



OFFICE of
INSPECTOR GENERAL
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UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

U.S. Department of Housing and Urban Development

**ATTESTATION REVIEW OF HUD'S COMPLIANCE WITH
OFFICE OF NATIONAL DRUG CONTROL POLICY FOR FISCAL
YEAR 2022 | 2023-FO-0801**

January 31, 2023

CONTROLLED//BUDG

Certain information has been withheld from public release in accordance with 5 U.S.C. section 552 (b)(5). This provision protects interagency or intra-agency communications reflecting the agency's deliberative process. The information withheld consists of projected budget information for fiscal year 2024.

Date: January 31, 2023

To: Claudette Fernandez
General Deputy Assistant Secretary for Community Planning and Development, D

//signed//

From: Kilah S. White
Assistant Inspector General for Audit, GA

Subject: Independent Attestation Review of the U.S. Department of Housing and Urban Development's Compliance With Office of National Drug Control Policy (ONDCP) Requirements for Fiscal Year 2022 Reporting

We have reviewed the U.S. Department of Housing and Urban Development's Detailed Accounting Report and the related management assertions for National Drug Control Program activities for the fiscal year ended September 30, 2022. We also reviewed the Budget Formulation Compliance Report, which includes budget formulation information for fiscal year 2024, and the related management assertions for National Drug Control Program activities. HUD's management is responsible for preparing the Detailed Accounting Report and Budget Formulation Compliance Report in accordance with (or based on) the Office of National Drug Control Policy's (ONDCP) Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021. Our responsibility is to express a conclusion about the reliability of each assertion made in these reports.

We performed this review as required by section 705(d) of Public Law 105-277, which requires National Drug Control Program agencies to submit to the Director of ONDCP a detailed accounting of all funds spent by the agencies for National Drug Control Program activities during the previous fiscal year and that the accounting be authenticated by agency Inspectors General before submission.

We conducted our attestation review in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertions in order for them to be in accordance with the ONDCP compliance reviews circular. The procedures performed in a review vary in nature and timing from and are substantially less extensive than an examination, the objective of which is to obtain reasonable assurance about whether management's assertions are in accordance with (or based on) the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

For our review, we performed the following: (1) reviewed HUD's evidence for the assertions, (2) reviewed HUD's source files for data reported in the Detailed Accounting Report, (3) determined whether HUD made the assertions required by ONDCP, and (4) made necessary inquiries of HUD and ONDCP personnel.

Based upon our review, we are not aware of any material modifications that should be made to HUD's Detailed Accounting Report and Budget Formulation Compliance Report in order for them to be in accordance with (or based on) ONDCP's Circular, National Drug Control Program Agency Compliance Reviews, dated September 9, 2021.

HUD's management's assertions, along with the Detailed Accounting Report and Budget Formulation Compliance Report, are included as appendix B.

Although this report is an unrestricted public document, its purpose is to authenticate HUD's reporting on national drug control spending to the director of ONDCP. This report is not suitable for any other purpose.

Certain information has been withheld from public release in accordance with 5 U.S.C. section 552 (b)(5). This provision protects interagency or intra-agency communications reflecting the agency's deliberative process. The information withheld consists of projected budget information for fiscal year 2024.

Thank you for the cooperation and participation of HUD personnel in completing the attestation review. If you have any questions or comments about this report, please call Brittany Wing, Audit Director, at (202) 320-7296.

Appendices:

Auditee's Comments

Management Representation Letter, HUD's Budget Formulation Compliance Report, and Detailed Accounting Report

cc:

Dear Beloved, Senior Advisor, Interagency Performance, Office of National Drug Control Policy
Marion McFadden, Principal Deputy Assistant Secretary for Community Planning and Development, D
Jemine A. Bryon, Deputy Assistant Secretary for Special Needs, Community Planning and Development,
DN

Benjamin C. Schwartz, Deputy Director, Office of Block Grant Assistance, State and Small Cities Division,
Community Planning and Development, DGBS

George J. Tomchick, Deputy Chief Financial Officer, F

YunChong Yi, Director of Budget Division, Office of Technical Assistance and Management, Community
Planning and Development, DOTB

