



Issue Date	June 30, 2011
Audit Report Number	2011-FW-1013

TO: Sandra H. Warren
Director, Office of Community Planning and Development, 6ED

//signed//

FROM: Gerald R. Kirkland
Regional Inspector General for Audit, Fort Worth Region, 6AGA

SUBJECT: The City of Beaumont, TX, Should Strengthen Its Controls Over Its Homelessness Prevention and Rapid Re-Housing Program

HIGHLIGHTS

What We Audited and Why

In accordance with our goal to review funds provided under the American Recovery and Reinvestment Act of 2009 (Recovery Act), we reviewed the City of Beaumont's (City) Homelessness Prevention and Rapid Re-Housing Program (Program). Our objective was to determine whether the City ensured that its Program complied with Recovery Act and U. S. Department of Housing and Urban Development (HUD) program expenditure and reporting requirements.

What We Found

The City should strengthen its controls over its Program to better comply with Recovery Act requirements. Specifically, it should improve controls over the timely obligation of funds, eligibility of participants, and monitoring of subrecipients. This lack of timely obligation of funds may cost the City's program approximately \$215,000. These conditions occurred because the City did not develop policies and procedures specifically for its Program to provide appropriate guidance to the subrecipients. If the City implemented the necessary controls, it

could better manage its Program and demonstrate more effectively its compliance with requirements.

We recommend that the Director, Houston, TX Office of Community Planning and Development, require the City to (1) provide support to HUD that it met the additional guidance allowing the \$214,753 obligated after the deadline, or deobligate and return the funds to HUD and ensure that it obligates its Program grants in a timely manner, (2) provide supporting documentation for one participant lacking adequate documentation or reimburse its Program account \$155 from non-federal funds, (3) develop and implement policies and procedures to govern its Program, and (4) conduct quarterly onsite monitoring of its subrecipients to ensure that they comply with Program rules and requirements and ensure that the subrecipients maintain adequate records of client eligibility. Also, we recommend that if the City cannot support the obligation of funds that HUD recapture and rescind the \$214,753 in deobligated funds and deposit those funds with the U. S. Treasury in accordance with the Recovery Act, as amended.

For each recommendation without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-3. Please furnish us copies of any correspondence or directives issued because of the audit.

Auditee's Response

We provided the auditee a discussion draft report on May 27, 2011, and held an exit conference with the appropriate officials on June 8, 2011. The auditee provided written comments on June 15, 2011, in which it disagreed with part of the finding and with the recommendation to repay approximately \$215,000 that it did not obligate by the deadline, September 30, 2009. The complete text of the auditee's response, along with our evaluation of that response, can be found in appendix B of this report.

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BACKGROUND AND OBJECTIVE

The City of Beaumont (City), TX, incorporated in 1838, is located in the southeast corner of the State, and is the seat of Jefferson County. The City has a council-manager form of government. It is governed by an elected council composed of a mayor and six council members, who each serve 2-year terms. All powers of the City are vested in the council, which enacts local legislation, adopts budgets, and determines policies. The council is also responsible for appointing the city attorney, the city clerk and magistrates, and the city manager.

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (Recovery Act) was enacted. The Recovery Act appropriated \$1.5 billion for the Homelessness Prevention and Rapid Re-Housing Program (Program). Funding for the program was distributed based on the formula used for the Emergency Shelter Grants program and is administered by the U. S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development. The purpose of the Program is to provide homelessness prevention assistance for households that would otherwise become homeless, many due to the economic crisis, and rapid re-housing assistance for persons who are homeless.¹ The Program provides temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless but for this assistance.

On August 24, 2009, HUD entered into a grant agreement with the City to distribute more than \$741,325 in Program funds. The city manager was responsible for carrying out these grants. The City distributed its Program funds to six subrecipients. Four subrecipients provided direct rental assistance to participants. The other two subrecipients provided indirect support services including legal aid; training; and collecting, monitoring, and reporting data for the Program. HUD required the City to be responsible for ensuring that each entity fully complied with Program requirements. According to HUD, the City's Program had not been monitored, and the City was not on track to meet the 2-year 60 percent expenditure requirement in 2011.

Our objective was to determine whether the City ensured that its Program complied with Recovery Act and HUD program expenditure and reporting requirements.

