HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

Homeowner Assistance
Program Performance Audit

Report# 2025-01

OFFICE OF THE HOUSTON CITY CONTROLLER

CHRIS HOLLINS
CITY CONTROLLER

COURTNEY SMITH
CITY AUDITOR

OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

CHRIS HOLLINS

July 22, 2024

The Honorable John Whitmire
Mayor, City of Houston

SUBJECT: REPORT #2025-01 – HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCDD) HOMEOWNER ASSISTANCE PROGRAM (HoAP) PERFORMANCE AUDIT

Mayor Whitmire:

My office has completed an audit of the City of Houston's Homeowner Assistance Program administered by the Housing and Community Development Department. The program was funded through a U.S. Department of Housing and Urban Development Community Development Block Grant.

The objectives of our audit were to:

- 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

Our engagement scope covered operations and transactions occurring from January 1, 2019, through December 31, 2023.

During our review, we determined that HCDD has comprehensive program guidelines and standard operating procedures in place, a requirement to complete Personally Identifiable Information (PII) training before granting information system access, and transparency reports regarding program statistics and performance measurements posted on the website.

Based on the results of our audit procedures, we identified the following areas where internal controls could be strengthened:

- Procedures related to timely submission of reimbursement requests;
- Processing of applications and timely payments;
- Information systems access; and
- Tracking/monitoring of complaints and appeals.

Improvement in these areas will enhance the overall management of grant program operations.

We would like to express our appreciation to the management and staff of HCDD for their time, effort, responsiveness, and cooperation during this audit.

Respectfully submitted,

Christopher G. Hollins
City Controller

xc: City Council Members
     Michael Nichols, Director, HCDD
     Kennisha London, Deputy Director, HCDD
     Chris Newport, Chief of Staff, Mayor's Office
     Vernon Lewis, Deputy Chief Controller, Office of the City Controller
     Courtney Smith, City Auditor, Office of the City Controller

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Introduction

We have completed a performance audit of the Housing and Community Development Department's (HCDD) Homeowner Assistance Program (HoAP). HCDD is responsible for the management and administration of grant-funded City of Houston (City) housing programs, including HoAP. This audit was included in the Audit Plan for Fiscal Year 2020.

Background

A Presidential disaster declaration was issued on August 25, 2017, for the Houston area following Hurricane Harvey, which impacted 32 percent of area homeowners. Over 60 percent of the affected homes were outside of flood zones indicating there was no expectation that these properties would flood, and as such, these homeowners had no perceived need for flood insurance. On August 17, 2018, the U.S. Department of Housing and Urban Development (HUD) in Community Development Block Grant Disaster Recovery (CDBG-DR) allocated $1.175 billion in CDBG-DR funding to the City of Houston and subsequently added an additional $99.9 million for a total of $1.275 billion. This funding was used to create HoAP. All Texas disaster grants are administered by the State's General Land O ffice (GLO), to ensure compliance.

HOMEOWNER ASSISTANCE PROGRAM (HOAP)

The City's HoAP provided assistance to 731 eligible single-family homeowners affected by Hurricane Harvey to repair and rebuild their damaged homes or reimburse homeowners for expenses incurred for work that was already completed. Program assistance included all types of damaged properties including mobile homes, manufactured housing units, and stick built[1].

