



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

HUD Can Improve Its Efforts To Meet the National Drug Control Strategy Reporting Requirements

Audit Report Number: 2025-LA-0001

March 17, 2025

To: David C. Woll, Jr., Principal Deputy Assistant Secretary for Community Planning and Development, D

Irving Dennis, Principal Deputy Chief Financial Officer, F

//signed//

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

Subject: HUD Can Improve Its Efforts To Meet the National Drug Control Strategy Reporting Requirements

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our audit to assess HUD's reporting of the National Drug Control Strategy toward reducing overdose deaths in the United States.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, as amended, requires that OIG post its reports on the OIG website. Accordingly, this report will be posted at <https://www.hudoig.gov>.

If you have any questions or comments about this report, please do not hesitate to call Tanya Schulze, Audit Director, Grants Management Audit Division, at (213) 534-2471.

Highlights

HUD Can Improve Its Efforts To Meet the National Drug Control Strategy Reporting Requirements | Report Number 2025-LA-0001

What We Audited and Why

The Office of National Drug Control Policy (ONDCP) leads and coordinates the Nation's drug policy to improve the health and lives of the American people, including the development and implementation of the National Drug Control Strategy (the Strategy). ONDCP evaluates the effectiveness of national drug control policy efforts, the Strategy's goals and objectives, and each National Drug Control Program Agency's program-level measures. On February 27, 2024, after determining the U.S. Department of Housing and Urban Development's (HUD) program-level performance measures were missing numeric data to determine the extent HUD's programs contributed to the Strategy, ONDCP requested that HUD Office of Inspector General (OIG) review HUD's fiscal year (FY) 2023 performance measures. We initiated an audit to obtain the FY 2023 performance measures for HUD's Continuum of Care Program (CoC) and Recovery Housing Program (RHP), to determine whether they accurately reflect program performance, and identify challenges the programs have experienced in developing and reporting performance measures.

What We Found

HUD does not provide ONDCP with annual numeric targets for its CoC and RHP performance measures, but rather designates these performance metrics as tracking indicators used to contribute to ONDCP's overall performance reporting on reducing overdoses in the United States. HUD is hesitant to set annual numeric targets for CoCs because the primary focus of the program is to provide housing to individuals and families experiencing homelessness and not specific to people with substance use issues. HUD is also hesitant to set annual numerical targets for RHP grantees because the program is a pilot program and potential issues with setting annual targets for multi-year RHP grants. In addition, HUD cannot provide ONDCP actual results for CoC grantees by ONDCP's designated annual November 1st deadline because CoC grantee data is not available to HUD until months after the deadline. HUD uses a January 2018 ONDCP-approved reporting methodology to report CoC performance measures. However, this reporting methodology does not allow ONDCP to fully capture the extent of the CoC and RHP programs' contribution to the Strategy's overall goal and objective of reducing overdose deaths in the United States.

In addition, HUD does not have formal policies and procedures for ONDCP reporting requirements which may increase the risk of reporting inconsistencies and impacts knowledge retention.

What We Recommend

HUD can improve its performance reporting measures by collaborating with ONDCP on reporting methodologies that ensure performance measures can be reported by ONDCP's November 1st deadline. HUD should also establish formal reporting policies and procedures and written agreements with ONDCP that reflect the collaborative effort on alternative reporting methodologies. By taking these actions, HUD

will improve HUD and ONDCP's ability to fully capture the programs' contributions towards reducing overdose deaths in the United States.

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Background and Objective

The Office of National Drug Control Policy (ONDCP) is a component of the Executive Office of the President. It leads and coordinates the Nation's drug policy to improve the health and lives of the American people. ONDCP is responsible for the development and implementation of the National Drug Control Strategy. As part of a whole-of-government approach to addressing substance use disorder and the overdose epidemic, ONDCP evaluates the effectiveness of national drug control policy efforts, the Strategy's goals and objectives, and each National Drug Control Program Agency's (NDCPA) program-level measures. As part of the program-level measure, each NDCPA provides ONDCP with performance measures that demonstrate its contribution to the implementation of the Strategy by November 1 of each year.

