



City of Greensboro

Date: August 4, 2008
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Greensboro Urban Ministry

The Internal Audit Division has completed our annual review of Greensboro Urban Ministry in conjunction with a Programmatic Review by the Housing & Community Development Department for the 2006-2007 grant year. Attached you will find our review report; the agency response; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Andy Scott, Director of Housing & Community Development



City of Greensboro

Date: April 28, 2008
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: Greensboro Urban Ministry

The Internal Audit Division has performed our yearly monitoring visit of the Greensboro Urban Ministry which received an Emergency Assistance grant in the amount of \$86,000 and an Emergency Shelter Assistance grant in the amount of \$26,000 from the City of Greensboro during the 2006 to 2007 grant year.

The Emergency Assistance Nussbaum Housing Partnership Allocation grant for \$86,000 was used to provide services for emergency assistance to families to prevent homelessness. Eligible costs for reimbursement are as follows: back rent and utility bills; deposits on rental units and utilities; payment of first month's rent. These funds provided housing to 300 families and kept 380 families out of emergency shelter.

The Emergency Shelter Operations Nussbaum Housing Partnership Allocation grant in the amount of \$26,000 providing services which include sheltering and meals for the homeless. Eligible costs available for reimbursement are as follows: staff salaries; maintenance and security salary; maintenance and operation; insurance and utilities. The Agency will service approximately 1400 homeless clients with housing and approximately 100,000 homeless and needy clients with meals at the Weaver Night House shelter located at 305 W. Lee Street as the result of this grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contracts 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 these contracts with the exception of the following:

FINDING:

The receipt of donation checks, the co-signer of Accounts Payable payment checks, the receiver of bank statements and the reconciler of bank statement balances are performed by one employee, the Director of Finance.

RECOMMENDATION:

For better internal controls, we suggest the Agency assign some of the multiple duties of the Director of Finance to other independent employees or board members.

FINDING:

Of the 47 applications tested for Emergency Assistance, 19 (40%) did not specify the City or State of the applicants residence.

RECOMMENDATION:

To be sure the expenses are for residents of Greensboro, the City and State should be completed for each applicant for Emergency Assistance.

We request a written signed response from the Greensboro Urban Ministry and the Department of Housing & Community Development by May 11, 2008.

We would like to thank Reverend Mike Aiken, Executive Director; Dr. Nathan Witherspoon, Associate Director; Ms. Aquilla Lanier, Director of Finance; Ms. Nancy Phillips, Business Manager and the staff of the Greensboro Urban Ministry 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 373-2821.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Reverend Mike Aiken, Executive Director of Greensboro Urban Ministry



Date: April 25, 2008
To: Rev. Mike Aiken, Greensboro Urban Ministry
From: Michael Blair, City of Greensboro HCD
RE: *FY07/08 Weaver House & EA Programmatic Evaluation*

HCD and Internal Audit staff conducted an onsite visit at Greensboro Urban Ministry (GUM) on March 19, 2008. Urban Ministry is a sub-recipient of the City of Greensboro Department of Housing and Community Development and is carrying out the activity of emergency shelter (1,400) and emergency assistance (housing to 300 families and 380 families in homes). HCD staff appreciates the assistance provided by Greensboro Urban Ministry which was well represented by staff.

Greensboro Urban Ministry operates the Weaver House which is an emergency shelter for the homeless. This facility can shelter up to 100 adults daily and also serves a winter overflow shelter where an additional 20 people can be added to the 100.

Emergency Shelter funding for FY06/07 was \$26,000 (1,501 individuals served which exceeded the projected 1,400) which was expended in its entirety and was successfully completed June 30, 2007 (The shelter was funded by the City \$26,000 in FY05/06 and \$26,000 in FY04/05.); Emergency Assistance funding for FY06/07 was \$76,000 (amended to \$86,000) which was expended in its entirety and was successfully completed by June 30, 2007.

The period under review, along with current site conditions, was from July 1, 2006 to June 30, 2007. In addition to examining various program materials and financial files, in the course of the review city staff met with Mike Aiken, Executive Director; Dr. Nathan Witherspoon, Associate Director; Ms. Aquilla Lanier, Director of Finance; Ms. Nancy Phillips, Business Manager and the staff of the Greensboro Urban Ministry.

GUM has fulfilled the HCD Board Training (3 members and 1 management staff) requirement for the years 2004, 2005, 2006 and 2007. HCD also recommends the Duke Non-Profit Management program for board members of all agencies.

