

Internal Audit Division  
City of Greensboro



June 22, 2011

**TO:** Rashad Young, City Manager  
**FROM:** Internal Audit Division  
**SUBJECT:** Mary's House, Incorporated

The Internal Audit Division has completed our annual review of Mary's House, Incorporated along with a Programmatic Review by the Planning & Community Development Department for the 2009-2010 grant year. Attached you will find our review 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: Bob Morgan, Deputy City Manager  
Sue Schwartz, Interim Director of Planning & Community Development

May 24, 2011

**TO:** Sue Schwartz, Interim Director of Planning & Community Development  
**FROM:** Internal Audit Division  
**SUBJECT:** Mary's House, Inc. 2009-2010

The Internal Audit Division has performed our yearly monitoring visit of the Mary's House on March 16, 2011 which received an Emergency Assistance Grant in the amount of \$6,544; and a Transitional Shelter Operations Grant in the amount of \$43,881 from the City of Greensboro during the 2009 to 2010 Grant year.

**The Emergency Assistance Nussbaum Housing Partnership Allocation Grant** for \$6,544 was used to provide emergency assistance payments to landlords and utility companies to prevent homelessness or to move individuals from homelessness to sustainable housing. Eligible payments include past due charges, current payments, and deposits. Approximately 225 beneficiaries were projected to be served by the Agency. The agency requisitioned the entire grant.

**The Transitional Shelter Homeless Prevention Services Grant Allocation** which is comprised of Nussbaum Housing Partnership, Community Development Block Grant, and/or Emergency Shelter Grant totaling \$43,881 helps to perform all the necessary services in connection with operating and maintaining a shelter for homeless persons. The Agency shall provide transitional shelter for homeless mothers in recovery from substance abuse and their minor children; and full case management to assist mothers with employment, custody of children, and securing entitlement benefits. Approximately 32 beneficiaries were projected to be served by the Agency at Mary's House located at 520 Guilford Avenue. The agency requisitioned the entire grant.

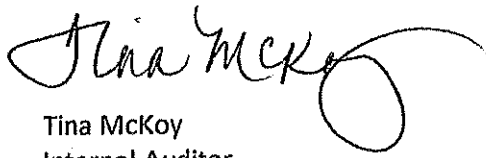
We examined selected financial transactions and program documentation maintained by the agency for compliance with the contracts and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of their contracts. However, during our review we noted the following:

**FINDING:** Back-up documentation for expenditures submitted to the City for reimbursement included copies of the Agency's checks unsigned.

**RECOMMENDATION:** All documentation accompanying requests for reimbursement to the City should be complete; including the proper signatures on copies of the Agency's checks.

We request a written and signed response from Mary's House and the Department of Planning & Community Development by June 7, 2011 to the City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402-3136.

We would like to thank Ms. Craig Thomas, Executive Director; Ms. Ellen Edwards, Bookkeeper; and the staff of the Mary's 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 373-4528.



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Craig Thomas, Executive Director of Mary's House, Inc.

**Date:** May 23, 2011  
**To:** Craig Thomas, ED, Mary's House  
**From:** Michael Blair, City of Greensboro PCD  
**Program:** Mary's House and Emergency Assistance  
**Fiscal Year:** FY09/10  
**Funding:** Shelter ops. - \$43,881; Emergency asst. - \$6,544



**Review of Eligibility & relation to the Consolidated Plan:** The site visit of the facility provides assurance that indicated that the activity exclusively benefits women and children based upon the category of limited-clientele presumed benefit. [24 CFR 570.208(a)(2)]. The participant files reviewed (3 on-site) all contained documentation of homelessness and reason for admittance to the program. The program relationship to 2005-2009 Consolidated Plan is Priority 2B-A, B.

**Review of Cost Allowability:** There were no obvious instances where expenditures were not necessary and reasonable for proper and efficient administration of either the SO or EA program per 24 CFR 85.22 and OMB Circular A87, Attachment B; and the city agreement. [24 CFR 570.502(a)(6)]. The Internal Audit report did not indicate ineligible costs per the agreement and neither did a PCD spot check based on contractual & OMB/CDBG rules.

