



# Stanislaus Regional Housing Authority

*Alpine ■ Amador ■ Calaveras ■ Inyo ■ Mariposa ■ Mono ■ Stanislaus ■ Tuolumne Counties*

TO: Board of Commissioners

FROM: Barbara S. Kauss, Executive Director

DATE: February 7, 2019

SUBJECT: Office of Inspector General Audit Results – Shelter plus Care Program

In July, 2018, the U.S. Office of Inspector General’s Office, HUD Division (OIG), notified the Housing Authority (HA) of an internal administrative audit for the Shelter plus Care Program (SPC). The SPC Program is a rental assistance program funded through Continuum of Care McKinney-Vento Funds. Funding received by the HA is used to pay rental assistance to property owners on behalf of program participants. The eligibility criteria for persons eligible for the SPC Program are those applicants who are homeless according to the definitions set by HUD and who have one or more disabilities related to mental health, substance abuse, and/or HIV/AIDS.

The overall objective of the OIG audit was to determine whether the Authority administered its SPC Program funds in accordance with HUD requirements. The scope of the audit included a detailed review of the tenant files, financial records related to rental assistance payments made on behalf of residents, written policies, procedures, and quality control processes. The data reviewed was a sampling of data covering a three-year time period from 10/1/15 through 9/30/18.

The OIG commenced an on-site audit on 10/22/18 and concluded the on-site audit on 11/16/18. The remainder of the audit was conducted off-site and the HA was notified that the audit was completed on 1/30/19.

Based on a review of the program files, financial reports related to assistance payments, and written processes/policies related to the administration of the SPC program, the HA was notified that the audit results identified one file which did not have adequate documentation to demonstrate the eligibility of one household which was admitted in 2015. In an e-mail sent from Ms. Amy Lee, Senior OIG Auditor, she advised the HA that there was lack of documentation to confirm the household met the “HUD definition of homelessness” prior to entry into the SPC Program.

At the request of the OIG, the HA obtained case files notes from the County Mental Health Agency (BHRS) to document the applicant’s housing status prior to program entry. The document submitted to the OIG was a case note from the client’s mental health worker who indicated that prior to moving into Transitional housing the client indicated she was homeless, but did not specify the homeless circumstances to ensure it met HUD’s definition of homelessness.

Ms. Lee indicated that the OIG plans to conclude the review with a finding on this file and anticipate sending the finding outline the week of 2/4/19.

The OIG report will provide to the auditing agency and HUD an overview of the data audited, any findings, and recommendations to HUD on resolution for an audit finding. It is anticipated that the HA will respond accordingly to the OIG’s recommendations to HUD related to this audit finding, depending upon what the OIG recommends.