Federal legislation at [21 U.S.C. \(United States Code\) Chapter 22: National Drug Control Policy](#) establishes the role and responsibilities of ONDCP in addressing the drug control policy within the United States. As part of this policy, [21 U.S.C. 1705\(g\)](#) requires that ONDCP publish a report, entitled "National Drug Control Assessment," which reports on the program-level assessment of the implementation of the Strategy annually. The Assessment is a summary of each NDCPA's progress and provides an evaluation of its progress toward meeting the annual targets of its performance measures. The Assessment provides an update of each NDCPA's progress in supporting the Strategy's goals and objectives. ONDCP published the Assessment on the White House website. Further, ONDCP issued its ONDCP Circular: National Drug Control Assessment, dated September 9, 2021, to provide guidance to NDCPAs on how to report their performance measures, including targets and results, every year by November 1.

As an NDCPA, HUD has programs that support the Strategy's goal 1, objective 1, of reducing drug overdose deaths in the United States. These programs are the Continuum of Care Program (CoC) and the Recovery Housing Program (RHP).

CoC is HUD's largest program targeted at individuals and families experiencing homelessness. The focus of this program is to provide the housing and services needed to end homelessness. Substance use issues are addressed as part of the program's larger focus on ending homelessness in the United States. For the Assessment, HUD reports on the projected number of participants with substance use issues to be served by CoC-funded projects. During FY 2023, HUD awarded \$3.16 billion in CoC funding. The National Drug Control Strategy for FY 2024 Budget Summary showed more than \$727 million was authorized for CoC drug control-related activities during FY 2023.

On October 24, 2018, Congress passed [Public Law 115-271](#), Title VIII, Subtitle F, also known as the Substance Use-Disorder Prevention That Promotes Opioid Recovery and Treatment for Patients and Communities Act. Section 8071 of the Act authorized funding for RHP. This is a pilot program that allows States and the District of Columbia to provide stable, temporary housing for individuals in recovery from a substance use disorder. The program funding covers a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier. For the Assessment, HUD reports on the number of individuals assisted by RHP activities as well as the number of individuals able to transition to permanent housing through RHP-assisted temporary housing. The National Drug Control Strategy for FY 2024 Budget Summary showed \$30 million was authorized for RHP drug control-related activities during FY 2023.



HUD's Office of the Chief Financial Officer (OCFO) is responsible for submitting the CoC and RHP reporting data to ONDCP. OCFO collects the reporting data from HUD's Office of Community Planning and Development (CPD), which is responsible for overseeing the grantees that receive the CoC and RHP program funds. Both offices work together to ensure that ONDCP receives the necessary information by the November 1 deadline.

On February 27, 2024, ONDCP requested a review of HUD's submission of the FY 2023 performance measures to ONDCP due to concerns regarding inconclusive performance measures. We initiated this audit to address the concerns raised by ONDCP.

Our objective was to assess HUD's reporting of the National Drug Control Strategy toward reducing overdose deaths in the United States.

Results of Audit

HUD Can Improve Its Efforts To Meet ONDCP Reporting Requirements

HUD can improve its reporting methodologies of performance measures to ONDCP and implement policies and procedures to ensure accurate and reliable reporting. Currently, HUD does not provide annual numeric targets for its CoC and RHP performance measures and cannot provide actual results for CoC performance measure by ONDCP’s November 1 deadline. HUD does not require grantees to meet annual numeric targets for their CoC and RHP performance measures. In addition, HUD uses an alternative reporting methodology for its CoC performance measure, approved by ONDCP in January 2018 as complete data is not available until HUD finalized grant awards in the spring of the year following the November 1 deadline. As a result, ONDCP could not fully capture HUD’s contributions towards supporting the National Drug Control Strategy.

In addition, HUD does not have formal policies and procedures related to its responsibilities for ONDCP reporting because it deemed them unnecessary. The lack of formal reporting policies and procedures may increase the risk of reporting inconsistencies, potential loss of knowledge, and compliance challenges for HUD.

