



HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCDD) HOMEOWNER ASSISTANCE PROGRAM PERFORMANCE AUDIT



OBJECTIVES

Primary objectives of the audit:

- Determine if HCDD-HoAP funds were expended in compliance with applicable policies, laws, and guidelines; and
- Verify internal controls related to the processing of applications and timely payments to eligible recipients.

BACKGROUND

HoAP provided assistance to 731 eligible single-family homeowners affected by Hurricane Harvey to repair and rebuild damaged homes, or to reimburse homeowners for expenses incurred for work that was already completed.

With a budget of more than \$69 million, HoAP was funded through a U.S. Department of Housing and Urban Development Community Development Block Grant.

Chris Hollins
City Controller

Courtney Smith
City Auditor

AUDIT RESULTS

4 FINDINGS

- Homeowner Assistance Program reimbursement requests to the General Land Office (GLO) were not submitted timely, resulting in more than \$2.5 million in financial loss to the City of Houston.
- Reimbursement request errors in GLO submissions resulted in a loss of more than \$6 million, which includes the \$2.5 million loss due to untimely submissions.
- There was insufficient segregation and monitoring of user access to prevent adequate protection of sensitive data.
- Insufficient internal controls for complaints and appeals may lead to noncompliance with grant funding program guidelines.

4 RECOMMENDATIONS

Our report included the following recommendations to HCDD management:

- Develop, document, and execute an action plan to ensure timely reimbursement submissions;
- Develop, document, and execute an action plan to ensure that reimbursement requests are complete and accurate;
- Update HCDD's User Access Policy and procedures to ensure and include reference to limited and periodic monitoring of user access; and
- Develop, document, and implement a method to track and reconcile responses to applicable complaints and appeals.