The purpose of the monitoring visit is to determine whether the sub-recipient has implemented and administered HCD-funded activities according to applicable program and contractual requirements. In this monitoring review attention was paid to contract compliance along with financial management systems, requisition practices, site conditions and performance measures.

The board met ten times in FY06/07 which is a high level of activity. The board has 25 members, 7 women and 18 men, from a wide range of professional backgrounds. Minutes are maintained and are understandable including the minutes where the external annual audit was reviewed and accepted by the board.

The agency has a multi-level (meaning that if a complaint is not resolved it goes to the next level for resolution) grievance policy.

During the on-site visit HCD and Internal Audit staff also inspected Potter's House Community Kitchen which serves 100,000 meals annually. The demand for meals from this kitchen by poverty impacted residents of Greensboro is enormous.

The agency uses Carolina Homeless Information Network (CHIN) software and has no serious complaints with its use. However certain difficulties with data entry were noted which complicated the HCD review of resource usage data.

As a result of this review HCD staff is making zero (0) findings, zero (0) concerns and two (2) observations, regarding the use of HCD funding.

A *finding* is defined by HCD as a program element that does not comply with a local, federal, or contractual, rule or regulation whereas a *concern* is either a potential finding or program weakness that should be improved to avoid future problems. An *observation* can be either a positive comment about the agency or a suggestion that may improve a service or element of operations.

Observation 1 – Postings

While GUM has very good written facility rules, and grievance procedure, they are not posted. That said many other client related messages were posted in clear view.

Requested Action 1

To post relevant client information such as the rules for the facility and the grievance policy; also HCD recommends posters encouraging client (the staff has posted signage regarding hand washing) hand washing and other public health messages such as "cover your mouth when you cough".

Observation 2 – Evacuation Plan

While GUM has very good written fire safety and evacuation plans posted they are not in a map format.

Requested Action 1

To post mapped versions of these safety plans.

Weaver House Measures:	FY04/05	FY05/06	FY07/07
Total Participants Served:	1,494 (125/m)	1503 (128/m)	1,501 (125/m)
Client Nights:	30,484 (2,540/m)	33,698 (2,808/m)	35,770 (2,980/m)
Average Occupancy:	84%	91%	98%
Percent Veterans:	8%	16%	0%
Primary Reason Homeless:			
Unemployment	22%	36%	35%
Relocation	10%	17%	13%
Family Conflict	10%	3%	7%
Substance Abuse	-	-	7%
Unable to Pay Rent	7%	6% (Eviction)	6% (Eviction)

Other Primary reasons include: Prison Release, Disability and Mental Illness.

Weaver House has served approximately the same number of participants annually (1,500) over the last few fiscal years. This would indicate regular nightly activity levels approaching its maximum capacity of 100 beds.

HCD Emergency Assistance:	FY04/05	FY05/06	FY06/07
Total Households:	338	342	380
Total Individuals:	789	852	939

Emergency Assistance was funded for \$86,000 in FY06/07 and fully expended. These funds were used to pay deposits, past due rent and utility bills to prevent homelessness. These funds should only be used for residents residing in Greensboro and that should be reflected in records. Internal Audit found city and state information lacking on a sample review of applications. Please see the draft Internal Audit report dated March 24, 2008.

Results of Facility Site Visit

External: The exterior of the shelter is very well maintained (no trash or clutter). The facility appeared to be clean and safe. Public transportation is very close (<1 mile).

Internal: Clients are referred to the library for computer access. However a new computer room is being set up for clients at the site. A television and various reading materials are provided. There is a phone available to clients. Clients have lockers and bins available for personal possessions.

Sleeping areas: The beds are in large shared rooms. The rooms were very clean and linens have well scheduled regular cleaning. There is a well marked bed map.

Bathrooms: Overall the bathrooms inspected were clean and well maintained. There are showers available for clients.

Medication: There is not a system to store client medication. Health Services however is next door to the facility.

Kitchen/Food: The facility provides three meals a day for clients and other disadvantaged citizens. Staff and volunteers prepare food on-site in a soup kitchen known as "Potters Kitchen".

Services: Case management is provided along with referrals for other related services such as medical and vocational.

Safety: There were several fire extinguishers. There are smoke detectors and a sprinkler system. The written fire safety plan and emergency evacuation plan are posted however mapped exit plans are recommended. There is a first aid kit which did not include a CPR mask.

Postings: The facility has a good grievance procedure but it is not posted. Facility rules are read to client nightly but are also not posted.

The draft Internal Audit report is dated March 24, 2008 included two findings. Please reply as requested.