CoC and RHP Reporting Methodologies of Performance Measures Do Not Align With ONDCP Requirements

According to ONDCP Circular: National Drug Control Assessment issued on September 9, 2021, NDCPAs are required to submit their performance measures (targets and actual results) to ONDCP every year by November 1. These submissions allow ONDCP to assess the NDCPAs’ contributions towards supporting the Strategy’s goals and objectives.

The chart below includes what HUD provided for CoC and RHP performance measures, both targets and actual results, to ONDCP for FY 2023 reporting.

Table 1. FY 2023 performance measures

Measures of performance	FY 2023 target	FY 2023 actual
CoC – Projected number of participants with substance use issues to be served in CoC-funded projects	Tracking ^[1]	TBD ^[2]
RHP – Number of individuals assisted in RHP activities	Tracking ^[3]	304
RHP – Number of individuals able to transition to permanent housing through RHP-assisted temporary housing	Tracking ^[3]	42

[1] Grantees reported annually to HUD – via their project applications – how many people they intended to serve through CoC and of that number, how many clients they estimated would receive substance use treatment. With respect to this measure, HUD converted the percentage to a number.

[2] HUD had not completed its award process for FY 2023 grants. It anticipated having the data from that competition in spring 2024.

[3] HUD and RHP grantees did not set performance targets.

HUD Challenges With Setting and Reporting Annual Targets for CoC and RHP Grantees

As shown in the chart, HUD does not set annual numeric targets for CoC and RHP grantees to support HUD's performance reporting to ONDCP. Rather, HUD reported "tracking" to ONDCP to indicate that it was monitoring the CoC and RHP grantees' performance despite not having specific annual numeric targets.

HUD was hesitant to set annual numeric targets for CoC grantees because the program is not specific to people with substance use issues and setting targets could divert grantees from the program's primary focus on individuals and families experiencing homelessness. Also, HUD believed setting numeric targets would place additional data collection and reporting burdens on CoC grantees. HUD noted that before the FY 2023 reporting, ONDCP had not rejected any of HUD's previous submissions, which included "tracking" instead of a numeric target.

For RHP, HUD allowed grantees to establish targets for the entire 7-year period of performance rather than annual targets. HUD was cautious about setting unrealistic annual numeric targets for grantees because RHP is a pilot program with limited performance data. Further, HUD expressed concerns that using annual numeric targets may result in potential underreporting to ONDCP. According to HUD, grantees are statutorily authorized to "provide individuals in recovery from a substance use disorder, stable, temporary housing for a period of not more than 2 years or until the individual secures permanent housing, whichever is earlier." Therefore, grantees with multi-year RHP projects might ultimately accomplish the goals of the projects but might inaccurately appear not to be meeting these targets during an individual performance year. To address this potential issue, HUD suggested the use of bi-annual numeric targets to report to ONDCP. HUD has not discussed an alternative method with ONDCP that will satisfy both the program and ONDCP reporting requirements.

CoC Program Actual Results Are Not Available to HUD by November 1

HUD does not report the actual results of the CoC program to ONDCP by the November 1 deadline. HUD reports "TBD" because grantee data is not available until the spring following the ONDCP deadline when HUD finalizes CoC grant awards. HUD stated that ONDCP approved this methodology and provided a January 19, 2018, email from ONDCP as evidence to support the approval. However, the email did not include specific details about what reporting methodology ONDCP had approved.

HUD should improve its reporting to allow ONDCP to fully capture the contributions made by the CoC and RHP programs towards supporting the Strategy's goal and objective of reducing overdose deaths in the United States. HUD is committed to maintaining transparency in meeting ONDCP's reporting, even with the stated limitations, and is willing to coordinate with ONDCP on developing and implementing adjustments to its reporting methodologies to meet reporting requirements.

HUD Lacks Formal Policies and Procedures To Assist With ONDCP Reporting

HUD does not have formal policies and procedures that could outline (1) the reporting protocols between HUD's OCFO and CPD, (2) the process for reporting to ONDCP, and (3) any agreements between HUD and ONDCP. This occurred because HUD did not consider it necessary to have formal policies and procedures. Instead, HUD relied on ONDCP circulars and templates, along with its own informal documents such as job aids and emails with ONDCP. In addition, OCFO and CPD had an informal arrangement whereby OCFO was the central coordinator for reporting information to ONDCP and managing ONDCP's reporting requirements.

