



# Final Audit Follow-Up

Period Ending March 31, 2022

Report #AR-2205  
August 10, 2022

## Audit of the Housing Division

Issued April 7, 2021

### Summary from Original Report #2102

We conducted this audit because prior audits of housing activities (audit reports #0105, #0118, and #0902) had resulted in significant audit recommendations to improve accountability and program activities. In continuing efforts to evaluate activity within the City's housing programs, we reviewed and evaluated two of the Housing Division's 10 programs: Owner-Occupied Rehabilitation (OOR) and Emergency Home Repair Program (EHRP). The scope of our audit included a review of laws, regulations, policies, and procedures; 41 project files; interviews with Housing Division staff and homeowners; and visits to completed project homes for the fiscal year October 1, 2017, through September 30, 2019. These programs are operated through contracts with certain nonprofit agencies that, in turn, subcontract repair and rehabilitation work to general contractors.

We found the Housing Division of the Department of Housing and Community Resilience provided proper oversight and adequately administered contracts with subrecipients. However, our audit also identified opportunities for improvement to strengthen controls over the rehabilitation and repair processes.

A total of 5 action plan steps were established by management in response to our audit recommendations. As of March 31, 2022, all steps were due for completion. We are pleased to note all 5 steps were completed in this period with no further action required. This status report is the 1<sup>st</sup> and final follow-up on audit report #2102.

**Complete**

**5**

**In Progress**

**0**

**Needs Attention**

**0**

### Action Plan Step 1

Housing staff will implement a plan providing for appropriate follow-up with the non-profit agencies and homeowners as well as provide for the use of an appropriate monitoring checklist for review by management staff prior to project completion.

#### **Action Plan Status: COMPLETE**

Housing Division management has implemented processes that provide additional oversight for invoicing, budgeting, and draw approvals for the non-profit agencies and homeowners, as well as incorporated a secondary review and monitoring checklist to assist management in satisfying its oversight responsibilities prior to project completion.

### **Action Plan Step 2**

Duties of the Major Rehabilitation section will be reviewed and separated where possible. Where separation is not possible due to staffing constraints, increased oversight and review will be conducted by management staff.

#### **Action Plan Status: COMPLETE**

In addition to Housing Division management implementing processes to provide additional oversight for invoicing, budgeting, and draw approvals for the non-profit agencies and homeowners as noted in Step 1 above, a separate staff member reviews pay requests to ensure accuracy and completeness prior to forwarding the pay request for payment processing. Further, management reviews all pay requests prior to payment.

### **Action Plan Step 3**

A plan will be implemented by Housing staff to enhance the procedures in place consistent with the recommendations provided.

#### **Action Plan Status: COMPLETE**

Housing Division management has amended the Owner-Occupied Rehabilitation program's contracts to provide clear guidance to contractors performing rehabilitation work for the City as recommended.

### **Action Plan Step 4**

Housing staff will revise procedures to improve the accuracy of review performance.

#### **Action Plan Status: COMPLETE**

Housing Division management has implemented processes that improve the accuracy of review performances, including the use of software to process applications, and staff and management review of documentation.

### **Action Plan Step 5**

An enhanced monitoring checklist of progress 30 days prior to project completion will be implemented along with the use of date stamping documents received from agencies.

#### **Action Plan Status: COMPLETE**

Housing Division management has implemented an enhanced monitoring and inspection checklist process that helps ensure rehabilitation projects are timely completed or extended for 30 days as needed. Date stamping of documents received from agencies is no longer applicable as project supporting documentation is now required to be transmitted electronically which records the date of transmission.

### Conclusion

Management developed 5 action plan steps to address the recommendations in the original audit report #2102. As of the end of this follow-up period, management successfully completed all 5 steps.

### Appointed Official's Response

*City Manager:* I am very pleased to see the culminating report of this multi-year audit of our Housing programs with all action items completed. We are committed to providing exceptional citizen service and as your report reflects, many of the policies and procedures that we have recently put in place not only enhance the delivery of service, but also improves the capacity of our local partners to better serve our residents. Thank you for the thorough review and ongoing support to strengthen our programs.

### Acknowledgements

We appreciate the cooperation and assistance provided by management and staff during this audit follow-up.

### Project Team

**Engagement conducted by:** Jane Sukuro, CPA  
Deputy Inspector General

**Approved by:** Dennis R. Sutton, CPA, CIA, CIG  
Inspector General

### Statement of Accordance

The Office of Inspector General's mission is to advance integrity, accountability, transparency, and efficiency and effectiveness within City government by providing professional, independent, and objective audit and investigative services.

We conducted this audit follow-up in conformance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our objectives.

Please address inquiries regarding this report to the Office of the Inspector General at (850) 891-8397 or [inspector.general@talgov.com](mailto:inspector.general@talgov.com).

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