¹ 42 U.S.C. (United States Code) 11302

RESULTS OF AUDIT

Finding: The City Should Strengthen Its Controls Over Its Program

The City should strengthen its controls over its Program to better comply with Recovery Act requirements. Specifically, it should improve controls over the timely obligation of funds, eligibility of participants, and monitoring of subrecipients. The lack of timely obligation of funds may cost the City's Program approximately \$215,000. These conditions occurred because the City did not develop policies and procedures specifically for its Program to provide appropriate guidance to the subrecipients. If the City implemented the necessary controls, it could better manage its Program and demonstrate more effectively its compliance with requirements.

The City Did Not Ensure That Its Program Funds Were Obligated in a Timely Manner

The City did not obligate Program grant funds in a timely manner. As a result of delays, it did not obligate the funds for two subrecipients by the September 30, 2009 deadline.² The Recovery Act required HUD to recapture unobligated funds and reallocate such funds to entities that complied with the requirements.³ As shown in table 1, the two subrecipients did not sign their grant agreements until October 7 and 13, 2009.

Table 1 Comparison of when grant agreements were signed

Grant agreement	Date city council passed	Date HUD signed agreement	Date subrecipient signed
Lone Star Legal Aid	5/12/2009	8/24/2009	10/13/2009
Salvation Army	5/12/2009	8/24/2009	10/7/2009
Family Services	5/12/2009	8/24/2009	9/29/2009
Harvest For Lost Souls	5/12/2009	8/24/2009	9/23/2009
Some Other Place	5/12/2009	8/24/2009	9/17/2009
Southeast Texas Regional Planning Commission	5/12/2009	8/24/2009	9/17/2009

² According to Section E of HUD's "Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009," grantees must obligate funds to their subgrantees by September 30, 2009.

³ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) amended the Recovery Act, requiring recaptured funds to be returned to the Treasury.

The City provided several reasons for the subrecipients' delays, including needing its headquarters approval and wanting to modify the agreement.⁴ Further, according to the City, it was a busy time as grant agreements for other programs were due at the same time. In addition to risking the recapture of the funds, the City delayed the use of the funds to serve its clients.

After the exit conference, HUD provided a frequently asked question (FAQ) addressing the September 30, 2009 obligation deadline.⁵ The FAQ stated if the City issued "award letters to subgrantees by the deadline, HUD will consider the grantee to have met" the requirement that the City "award or enter into legally binding agreements with all subrecipients by September 30, 2009."⁶ Further, HUD strongly encouraged the City to do everything possible to meet the deadline, and HUD would not grant waiver requests. HUD provided what it considered "award" letters to the entities that the City had sent in early September 2009.

However, according to the City and the letters, the City did not consider the award executed until the subrecipients signed the grant agreement.⁷ Further, as previously stated, the delays were caused by the subrecipients trying to modify the terms of the grant agreement adding to the appearance that the City did not obligate the funds until the subrecipient signed the grant agreement and not when the City sent out the letters. The City should provide HUD with support that it had obligated the funds by September 30, 2009. If it did not obligate the funds by September 30, 2009, the City should deobligate \$214,753 and return those funds to HUD.

The City must establish and implement procedures to ensure that subrecipients timely sign and execute grant agreements. If the City had followed the guidance provided in the FAQ to "do everything possible to meet this deadline," it might have avoided this issue. While the City did not obligate its entire grant in a timely manner, it was on track to meet all expenditure deadlines. Recovery Act guidelines require the City to expend 60 percent of their Program funds by August 24, 2011, with all funds expended by August 24, 2012.⁸ As of March 30, 2011, the City had expended 55 percent of the funds and was on track to expend its Program funds by the deadlines.

⁴ The City confirmed that no modifications were made to the agreement.

⁵ The City did not raise this as support for its actions.

⁶ FAQ at HUDHRE.info

⁷ The letters required the two subrecipients to attend a mandatory orientation meeting on September 15, 2009. The letter stated "your presence is required at this meeting in order to have the grant agreement signed and therefore executed as soon as possible."

⁸ Section E of HUD's "Notice of Allocations, Application Procedures, and Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009" requires grantees to expend 60 percent of Homeless Program grant funds within 2 years of the date that funds become available to the grantees for obligation (the date that HUD signs the grant agreement) and 100 percent of funds within 3 years of this date. HUD signed the grant agreement on August 24, 2009.

The City's Subrecipients Did Not Properly Document Client Eligibility

The City's subrecipients did not always properly document client eligibility by verifying identification or income. Staff at two subrecipients⁹ stated that during the first few months, caseworkers did not obtain client identification information, such as dates of birth and Social Security numbers for both the clients and their family members. According to a subrecipient, the first year of the newly created program was a learning curve for staff. Both subrecipients' staffs stated that the errors occurred because the City's subrecipients did not receive timely Program training.