**Review of Procurement:** A limited procurement review was conducted. All costs reimbursed were for operating and maintenance. As a reminder if any federal grant funds are used to purchase eligible items the procurement of goods and services must follow 24 CFR §85.36(d): (1) small purchase; (2) sealed bids; (3) competitive proposals; (4) noncompetitive proposals. File maintenance for purchases is recommended.

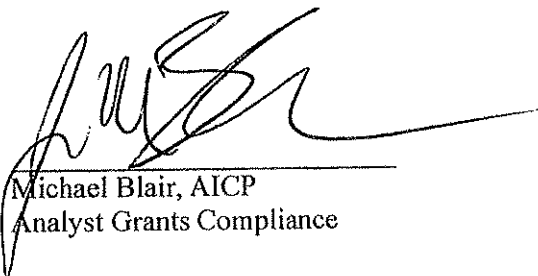
**Review of Shelter (2009-1202) Scope and services to be rendered:** Approximately 32 beneficiaries would be served according to the agreement. In FY09/10 42 beneficiaries were actually served. This is approximately a 98% bed utilization using 8 adults as 100%.

**Review of Emergency Assistance (2009-1201) Scope and services to be rendered:** Approximately 225 "beneficiaries" would be served according to the amended agreement. 238 "beneficiaries" were actually served in FY09/10.

**Review of Client Files:** The three files reviewed were in order and well maintained. All files included verification of homelessness and Community Development Household forms.

**Review of Board Minutes:** Minutes are maintained and are generally very understandable including the minutes where the external annual audit was reviewed and accepted by the board.

**Summary:** It is PCD staff opinion that Mary's House is an eligible and effective use of city Homelessness Prevention funding. The program appears to be an excellent alternative for women with children who have become homeless due to chronic addiction issues. Performance records were understandable and there are no disqualifying financial concerns for future City funding. PCD staff appreciates the assistance provided during the monitoring visit by Mary's House staff.

  
Michael Blair, AICP  
Analyst Grants Compliance

  
Sue Schwartz, FAICP  
Interim Director  
Planning & Community Development



**Mary's House**

520 Guilford Avenue  
Greensboro, NC 27401  
336.275.0820

TO: Mickey Kearns, Internal Audit ✓  
Susan Crotts, HCD  
City of Greensboro

FROM: Craig Thomas *Craig Thomas*  
Executive Director

DATE: June 1, 2011

RE: Findings

This letter serves as our response to the audit finding. Mary's House will submit copies of signed checks only for city reimbursement for our shelter operations and emergency assistance.



Internal Audit Division  
City of Greensboro

June 3, 2011

Ms. Craig Thomas, Executive Director  
Mary's House, Inc.  
520 Guilford Avenue  
Greensboro, NC 27401

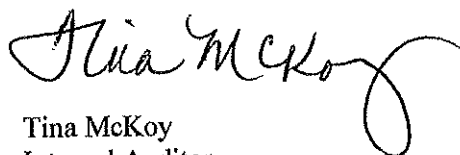
Re: Mary's House -2009-2010 Review

Dear Craig:

We are in receipt of your letter dated June 1, 2011, which addresses our finding on our Internal Audit report dated May 24, 2011. We have reviewed your response; and we appreciate that you are in agreement and intend to implement our recommendation.

Thank you for your timely response.

Sincerely,



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Sue Schwartz, Interim Director of Planning & Community Development

Attachment



**MEMO**

**Date:** June 15, 2011  
**To:** Len Lucas, Internal Audit Director  
**From:** Michael Blair, AICP  
**RE:** 2011 PCD Review of Mary's House Audit Report

---

PCD concurs with the Internal Audit FY2009-10 review.

Internal Audit Division  
City of Greensboro



June 17, 2011

**TO:** Sue Schwartz, Interim Director of Planning & Community Development  
**FROM:** Internal Audit Division  
**SUBJECT:** Mary's House, Inc. 2009-2010

Thank you for P&CD's reply of June 15, 2011, which we received on June 15, 2011. Internal Audit concurs with the Department of Planning & Community Development's (P&CD) response to Internal Audit's subject report dated May 24, 2011.

A handwritten signature in cursive script that reads "Tina McKoy".

Tina McKoy  
Internal Auditor

A handwritten signature in cursive script that reads "Len Lucas".

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager