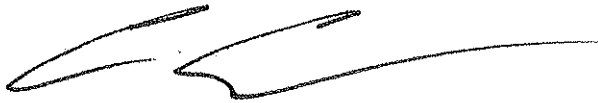




City of Greensboro

Date: May 29, 2007
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Greensboro Urban Ministry

The Internal Audit Division has completed our annual review of The Greensboro Urban Ministry in conjunction with a Programmatic Review by the Housing & Community Development Department for the 2005-2006 fiscal 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

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



Date: May 2, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
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 \$60,000 and a Shelter Assistance grant in the amount of \$23,000 from the City of Greensboro during the 2005 to 2006 grant year.

The Emergency Assistance grant for \$60,000 was used to provide emergency assistance to low income households with past due rents, rental deposits, past due utilities, back payments, and payments to prevent foreclosure. Approximately 300 clients were served as result of this grant.

The Shelter Operations grant in the amount of \$23,000 provided emergency housing to single adults including shelter, food and supportive services provided by social workers and other trained staff at the Weaver House located at 305 W. Lee St. Approximately 1,461 clients were assisted 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 Agency's external audit for fiscal year ended June 30, 2006 was due to the City by September 30, 2006, however, the City did not receive the audit until October 23, 2006.

RECOMMENDATION:

The external audit of the Agency should be delivered to the City each year within 90 days of their fiscal year end.

FINDING:

- 1) Requisition #1 for Emergency Services, the documents submitted total to \$13,461.09 but the Agency's requisition amount was for \$13,461.00. However, the department Housing & Community Development (HCD) changed the requisition amount to \$13,436.09 and paid same amount.
- 2) Requisition #2 for Emergency Services had supporting documents for check number 4658 in the amount of \$200 paid to S&J Management for rent deposit covering a tenant client at address 2532-E Simpson, Burlington, NC.
- 3) Requisition #5 for Emergency Services had the requisition amount of \$8,411 but the documents totaled to \$8,911.22 which HCD changed to and paid.
- 4) Requisition #6 for Emergency Services documents submitted totaled to \$6,792.26 but the Agency requested \$6,257.00. However, HCD changed the amount to \$6,281.69 and paid same amount.

RECOMMENDATION:

The Agency should always reconcile the amount requested to the documents submitted. They should also be sure the expenses are for residents of Greensboro.

We request a written signed response from the Greensboro Urban Ministry and the Department of Housing & Community Development by May 16, 2007.

We would like to thank Reverend Mike Aiken, Executive Director; Dr. Nathan Witherspoon, Associate Executive 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: Ben Brown, Assistant City Manager for Economic Development
Reverend Mike Aiken, Executive Director of Greensboro Urban Ministry



Date: April 30, 2007
To: Rev. Mike Aiken, Greensboro Urban Ministry
From: Michael Blair, City of Greensboro HCD
RE: FY06/07 Weaver House & EA Programmatic Evaluation

HCD and Internal Audit staff conducted an onsite visit at the Greensboro Urban Ministry (GUM) offices on April 10, 2007. HCD staff appreciates the assistance provided by Greensboro Urban Ministry which was well represented by various staff.

During the on-site visit HCD, and Internal Audit, staff were given a tour of both Weaver House and the Potter's House Community Kitchen. This was very helpful in giving a broader understanding of the need for both shelter and food availability.

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.

Project Information:

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. The shelter was funded for \$23,000 for the FY05/06 grant year; this paid for security at the facility. This grant was also funded for FY06/07, which is currently under-way, by the City Community Resource Board.

Weaver House appears to have served approximately the same number of participants however the occupancy rate appears to have jumped from 84% to 91% which may indicate longer stays.

Emergency Assistance was funded for \$60,000 (Nussbaum) in FY05/06. These funds were used to pay deposits, past due rent and utility bills to prevent homelessness. The \$60,000 was renewed for FY06/07.

Spending:

Weaver House had regularly submitted, nine (9), requisition requests during the FY 05/06 year. The full amount funded was expended by May 2006.

