



**DATE:** August 26, 2020  
**TO:** Larry Davis, Assistant City Manager  
**FROM:** Internal Audit Division  
**SUBJECT:** Interactive Resource Center 2018-2019  
(No Response Required)

The Internal Audit Division has completed our review of Partners Ending Homelessness for the 2018-2019 fiscal year along with a Programmatic Review by Neighborhood Development. Attached you will find our review report; the departmental response and our replies to their responses. We feel that our concerns have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas  
Internal Audit Director

Cc Chris Wilson, Assistant City Manager  
Stan Wilson, Director of Neighborhood Development  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager for Neighborhood Development  
Caitlin Warren Bowers, Grant Administrator for Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator  
Elizabeth Danley, Homeless Prevention Coordinator, Neighborhood Development



**DATE:** July 13, 2020

**TO:** Stan Wilson, Director of Neighborhood Development

**FROM:** Internal Audit Division

**SUBJECT:** Interactive Resource Center, Incorporated 2018-2019  
(Written Response Required by July 27, 2020)

The Internal Audit Division has performed our monitoring of Interactive Resource Center, Incorporated (“IRC” or “Agency” or “Contractor”), which received a \$125,000 grant during the period July 1, 2018 through June 30, 2019 to assist with day shelter and winter emergency shelter needs during the fiscal year. The grant was awarded on a reimbursement basis.

Under its day operations, individuals served at the facility (located at 407 East Washington Street) have access to services including laundry, personal hygiene, communications, wardrobe assistance, housing search and placement, employment search, referral to supportive services and other activities that lead to housing stabilization. During the winter months, the IRC serves as the coordinating entry for the activation and implementation of the tiered White Flag Emergency/Public Warming Center Response Plan. As coordinating entry, the IRC communicates directly with Greensboro Emergency Management and various entities listed in the tiered plan; and serves as the main point of information for shelter/warming center locations and availability during harsh weather events. The IRC serves as the arrival site for unhoused persons in need of shelter and manages coordinating the dispatch of those persons to the shelter/warming center locations participating under the tiered plan.

In the Agency’s Management Letter dated September 27, 2019 for fiscal year ended June 30, 2019, the external auditors identified the following material weaknesses in the Agency’s internal control:

- Management does not record an expense for the depreciation of fixed assets throughout the course of the year. For management purposes, this expense is a non-cash expense and therefore would not likely impact management decisions during the year.
- Management does not consistently record all accounts payables during the year.

We examined selected financial transactions maintained by the IRC for compliance with the contract. Based on our review, it appears that the funds have been spent according to the terms of the contract; however we noted the following:

**Findings:**

1. As mentioned above, the external auditors identified deficiencies in the Agency’s internal control as material weaknesses.

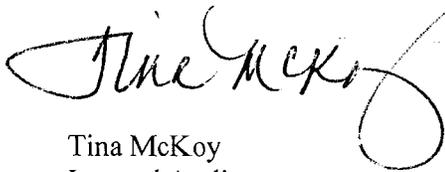
2. Part I, Section 6 of the executed grant agreement **Monitoring and Evaluation** states: "The Contractor shall provide an independent external audit from a Certified Public Accountant within 90 days after end of the contracted organization's fiscal year." The external audit for fiscal year ended June 30, 2019 (completed on September 27, 2019) was due to the City on September 30, 2019. Internal Audit received a copy on June 24, 2020.

Recommendations:

1. Please provide corrective actions that will be implemented to address the material weaknesses identified by the Agency's external auditors.
2. The Agency should adhere to the terms of the agreement and keep in mind that non-compliance with executed agreements could affect future funding considerations for the Agency.

We request a written and signed response from the Neighborhood Development Department and the Interactive Resource Center, Incorporated by July 27, 2020; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Michelle Kennedy, Executive Director and the staff of Interactive Resource Center, Incorporated for their courtesy and cooperation shown to us. If there are any questions or comments concerning the details of this review, we can be reached at 373-4528.



