Internal Audit examined selected financial transactions and program documentation for compliance with the contract. Based on their review, it appears that the terms of the contract have met the agreement without exception.

Base Property Indicators

Red Flag Indicators	Threshold	Property results	Red Flag
Adhering to HOPWA and/or Agreement	Adherence	Yes	-
Change in Revenue	Positive	Yes	-
Property Taxes Paid On Time	Achieved	N/A	-

Summary:

Central Carolina Health Network has experienced a positive change in revenue during FY 15/16. CCHN is a tax-exempt organization. They have adhered to the contractual agreements and federal and state regulations. It is Neighborhood Development staff opinion that TBRA was an eligible use of city HOPWA funding. No response is needed form Neighborhood Development or Internal Audit.



DATE: December 13, 2016
TO: Barbara Harris, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: New Garden Place Apartments – FY 2014-2015

Thank you for your reply dated December 13, 2016. Internal Audit agrees with the Neighborhood Development Department's response to Internal Audit's subject report dated December 13, 2016.



Tina McKoy
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Assistant City Manager
Cyndi Blue, Manager of Housing Services, Neighborhood Development
Lamont Taylor, Administrative Services Manager, Neighborhood Development
Caitlin Bowers, Grant Administrator, Neighborhood Development
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development

Attachment



NEIGHBORHOOD DEVELOPMENT

Date: December 13, 2016
TO: Len Lucas, Internal Audit Director
FROM: Charla Gaskins, ^{CG}Federal Compliance Coordinator
SUBJECT: **FY14-15 Neighborhood Development Review of New Garden Place Apartments Report**

Neighborhood Development concurs with the information, findings, and recommendations of the Internal Audit FY 2014-15 review.

Thank you.

CG

Approved by:

B. Lamont Taylor
Neighborhood Development