In one of the four files reviewed, the subrecipient did not document client identification or verify client income. In this instance, the \$155 provided to the client was ineligible. To correct the files, a subrecipient suggested sending letters to previous Program clients requesting them to submit identification. City staff members stated that they did not have policies and procedures to implement the Program requirements. Therefore, the City could not ensure that clients who received Program funds were eligible.

The City Did Not Develop Policies and Procedures for Its Program

The City did not develop policies and procedures for its Program because it believed it could use the CDBG policies instead. The city manager believed CDBG was the umbrella for the Program and it would have been redundant to develop policies for the Program. Because the City did not follow the appropriate policy, HUD could not be assured that the City's Program met the overall purpose of providing homelessness prevention assistance for households that would otherwise become homeless.

Although the City did not develop policies and procedures for the Program, the City's subrecipients did try to address issues as they arose. For example, a landlord claimed to have returned Program rent funds to the client. Afterward, the subrecipient's finance director notified landlords that Program rent and deposit refunds were to be returned to the subrecipient.

⁹ One of these subrecipients, Southeast Texas Regional Planning Commission, had contact with the other subrecipients.

The City Did Not Document Its Monitoring

The City did not document its monitoring of subrecipients' performance. One of the City's staff said she attended quarterly meetings to discuss issues with the subrecipients but did not document the meetings or discussions. Also, one of the City's six subrecipients was supposed to assist the City by monitoring the Program's Homeless Management Information System database to ensure that the information was accurate. However, the subrecipient's support specialist did not complete the annual monitoring. The City could not ensure that the Program files contained accurate information. Instead the City relied on the subrecipients' expertise or previous experience in assisting the homeless.

Conclusion

The City should strengthen its controls over its Program. Specifically, it needs to improve its controls over the obligation of funds, determining client eligibility, and monitoring of subrecipients. The City did not develop policies and procedures for its Program to provide sufficient guidance to its subrecipients or properly monitor their performance. It relied on subrecipients' previous experience in assisting the homeless. As a result, it may not have met Recovery Act requirements regarding the obligation of Program funds and paid for ineligible clients.

Recommendations

We recommend that the Director, Houston, TX Office of Community Planning and Development, require the City to

- 1A. Implement controls to ensure it obligates funds in a timely manner.
- 1B. Provide support to HUD that it met the guidance in the FAQ allowing the \$214,753, or deobligate and return the funds to HUD.
- 1C. Support or repay to its Program \$155 that was paid on behalf of a client for whom a subrecipient did not verify eligibility.
- 1D. Develop and implement procedures to ensure that it administers its Program in accordance with requirements.
- 1E. Conduct quarterly onsite monitoring of its subrecipients to ensure that they comply with Program rules and requirements and maintain adequate records of client eligibility, and to ensure that the subrecipient assisting the City properly monitors the Program's database. The City should document its monitoring results.

Also, we recommend that the Director, Houston, TX Office of Community Planning and Development,

1F. Recapture and rescind the \$214,753 in deobligated funds and deposit the funds with the U. S. Treasury in accordance with the Recovery Act, as amended.¹⁰

¹⁰ The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) amended the Recovery Act, requiring recaptured funds to be returned to the Treasury.

SCOPE AND METHODOLOGY

We performed our audit work at the City's and three subrecipients' offices and at our Houston, TX office. The audit generally covered the period August 1, 2009, through December 31, 2010. We expanded our audit period as needed to accomplish our objective. To accomplish our objective, we reviewed

- Relevant criteria governing the program, including Recovery Act regulations, the Code of Federal Regulations, Program laws and policies, HUD's guidance regarding the Program, the grant agreement between HUD and the City including the substantial amendment, and grant agreements between the City and the subrecipients providing direct and support services to clients.
- The City's audited financial statements for fiscal years 2009 and 2010.
- The City's organizational charts and written policies covering the Program.
- The City's and subrecipients' supporting documentation for invoices for reimbursement of Program expenses. All invoices reviewed were adequately supported and for eligible expenses.
- A random, nonstatistical sample of four client files from two different subrecipients providing direct services to homeless clients.
- Computer processed data was used for background purposes only; therefore, we did not assess the reliability of the data.
- Subrecipients' monitoring and progress reports.