The home and homeowners had to meet the following eligibility requirements to participate in the program:
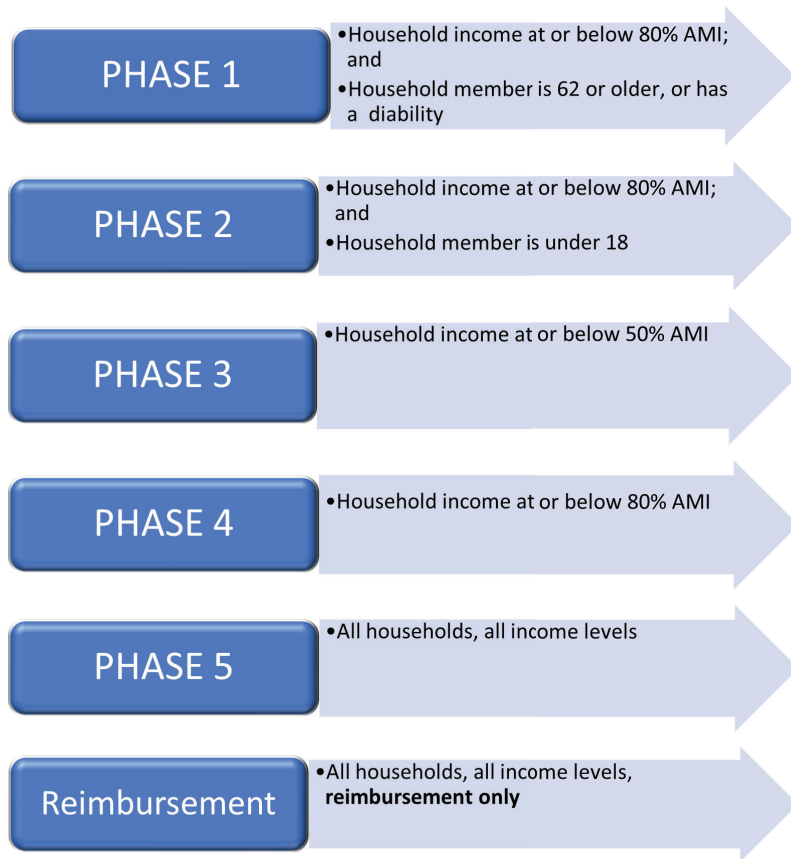
- The home must be located outside of a flood zone.

- The home must have been the applicant's primary residence at the time of Hurricane Harvey.

- The home must have sustained damage from Hurricane Harvey.

- The homeowner must have occupied the home at the time of Hurricane Harvey.

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1   Property with a wood frame which supports the plywood and other building materials.

- The homeowner must be current or have a payment plan for property taxes of the residence.

- The homeowner and all residents over 18 must be current on child support payments.

- The homeowner must agree to remain in the home as their primary residence for the duration of the compliance period.

HCDD developed program participation guidelines based on six priority phases as shown below in Exhibit 1. The participation guidelines were compliant with CDBG-DR requirements and through these phases, HCDD ensured emphasis was put on the most vulnerable homeowners. For example, homeowners included in Phase 1 were those with household occupants who were elderly or disabled, and had household income at or below 80 percent of the area median income (AMI).

Exhibit 1

PHASE 1	•Household income at or below 80% AMI; and •Household member is 62 or older, or has a diability
PHASE 2	•Household income at or below 80% AMI; and •Household member is under 18
PHASE 3	•Household income at or below 50% AMI
PHASE 4	•Household income at or below 80% AMI
PHASE 5	•All households, all income levels
Reimbursement	•All households, all income levels, **reimbursement only**

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HOAP FINANCIAL AND OPERATIONAL ACTIVITY

On January 5, 2019, the City and GLO entered into a subrecipient agreement, which awarded the City $1.175 billion with over $392.7 million budgeted for HoAP. On December 26, 2019, an agreement was executed to add additional funding for a total of $1.275 billion with $427.9 million designated for HoAP. On November 21, 2023, the grant was reduced to $664.2 million with $69,188,511 budgeted for HoAP. See Exhibit 2 for the funding history. HoAP is a reimbursement program similar to the majority of City grant-funded programs. This means that the City expends funds for applicable services and/or work performed under this program, before submitting documentation to facilitate reimbursement of these funds.

Exhibit 2

HoAP Funding History		
Date of Change	Total Grant Funding $	HoAP Funding $
01/05/2019	$1.175B	$392.7M
12/26/2019	$1.275B	$427.9M
02/10/2021	$835M	$82.18M
06/22/2021	$694M	$69.18M**
11/21/2023	$664M	$69.18M
**HoAP budget reduced by $13M; City assumes partial financial responsibility for program.		

The HoAP budget of $69,188,511 includes 90 percent for program costs (materials for construction and allowable reimbursements to homeowners) and 10 percent for project delivery costs, which include personnel costs. As of December 31, 2023, HoAP had assisted 731 homeowners with program expenses totaling $55,226,953.51 distributed throughout all 11 City Council districts, as illustrated in Exhibit 3.