Norman Suchar, Director, Office of Special Needs Assistance Programs, Community Planning and
Development, DNS

Tonya Proctor, Deputy Director, Office of Special Needs Assistance Programs, Community Planning and Development, DNS
William Snow, Specialist, Office of Special Needs Assistance Programs, Community Planning and Development, DNS
Sean Joyner, Program Analyst, Office of Policy Development and Coordination, Community Planning and Development, DOP
Monica Wallace, Supervisory Specialist, Office of Policy Development and Coordination, Community Planning and Development, DOP
Danielle Palmer, Financial Operations Analyst, Funds Control Assurance Division, FMC
Emily M. Kornegay, Assistant Chief Financial Officer for Budget, FO
Melajo Kubacki, Assistant Chief Financial Officer for Financial Management, Office of the Chief Financial Officer, FM
Mary Didier, Senior Budget Analyst, Office of the Chief Financial Officer, FOPA
Shannon E. Steinbauer, Director, Audit Liaison Division, Office of the Chief Financial Officer for Financial Management, FMA
Susan Adams, Audit Liaison Officer, Office of the Chief Financial Officer for Financial Management, FMC

Appendix A – Auditee’s Comments



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

OFFICE OF THE CHIEF FINANCIAL OFFICER

HUD OCFO MEMO 23-25

January 23, 2023

MEMORANDUM FOR: Kilah S. White, Assistant Inspector General for Audit, GA
George Tomchick Digitally signed by George Tomchick
Date: 2023.01.23 15:54:59 -05'00'

FROM: George J. Tomchick, III, Deputy Chief Financial Officer, F

SUBJECT: Attestation Review of HUD’s Compliance with ONDCP for
Fiscal Year 2022

Dear Ms. White:

Thank you for the opportunity to review and comment on the draft attestation review. The Office of the Chief Financial Officer does not have any comments to include in the final report. We value HUD OIG’s efforts and professionalism throughout the attestation review process.

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Appendix B - Management Representation Letter, HUD's Budget Formulation Compliance Report, and Detailed Accounting Report



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

January 31, 2023

Ms. Kilah S. White
Assistant Inspector General for Audit
U.S. Department of Housing and Urban Development
Office of Inspector General
451 7th Street SW, Room 8254
Washington, DC 20410-0001

Dear Assistant Inspector General for Audit, Kilar White:

We are providing this letter in response to requirements pursuant to the Office of National Drug Control Circular: National Drug Control Program Agency Compliance Review (September 9, 2021).

The Department's Continuum of Care Homeless Assistance Grants program supports efforts to eliminate homelessness by financing local solutions that provide housing and supportive services on a short or long-term basis to those experiencing homelessness. While the Continuum of Care (COC) helps support recovery by providing housing resources, HUD does not have a specific appropriation for drug-related activities. Although COC grantees can utilize funds to help people with chronic substance abuse, they are not required to do so. HUD uses a methodology approved by ONDCP to estimate how many homeless people dealing with chronic substance abuse issues that may have been served with HUD funds based on application data.

Section 8071 (Pilot Program to Help Individuals in Recovery from a Substance Use Disorder become Stably Housed) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act allows states and the District of Columbia to provide stable, transitional housing for individuals in recovery from a substance use disorder. The Consolidated Appropriations Act, 2022 (P.L. 117-103) provided \$25 million for such purposes.

We confirm, to the best of our knowledge and belief, the following representations and assertions as they pertain to HUD's fiscal year 2022 Budget Formulation Compliance and Detailed Accounting submission to ONDCP:

Written Assertion Requirements (ONDCP Regulations- Budget Formulation Compliance Submission)

1. The HUD FY 2024 Summer Drug Budget submission to ONDCP under cover letter provided in response to Section 6.a.(1) in response to ONDCP Circular: Budget Formulation, Section 9 was provided to ONDCP at the same time as that budget request was submitted to the Office of Budget, Office of the Chief Financial Officer in accordance with 21 U.S.C. 1703(c)(1)(A).
2. The funding request in the submission provided in Section 6.a.(2) of the ONDCP Circular National Drug Control Program Agency Compliance Review represent the funding levels in the

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budget submission made by the Office of Community Planning and Development to the Office of Budget, Office of the Chief Financial Officer without alteration or adjustment by any official at the Department.