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Larry Davis, Assistant City Manager  
Chris Wilson, Assistant City Manager  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development  
Michelle Kennedy, Executive Director of Interactive Resource Center, Incorporated



NEIGHBORHOOD DEVELOPMENT

March 18, 2020

Michelle Kennedy, Executive Director  
Interactive Resource Center, Incorporated  
407 E Washington Street  
Greensboro, NC 27401

Dear Ms. Kennedy:

The City of Greensboro's Neighborhood Development Department is issuing this report based upon the monitoring function for the agreement between the City of Greensboro and The Interactive Resource Center, Inc. (IRC) to defray administration and operation expenses for the day shelter and "white flag" winter shelter operating expenses. The scope of the compliance monitoring addresses a desk review of cost allowability and program requirements.

The purpose of this monitoring is to determine compliance with Nussbaum Housing Partnership funding requirements, agreement requirements, rules, and regulations during fiscal year 2018-2019. A desk review of allowable costs occurred throughout the program year. On March 18, compliance monitoring desk review of The Interactive Resource Center's programs were conducted. Enclosed you will find the City of Greensboro's Fiscal Year 2018-2019 compliance monitoring review which documents the details of the review for the funded activities. No concerns or findings were issued; therefore, an official response is not required.

The next compliance monitoring review will be July 2020. Neighborhood Development staff appreciates the assistance and documentation that Ms. Melanie Yokeley, Administrative Coordinator, provided during the desk review. As a reminder, all project files are to be maintained for a period of seven years from the final payment under the agreement.

Sincerely,

*Charla Gaskins*

Charla Gaskins  
Federal Compliance Coordinator  
Attachment

*Lamont Taylor*

Lamont Taylor  
Fiscal Planning and Administration Manager

cc: Chris Wilson, Assistant City Manager  
Elizabeth Danley, Homeless Prevention Program Coordinator, Neighborhood Development

Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Tina McKoy, Internal Auditor, Executive  
Heidi Fleshman, Board Chair, The Interactive Resource Center, Inc.

**City of Greensboro  
Neighborhood Development**



**COMPLIANCE MONITORING REVIEW FOR DAY CENTER AND WINTER SHELTER**

Subrecipient: Interactive Resource Center  
 Funding Source: Nussbaum  
 Reviewer: Charla Gaskins

Compliance for FY: 2018-2019  
 Date of Desk Review: 3/18/20

QUESTIONS	COMPLIANT			NOTES
	YES	NO	N/A	

**A. ELIGIBILITY**

1.	Were activities consistent with the City's 2015-2019 Consolidated plan?	X			
----	---	---	--	--	--

**B. COST ALLOWABILITY**

1.	Were expenditures necessary and reasonable for proper and efficient administration of the program?	X			
2.	Were expenses eligible for the program?	X			
3.	Were all purchases less than \$5,000	X			
4.	Were all funds expended by June 30th?	X			

**C. SCOPE AND SERVICES RENDERED**

1.	Did the subrecipient meet or exceed the estimated number of people to be served?	X			*There were 1,171 new individuals who used services at the day center. Top months for attendance were January and February, with daily averages of 141.54 and 133.95 individuals, respectively. *The IRC reports that winter shelter was open 26 nights and served 2,210 individuals.
2.	Did the reports submitted by the subrecipient reflect accurate and consistent reporting of accomplishments?	X			



NEIGHBORHOOD DEVELOPMENT

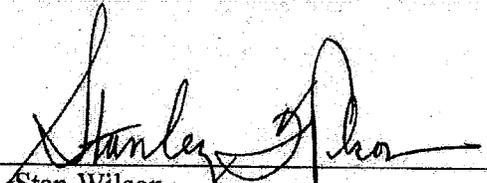
**Date:** July 1, 2020  
**TO:** Len Lucas, Internal Audit Director  
**FROM:** Charla Gaskins, Federal Compliance Coordinator  
**SUBJECT:** FY 18-19 Internal Audit Review of The Interactive Resource Center

An independent external audit is due within 90 days after the end of The Interactive Resource Center's (IRC) fiscal year. The IRC's late submittal of the external audit is non-compliant with agreement requirements and may affect future funding considerations. Neighborhood Development concurs with the findings and recommendations of the Internal Audit FY 2018-19 review of The IRC. Internal Audit will be requesting corrective actions to address the material weaknesses identified by the IRC's external auditors.

