



Richmond City Council

The Voice of the People.

Richmond, Virginia

OFFICE OF THE CITY AUDITOR

REPORT # 2013-07

AUDIT

Of the

Virginia Supportive Housing

January 2013

OFFICIAL GOVERNMENT REPORT

Richmond City Council

OFFICE OF THE CITY AUDITOR

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*Committed to increasing government efficiency, effectiveness,
and accountability on behalf of the Citizens of Richmond.*

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Overview

Introduction and Scope

The City Auditor's Office has completed an audit of the City's grant provided to Virginia Supportive Housing (VSH). The Office of the Deputy Chief Administrative Officer, Human Services, is responsible for monitoring compliance with the grant. This audit covers the 12 - month period that ended June 30, 2012. The objective of this audit was to determine if VSH complied with the scope of services and other grant requirements, as outlined in the grant contract.

The auditors conducted this compliance audit in accordance with generally accepted government auditing standards. Those standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The auditors believe that the evidence obtained provides a reasonable basis for their findings and conclusions based on the audit objectives.

Methodology

Auditors employed the following procedures to complete this audit:

- Reviewed the grant contract and quarterly progress reports;
- Reviewed documentation to support performance measures; and
- Performed various tests and other audit procedures, as deemed necessary.

Management Responsibility

The management of the City of Richmond is responsible for ensuring resources are managed properly and used in compliance with laws and regulations, City programs are achieving their objectives, and services are being provided efficiently, economically and effectively.

Background

VSH is a not-for-profit organization that provides permanent solutions to homelessness in the City of Richmond. It was founded in 1988, with the mission of providing permanent supportive housing to homeless single adults. In 1992, the New Clay House opened, becoming the first permanent supportive apartments in Virginia and home to 47 formerly homeless single adults. In 1999, VSH began serving families. VSH is the only not-for-profit organization in Central Virginia that takes an integrated approach to ending homelessness by providing both permanent housing and support services to this segment of the population.

The City provided a \$54,000 grant to VSH in fiscal year (FY) 2012. This represents a small percentage of the \$742,632 in overall funding received by VSH during FY 2012.

Scope of Services

VSH was required to perform the following services in consideration for the City's funding:

- Decrease homelessness among persons who are experiencing chronic homelessness and have a serious mental illness by providing permanent housing and intensive mental health services to 70 program participants;
- Decrease the impact of psychiatric symptoms on program participants by providing intense mental health services, including community based psychiatric services, intense recovery-based case management, and crisis related services through A Place To Start (APTS);
- Improve or stabilize the physical health of program participants by

linking program participants to primary health providers in the community, encouraging a medical home and assisting with medical follow up; and

- Reduce over utilization of community services and resources by ensuring participants have access and retain benefits for which they are entitled, as well as maintain their permanent housing and reduce incarceration rates.

Observations and Recommendations

The City developed performance measures to evaluate whether VSH performed the services outlined in this contract. Auditors noted that VSH was in compliance with most grant requirements. However, the auditor noted one area of improvement.

According to Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Auditors evaluated the controls over documentation of VSH's compliance with the contract terms. Based on the evaluation, auditors concluded that internal controls need improvement.

Possible Improvement

***Reporting on the
required
performance
outcomes needs
improvement***

Performance Outcomes were not Reported Accurately

VSH was required to serve a contracted number of clients in various services. The auditors determined the number of clients served was not accurately reported to the City. In some categories, VSH exceeded the required number of clients served, whereas in other categories they did

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not meet the target. Inaccuracy in data related to clients served could result in mis-reporting of VSH's performance to the City.

Recommendation:

- 1. Monitor VSH's performance and require them to maintain documentation to ensure accuracy of the numbers reported to the City.*

APPENDIX A
MANAGEMENT RESPONSE FORM
Virginia Supportive Housing 2013-07

| # | RECOMMENDATION | CONCUR Y-N | ACTION STEPS |
|---|---|---------------|---|
| 1 | <i>Monitor VSH's performance and require them to maintain documentation to ensure accuracy of the numbers reported to the City.</i> | Y | In concurrence with the spirit of this recommendation we will notify the VSH of the City Auditor's recommendation. We will work closely with VSH to increase the reliability of their current reporting mechanisms. |
| | TITLE OF RESPONSIBLE PERSON | | TARGET DATE |
| | Project Manager | | 1-Jul-13 |
| | IF IN PROGRESS, EXPLAIN ANY DELAYS | | IF IMPLEMENTED, DETAILS OF IMPLEMENTATION |
| | | | |
| | | | |