



U.S. DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

April 8, 2015

MEMORANDUM NO:
2015-FW-1804

Memorandum

TO: Cheryl Williams
Director, Public and Indian Housing, 6APH

//signed//

FROM: Gerald Kirkland
Regional Inspector General for Audit, 6AGA

SUBJECT: The Covington Housing Authority, Covington, LA, Generally Ensured That It Followed Federal Requirements When Administering Its Section 8 Housing Choice Voucher Program

INTRODUCTION

In accordance with our annual audit plan to review public housing programs and based upon our regional risk analysis, we reviewed the Covington Housing Authority's Section 8 Housing Choice Voucher program. Our objective was to determine whether the Authority administered its program in accordance with U.S. Department of Housing and Urban Development (HUD) regulations and its administrative plan.

METHODOLOGY AND SCOPE

The review generally covered the period from April 1, 2012 through April 30, 2014 for the Authority's program participant eligibility, housing assistance payments, and Section Eight Management Assessment Program (SEMAP) reporting. We conducted the review at the Authority's administrative office in Covington, LA, and our offices in New Orleans and Baton Rouge, LA, from October through December 2014.

To accomplish our objective, we

- Reviewed relevant regulations and program guidance;
- Reviewed the Authority's organizational chart and written policies for the program;

- Reviewed the Authority’s audited financial statements and board resolutions;
- Interviewed Authority staff; and
- Reviewed the Authority’s program participant files.

We selected a nonstatistical random sample of 12 program participants from a total of 85 included in HUD’s Public and Indian Housing Information Center data as of April 30, 2014. We reviewed the participants’ files to determine participant eligibility and the accuracy of the housing assistance payment calculations. We also obtained and reviewed relevant SEMAP documentation for the fiscal year ending March 31, 2013, to determine whether the reported information was supported.

BACKGROUND

The Authority is a public agency, established to provide decent, safe, and sanitary dwelling accommodations and administer affordable housing programs for low-income persons or families. It is located at 303 West 33rd Avenue, Covington, LA. The Authority manages 50 public housing units and is authorized 159 Section 8 housing choice vouchers. The Authority is governed by a board of commissioners appointed by Covington’s mayor. The Authority’s executive director is responsible for providing general supervision over the administration of its business affairs and management of its housing projects. The following table shows the Authority’s HUD funding received and disbursed during the review period.

Table: Housing Choice Voucher program funding

Fiscal year	Authorized funds	Disbursed funds
2012	\$ 815,097	\$ 786,324
2013	555,688	542,009
2014	775,063	772,728
Total	\$2,145,848	\$2,101,061

RESULTS OF REVIEW

The Authority generally followed HUD’s requirements in administering its program. It generally performed reexaminations annually, ensured eligibility of program participants, and maintained support for its March 2013 SEMAP scores¹. However, for the 12 participant files reviewed, we found minor errors regarding participant income calculations, medical insurance payment documentation, and housing assistance and utility calculations. The minor errors were not material to the Authority’s overall operations. We addressed these issues to the Authority and the HUD New Orleans Public Housing Director in a separate memorandum, dated February 26, 2015. Since the Authority generally complied with HUD requirements, we do not recommend corrective action.

¹ The Authority was not required to submit certification document for fiscal year ended March 2014, since it has less than 250 units and was not classified as SEMAP troubled during the previous rating period.

APPENDIX

Appendix A

AUDITEE COMMENTS AND OIG'S EVALUATION

The Authority and HUD generally agreed with the memorandum. On March 24, 2015, both the Authority and HUD advised that they would not be providing comments.