Thank you.

CG

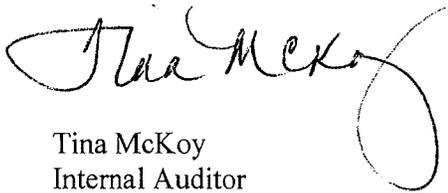
Approved by:

  
Stan Wilson  
Neighborhood Development



**DATE:** July 13, 2020  
**TO:** Stan Wilson, Director of Neighborhood Development  
**FROM:** Internal Audit Division  
**SUBJECT:** Interactive Resource Center Operations Grant -- FY 2018-2019

Thank you for your reply dated July 1, 2020. Internal Audit agrees with the Neighborhood Development Department's response to Internal Audit's subject report dated July 13, 2020.



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Larry Davis, Assistant City Manager  
Chris Wilson, Assistant City Manager  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development  
Elizabeth Danley, Homelessness Prevention Coordinator, Neighborhood Development

Attachment



August 20, 2020

Ms. Michelle Kennedy  
Executive Director  
Interactive Resource Center, Inc.  
407 E. Washington St.  
Greensboro, NC 27401

Re: Interactive Resource Center Operations Grant – FY 2018-2019

Dear Ms. Kennedy:

We are awaiting your response to our findings and recommendations on our review report for the Interactive Resource Center Operations Grant dated July 13, 2020, for which responses were required by July 27, 2020. A copy of the report letter has been provided for your reference. Your immediate attention to this matter is requested.

Thank you.

Sincerely,



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Larry Davis, Assistant City Manager  
Chris Wilson, Assistant City Manager  
Stan Wilson, Director of Neighborhood Development  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development  
Elizabeth Danley, Homelessness Prevention Coordinator, Neighborhood Development

Attachment



**DATE:** July 13, 2020  
**TO:** Stan Wilson, Director of Neighborhood Development  
**FROM:** Internal Audit Division  
**SUBJECT:** Interactive Resource Center, Incorporated 2018-2019  
(Written Response Required by July 27, 2020)

The Internal Audit Division has performed our monitoring of Interactive Resource Center, Incorporated ("IRC" or "Agency" or "Contractor"), which received a \$125,000 grant during the period July 1, 2018 through June 30, 2019 to assist with day shelter and winter emergency shelter needs during the fiscal year. The grant was awarded on a reimbursement basis.

Under its day operations, individuals served at the facility (located at 407 East Washington Street) have access to services including laundry, personal hygiene, communications, wardrobe assistance, housing search and placement, employment search, referral to supportive services and other activities that lead to housing stabilization. During the winter months, the IRC serves as the coordinating entry for the activation and implementation of the tiered White Flag Emergency/Public Warming Center Response Plan. As coordinating entry, the IRC communicates directly with Greensboro Emergency Management and various entities listed in the tiered plan; and serves as the main point of information for shelter/warming center locations and availability during harsh weather events. The IRC serves as the arrival site for unhoused persons in need of shelter and manages coordinating the dispatch of those persons to the shelter/warming center locations participating under the tiered plan.

In the Agency's Management Letter dated September 27, 2019 for fiscal year ended June 30, 2019, the external auditors identified the following material weaknesses in the Agency's internal control:

- Management does not record an expense for the depreciation of fixed assets throughout the course of the year. For management purposes, this expense is a non-cash expense and therefore would not likely impact management decisions during the year.
- Management does not consistently record all accounts payables during the year.

