

**PLANNING AND DEVELOPMENT
HOUSING AND COMMUNITY DEVELOPMENT
HOUSING/HOPWA FUNDING
AUDIT 16 – 12
NOVEMBER 7, 2016**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

November 7, 2016

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Housing/HOPWA Funding, Audit 16-12

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Housing/HOPWA Funding.

We thank management and staff of Housing and Community Development Division for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Bob McDonough, Administrator of Economic Opportunity
Thomas Snelling, Director of Planning and Development Department
Vanessa McCleary, Manager, Housing and Community Development

**PLANNING AND DEVELOPMENT
HOUSING AND COMMUNITY DEVELOPMENT
HOUSING/HOPWA FUNDING
AUDIT 16 – 12
NOVEMBER 7, 2016**

/s/ Stephen Mhere

Stephen Mhere, Auditor

/s/ Christine Glover

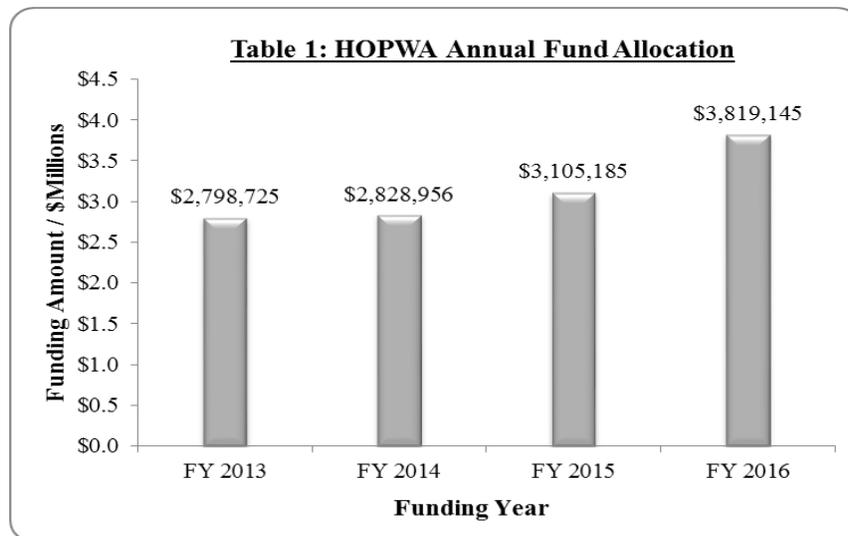
Christine Glover, Audit Director

**PLANNING AND DEVELOPMENT
HOUSING AND COMMUNITY DEVELOPMENT
HOUSING/HOPWA FUNDING
AUDIT 16 – 12**

BACKGROUND

The Housing Opportunities for Persons with AIDS (HOPWA) is a federal program managed by the Department of Housing and Urban Development (HUD) to provide housing assistance and supportive services for low-income people living with AIDS. HUD provides funding for this program in the form of grants, and grantees include cities, nongovernmental organizations, and other entities. The City of Tampa (COT) is a grantee, administering its grant through the Housing and Community Development (HCD) Division.

The COT HOPWA grant covers housing needs for the Eligible Metropolitan Statistical Area (EMSA) covering Hernando, Hillsborough, Pasco, and Pinellas counties. According to the National Center for HIV/AIDS¹, there were 9,945 known HIV cases in this EMSA in 2015. In order to more effectively manage the program, COT provides program services to the target population through subgrantees with whom it signs contracts each year. In 2015, COT provided tenant-based rental assistance (TBRA), permanent supportive housing assistance, and facility-based supportive housing operations to 364 eligible households through these subgrantees. It also provided adult mental health and substance abuse counseling, adult recreational therapy, children support services, nutritional services, and transportation for approximately 240 eligible beneficiaries. Table 1 below shows the annual amounts of HOPWA grants HUD made available to fund these services from 2013 through 2016.



Source: Annual Action Plans published on the HUD Exchange portal, accessed at <https://www.hudexchange.info/consolidated-plan/con-plans-aaps-capers/>

¹ This organization is officially known as the National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY 2016 Audit Agenda. The overall objective was to verify that HCD has implemented appropriate internal controls to provide reasonable assurance of compliance with federal regulations for HOPWA. Specifically, we wanted to verify that:

1. HCD established appropriate procedures for subgrantee reimbursements.
2. Subgrantees vet primary beneficiaries for compliance with program eligibility requirements.
3. Housing units receiving HOPWA funding assistance meet habitability or Housing Quality Standards (HQS).

STATEMENT OF SCOPE

The audit scope covered fiscal years FY 2014 and 2015. We limited our review to the HCD division's HOPWA-related activities and its oversight of subgrantees serving the four counties in the EMSA.