Written Assertion Requirements (ONDCP Regulations- Detailed Accounting Submission)

1. The drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit is based on reliable data in which the data's availability, timeliness, and relevance were considered.
2. The financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
3. The drug methodology described in the report was the actual methodology used to generate the required data table.
4. All material weaknesses, or other findings by independent sources, or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance, which may affect the presentation of prior year drug-related obligations have been disclosed.
5. There were no modifications made to the methodology for reporting drug control resources from the previous year's reporting.
6. The data presented are associated with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP's approval of reprogramming or transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget.
7. The data presented are associated with obligation against a financial plan that fully complied with all Fund Control Notices issued by the Director under 21 USC 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.

Sincerely,

Claudette
Fernandez

Digitally signed by Claudette
Fernandez
Date: 2023.01.24 14:22:04 -05'00'

Claudette Fernandez
General Deputy Assistant Secretary
Office of Community Planning and Development

Attachment

cc: Marion McFadden, Principal Deputy Assistant Secretary, CPD
George Tomchick, Deputy Chief Financial Officer, F
Yunchong Yi, Director, CPD Budget, DOTB
Jemine A. Bryon, Deputy Assistant Secretary for Special Needs, CPD, DN

Norman Suchar, Director, SNAPS, DNS
Tonya Proctor, Deputy Director, SNAPS, DNS
William Snow, Specialist, SNAPS, DNS
Elizabeth S. Hendrix, Acting Deputy Assistant Secretary, OBGA, CPD
Benjamin C. Schwartz, Deputy Director, OBGA/SSCD, DGBS
Danielle Palmer, Financial Operations Analyst, CFO Funds Control Assurance Division, FMC
Emily M. Komegay, Assistant CFO for Budget, FO
Mary Didier, Senior Budget Analyst, OCFO

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Community Planning and Development
FY 2022 Budget Formulation Compliance Report

SUMMER BUDGET INFORMATION

On June 13, 2022, the summer budget was submitted to ONDCP under ONDCP Circular: Budget Formulation, Section 9.a. (1).

HUD's Summer Drug Budget resource summary table was submitted to ONDCP under ONDCP Circular: Budget Formulation, Section 9.a.(2).

HUD's Summer Budget resource summary table---

Resource Summary

	Budget Authority (in millions)		
	FY 2022 Enacted	FY 2023 Request	FY 2024 Request
Drug Resources by Function			
Treatment	\$675.268	\$756.217	██████
Total Drug Resources by Function	\$675.268	\$756.217	██████
Drug Resources by Decision Unit			
Continuum of Care: Homeless Assistance Grants	\$650.268	\$731.217	██████
Section 8071 Pilot Recovery Housing Program	\$25.000	\$25.000	██████
Total Drug Resources by Function	\$675.268	\$756.217	██████
Drug Resources Personnel Summary			
Total FTEs (direct only)	---	---	---
Drug Resources as a percent of Budget			
Total Agency Budget (in Billions)	\$65.7	\$71.9	N/A
Drug Resources percentage	1.0%	1.1%	N/A%

MANAGEMENT ASSERTIONS

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report

We confirm, to the best of our knowledge and belief, the following representations and assertions as they pertain to HUD's fiscal year 2022 Budget Formulation Compliance submission to ONDCP:

1. The HUD FY 2024 Summer Drug Budget submission to ONDCP under cover letter provided in response to Section 6.a.(1) in response to ONDCP Circular: Budget Formulation, Section 9 was provided to ONDCP at the same time as that budget request was submitted to the Office of Budget, Office of the Chief Financial Officer in accordance with 21 U.S.C. 1703(c)(1)(A).
2. The funding request in the submission provided in Section 6.a.(2) of the ONDCP Circular National Drug Control Program Agency Compliance Review represent the funding levels in the budget submission made by the Office of Community Planning and Development to the Office of Budget, Office of the Chief Financial Officer without alteration or adjustment by any official at the Department.

