



# City of Greensboro

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Date: September 28, 2007  
To: Mitchell Johnson, City Manager  
From: Internal Audit Division  
Subject: Family Services of the Piedmont

The Internal Audit Division has completed our annual review of Family Services of the Piedmont in conjunction with a Programmatic Review by the Housing & Community Development Department for the 2005-2006 grant year. Attached you will find our review report; the programmatic 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

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Cc: Ben Brown, Assistant City Manager for Economic Development  
Andy Scott, Director of Housing & Community Development



**Date:** February 19, 2007  
**To:** Andy Scott, Director of Housing & Community Development  
**From:** Internal Audit  
**Subject:** Family Services of the Piedmont, Inc.

The Internal Audit Division has performed our yearly monitoring visit of Family Services of the Piedmont, Inc. which received an Emergency Assistance grant in the amount of \$7,000 from the City of Greensboro during the 2005 to 2006 Grant year.

**The Emergency Assistance Grant** for \$7,000 was used to provide emergency financial assistance to low-income clients who are homeless due to domestic violence and who had been a resident of the Clara House. Approximately 40 women were served as a 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 except for the following findings:

**FINDING:**

The Agency's external audit report for the year ended June 30, 2006 was due to the City within 90 days or by September 30, 2006, however, the report was not received by the City until November 8, 2006. The Agency's change in Net Assets before depreciation for the year ended June 30, 2006 was a negative (\$64,903).

**RECOMMENDATION:**

The Agency should submit their external audit report within the required contract time limits and should advise the City how it plans to improve their financial position.

**FINDING:**

The Agency provided services to 3 residents in two cities (Brown Summit & High Point) other than Greensboro.

**RECOMMENDATION:**

The Agency shall provide the services under the Agreement only to the residents of the City of Greensboro.

**FINDING:**

The Agency only sent eight requests for reimbursement against the Grant. The first three of the requisitions were received together in the month of November, 2005. In some requisitions for reimbursements, the Agency's amount requested did not add up to the total of the supporting documents.

**RECOMMENDATION:**

As per the requirements from the Department of Housing & Community Development, the Agency should send a requisition for each month of the 12 months term. A requisition should be sent in even if the Agency is not requesting any reimbursement and marked negative for that month. Supporting documents should equal the amount of requisition the Agency is requesting each month except for the last month where the request can be netted in order to equal the total amount of the Grant. However, the Agency should detail this calculation on the request.

We request a written and signed response from the Department of Housing & Community Development and Family Services of the Piedmont, Inc. by March 5, 2007.

We would like to thank Ms. Shanna Reece, Grants and Contracts Manager; Mr. Chip Turner, Chief Financial Officer and the staff of the Family Services of the Piedmont 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: Ben Brown, Assistant City Manager for Economic Development  
Thomas R. Bonney, President/Chief Executive Officer of Family Services of the Piedmont, Inc.



**Date:** February 19, 2007  
**To:** Thomas Bonney, President, Family Services of the Piedmont  
**From:** Michael Blair, City of Greensboro HCD  
**RE:** FY06/07 Clara House & EA Programmatic Evaluation

**Project Information:**

Emergency Assistance was provided for low-income women who were homeless due to domestic violence; this program was funded \$7,000 in FY05/06. The funds were used to pay deposits, rent and utility bills to prevent homelessness. The \$7,000 was renewed for FY06/07 (Current fiscal year (FY)).

Family Services of the Piedmont also operates Clara House which is an emergency shelter for victims (Women and Children) of domestic violence. The shelter was not funded for FY05/06 however the shelter is currently funded (FY06/07) so this review includes information on Clara House. Clara House received \$34,134 in FY06/07 (Current FY), \$8,307 in FY03/04 and \$12,000 in FY02/03.

**Spending:**

Emergency Assistance requisition requests for clients of Clara House were submitted on eight (8) occasions during FY05/06. The full amount was not expended by \$7.60. This is not a significant amount or oversight. 22 individuals were served in FY05/06 with Emergency Assistance funds provided by HCD. Current (FY06/07) Emergency Assistance funding was 78% requisitioned as of 12.31.06.