STATEMENT OF METHODOLOGY

To achieve our objectives, we reviewed a range of documents related to the HOPWA program, including HCD's policies and procedures, the relevant Code of Federal Regulations, Annual Action Plans, and the Consolidated Annual Performance and Evaluation Reports for FY 2014 and 2015. Our review also included the FY 2014 and 2015 Single Audit reports for subgrantees meeting the Office of Management and Budget (OMB)'s Circular A-133 criterion². We also reviewed an audit report HUD prepared for an audit it performed on COT's HOPWA program in 2013.

In addition to documentation review, we conducted interviews with HCD personnel responsible for the day-to-day administration of the grant, including the manager of the division. We reviewed the division's processes, including procedures to reimburse subgrantees for services rendered.

STATEMENT OF AUDITING STANDARDS

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

² By federal statute, an OMB Circular A-133 audit (Single Audit) is required of all entities that receive at least \$500,000 in federal funds in a given year.

NOTEWORTHY ACCOMPLISHMENTS

HOPWA is a complex program. HCD is always trying to find ways to improve not only its own performance as the grantee but also the performance of its subgrantees in order to provide the best possible quality of service to beneficiaries. Some of the division's noteworthy accomplishments in that regard include the following:

1. Two members of HCD staff hold the HQS Inspector certification. This demonstrates their expertise and competence in performing HOPWA housing inspections. These certifications are not mandatory under program regulations, demonstrating the division's effort to go above and beyond in order to achieve the best.
2. HCD's leadership of its subgrantees has enabled them to leverage each other's capabilities in providing program services. Subgrantee agencies now hold quarterly meetings and formally collaborate with each other through Memoranda of Understanding, thereby improving services to the program's target population.
3. HUD conducted an onsite visit of COT and its subgrantees during an audit of the HOPWA program in June 2013. The audit had no adverse findings and verified the program's compliance with federal policies and regulations. Due to its past exemplary performance, COT's HOPWA program has been selected by HUD for testing the department's new format for the Consolidated Annual Performance Evaluation Report (CAPER) template due for release in 2017.

AUDIT CONCLUSIONS

Based upon the work we performed, we conclude that HCD has implemented internal controls to provide reasonable assurance that COT's HOPWA program complies with federal regulations. Specifically:

1. HCD has implemented appropriate procedures for reimbursement of subgrantees.
2. Subgrantees vet primary beneficiaries to make sure they meet program eligibility requirements.
3. Housing units receiving HOPWA assistance are inspected on an annual basis to make sure they comply with habitability standards.

However, as noted in the following section, HCD could make some improvements in its documentation of housing inspection records.

DOCUMENTATION OF HOUSING QUALITY STANDARDS INSPECTIONS

STATEMENT OF CONDITION: The City of Tampa, as the main grantee of HOPWA, assumes the ultimate responsibility over program outcomes. As such, HCD staff continually performs oversight activities to make sure subgrantee performance is consistent with program goals and objectives. These oversight activities involve mostly onsite monitoring reviews, but remote monitoring such as desk reviews and quarterly meetings are also utilized.

In 2015, HCD staff visited two TBRA subgrantees, one in March and the other in June, to conduct onsite monitoring reviews. Among other things, they evaluated records to verify that subgrantees had performed annual inspections on housing units to make sure they met HQS standards. HCD documented all its findings and observations relating to these reviews for the March site visit. However, documentation for the June visit did not include findings and/or observations relating to HQS inspections.

CRITERIA: HOPWA endeavors to provide its beneficiaries with housing assistance in homes that meet habitability and local housing standards. To that effect, all housing units are required to be inspected prior to any leases being signed or tenants moving in. They are also to be inspected on an annual basis thereafter. Subgrantees conduct the inspections, and HCD staff verifies them during annual onsite monitoring visits.

CAUSE: After HCD staff conducted its annual onsite monitoring visit to one of the subgrantees in March 2015, the division redesigned its standard monitoring checklist form, inadvertently removing the section reserved for HQS documentation. This resulted in the HQS inspection findings and/or observations for the June 2015 and subsequent visits not being documented.

EFFECT OF CONDITION: Without documentation of onsite reviews of HQS inspections, there is no proof of the City's performance of its due diligence regarding subgrantees' compliance with requirements. Also, there is no confirmation that housing units being paid for with HOPWA funds meet program occupancy and habitability standards.

RECOMMENDATION 1: When conducting onsite monitoring visits, HCD staff should endeavor to document all findings and/or observations relating to compliance with applicable program requirements, including HQS inspections.

MANAGEMENT RESPONSE: Agree. After the update, the old form that did not include HQS inspections as noted remained on the K-drive and was inadvertently utilized. The old form has now been removed. In addition, in February 2016 HCD added a Housing Quality Inspector who completes all HQS Inspections. By separating the function it allows more time for the Community Development Specialist II to document program service activities including eligibility compliance.

TARGET IMPLEMENTATION DATE: Completed.