Program participants were required to complete a survey to facilitate prioritization. We noted that 21,156 households from 143 zip codes completed the survey. More than 48 percent (10,157 of 21,156) of the households reported that seniors older than 62 lived in the property. Another 34 percent of households had a person with a disability, and 73 percent of households had an income at or below 80 percent of AMI.

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Exhibit 3

Council District	Number of Homes	Total $	% of Total $
A	15	$436,800.47	0.79%
B	179	20,842,420.51	37.74%
C	36	573,886.89	1.04%
D	105	13,363,269.95	24.20%
E	104	3,135,029.10	5.68%
F	7	175,513.41	0.32%
G	144	3,332,862.20	6.03%
H	40	5,426,406.94	9.83%
I	64	5,963,508.79	10.80%
J	6	338,635.54	0.61%
K	31	1,638,619.71	2.97%
Total	731	$55,226,953.51	100%

Audit Scope and Objectives

The objectives of this audit were (1) to determine if funds expended through HoAP are being spent in compliance with applicable policies, laws, and guidelines; and (2) to verify internal controls related to processing of applications and timely payments to eligible recipients.

The scope of the audit included HoAP processes, procedures, and transactions from January 1, 2019, through December 31, 2023.

INTERNAL CONTROLS RELEVANT TO THE AUDIT OBJECTIVES:

Internal controls are processes put in place by management to provide reasonable assurance that the organization's goals and objectives will be achieved. Our work included procedures to identify the internal controls that were significant to the objectives of this audit and to determine the effectiveness of those controls. Specifically, we reviewed the controls

management designed to achieve its departmental objectives and respond to risks. In our professional judgment, the following components of internal control were determined to be significant to the objectives of this audit:

- Control Environment
- Control Activities
- Information and Communication
- Monitoring

Procedures Performed

To obtain sufficient, appropriate evidence to achieve the engagement objectives and the related audit conclusions, we performed the following:

- Reviewed applicable City, state, and federal guidelines, operating policies, and procedures.
- Interviewed HCDD staff to understand the HoAP processes and procedures.
- Analyzed data from SAP, the Information Management System (IMS), and OnBase, which auditors used to perform audit tests.
- Reviewed a sample of purchases for appropriate approval, pricing, supporting documentation, change orders, and adequate segregation of duties.
- Reviewed and tested a sample of completed HoAP applications for adequate documentation and approval.
- Selected and reviewed a judgmental sample of reimbursement requests (draw requests) submitted to GLO for accuracy, timeliness, and approval. This sample of 60 included three draws deleted by HCDD resulting in a total sample of 57. See Audit Finding #2.
- Reviewed and tested information system security controls related to access controls and segregation of duties.
- Reviewed selected general controls over information systems.
- Reviewed Complaint and Appeals Logs for completeness and evidence of timely response(s).

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AREAS OF STRENGTH

We found the following strengths in the HoAP:

- Comprehensive program guidelines and standard operating procedures;
- Current website with information about the program including participation requirements, how to apply, required forms and documentation, and frequently asked questions;
- Requirement to complete personally identifiable information (PII) training before granting information system access; and
- Transparency reports regarding program statistics and performance measurements posted on the website.

DATA RELIABILITY AND COMPLETENESS

To assess the reliability of the data set extracted from IMS, we performed the following actions:

1. Reviewed queries supporting extracts of the data sets.
2. Analyzed data sets and queries for reasonableness and completeness.
3. Ran reports from the system.

Conclusions

We believe that we have obtained sufficient and appropriate evidence to adequately support the conclusions provided below, as required by professional auditing standards. The conclusions are aligned with the related audit objectives for consistency and reference. For detailed findings, recommendations, management responses, comments, and assessment of responses, see the "Detailed Findings, Recommendations, Management Response, and Assessment of Response" section of this report.