**Clara House (Not funded in FY05/06):**

Clara House Measures	FY04/05	FY05/06
Total Individuals Served:	288	228
Client Nights:	6,317	6,612
Average Occupancy (day/month):	17.33/67%	18.12/70%
Length of Stay		
Less than 1 month:	75%	62%
1 to 2 months:	18%	19%
3 to 6 months:	7%	19%
Average Length of Stay (Days):	23	29
Completed Program or left for Housing Opportunity:	57%	72%
Received Case Management:	98%	98%
Not Returning to Violent Environment (Self Reported**):	81%	83%
Feeling Empowered and Better Able to Cope (Self Reported**):	77%	84%
Move to Positive Stable Housing:	67%	81%
Moved to Permanent Safe Housing after staying more than 10 days:	45%	62%
Repeat Visits in 2004:	0%	8%

*\*\*Approximately 13% of the total participants were involved in the "Self Reported" measures for FY04/05 and 73% for FY05/06 which is a tremendous increase in post shelter communication.*

Clara House experienced a decrease in the total number of clients served in FY05/06 (from FY04/05) however due to an increase in average stays, 23 to 29 days, client bed nights increased as did daily occupancy. FSP staff reported to HCD staff that this has increased again in FY06/07 (the current fiscal year). This might be due to state mental health reform pushing more clients to be served by local agencies. FSP reports that clinic staffers are seeing clients with more severe needs including mental health problems and substance abuse. It is not proven but the feeling is that it may be related to the mental health plan.

**FSP Board Composition 2005-2006:**

22 members with the following professions represented:

- 1 legal
- 1 faith-based
- 5 business
- 5 community volunteers
- 1 medical
- 2 real estate
- 3 finance
- 1 foundation
- 1 nonprofit

\*Two members of the board have resigned and the board is in the process of finding replacements.

Family Services fulfilled the August 2006 Board Training (3 members) requirement conducted by HCD. HCD recommends the Duke Non-Profit Management program for board members of all agencies.

The board attempts to meet monthly and met 11 times in FY05/06; this is a very good level of board activity. Minutes are maintained and are very understandable. They maintain several committees with the Finance Committee acting as the board Audit Committee. The Board evaluates the executive annually.

**Financial Review:**

No concerns.

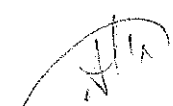
**Appropriateness for City Funding: Eligible**

(The above is HCD staff opinion only. An "Eligible" agency is not guaranteed funding only eligibility to participate in the GCHPC competitive process for City funding. The Community Resource Board is then responsible to make funding recommendations to City Council which makes the final decision for funding for an agency.)

Family Services Emergency Assistance, and Clara House, is an eligible and effective use of Homelessness Prevention funding. Performance records were clear and understandable. There are no disqualifying financial concerns for future City funding.

- Relationship to 2005-2009 Consolidated Plan: Priority 2A-C; 2E-A; 2E-C; and Objective 2A.

  
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Michael Blair  
Specialist Grants Compliance

  
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Andy Scott  
Director HCD



**Date:** February 21, 2007  
**To:** Andy Scott, Director of Housing & Community Development  
**From:** Internal Audit Division  
**Subject:** H&CD Reply to IA Report-Family Services of the Piedmont Grant 2005-2006

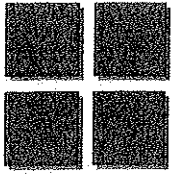
Thank you for your reply of February 20, 2007. Internal Audit agrees with Housing & Community Development's response to IA' subject report dated February 19, 2007. We appreciate your concise and prompt response.

Mickey Kerans  
Internal Auditor

A handwritten signature in black ink, appearing to read 'Len Lucas', with a long horizontal stroke extending to the right.

Len Lucas  
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development



# HCD

Department of Housing & Community Development

## MEMO

**Date:** February 20, 2007  
**To:** Len Lucas, Internal Audit Director  
**From:**  Michael Blair, Specialist Grants Compliance  
**RE:** FY06/07 Review of Family Services of the Piedmont IA Report

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After review of the draft February 14, 2007 Internal Audit report on Family Services of the Piedmont Emergency Assistance, for 2005-2006, HCD submits the following:

### IA FINDING 1:

The Agency's external audit report for the year ended June 30, 2006 was due to the City within 90 days or by September 30, 2006, however, the report was not received by the City until November 8, 2006. The Agency's change in Net Assets before depreciation for the year ended June 30, 2006 was a negative (\$64,903).