We also interviewed appropriate HUD program staff and City and subrecipient management and staff.

We selected our sample of four client files from the City's subrecipient files. The City used six subrecipients—four that provided direct services to Program clients and two that provided support services for the Program. We selected three of the higher funded subrecipients—two that provided direct services and one that provided support services. We randomly selected and reviewed two client files for each subrecipient that provided direct services. Since this was a nonstatistical sample, the results are applicable only to the sample and cannot be projected. We also reviewed monitoring and progress reports from the subrecipient that provided support services.

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.

INTERNAL CONTROLS

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- Effectiveness and efficiency of operations,
- Reliability of financial reporting, and
- Compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls

We determined that the following internal controls were relevant to our audit objective:

- Controls to ensure that subrecipients comply with applicable Recovery Act and Program laws, regulations, and policies.

We assessed the relevant controls identified above.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

Significant Deficiency

Based on our review, we believe that the following item is a significant deficiency:

- The City did not develop policies and procedures for its Program to timely obligate funds; provide appropriate guidance to its subrecipients; and properly monitor their performance to ensure that they complied with requirements (finding).

APPENDIXES

Appendix A

SCHEDULE OF QUESTIONED COSTS

Recommendation number	Unsupported ^{1/}
1B	\$214,753
1C	155
Total	\$214,908

- 1/ Unsupported costs are those costs charged to a HUD-financed or HUD-insured program or activity when we cannot determine eligibility at the time of the audit. Unsupported costs require a decision by HUD program officials. This decision, in addition to obtaining supporting documentation, might involve a legal interpretation or clarification of departmental policies and procedures.

Appendix B

AUDITEE COMMENTS AND OIG'S EVALUATION

Ref to OIG Evaluation

Auditee Comments



June 13, 2011

Mr. Gerald R. Kirkland,
Regional Inspector General for Audit
U.S. Department of Housing and Urban Development
Office of Inspector General, Region VI
819 Taylor Street, Suite 13A09
Fort Worth, Texas 76102

Dear Mr. Kirkland:

The City of Beaumont has received and reviewed the **Draft Audit Report Number 2011-FW-100X** for the City of Beaumont's Homeless Prevention and Rapid Re-Housing Program activities. We appreciate the opportunity to review and comment on the Draft Audit. We are submitting the following comments and proposed changes for consideration in the final report.

Draft Audit Comments :

The City Did Not Ensure That Its Homeless Program Funds Were Obligated in a Timely Manner.

The audit cites a four month delay between the time the City Council *authorized* entering into contracts for HPRP and the actual signing of the subrecipient contracts and that two subrecipients did not sign their grant agreements until after the September 30, 2009 deadline.

Response:

- Comment 1** With regard to the delay, the American Recovery and Reinvestment Act was approved on February 17, 2009. However, our HPRP contract from HUD was not received by the City until September 2, 2009, nearly seven months later. This would have been after the September 1, 2009 deadline found in "Notice of Allocations, Application Procedures, and "Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009", the deadline-referencing document in the Audit. This need for timeliness on behalf of HUD was cited in the "Evaluation of the Final Front-End Risk Analysis for the Homelessness Prevention and

Rapid Re-Housing Program” memorandum issued by OIG, Audit Memorandum Number **2009 BO 0801**.

Furthermore, Table 1 of the audit cites the time between City Council *authorization* of contracts and the execution of the HPRP contracts as being months. As the contract between the City and HUD was not provided to the City until September 2, 2009, how could we enter into contracts with subrecipients prior to this? The audit report would be more proper if it referenced the subrecipient contracts with Lone Star Legal Aid and the Salvation Army, which were only fourteen and eight days beyond September 30th, respectively.

It should also be stated that while the consequences for not meeting the 60% expenditure rate were clearly stated in the notice and guidelines, any consequences for executing after the September 30th deadline were not clearly stated and certainly did not reference recapture. As a result, it should be noted that the City readily acknowledged the 60% expenditure deadline and as a result, has now met and exceeded this deadline in order to avoid recapture. Moreover, the Dodd-Frank Wall Street Reform and Consumer Protection Act, referenced in the Draft Audit, was not enacted until July, 2010. The Act’s “Pay-it-Back” provisions were enacted nearly a year after the September 30, 2009 date in question. More importantly, any changes to deadlines and alteration of the consequences for not meeting them as a result of this later act should have been reflected in amended agreements and guidance and clearly communicated in guidance documents, communications and technical assistance. Below is the timeline from HUD’s “Requirements for Homelessness Prevention and Rapid Re-Housing Program Grantees under the American Recovery and Reinvestment Act of 2009”.