CONCLUSION 1 - (AUDIT OBJECTIVE 1)

Based on audit procedures performed, we determined that funds expended in the HoAP are being spent in compliance with applicable policies, laws, and guidelines. However, there is a need to strengthen controls related to timely submission of reimbursement requests, information system user access,

as well as complaints and appeals to ensure compliance with program guidelines and facilitate adequate controls of sensitive data. (See Findings #1, #3, and #4)

CONCLUSION 2 - (AUDIT OBJECTIVE 2)

Based on audit procedures performed, we determined there is a need to strengthen internal controls related to the processing of applications and timely payments to eligible recipients to facilitate maximizing expense reimbursement from granting agencies of funds expended to participants. (See Findings #1 and #2)

Audit Standards

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Practice of Internal Auditing. 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.

The scope of our work did not constitute an evaluation of the overall internal control structure of the City or that of HCDD's HoAP. Management is responsible for establishing and maintaining a system of internal controls to ensure City assets are safeguarded, financial activity is accurately reported and reliable, and management and employees are following laws, regulations, policies, and procedures. The objectives are to provide management with reasonable, but not absolute assurance that the controls are in place and effective.

Acknowledgment

We would like to thank HCDD management and staff for their professionalism, cooperation, time, and efforts throughout the course of this engagement.

Detailed Findings, Recommendations, Management Responses, and Assessment of Responses

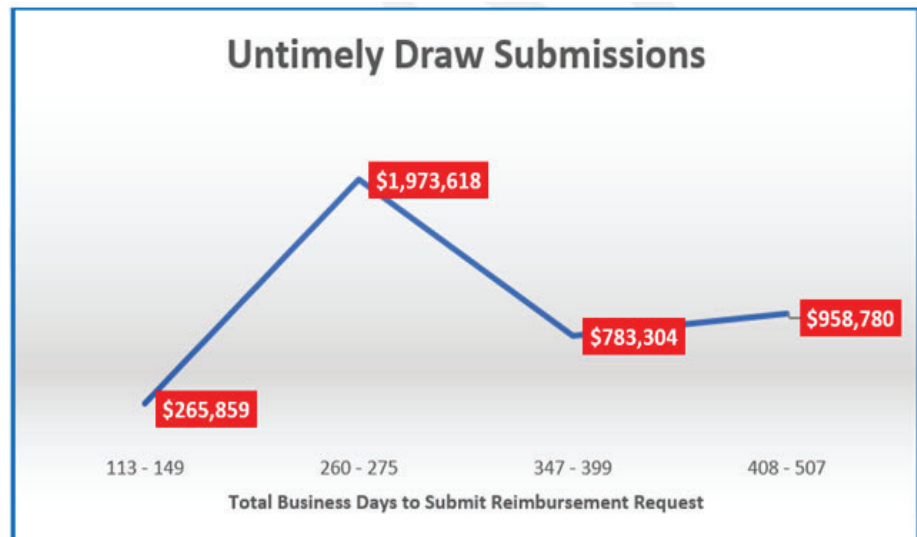**Finding #1 - Untimely Expense Reimbursement Requests**

Risk Rating = High
(Impact and Magnitude)

Background

The City's subrecipient agreement with GLO under HUD's CDBG- DR guidelines, requires that the City submit expense reimbursement requests, also called draw requests, to the GLO no later than 90 days from the date the City paid for the expense. This contract provision is in place to ensure timely expenditure of the grant funds, as required by Federal regulations. We noted that on September 17, 2021, GLO accepted the City's request that the 90 days referenced in Section 2.02 "Timely Expenditures" of the subrecipient contracts be defined as "business days".

Finding

The City, through HCDD, did not consistently submit expense reimbursement requests to the GLO within the time frame specified in the agreement. We found that 42 percent (24 of 57) of reimbursement requests totaling more than $3.98 million in our sample were submitted after the 90-day contractual period resulting in nine requests totaling more than $2.5 million being rejected and ultimately being withdrawn by the City. Reimbursement requests reviewed were submitted an average of 368 business days after expenses were incurred.

Untimely Draw Submissions

$1,973,618
$783,304
$958,780
$265,859

113 - 149   260 - 275   347 - 399   408 - 507

Total Business Days to Submit Reimbursement Request

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The lack of timeliness occurred because the City did not have a quality control process in place to monitor the timeliness of reimbursement request submissions as required by the terms of the agreement. Failure by the City to timely submit these requests resulted in denial/rejection of the reimbursement requests. This resulted in a financial loss to the City as those funds had already been expended.