### IA RECOMMENDATION 1:

The Agency should submit their external audit report within the required contract time limits. The Agency should advise the City how it plans to improve their financial position.

**HCD Reply to Recommendation 1:** The FY05/06 agreement did not have a 90-day from Fiscal Year End clause. HCD concurs with part two of the recommendation.

### IA FINDING 2:

The Agency provided services to 3 residents in two cities (Brown Summit & High Point) other than Greensboro.

### IA RECOMMENDATION 2:

The Agency shall provide the services under the Agreement only to the residents of the City of Greensboro.

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

**IA FINDING 3:**

The Agency only sent eight requests for reimbursement against the Grant. The first three of the requisitions were received together in the month of November, 2005. In some requisitions for reimbursements, the Agency's amount requested did not add the total of the supporting documents.

**IA RECOMMENDATION 3:**

As per the requirements from the Department of Housing & Community Development, the Agency should send a requisition for each month of the 12 month term. A requisition should be sent in even if the Agency is not requesting any reimbursement and marked negative for that month. Supporting documents should equal the amount of requisition the Agency is requesting each month except for the last month where the request can be netted in order to equal the total amount of the Grant. However, the Agency should detail this calculation on the request.

**HCD Reply to Recommendation 3:** Concur.

**Summary:** HCD generally concurs with the Internal Audit report.





April 25, 2007

Calling from Greensboro,  
dial 336-387-6161

Calling from High Point,  
dial 336-889-6161

902 Bonner Drive  
Jamestown, NC 27282  
FX 336-387-9167

315 East Washington Street  
Greensboro, NC 27401  
FX 336-387-9167

The Slane Center  
1401 Long Street  
High Point, NC 27262  
FX 336-387-9167

Healthy Start/  
Family Resource Center  
401 Taylor Avenue  
High Point, NC 27260  
FX 336-885-7162

513-C White Oak Street  
Asheboro, NC 27203  
PH 336-629-6161  
FX 336-629-5002

Visit us on the Web at  
[www.safeandhealthyfamilies.com](http://www.safeandhealthyfamilies.com)

Mickey Kerans, Internal Auditor  
City of Greensboro  
P.O. Box 3136  
Greensboro, NC 27402-3136

RE: RESPONSE TO AUDIT OF 1/16/07 FOR EMERGENCY  
ASSISTANCE GRANT

Dear Mr. Kerans:

In response to your findings and recommendations regarding the Emergency Assistance grant in the amount of \$7,000 from the City of Greensboro to Family Service of the Piedmont:

- 1) Family Service of the Piedmont will assure the City of Greensboro that a draft version of our external final audit will be submitted to your office no later than September 30, 2007.
- 2) Our financial situation has greatly improved this year through tighter controls on spending and increased fund raising and grant-writing activities.
- 3) Emergency Assistance is provided to individuals who come into contact with us, who at that time are homeless victims of domestic violence. We believe that although services were provided to 3 residents who had previously resided in other cities, at the time that contact was made with our agency they were, in effect, homeless individuals residing in Greensboro.

We appreciate the opportunity to respond to your recommendations and look forward to continued positive interactions with the Greensboro Department of Housing and Community Development.

If you have any further questions or comments, please do not hesitate to contact me at 478-2017 or at [Thomas.Bonney@familyservice-piedmont.org](mailto:Thomas.Bonney@familyservice-piedmont.org).

Sincerely,

Thomas R. Bonney  
President & CEO

*Safe and Healthy Families Building Strong Communities*





April 27, 2007

Mr. Thomas R. Bonney  
President & CEO  
Family Services of the Piedmont, Inc.  
902 Bonner Dr  
Jamestown, NC 27282

Re: Family Services of the Piedmont Grant Year-2005 to 2006

Dear Mr. Bonney:

We are in receipt of your letter dated April 25, 2007 reference the City's Internal Audit report dated February 19, 2007 for the 2005 to 2006 Year. We have reviewed your letter and agree with responses and corrective measures.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Kerans".

Mickey Kerans  
Internal Auditor

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas  
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development  
Andy Scott, Director of Housing & Community Development