



City of Greensboro

Date: April 2, 2008
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: The Servant Center, Inc.

The Internal Audit Division has performed our yearly monitoring visit of The Servant Center, Inc. which received a Transitional Shelter Operations Services Grant in the amount of \$60,000 from the City of Greensboro during the 2006 to 2007 Grant year.

This Transitional Shelter Operations Nussbaum Housing Partnership Allocation grant for \$60,000 was used to providing shelter and support services to chronically homeless men and formerly homeless men from the Servant House located at 1312 Lexington Avenue. Eligible costs to be reimbursed are as follows: staff salaries; maintenance and security salary; maintenance and operations; insurance and utilities.

Approximately 25 disabled chronically homeless clients and 8 formerly homeless clients were projected to be served however a total of 30 were actually served 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 the contracts.

We would like to thank Ms. Gail Haworth, Executive Director; and Ms. Shanna Reece, Deputy Director; Mr. Fred Darby, Facilities Manager and the staff of The Servant Center, Inc. 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
Gail Haworth, Executive Director of the Servant Center, Inc.



Date: March 25, 2008
To: Gail Haworth, President, Servant Center
From: Michael Blair, City of Greensboro HCD
RE: *FY07/08 Servant Center Programmatic Evaluation*

On February 27, 2008 HCD and Internal Audit (IA) staff conducted an on-site monitoring visit of Servant Center. Servant Center is a sub-recipient of the City of Greensboro Department of Housing and Community Development and is carrying out the activity of emergency shelter/transitional housing. From their website, *"that provides medical services, case management, and other rehabilitative services for disabled men who are homeless—living in shelters, on the streets, in cars..."*

Emergency Shelter funding for FY06/07 was \$60,000 (30 individuals served which is very close to the projected 33) which was expended in its entirety and was successfully completed June 30, 2007. The shelter was funded by the City \$41,000 for 2005-2006 (And \$41,000 in 2004-2005).

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 Ms. Gail Haworth, Executive Director; and Ms. Shanna Reece, Deputy Director; Mr. Fred Darby, Facilities Manager at Servant Center.

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.

Servant Center 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 board meets quarterly (Four (4) is the HCD minimum number of annual board meetings with a quorum) and the executive committee meets every other month. The board has 20 members, 3 women and 17 men, from a wide range of professional backgrounds. Minutes are maintained and are generally (see observation #2) 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.

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 – Lease Addendum

HCD appreciates that Servant Center has begun to resolve the lease addendum issue regarding Glenwood Housing.

Requested Action 1

To complete the process and remove the addendum (in its current form) from all current and future leases. This will be confirmed during the Glenwood Housing loan review later in 2008.

Observation 2 – Board Minutes

The minutes provided do not state whether a quorum is met by the attending number of members.

Requested Action 2

To include a line in the minutes that states whether or not a quorum was met.

Servant House Measures:

	FY04/05	FY05/06	FY06/07
Total Served ^(HCD)	52 (31 New)	35 (18 New)	30 (20 New)
Client Nights ^(HCD)	6,973	5,019	4,890
Average Occupancy ^(HCD)	83%	70%	74%
Average Daily Census ^(HCD)	19.37	13.75	13.40
Veterans ^(HUD APR)	18	6	12
Chronically Homeless ^(HUD APR)	10	12	12
Length of Stay ^(HUD APR)			
Less than 30 days:	9%	17%	16%
1 to 2 months:	26%	21%	17%
3-6 months:	35%	26%	25%
7-12 months:	14%	26%	17%
13-24 months:	17%	9%	25%
Transitioned to Permanent Housing			
(90% set goal in City proposal)	69%	80%	65%
Average Length of Stay ^(SC)	10 months	10 months	6 months

The total number served decreased in FY05/06 primarily due to reserving five (5) beds for Hospice care which reduced the total to twenty (20) beds, from twenty five (25) beds, starting in January 2006.

In FY06/07 two (2) additional beds were taken from service bringing the total available beds to eighteen (18). There was also a slowdown in referrals for several months due to staff changes at a referring agency (VA).

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. Transportation is provided by the agency and public transportation is very close (<1 mile).

Internal: The Glenwood Library is very close to the facility and currently that is the only computer access for clients. However a new computer room is being set up for clients at the site. A television, reading materials, games and other entertainment are all provided. There is a phone available to clients. Clients have closets for personal possessions in their room. The site appears to be accessible for people with disabilities.

Sleeping areas: The 18 beds are in rooms which are semi-private. The rooms were very clean and linens are cleaned by the clients in a well maintained laundry room.

Bathrooms: Overall the bathrooms inspected were clean and well maintained. There are showers, with curtains, adjacent to the bedrooms.

Medication: There is a system to store client medication when necessary.

Kitchen/Food: The facility provides three meals a day, and snacks, for clients. Staff prepares food on-site in a kitchen that has a very good state DHHS-DPH rating of 97.5.

Services: Case management and medical services are provided along with anger management counseling and YMCA exercise activities. The VA and AA provide substance abuse counseling.

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

Postings: The facility has the grievance procedure posted. Facility rules are also posted. Staff did not see any information available in Spanish. There is a very well done poster showing proper hand washing technique that could be used in any shelter.

The draft Internal Audit report is dated March 4, 2008 was without a finding which is commendable.

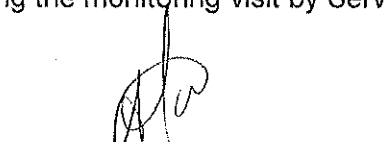
The observations in this review, in our view, do not reflect negatively on Servant Center staff and their work ensuring the continued success of the referenced program. The intent of the first observation is to heighten agency awareness and meet permanent rental housing lease compliance. The second observation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

It is HCD staff opinion that Servant Center - Servant House is an eligible and effective use of city Homelessness Prevention funding. It provides a much needed service to disabled men who are also homelessness and often times veterans. 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 2B-A.

HCD staff appreciates the assistance provided during the monitoring visit by Servant center staff.



Michael Blair
Specialist Grants Compliance



Andy Scott
Director HCD