

SUMMARY

The Office of the Auditor General has conducted an audit of the Many Farms Chapter (Chapter) for the 21-month period ending June 30, 2013. The audit was requested by the Chapter Officials. Accordingly, the audit was conducted pursuant to the authority vested in the Office of the Auditor General by 12 N.N.C., Chapter 1, § 1 – 10. The audit evaluates the Chapter's internal control structure and accounting practices to determine whether objectives for direct services are being met.

There are four major audit findings and within each finding, the following issues were identified. Accordingly, for each issue, we provided recommendations for corrective action(s).

Finding I: Objective for the Chapter housing services program is not fully met.

- Chapter administration does not properly verify eligibility of housing applicants.
- Poor documentation of housing activities.
- Amounts of housing assistance are not clearly disclosed.
- Temporary employee has authority to determine type and amount of housing assistance.
- Chapter housing assessments did not fully determine applicant needs.
- Bulk purchasing of building materials for housing assistance cannot be traced to housing applications.
- Poor inventory controls resulted in unaccounted building materials.
- PEP labor force assigned to housing assistance need better supervision.

Finding II: Chapter veterans assistance program is managed contrary to policies.

- Chapter administration does not verify veteran eligibility.
- Veterans exceeded established limits for assistance.
- Veterans do not return receipts to justify expenditures.
- Contrary to policies, disbursements were made directly to veterans.

Finding III: PEP funds are used contrary to the program objective.

- Temporary PEP employees are employed for extended periods of time.
- PEP funds are not used for on-the job training.
- Chapter does not pay state unemployment taxes for its employees.

Finding IV: Control deficiencies affected the proper delivery of direct services.

- Chapter recordkeeping needs improvement.
- Poor working relationship between Chapter administration and Officials.
- Agreement with U.S. Postal Service was made contrary to LGA.