



Date: April 4, 2007
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: St. Leo's Place at Great Oaks Grant

The Internal Audit Division has completed our annual review of The St. Leo's Place Grant 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', is written over a horizontal line.

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 1, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit
Subject: Great Oaks Limited Partnership, for St. Leo's Place at Great Oaks

The Internal Audit Division has performed our yearly monitoring visit of Beacon Management which received a Supportive Services grant for Great Oaks Limited Partnership (Partnership) in the amount of \$9,000 from the City of Greensboro during the 2005 to 2006 grant year.

The **Supportive Services** grant for \$9,000 was used to assist the Partnership development with a Resident Services Coordinator for \$1,653 and Site Based Services for \$7,347. There are 44 units in Great Oaks Apartments. This is the 6th year of funding that began with the 2001-2002 grant year.

We examined selected financial transactions and program documentation maintained by the Partnership 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 this contract except for the following findings:

FINDING:

The Partnership's requisition #3 dated June 1, 2006 and #4 dated July 1, 2006 were not processed for payment by the Department of Housing & Community Development (H&CD) until August 17, 2006.

RECOMMENDATION:

As per the contract the Partnership has with the City, it states that "Payment will generally be made within twenty-five days of the receipt by the City..." We are recommending that each requisition from the Partnership be date stamped when it is received by H&CD and that payments made to the Partnership be made in a timely manner as prescribed by the contract.

We request a written signed response from the Agency and the Department of Housing & Community Development by March 15, 2007.

We would like to thank Mr. George Carr, President; Mr. Tony Jones, Regional Manager and the staff of the Beacon Management 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.

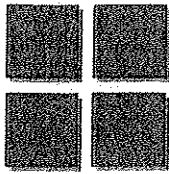


Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
George Carr III, President of Beacon Management



HCD

Department of Housing & Community Development

Date: February 28, 2007
To: George Carr, Beacon Management, Inc
From: Michael Blair, City of Greensboro HCD
RE: *FY05/06 Supportive Services St. Leo's Place/Great Oaks*

Project Information:

The 44 unit St. Leo's at Great Oaks Apartment Elderly (55 and up) housing development is located at 800 Sullivan Street, Greensboro, NC. The complex is managed by Beacon Management, George Carr, President.

The property received a \$9,000 Supportive Services grant in FY05/06 which is the subject of this review. Supportive Services records were reviewed by HCD and Internal Audit on February 21, 2007 at the offices of Beacon Management.

Financial Review:

The Internal Audit report showed no financial concerns.

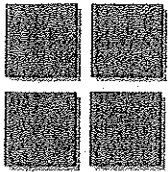
Programmatic Review:

Supportive services and activities for the residents of St. Leo's Place are well attended by a very active older population. A review of sign-in sheets for FY05/06 showed that usually 10 to 20 residents attended each social (food and presentations etcetera) and between 5 to 10 residents usually participated in exercise programs. These events were scheduled throughout the year and participation appeared to HCD staff to have remained stable.

St. Leo's has maintained a very high occupancy rate compared to other similar properties and the social activities (with the related sense of community) have likely contributed to that stability.

Michael Blair
Specialist Grants Compliance

Andy Scott
Director HCD



HCD

Department of Housing & Community Development

MEMO

Date: March 2, 2007
To: Len Lucas, Internal Audit Director
From: *ele* Michael Blair, Specialist Grants Compliance
RE: HCD Review of Richardson Hospital Supportive Services Audit Report

After review of the draft February 27, 2007 Internal Audit report on the supportive services grant at Richardson Hospital, for 2005-2006, HCD submits the following:

IA FINDING 1:

The Partnership's requisitions #1, 2, 3, & 4 dated June 20, 2006 were not processed by the Department Housing & Community Development (H&CD) until August 2, 2006 and requisition #5 dated July 20, 2006 was not processed for payment by H&CD until September 5, 2006.

IA RECOMMENDATION 1:

As per the contract the Partnership has with the City, it states that "Payment will generally be made within twenty-five days of the receipt by the City..." We are recommending that each requisition from the Partnership be date stamped when it is received by H&CD and that payments made to the Partnership be made in a timely manner as prescribed by the contract.

- **HCD Reply to Recommendation 1:** The contract further states that "Payment will generally be made within twenty-five days of the receipt by the City..." "...of an acceptable invoice."

Additional information was required on many requisitions which were initially received with incomplete documentation and/or information. This extends the reimbursement period.

The current HCD contract manager has been date stamping requisition requests throughout the current fiscal year (FY06/07).

A more efficient grant requisition system has been developed and implemented to provide contractors with a consistent and easier process.

Summary: HCD practices date stamping requisitions. The contract language will be reviewed for FY07/08 to prevent future confusion.



City of Greensboro

Date: March 5, 2007
To: Andy Scott, Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to IA Report- Supportive Services Grant 2005-2006
St. Leo's @ Great Oaks

Thank you for your reply of March 2, 2007 for St. Leo's @ Great Oaks. Internal Audit agrees with Housing & Community Development's responses to IA' subject report dated March 1, 2007. The only suggestion we would recommend is in addition to date stamping the invoices from the Grantee is that when HCD has a problem with the invoice and has to return it to the Grantee for correction that you transmit it with a letter from HCD. That letter should be maintained in the binder along with the Grantee's invoices.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development

Beacon Management Corporation
408 Battleground Avenue (27401)
P.O. Box 29229
Greensboro, North Carolina 27429-9229

Office: (336) 545-9000
Fax: (336) 545-9004

www.beacon-nc.com

March 26, 2007

Mickey Kerans
Internal Audit Division
City of Greensboro
P.O. Box 3136
Greensboro, North Carolina 27402

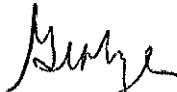
RE: L. Richardson Hospital
St. Leo's
Supportive Services Grant

Dear Mickey:

We appreciate your letter of March 1 regarding the St. Leo's and L. Richardson Hospital Supportive Services monitoring visit for the 2005-2006 grant year indicating that the funds were spent in accordance to the terms of the contract.

Thank you for your assistance and if you should have any questions, please do not hesitate to call us.

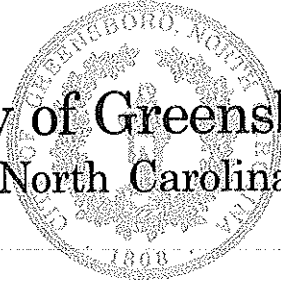
Cordially,



George E. Carr III

Cc: GEC File
RH Review File
SL Review File
St. Leo's
Richardson Hospital
Len Lucas

City of Greensboro
North Carolina



April 4, 2007

Mr. George E. Carr, III
President
Beacon Management Corporation
408 Battleground Avenue
Greensboro, NC 27401

Re: St. Leo's @ Great Oaks Grant Year-2005 to 2006

Dear George:

We are in receipt of your letter dated March 26, 2007 reference the City's Internal Audit report of the 2005 to 2006 Year for St. Leo's @ Great Oaks dated March 1, 2007. Your timely response to our report is appreciated. 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