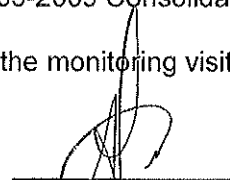
The observations in this review, in our view, do not reflect negatively on Urban Ministry staff and their work ensuring the continued success of the referenced program. The intent of the first observation is to heighten agency awareness and meet permanent rental housing lease compliance. The second observation is intended to enhance the agency minutes.

It is HCD staff opinion that Urban Ministry - Weaver House is an eligible and effective use of city Homelessness Prevention funding. It provides a much needed service to homeless men and women. Performance records were understandable and there are no disqualifying financial concerns for future City funding. The program relationship to 2005-2009 Consolidated Plan is Priority 2C.

HCD staff appreciates the assistance provided during the monitoring visit by Urban Ministry staff.



Michael Blair
Specialist Grants Compliance



Andy Scott
Director HCD

R-5/15/08

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May 9, 2008

Mr. Andy Scott, Director of Housing & Community Development
 City of Greensboro
 P. O. Box 3136
 Greensboro, N. C. 27402-3136

Dear Mr. Scott:


This is in response to your letter referencing the audits performed by Michael Blair and Mickey Kearney.

The on-site visit of Weaver House and Potter's House pointed out areas which will improve the safety and well being for clients and staff. The rules are posted in both dormitories for the men and women. The grievance procedures are posted in the lobby. The fire evacuation plans are in the process of being completed for posting.

The internal controls were reviewed in a separate audit approximately 4 years ago by Costello Hill & Company, and a follow up has been performed by McGladrey & Pullen annually. The internal controls in the accounting system provide features for the separation of duties that neither I nor the Business Manager can change. Change can only be requested by the Executive Director to the IT Company.

The Emergency Assistance documentation is reviewed before checks are signed. We have found it easier to require the zip code, as this provides an instant recognition of whether it is a Greensboro address. This procedure also increases efficiency.

If you additional questions or concerns, please contact me at 271-5959, ext. 306 or by e-mail to aquilla@guministry.org. Please send a copy of inquiry to Rev. Mike Aiken: aiken@guministry.org.

Sincerely,

 Aquilla P. Lanier
 Director of Finance

Cc: Rev. Mike Aiken
Internal Audit-City of Greensboro



City of Greensboro
North Carolina

May 15, 2008

Ms. Aquilla P. Lanier
Director of Finance
Greensboro Urban Ministry
305 West Lee Street
Greensboro, NC 27406

Re: Greensboro Urban Ministry Grant Year-2006 to 2007

Dear Ms. Lanier:

We are in receipt of your letter dated May 9, 2008 reference the City's Internal Audit report dated April 28, 2008 for the 2006 to 2007 grant year. Your timely response to our report is appreciated. We have reviewed your letter and agree with your replies to our findings.

The City of Greensboro appreciates Greensboro Urban Ministry in its efforts for serving the citizens of Greensboro.

Sincerely,

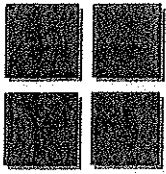


Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Andy Scott, Director of Housing & Community Development



HCD

Department of Housing & Community Development

MEMO

Date: May 27, 2008
To: Len Lucas, Internal Audit Director
From: Michael Blair, Specialist Grants Compliance
RE: HCD Review of G.U.M. Audit Report

After review of the March 24th, 2008 Internal Audit report on Greensboro Urban Ministry, for 2006-2007, HCD submits the following:

IA FINDING 1:

The receipt of donation checks, the co-signer of Accounts Payable payment checks, the receiver of bank statements and the reconciler of bank statement balances are performed by one employee, the Director of Finance.

IA RECOMMENDATION 1:

For better internal controls, we suggest the Agency assign the some of the multiple duties of the Director of Finance to other independent employees or board members.

- **HCD Reply to Recommendation 1:** *Concur. This is a reasonable suggestion.*

IA FINDING 2:

Of the 47 applications tested for Emergency Assistance, 19 (40%) did not specify the City or State of the applicants residence.

IA RECOMMENDATION 2:

To be sure the expenses are for residents of Greensboro, the City and State should be completed for each applicant for Emergency Assistance.

- **HCD Reply to Recommendation 2:** *Concur.*

Summary: HCD is in general agreement with the two (2) findings that Internal Audit makes in their review.



City of Greensboro

Date: July 22, 2008
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to IA Report-Greensboro Urban Ministry 2006-2007

Thank you for your reply of May 27, 2008 which we received on July 22, 2008 reference Greensboro Urban Ministry's IA report dated March 24, 2008. Internal Audit agrees with Housing & Community Development's responses.

Mickey Kerans
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager