



Date: April 2, 2007
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Jericho House, Incorporated - Grant

The Internal Audit Division has completed our annual review of the Jericho House, Incorporated 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.

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

Len Lucas
Internal Audit Director

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



City of Greensboro

Date: March 9, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
Subject: Jericho House, Incorporated

The Internal Audit Division has performed our yearly monitoring visit of Jericho House, Incorporated a registered North Carolina Non-Profit Corporation which received a Shelter Operations grant in the amount of \$7,000 from the City of Greensboro during the 2005 to 2006 grant year.

The Shelter Operations grant in the amount of \$7,000 was to help provide Utilities, Phone, Insurance and Transportation at the Jericho House located at 2824 Liberty Road., Greensboro, NC. The Jericho House provides a safe stable living environment and support services for men coming directly from being incarcerated. Approximately 20 clients were assisted as a result of this grant.

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 the contract with the exception of the following finding:

FINDING:

The total amount of the documents submitted by the Agency did not agree with the requisition amount for requisition numbers 3 & 4.

RECOMMENDATION:

The Agency should reconcile the total of the documents submitted with the total of the requisition to make sure that those two amounts always agree.

We request a written signed response from the Agency and the Department of Housing & Community Development by March 23, 2007. Some of our initial observations and recommendations were sufficiently addressed prior to our final report. The Agency does not need to respond to this report.

We would like to thank Mr. Jack Alford, Treasurer and the staff of the Jericho House 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.

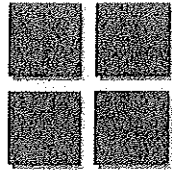


Mickey Kerans
Internal Auditor




Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
David Williams, President of Jericho House



HCD

Department of Housing & Community Development

Date: March 2, 2007
To: Jack Alford, Board of Directors, Jericho House
From:  Michael Blair, City of Greensboro HCD
RE: Jericho House Programmatic Evaluation

HCD and Internal Audit staff conducted an onsite visit at Jericho House on February 27, 2007. HCD staff appreciates the time and assistance provided by Jericho House which was represented by Jack Alford.

Project Information:

Jericho House is a reentry program for men recently, directly, released from the prison system. The overall goal is to assist these men in successful transition back into society. The maximum stay is 10 months. There are no paid staff and board members act as the primary staffers.

The agency was funded by the City \$7,000 in 2005-2006 (\$7,000 in 2004-2005 and again in 2003-2004) which was successfully completed June 30, 2006.

City funding was 25% of the agency's budget in 2005-2006.

Spending:

Jericho House submitted 4 requisitions for the entire \$7,000 and the full amount funded was expended prior to the fiscal year end.

Jericho House Review:	FY04/05	FY05/06
New Participants in 2004-2005 ^(HCD)	15	13
Total Individuals Served ^(HCD) (20 in City Proposal)	20	16
Average Monthly Occupancy ^(HCD)	73%	73%
Average Client Nights per Month ^(HCD)	134	134
Entering Income Levels of Participant ^(HCD)		
Under 50% of Median	100%	100%
% Participants Staying over 2 months (5 yr total) ^(ECOLAB/Jericho)	63%	?
Recidivism Participants Staying >2 months ^(ECOLAB/Jericho)	8%	14% (03-06)
% Participants w/Jobs Staying >2 months	71%	76% (03-06)

Performance records were available however they were not easily evaluated. That stated even with the difficulty the performance data appears to be good. In addition Jericho House served 16 participants while 20 was in their application. This was addressed by explaining that the actual length of stay per participant is increasing. The cause of this is attributed to better screening according to Jericho House. This is positive because for those participants that stay for greater than 2 months the likelihood of recidivism is greatly reduced from state averages.

*** HCD requests that Jericho House submit the average number of day's, or length, participants stayed in the program during FY2005-2006.**

Jericho House Board Composition:

8 members from the following categories are represented:

- 3 corrections
- 1 small business
- 1 religious non-profit
- 2 IT
- 1 retired (legal)
- 1: W
- 7: M

Jericho House has fulfilled HCD Board Training (3 members) requirements for 2004, 2005 and 2006. The board met 5 times in FY05/06 which is a good level of activity.

The Minutes are maintained and are understandable and there appears to be a good amount of information being discussed in the minutes provided to HCD. Occupancy, training, transportation, and other program objectives, are all discussed. In addition only board meetings with a quorum were presented to HCD staff. The minutes could be more descriptive on motions or perhaps committee reports as a section however they are clear and sufficient.

HCD recommends the Duke Non-Profit Management program for board members of all agencies.

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 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.)


Jericho House is an eligible and effective use of Homelessness Prevention funding. It serves the difficult needs of those citizens who have recently been released from the prison system and are at risk of homelessness and recidivism. The only concern in funding Jericho House is that it is a prison ministry. The City funds those agencies where religious participation is voluntary and alternatives (Time and Place) made available for those choosing to not participate in sectarian activities. Jericho House has made alternatives possible however it is reported that few if any of the participants take advantage of those alternatives.

There are no disqualifying financial concerns for future City funding and in addition there are no annual external audit issues that prevent future funding.

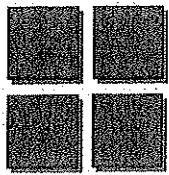
√ Relationship to 2005-2009 Consolidated Plan: Priority 2C-C and Priority 2C-D.



Michael Blair
Specialist Grants Compliance



Andy Scott
Director HCD



HCD

Department of Housing & Community Development

MEMO

Date: March 28, 2007
To: Len Lucas, Internal Audit Director
From: Michael Blair, Specialist Grants Compliance
RE: HCD Review of Jericho House Audit Report

HCD is pleased to see that the draft report dated March 1, 2007 from Internal Audit for Jericho House was free of any significant findings.

In regard to the finding on the Internal Audit report it is correct that the dollar amounts (back-up documents to requisition total) did not match on requisitions 3 and 4, however it should be noted that the backup documents exceeded the amount requested for requisition.

It should also be noted that the agency agreements prevent over payment by setting a maximum amount to be requisitioned.



Date: March 30, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to IA Report-Jericho House Grant 2005-2006

Thank you for your reply of March 28, 2007. Internal Audit agrees with Housing & Community Development's (H&CD) response to IA' subject report dated March 9, 2007. Additionally, we are aware that H&CD has developed more efficient processes to enable agencies to submit the proper documentation as required for reimbursement.

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

Mickey Kerans
Internal Auditor

A handwritten signature in black ink, appearing to read 'L. Lucas'.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development