Emergency Assistance requisition requests were submitted on a fairly regular basis. The full amount was expended by the end of December 2005.

Weaver House Measures:	FY04/05	FY05/06
Total Participants Served:	1,494 (125/m)	1503 (128/m)
Client Nights:	30,484 (2,540/m)	33,698 (2,808/m)
Average Occupancy:	84%	91%
Percent Veterans:	8%	16%
Primary (Usually multiple reasons) Reason Homeless:		
Unemployment	22%	36%
Relocation	10%	17%
Family Conflict	10%	3%
Unable to Pay Rent	7%	6% (Eviction)
Separation	7%	3%
Other Primary reasons include: Divorce, Drug Abuse, Prison Release, and Mental Illness.		

HCD funded Emergency Assistance:	FY04/05	FY05/06
Total Households:	338	342
Total Individuals:	789	852
Percentage Spent on:		
Back Rent	81%	68%
Back Utilities	11%	13%
Deposits	9%	19%

Greensboro Urban Ministry Board:

37 Board members, and 6 ex-officio members, with various occupations:

W: 15

M: 22

The organization fulfilled the Board Training (3 members) requirement for 2004, 2005 and 2006. HCD recommends the Duke Non-Profit Management program for board members of all agencies. The board meets almost monthly, 10 times in 2006, and is composed of many different professional disciplines. The agency has a new board member orientation that includes a segment on how to read financial statements.

Minutes are maintained and are understandable.

Financial Review:

No pressing financial concerns in the draft Internal Audit report dated April 17, 2007.

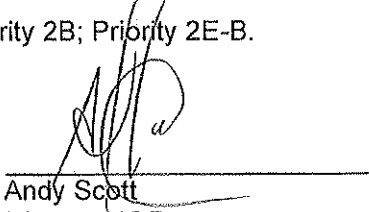
Appropriateness for City Funding: ELIGIBLE

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

Greensboro Urban Ministry Weaver House and Emergency Assistance programs are eligible and effective uses 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 2B; Priority 2E-B.


 Michael Blair
 Specialist Grant Compliance


 Andy Scott
 Director HCD



305 West Lee Street • Greensboro NC 27406

Phone: 336-271-5959 • Fax: 336-271-5920

www.greensborourbanministry.org

Date: May 3, 2007
To: Len Lucas, Internal Audit Director
From: Rev. Mike Aiken, Executive Director
Subject: Internal Audit of City of Greensboro Grants

In response to the audit performed by the Internal Audit of the City of Greensboro, we have read and understand the findings for the Emergency Assistance Program.

Finding 1: The agency's external audit for the fiscal year ended June 30, 2006 was due to the City by September 30, 2006, however, the City did not receive the audit until October 23, 2006.

Response: The independent audit firm completes the in-house audit by the end of August each year, which includes the review by a senior partner. We receive the reports in a timely manner, but the report is not released to any funding source until it has approved by the Board of Directors at the October Board Meeting, which in 2007 will be October 18, 2007.

Finding 2: The source documentation does not agree with the total requisitioned from Greensboro Urban Ministry. Also, one person moving to Greensboro had secured her apartment but was not a resident of Greensboro when she received the assistance.

Response:

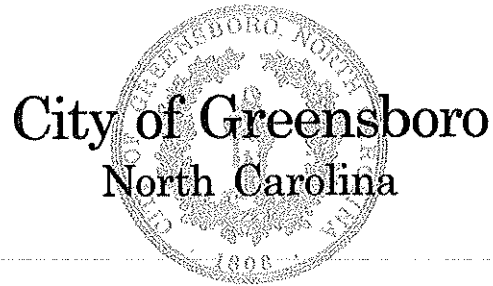
- a.) The grants received from federal and state government require that all requests for reimbursement must be in even dollars only. Consequently, we were carrying this practice over to the City grants. This can be changed in accordance with your requirements. Last year there was a lot of confusion in reconciling reports to documentation. The City employee and Finance Director have worked well together to overcome this hurdle and I am sure the reporting process will be much easier.
- b.) A resident who had secured an apartment in Greensboro received assistance, but was a resident of Burlington at the time. This was an oversight by staff. We have instructed the Emergency Assistance staff and volunteers to always include the city and zip code on the application.