Recommendations

We recommend that the Director of HCDD, or the Director's designee, develop, document, and execute a plan to identify and implement actions that would improve timely submission of the expense reimbursement requests to granting agencies.

Management Response

Of the 24 instances where reimbursement requests were submitted after 90 days, 15 were reimbursed by GLO. The remaining 9 requests were third-party consultant invoices withdrawn by HCDD due to pending litigation and/or settlement with the third-party consultant.

HCDD revised its process to add a target GLO due date for each expenditure. This allowed the Finance team to better track and monitor those expenditures to ensure submission by the due date. The process was fully implemented during November 2022. HCDD reviews its compliance with this internal process monthly through communications with GLO. The revised process was documented in the Financial Services SOP.

Responsible Party

Temika B. Jones, Assistant Director, Chief Financial Officer

Estimated Date of Completion

Revised process documented and implemented in November 2022.

Assessment of Response

Management's response, as presented, adequately addresses the identified issue; as such, the proposed corrective action plan is appropriate.

Finding #2 - Excessive Errors in Reimbursement Requests

Risk Rating = High
(Impact and Magnitude)

Background

HCDD administered HoAP through a subrecipient agreement with GLO under HUD's CDBG-DR. HoAP was intended to assist eligible City residents, whose homes were directly impacted by Hurricane Harvey by providing funding for rehabilitation and reconstruction of owner-occupied single-family homes.

Finding

We selected a judgmental sample of 60 reimbursement requests (draw requests) submitted to the GLO. Three items in our sample were deleted by HCDD resulting in a sample of 57 draw requests for which we performed review and testing. Our procedures determined that 25 percent of our sample (14 of 57) contained errors and/or issues. Of those 14, six were denied or rejected by GLO. The remaining eight were withdrawn by HCDD. Several of the issues/errors found in the submissions were noted multiple times. These errors resulted in a total loss of over $6 million.

According to Article II, Section 2.01 of the City's subrecipient agreement with GLO, (21-134-000-C788), "Each invoice submitted by subrecipients shall be supported by actual receipts, canceled checks, and/or such other documentation that, in the judgment of the GLO allows for full substantiation of the costs incurred. Requests for payment must be submitted through the GLO's system of record, the Texas Integrated Grant Reporting (TIGR) System; . . .". See Exhibit 4 for the types of issues/errors found during the review. The excessive errors occurred because there was no robust quality control process in place to review draw requests prior to submission for accuracy and completeness to facilitate maximum reimbursement of expenses back to the City.

Exhibit 4

Draw Amount Discrepancies

Incomplete Financial Package

Administrative Issues

Ineligible Costs

Request for Information (RFI) - Service Period

Cost Allocation

Discrepancies Between Budget and Payment Request

RFI - Right-Side (Reimbursement) Discrepancies

The excessive errors occurred because there was no robust quality control process in place to review draw requests prior to submission for accuracy and completeness to facilitate maximum reimbursement of expenses back to the City.

Recommendations

We recommend that the Director of HCDD, or the Director's designee, develop, document, and execute a plan to ensure that a system of quality control is in place and operational to review and correct, as needed, draw requests prior to submission to the granting agencies.

Management Response

In November 2022, a quality control process was implemented to review all reimbursement requests prior to submission to GLO. This included a standard checklist of frequently found errors. The revised process was documented in the Financial Services SOP.

Responsible Party   Temika B. Jones, Assistant Director, Chief Financial Officer

Estimated Date of Completion   Revised process documented and implemented in November 2022.

Assessment of Response   Management's response, as presented, adequately addresses the identified issue; as such, the proposed corrective action plan is appropriate.

Finding #3 - Insufficient Segregation and Monitoring of User Access

Risk Rating = High
(Impact and Magnitude)

Background

HCDD used two primary information technology (IT) systems; (1) Information Management System (IMS) and (2) OnBase. IT Project Managers from the Houston Information Technology Services Department (HITS) oversee the two systems and were also responsible for granting access to the systems. Access is granted and removed based on employees' managers or supervisors' requests. IMS users are categorized into two areas: program and view/read only. The IMS application is accessible using the City's network login. OnBase user access is based on "user groups" or department division level responsibility rather than an individual level, and is accessible with unique usernames and passwords assigned by the IT Project Manager. HCDD, as mandated by HUD, requires that all users complete a Personally Identifiable Information (PII) certification training course before obtaining access to IMS or any disaster recovery system.