We examined selected financial transactions maintained by the IRC for compliance with the contract. Based on our review, it appears that the funds have been spent according to the terms of the contract; however we noted the following:

**Findings:**

1. As mentioned above, the external auditors identified deficiencies in the Agency's internal control as material weaknesses.

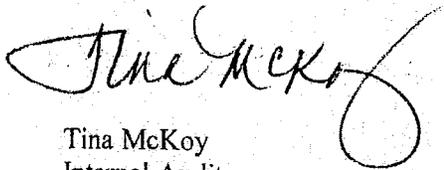
2. Part I, Section 6 of the executed grant agreement **Monitoring and Evaluation** states: "The Contractor shall provide an independent external audit from a Certified Public Accountant within 90 days after end of the contracted organization's fiscal year." The external audit for fiscal year ended June 30, 2019 (completed on September 27, 2019) was due to the City on September 30, 2019. Internal Audit received a copy on June 24, 2020.

Recommendations:

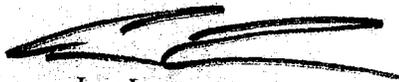
1. Please provide corrective actions that will be implemented to address the material weaknesses identified by the Agency's external auditors.
2. The Agency should adhere to the terms of the agreement and keep in mind that non-compliance with executed agreements could affect future funding considerations for the Agency.

We request a written and signed response from the Neighborhood Development Department and the Interactive Resource Center, Incorporated by July 27, 2020; and mailed to: City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Ms. Michelle Kennedy, Executive Director and the staff of Interactive Resource Center, Incorporated for their courtesy and cooperation shown to us. If there are any questions or comments concerning the details of this review, we can be reached at 373-4528.



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Larry Davis, Assistant City Manager  
Chris Wilson, Assistant City Manager  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development  
Michelle Kennedy, Executive Director of Interactive Resource Center, Incorporated



NEIGHBORHOOD DEVELOPMENT

March 18, 2020

Michelle Kennedy, Executive Director  
Interactive Resource Center, Incorporated  
407 E Washington Street  
Greensboro, NC 27401

Dear Ms. Kennedy:

The City of Greensboro's Neighborhood Development Department is issuing this report based upon the monitoring function for the agreement between the City of Greensboro and The Interactive Resource Center, Inc. (IRC) to defray administration and operation expenses for the day shelter and "white flag" winter shelter operating expenses. The scope of the compliance monitoring addresses a desk review of cost allowability and program requirements.

The purpose of this monitoring is to determine compliance with Nussbaum Housing Partnership funding requirements, agreement requirements, rules, and regulations during fiscal year 2018-2019. A desk review of allowable costs occurred throughout the program year. On March 18, compliance monitoring desk review of The Interactive Resource Center's programs were conducted. Enclosed you will find the City of Greensboro's Fiscal Year 2018-2019 compliance monitoring review which documents the details of the review for the funded activities. No concerns or findings were issued; therefore, an official response is not required.

The next compliance monitoring review will be July 2020. Neighborhood Development staff appreciates the assistance and documentation that Ms. Melanie Yokeley, Administrative Coordinator, provided during the desk review. As a reminder, all project files are to be maintained for a period of seven years from the final payment under the agreement.

Sincerely,

Charla Gaskins  
Federal Compliance Coordinator  
Attachment

Lamont Taylor  
Fiscal Planning and Administration Manager

cc: Chris Wilson, Assistant City Manager  
Elizabeth Danley, Homeless Prevention Program Coordinator, Neighborhood Development

Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Tina McKoy, Internal Auditor, Executive  
Heidi Fleshman, Board Chair, The Interactive Resource Center, Inc.