If you have any questions or require additional information, please contact me or Aquilla Lanier at (336) 271-5959.

Sincerely,

Rev. Mike Aiken
Executive Director

Cc: Michael Blair, Specialist Grant Compliance
Andy Scott, Director of HCD
Ben Brown, Assistant City Manager for Economic Development
Aquilla Lanier, Director of Finance for Greensboro Urban Ministry



May 9, 2007

Reverend Mike Aiken
Executive Director
Greensboro Urban Ministry
305 West Lee Street
Greensboro, NC 27406

Re: Greensboro Urban Ministry Grant Year-2005 to 2006

Dear Reverend Aiken:

We are in receipt of your letter dated May 3, 2007 reference the City's Internal Audit report dated May 2, 2007 for the 2005 to 2006. Your timely response to our report is appreciated.

Regarding the requirement that Greensboro Urban Ministry's audited financials be received within 90 days of your fiscal year end, we understand that your Board needs to approve the audit before they can be released to the City. We would just advise you to plan accordingly so that the City will receive the financials on or before the 90th day. The City makes this a requirement of all its grantees so that we can have the latest financial data available in making the best decision possible about past and future grants.

We are aware that Greensboro Urban Ministry has put controls in place to assure that monthly requisition amounts equal the amounts of the supporting documents. Finally as you are aware, City grants can only be used for clients who reside in Greensboro. However, we know mistakes may be made from time to time and your making this aware to your staff will help to alleviate this problem in the future.

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

Sincerely,

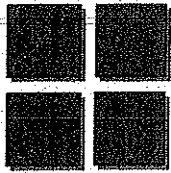
A handwritten signature in black ink, appearing to read "M. Kerans".

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



HCD

Department of Housing & Community Development

MEMO

Date: May 22, 2007
To: Len Lucas, Internal Audit Director
From:  Michael Blair, Specialist Grants Compliance
RE: FY06/07 HCD Review of Mary's House Audit Report

After review of the draft April 17th, 2007 Internal Audit report on Mary's House, for 2005-2006, HCD submits the following:

IA FINDING 1:

Regarding the Shelter Operations grant, there were several instances whereby the Agency sent in documents for reimbursement that the total included NC Sales Tax. The Agency files to North Carolina for reimbursement of Sales Tax on goods and services.

IA RECOMMENDATION 1:

The Agency should only request reimbursement for goods and services which amounts are net of NC Sales Tax.

- **HCD Reply to Finding/Recommendation 1:** Concur. This is in the agreement in §6-B which references Circular No. A-122, Attachment B.

IA FINDING 2:

In reference to the Shelter Operations grant there were several occasions whereby the requisition amount submitted did not reconcile to the total of the documents submitted. Also, the Agency got off track in numbering the requisitions in sequence.

IA RECOMMENDATION 2:

The Agency should reconcile the requisition amount requested to the total of the documents submitted to make sure they equal. They also should maintain the requisition numbers in sequence to avoid possibility of a duplicate payment by the City.

- **HCD Reply to Finding/Recommendation 2:** Concur

IA FINDING 3:

Regarding the Emergency Services grant for \$7,500, the Agency only requisitioned \$5,779.01 leaving a balance that was not requisitioned of \$1,720.99.

IA RECOMMENDATION 3:

The Agency should requisition the entire grant each year.

- **HCD Reply to Finding/Recommendation 3:** Concur

Summary: HCD generally concurs with the Internal Audit report.



City of Greensboro

Date: May 23, 2007

To: Andy Scott, Director of Housing & Community Development

From: Internal Audit Division

Subject: HCD Reply to IA Report-Mary's House 2005-2006

Thank you for your reply of May 22, 2006 reference Mary's House's IA report dated May 4, 2007. Internal Audit agrees with Housing & Community Development's responses.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development