Finding

HCDD has not established sufficient user access controls for information systems. Although the IT Project Managers are able to generate lists of users, we were unable to obtain an updated role- based user access matrix or list for either system. We were also unable to obtain documentation about the monitoring of user access to ensure that data is protected. With the current configurations, most users have greater access than necessary to perform their job duties. Periodic monitoring of user access would help mitigate "access creep", which occurs when users gain access to more information than is needed to perform their job duties (e.g., employees that transfer out of or into the department). Periodic monitoring of role-based user access would facilitate segregation of duties by ensuring that access is restricted based on job responsibilities and/or permission levels. It would also control and monitor user activities by identifying who has access and when information is being accessed. This limits potential security breaches due to unauthorized access to data and/ or access misuse, where the user takes advantage of their access to obtain information other than what is needed for their job duties. Access misuse leads to access abuse, where fraudulent or malicious access of information can occur, especially when a user has elevated access. See Exhibit 5, for an illustration of user access concerns.

Additionally, there was no documentation that user access

had been terminated or modified, as needed, for users who are no longer with HCDD or the City. The User Access report contained several employees, both internal and external to HCDD, who are no longer with the City. We were informed that neither system has the ability to capture the termination date for system access. Because HCDD experiences significant turnover of staff, it is important to ensure that user access is terminated and/or modified timely. As of reports dated July 8, 2023, IMS and OnBase have several terminated employees listed as users. The report listed 2,860 IMS users. OnBase had a total of 805 users, with only 335 active accounts.

Exhibit 5
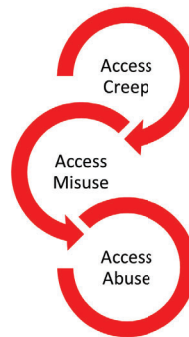
The criteria used in our evaluation comes from Executive Order 1-48, Section 6.4.1 and 6.4.1.3, which states that the Department Director is responsible for providing information security for information systems that support the operations under their control by developing and implementing policies and procedures to reduce risks to an acceptable level. Also, Section 6.4.1.4, requires that safeguarding of information should be in line with the risk exposure and the impact resulting from unauthorized access, disclosure, use, disruption, modification, or destruction of the information or information systems. Additionally, federal regulations cited in, 2 CFR Part 200.303, Internal Controls, subsection (e) stats that the non-Federal entity must "Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality."

Recommendations	The Director of HCDD or designee should ensure that the department's User Access Policy and procedures are reviewed and updated to include a reference to limited user access and the performance of periodic monitoring of user access. Additionally, document role-based user access for information systems ensuring to include the timely termination or modification of access, as needed to protect access to sensitive and confidential data.
Management Response	IMS is currently being used for the Harvey Homeowner Assistance Program (HoAP) but will not be utilized for any other programs in the future. Regarding OnBase, HCDD Human Resource staff will send employee off-boarding requests to HITS via ServiceNow, which will allow for tracking, reporting, and documentation of employee access changes for OnBase (e.g. Access Requests). Furthermore, on a routine basis (e.g. semi-annually), HITS will pull a report of system user access profiles for HCDD. The HCDD Executive Team will be responsible for reviewing the access profile reports and identify to HITS if any changes or terminations to access are needed, including for employees who have changed roles/ tasks and are no longer requiring access to certain portions of the system. This procedure will be further documented in a HCDD departmental policy and/or policy.
Responsible Party	Kennisha London, Deputy Director
Estimated Date of Completion	October 31, 2024
Assessment of Response	Management's response, as presented, adequately addresses the identified issue; as such, the proposed corrective action plan is appropriate.