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report

[--START NEW DOCUMENT--](#)

Department of Housing and Urban Development
FY 2022 Detailed Accounting Report

Resource Summary

	Budget Authority (in millions)
	FY 2022 Enacted
Drug Resources by Function	
Recovery	\$660.688
Total Drug Resources by Function	\$660.688
Drug Resources by Decision Unit	
Continuum of Care: Homeless Assistance Grants	\$635.688
Section 8071 Pilot Recovery Housing Program	\$25.000
Total Drug Resources by Function	\$660.688
Drug Resources Personnel Summary	
Total FTEs (direct only)	---
Drug Resources as a percent of Budget	
Total Agency Budget (in Billions)	\$65.7
Drug Resources percentage	1.0%

METHODOLOGY

The Office of Special Needs Assistance Programs in HUD does not have a specific appropriation for drug-related activities. Many of its programs target the most vulnerable citizens in our communities, including individuals with chronic mental health or substance use issues, persons living with HIV/Acquired Immune Deficiency Syndrome (AIDS), and formerly incarcerated individuals. Recipients of resources provided by the Office of Special Needs Assistance Programs report to HUD annually how many people they intend to serve through the Continuum of Care (CoC) Program funding. The most recent CoC Competition data (from FY 2021) shows that 21.8 percent of clients served will receive substance use treatment. HUD relied on the fiscal year 2021 competition data because grants funded from that year's appropriation (FY 2022) operate during calendar year 2022, which most closely aligns to the reporting period in this report. HUD then multiplies this number by the CoC appropriation to determine the anticipated amount that will be spent on serving persons with chronic substance

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report

abuse issues. The fiscal year 2022 appropriation for the CoC Program, inclusive of the Youth Homelessness Demonstration Program funding, was \$2.916 billion, of which \$635.7 million (rounded) is anticipated to be spent on persons with chronic substance abuse issues.

Section 8071 (Pilot Program to Help Individuals in Recovery from a Substance Use Disorder become Stably Housed) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act allows states and the District of Columbia to provide stable, transitional housing for individuals in recovery from a substance use disorder. The Consolidated Appropriations Act, 2022 (P.L. 117-103) provided \$25 million for such purposes. The pilot program has been established for FY 2019-FY 2023, though it was not funded in 2019. For consistency in presentation of HUD's drug-related funding activities, budget authority is provided in the Resource Summary table, with the assumption that all appropriations will obligate. Obligations to date include \$500,000 in 2020, \$7,591,513 in 2021, and \$36,835,062 in 2022.

MATERIAL WEAKNESSES OR OTHER FINDINGS

HUD has not identified any material weaknesses or other findings.

REPROGRAMMINGS OR TRANSFERS

HUD did not reprogram or transfer any drug control funds in fiscal year 2022.

OTHER DISCLOSURES

HUD has not identified any other disclosures relating to the fiscal year 2022 drug control funds.

MANAGEMENT ASSERTIONS

We confirm, to the best of our knowledge and belief, the following representations and assertions as they pertain to HUD's fiscal year 2022 Detailed Accounting Report submission to ONDCP:

1. The drug methodology used to calculate obligations of prior year budgetary resources by function for all bureaus and by budget decision unit is based on reliable data in which the data's availability, timeliness, and relevance were considered.
2. The financial systems supporting the drug methodology yield data that fairly present, in all material respects, aggregate obligations from which drug-related obligation estimates are derived.
3. The drug methodology described in the report was the actual methodology used to generate the required data table.
4. All material weaknesses, or other findings by independent sources, or other known weaknesses, including those identified in the Agency's Annual Statement of Assurance,

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report

which may affect the presentation of prior year drug-related obligations have been disclosed.

5. There were no modifications made to the methodology for reporting drug control resources from the previous year's reporting.
6. The data presented are associated with obligations against a financial plan that, if revised during the fiscal year, properly reflects those changes, including ONDCP's approval of reprogramming or transfers affecting drug-related resources in excess of \$5 million or 10 percent of a specific program or account included in the National Drug Control Budget.
7. The data presented are associated with obligation against a financial plan that fully complied with all Fund Control Notices issued by the Director under 21 USC 1703(f) and Section 9 of the ONDCP Circular, *Budget Execution*.

FY 2022 HUD Budget Formulation Compliance Report Detail Accounting Report