**City of Greensboro  
Neighborhood Development**



**COMPLIANCE MONITORING REVIEW FOR DAY CENTER AND WINTER SHELTER**

Subrecipient: Interactive Resource Center

Compliance for FY: 2018-2019

Funding Source: Nussbaum

Date of Desk Review: 3/18/20

Reviewer: Charla Gaskins

QUESTIONS	COMPLIANT			NOTES
	YES	NO	N/A	

**A. ELIGIBILITY**

1.	Were activities consistent with the City's 2015-2019 Consolidated plan?	X			
----	---	---	--	--	--

**B. COST ALLOWABILITY**

1.	Were expenditures necessary and reasonable for proper and efficient administration of the program?	X			
2.	Were expenses eligible for the program?	X			
3.	Were all purchases less than \$5,000	X			
4.	Were all funds expended by June 30th?	X			

**C. SCOPE AND SERVICES RENDERED**

1.	Did the subrecipient meet or exceed the estimated number of people to be served?	X			*There were 1,171 new individuals who used services at the day center. Top months for attendance were January and February, with daily averages of 141.54 and 133.95 individuals, respectively. *The IRC reports that winter shelter was open 26 nights and served 2,210 individuals.
2.	Did the reports submitted by the subrecipient reflect accurate and consistent reporting of accomplishments?	X			

# INTERACTIVE RESOURCE CENTER

August 20, 2020

Tina McKoy  
City of Greensboro Internal Audit Division  
P.O. Box 3136  
Greensboro, NC 27402

Ms. McKoy,

This letter is in response to your review report for the Interactive Resource Center Operations Grant dated July 13, 2020. We understand and appreciate the recommendations and believe we have appropriately addressed the issues identified.

We have implemented the following procedures to incorporate the recommendations made by the Internal Audit Division:

1. Please provide corrective actions that will be implemented to address the material weaknesses identified by the Agency's external auditors.
  - The two issues identified as material weaknesses were (a) not recording depreciation expense throughout the year and (b) not consistently recording accounts payable throughout the year. Both have been addressed for the 2019-2020 fiscal year.
    - a) For the fiscal year 2019-2020 we have recorded depreciation on a monthly basis.
    - b) We have also recorded accounts payable more consistently throughout the year. In order to provide assurance that our annual financial reports are accurate we will also perform a search for unrecorded liabilities as of June 30, 2020.
  
2. The Agency should adhere to the terms of the agreement and keep in mind that non-compliance with executed agreements could affect future funding considerations for the Agency.
  - We have engaged our external auditor for the 2019-2020 audit and as soon as our external audit is complete the auditor's report and management letter will be provided.

I will be glad to address any additional questions or feedback.

Sincerely,



Neal Dorman  
Treasurer, Interactive Resource Center



Interactive Resource Center  
407 E. Washington St, Greensboro, NC 27401  
336.332.0824 | [www.ircgso.org](http://www.ircgso.org)



August 20, 2020

Mr. Neal Dorman  
Treasurer  
Interactive Resource Center, Inc.  
407 E. Washington Street  
Greensboro, NC 27401

Re: Interactive Resource Center Operations Grant – FY 2018-2019

Dear Mr. Dorman:

We are in receipt of your responses to our findings on our final review report dated July 13, 2020. We have read your responses and we concur with the measures you have implemented to address the material weaknesses in the agency's internal control as identified by your external auditors; as well as the measure implemented to ensure that the agency's financial statements will be completed within the timeframe stated in the executed City agreement.

As always, it is a pleasure working with your agency.

Sincerely,



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Chris Wilson, Assistant City Manager  
Barbara Harris, Assistant City Manager  
Stan Wilson, Director of Neighborhood Development  
Cyndi Blue, Manager of Housing Services, Neighborhood Development  
Lamont Taylor, Administrative Services Manager, Neighborhood Development  
Caitlin Bowers, Community Development Analyst, Neighborhood Development  
Charla Gaskins, Federal Compliance Coordinator, Neighborhood Development  
Michelle Kennedy, Executive Director, Interactive Resource Center, Inc.

Attachment