Finding #4 - Insufficient Internal Controls Over Complaints and Appeals

Risk Rating = Medium
(Impact and Magnitude)

Background

HCDD has developed a complaints and appeals process to allow program participants and citizens the ability to lodge complaints and grievances. According to HUD, as noted in federal regulation, 24 CFR Section 570.431, Citizen participation, paragraph (b) (5), requires "Responding to citizen complaints and grievances, including the procedures that citizens must follow when submitting complaints and grievances. The applicant's policies and procedures must provide timely written answers to written complaints and grievances within 15 working days of the receipt of the complaint, where practicable." Additionally, the City of Houston and the GLO's subrecipient agreement, No. 21-134-000-C788, in section 8.27, Citizen Participation and Alternative Requirements; (b) Complaint Procedures requires timely response to citizens' complaints and grievances within 15 days.

Finding

There was no process to document reconciliation of complaints and appeals to ensure that written responses are made for complaints within fifteen (15) business days and similarly, there was no process to document reconciliation of appeals within 30 days to facilitate compliance with HCDD's policies and procedure as required by the, *Harvey Homeowner Assistance Program Guidelines, Version 1.6*, dated May 12, 2020, and HUD requirements.

The review of Complaint and Appeals Logs dated June 21, 2023 showed 993 complaints (see Exhibit 6) and 477 Appeals (See Exhibit 7). Both logs had what appeared to be gaps, with 645 in the complaints Log and 132 in the appeals log. It was noted that the gaps could be complaints and appeals for other HCDD programs or voids. However, HCDD was neither able to confirm that other programs were responsible for all gaps, nor generate a report of "voided" or "open" complaints and appeals, as the reports showed each of the complaints were closed and the appeals were either granted, denied, or withdrawn. Historically, HCDD used an internal Excel spreadsheet to capture and track complaints and appeals. However, the department is in the process of inputting all complaints into OnBase, their system of record. Because the system defaults to the date when it was entered, the accuracy of complaints as of the review date could not be immediately validated. For example, some complaint dates in OnBase were after the

complaint resolution date. Additionally, HCDD was unsure about the numbering system and how voids were handled at the time of the review.
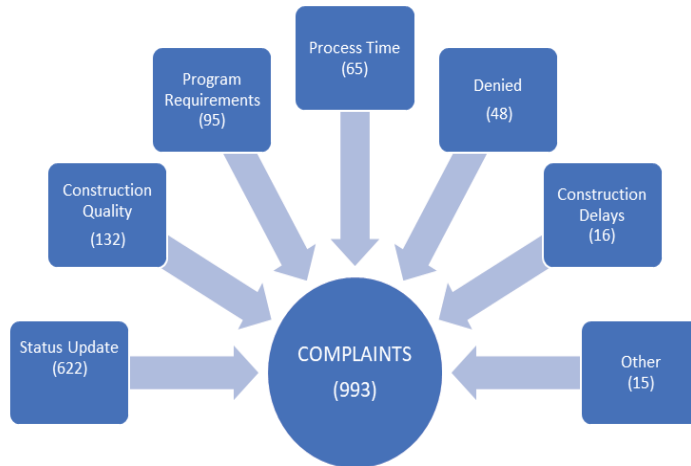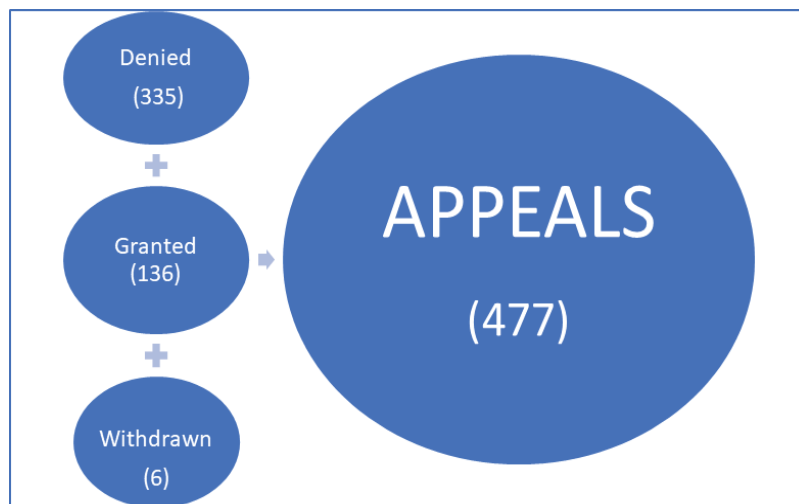
Exhibit 6

Exhibit 7

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Recommendations

We recommend that the Director of HCDD, or the Director's designee, develop, document, and implement a method to track and reconcile timely responses to applicable complaints and appeals to ensure compliance with response requirements.

