



Date: April 2, 2007
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: The Servant Center, Incorporated - Grant

The Internal Audit Division has completed our annual review of The Servant Center, 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'.

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 13, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
Subject: The Servant Center, Inc.

The Internal Audit Division has performed our yearly monitoring visit of The Servant Center, Inc. which received a Shelter Operations Services Grant in the amount of \$41,000 from the City of Greensboro during the 2005 to 2006 Grant year.

This Shelter Operations grant for \$41,000 was used to provide safe housing for disabled men helping them move to permanent housing from the Servant House located at 1312 Lexington Avenue.

Approximated 50 disabled men and other 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 the contracts with the following noted exception:

FINDING:

Requisitions for July, August & September of 2005 were sent to the department of Housing & Community Development (H&CD) for reimbursement in December of 2005; likewise October, November & December of 2005 were sent to H&CD in January of 2006.

RECOMMENDATION:

The Agency should send in 12 requisitions per Grant year for reimbursement on a monthly basis.

We request a written signed response from the Agency and the Department of Housing & Community Development by March 27, 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 Ms. Gail Haworth, Executive Director; and Ms. Kathy Jarvis, Administrative Assistant 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: Ben Brown, Assistant City Manager for Economic Development
Gail Haworth, Executive Director of the Servant Center, Inc.



Department of Housing & Community Development

Date: March 13, 2007
To: Gail Haworth, President, Servant Center
From: Michael Blair, City of Greensboro HCD
RE: FY06/07 Servant Center Programmatic Evaluation

HCD and Internal Audit staff conducted an onsite visit at Servant Center on February 16, 2007. HCD staff appreciates the time and assistance provided by Servant Center which was represented by Gail Haworth.

Project Information:

Servant Center operates Servant House which is an emergency shelter for disabled men who are homeless. 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..."* The shelter was funded by the City \$41,000 for 2005-2006 (And \$41,000 in 2004-2005) which was successfully completed June 30, 2006.

Spending:

Servant Center had regularly submitted (8) requisition requests during the 2005-2006 year. The full amount funded was expended by March 2006.

Servant House Measures:	FY04/05	FY05/06
Total Served ^(HCD) (50 set goal in City Proposal)	52 (31 New)	35 (18 New)
Client Nights ^(HCD)	6,973	5,019
Average Occupancy ^(HCD)	83%	70%
Average Daily Census ^(HCD)	19.37	13.75
Veterans ^(HUD APR)	18	6
Chronically Homeless ^(HUD APR)	10	12
Length of Stay ^(HUD APR)		
Less than 30 days:	9%	17%
1 to 2 months:	26%	21%
3-6 months:	35%	26%
7-12 months:	14%	26%
13-24 months:	17%	9%
Transitioned to Permanent Housing (90% set goal in City proposal)	69%	80%
Average Length of Stay ^(SC)	10 months	10 months

The total number served decreased in FY05/06 primarily due to reserving 5 beds for Hospice care which reduced the total to 20 beds, from 25 beds, starting in January 2006. There was also a slowdown in referrals for several months due to staff changes at a referring agency.

Servant Center Board Composition:

21 members with the following categories represented:

1 legal	4 ministers
2 educational	4 retired
3 medical	2 funeral services
3 finance	1 former homeless
1 real estate	
4: W	
17: M	

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

The board meets quarterly. Minutes are maintained and are understandable and include board approval of the external audit. They maintain several committees with the Finance Committee acting as the board Audit Committee and emergency issues are handled by the Executive 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 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.)

Servant Center/Servant House is an eligible and effective use of Homelessness Prevention funding. It provides a much needed service to disabled men who are also homelessness and often times veterans. Performance records were clear and understandable.

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-D and Priority 2B-A.



Michael Blair
Specialist Grants Compliance



Andy Scott
Director HCD



Department of Housing & Community Development

MEMO

Date: March 27, 2007
To: Len Lucas, Internal Audit Director
From: Michael Blair, Specialist Grants Compliance
RE: HCD Review of Servant Center Audit Report

After review of the March 19, 2007 draft Internal Audit report on Servant Center, for 2005-2006, HCD submits the following:

IA FINDING 1:

Requisitions for July, August & September of 2005 were sent to the department of Housing & Community Development (H&CD) for reimbursement in December of 2005; likewise October, November & December of 2005 were sent to H&CD in January of 2006.

IA RECOMMENDATION 1:

The Agency should send in 12 requisitions per Grant year for reimbursement on a monthly basis.

- **HCD Reply to Finding/Recommendation 1:** HCD agrees with the finding. However the current fiscal year agreement states requests can be, "as frequently as monthly and not less than quarterly." HCD will stay with that language.

Summary: HCD concurs with the finding but not the recommendation.



Date: March 28, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to IA Report-Servant Center Grant 2005-2006

Thank you for your reply of March 27, 2007. Internal Audit agrees with Housing & Community Development's response to IA' subject report dated March 13, 2007.

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Mickey Kerans
Internal Auditor

A handwritten signature in cursive script, appearing to read 'L. Lucas'.

Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development