Effective information and communication are essential for an entity to achieve its objective.¹ Having formal reporting policies and procedures would help HUD to ensure that CPD and OCFO communicated their respective roles, responsibilities, and control activities in place to meet ONDCP reporting requirements consistently and accurately. Further, having proper documentation helps HUD with the retention and dissemination of organizational knowledge, reducing the risk of having the knowledge limited to a few individuals, and communicating necessary information to external parties. The policies and procedures could include references to written agreements between HUD and ONDCP on HUD's reporting methodology and account for periodic reviews of these agreements to address any changes in administration, roles, responsibilities, reporting requirements or methodologies.

Overall, HUD's implementing formal reporting policies and procedures would help HUD better meet ONDCP reporting requirements. HUD stated that it plans to engage with ONDCP to prepare a mutually agreeable guide that standardizes HUD's internal and external methodology for submitting ONDCP reporting.

Recommendations

We recommend that the Principal Deputy Assistant Secretary for Community Planning and Development

- 1A. Collaborate with ONDCP to determine the necessary adjustments to the CoC reporting methodology that ensures HUD reports annual numeric targets and actuals to ONDCP by the required November 1 due date.
- 1B. Collaborate with ONDCP to determine the necessary adjustments to the RHP reporting methodology that ensures HUD reports numeric targets to ONDCP by the required November 1 due date.

¹ [U.S. Government Accountability Office \(GAO\) Standards for Internal Control in the Federal Government, GAO-14-704G.](#)

We recommend that the Principal Deputy Chief Financial Officer, in coordination with the Principal Deputy Assistant Secretary for Community Planning and Development

- 1C. Develop and execute a written agreement with ONDCP on the reporting methodology for the CoC annual numeric targets and actuals that would meet future reporting requirements and comply with the Strategy and timeframe for implementation.
- 1D. Develop and execute a written agreement with ONDCP on the use of reporting annual numeric targets for the RHP performance measures that would meet future reporting requirements and comply with the Strategy and timeframe for implementation.
- 1E. Establish and implement formal policies and procedures that include (1) the ONDCP reporting process between HUD's OCFO and CPD, (2) the process for reporting to ONDCP, (3) references to any written agreements between HUD and ONDCP, and (4) a requirement for periodic reviews of these written agreements to address any changes in administration, roles, responsibilities, reporting programs, reporting requirements, and reporting methodologies.

Scope and Methodology

We performed the audit from May through October 2024. Our audit covered the period October 1, 2022, to September 30, 2023.

To accomplish our objective, we

- Reviewed HUD's submission to ONDCP and obtained updated performance measures for FY 2023.
- Reviewed applicable guidance and criteria for ONDCP reporting.
- Reviewed HUD's guidance, handbooks, and policies related to data collection, monitoring, and reporting of data.
- Interviewed officials from HUD and ONDCP field offices.

To validate the updated performance measures for FY 2023, we cross-referenced the RHP performance measures with reports from HUD's Disaster Recovery Grant Reporting System. For the CoC performance measure, we used a nonstatistical selection of 5 CoC projects from a universe of 6,660 projects. To obtain the 5 CoC projects, HUD provided us with a universe of 58,496 participants intended to be served by 6,660 CoC funded projects. We sorted the projects by the number of participants intended to be served and selected the top five CoC funded projects. We ensured there was a selected project from a different state. If any of the top projects were from the same state, we selected the next project. Due to the use of nonstatistical selection and nature of audit, we did not project the results to the intended population.

We conducted the 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix

Auditee Comments and OIG's Evaluation

We provided the discussion draft report to HUD officials responsible on February 12, 2025. On March 11, 2025, the Deputy Assistant Secretary for Special Needs of CPD and Deputy Chief Financial Officer informed us that they will not be providing formal written responses to the report.