Management Response

Documentation of Timely Responses and Reconciliation

Although the department has Complaints and Appeals Policies, the written Complaints and Appeals Standard of Procedures (SOP) are still under development. Nevertheless, the Complaints and Appeals team currently implements a process in which responses are tracked and reconciled timely. On a weekly basis, both the Complaints Report and Appeals Report are reviewed to ensure that responses are timely and the CA Profile is reconciled noting the response, response due date, response date, and other pertinent information related to the complaint or appeal. However, this process is noted in the SOP that is expected to be published by the end of the year.

Sequence Number Gaps and Voids

The Complaints and Appeals' OnBase application hosts about 2,154 complaints and appeals for all HCDD programs. Because a sample of those records were audited, many of the numbers not found in the HoAP reports are easily found within the reports for all programs. However, unsaved complaints or appeals will result in absent sequence numbers from the report. This typically happens when an analyst determines that a new complaint or appeal record does not need to be established. Upon additional inquiries with the vendor, there are no reports generated for unsaved complaints or appeals because the system is not designed to track unsaved numbers.

Additionally, complaints or appeals that are created but require a void are marked as withdrawn and can be seen in the reports audited.

OnBase Backfill

Since 2021, HCDD has been rolling out the OnBase implementation of the Complaints and Appeals Application. The implementation phases are noted below:

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Phase	Description	Status
Phase 1	Log all complaints and appeals received on or after September 0, 2021 in OnBase.	Commenced and completed on September 10, 2022.
Phase 2	Import all complaint and appeal information received prior to September 10, 2021 in OnBase.	Commenced on July 7, 2022. Completed on September 22, 2022.
Phase 3	Gap Analysis	Commenced June 12, 2023. Ongoing and concurrent with Phase 4. Completion expected 12/31/2023.
Phase 4	Data and Document Reconciliation	Commenced June 13, 2023. Ongoing and concurrent with Phase 3. Completion expected 12/31/2023
Phase 5	Final Compliance Review	Projected execution date will be determined after the completion of Phases 3 and 4.

It should be noted that the import to OnBase of previous complaints and appeals did not accurately capture the original open date of the complaints or appeals. On March 22, 2023, the original open date was added as a field so that the OnBase would accurately capture and report information. However, this

requires a manual update to every record.

It is also worth noting that HCDD's OnBase application includes several fields that did not previously exist in the excel logs. There are over 12,500 data points that require entries while over 54,500 other data points require review. Supporting documents must also be attached for each complaint and appeal and indexed properly. Therefore, the reconciliation and review process will be lengthy to ensure that each record has been thoroughly updated.

Actions taken to update OnBase are being logged and reported on a bi-weekly basis in the CA Bi-Weekly Status Report. Since June 2023, an estimated 4,310 data points have been updated. OnBase Phases 3 and 4 are expected to be completed by December 31, 2023. However, the projected completion date will be reevaluated mid-December.

Responsible Party   Kristen Robinson, Administration Manager

Estimated Date of Completion   September 30, 2024

Assessment of Response   Management's response, as presented, adequately addresses the identified issue; as such, the proposed corrective action plan is appropriate.

MANAGEMENT ACKNOWLEDGMENT STATEMENT

Acknowledgement Statement

Date: 7/18/2024

Chris Hollins
City Controller
Office of the City Controller

**SUBJECT: HCDD HOMEOWNER ASSISTANCE PROGRAM PERFORMANCE AUDIT REPORT–
ACKNOWLEDGEMENT OF MANAGEMENT RESPONSES**

I acknowledge that the management responses contained in the above referenced report are those of the Housing and Community Development Department. I also understand that this document will become a part of the final audit report that will be posted on the Controller's website.

Sincerely,

DocuSigned by:

Michael Nichols

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Michael Nichols, Director
Housing and Community Development Department

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Audit reports are available at:

http://www.houstontx.gov/controller/audit/auditreports.html