- **Grantee signs agreements with subgrantees by September 30, 2009**
- Initial Performance Report is due to HUD October 10, 2009;
- Quarterly Performance Reports are due to HUD 10 days after the end of each quarter, and Annual Performance Reports are due 60 days after the end of each federal fiscal year;
- **Grantee expends 60 percent of grant funds within 2 years of the date that HUD signed the grant agreement. Funds may be recaptured and reallocated if not spent;**
- **Grantee expends 100 percent of grant funds within 3 years of the date HUD signed the grant agreement. Funds will be recaptured if not spent.**

Furthermore, in an effort to determine if other jurisdictions had experienced any similar issues with subrecipient grant agreements being finalized after the September deadline, we did review similar issues with other grantees. To this end, we did review Audit Memorandum Number **2011-LA-1007**. In this report, it was stated that the grantee, the Sacramento Housing and Redevelopment Agency also entered contracts with their subgrantees after the September 30th deadline, yet nothing was mentioned in the report about this issue.

Furthermore, Audit Memorandum Number **2011-LA-1005** shows that the City and County of San Francisco, CA entered into contracts after the September 30, 2009 deadline with its six (6) subgrantees, yet again, the audit is silent on this issue.

Again our purpose in reviewing other grantee's audits of the HPRP program was merely to determine if other grantees experienced similar difficulties in ramping up this new program in the midst of the numerous other ARRA programs and slight overruns in deadlines and the resulting comments of the auditors.

Again, the contract was signed by the City this very same day that it was received from HUD and subrecipient contracts were executed as quickly as possible immediately after.

Draft Audit Comment:

The City's Subrecipients Did Not Properly Document Client Eligibility.

Response:

Comment 2 The sentence that states that "the City's subrecipients did not receive timely Homeless Program training" is somewhat misleading, because the City conducted several trainings/meetings with applicants and recipients. These included an application meeting and program requirement overview on May 4, 2009 and Program Guidelines Training on September 15, 2009, November 9, 2009, December 4, 2009, December 17, 2009 and February 5, 2010 with non-profit subrecipients. The purpose of this training was to discuss the importance of client eligibility and the process and controls for determining eligibility.

Comment 3 With regard to the disallowed amount of \$155, due to a lack of eligibility documentation, as mentioned in the Draft Audit, further research showed that the documentation for the client is housed a site separate from that visited by the auditor and can be provided.

Comment 4 The City had and continues to work with our HPRP subrecipients in similar programs and regularly monitors their intake and eligibility procedures and documentation as it relates to HUD compliance. Due to personnel changes at the subrecipient agencies, there may have been an incident whereby a document was omitted from the file or overlooked, but to characterize all of the sub recipients as being non compliant is somewhat unfair. However, in an effort to enhance subrecipient review of client eligibility, we are now in the process of meeting with all subrecipients to review eligibility procedures and documentation requirements and we will further enhance our review of these procedures and documentation as we continue with the program.

Draft Audit Comment:

The City Did Not Develop Policies and Procedures For Its Homeless Program.

Response:

Comment 5

The nature of federal programs dictate that Participating Jurisdictions must adhere to regulations, requirements, statutes and applicable laws, in order to implement viable Entitlement Programs. Because the HPRP was a new program, different from the ESG Program, and because of the time constraints associated with expending American Recovery Reinvestment Act (ARRA) funds expeditiously, the City utilized the established requirements and applicable regulations as outlined in the HPRP "Eligibility Determination and Documentation Guidance" (Published March 19, 2009 and Revised March 17,2010). The said guidance involves the overall eligibility documentation, income and housing status determination and documentation. Moreover, the aforementioned guidance states that "HUD encourages grantees to use this document as a guide to ensure appropriate and sufficient information is collected and documented in the participant case files to document program compliance". Please further note that "grantees or sub grantees **choosing** to use **additional** risk factors or local determinants must develop policies to ensure they are applying these factors consistently to all applicants", according to the HPRP Eligibility Determination and Documentation Guidance (Revised March 17, 2010).

In an effort to address this issue, the City will formally adopt the HUD guidelines and resubmit them to their HPRP subrecipients.

In conclusion, your review has proven to be of value to us. It has always been the intent of the City to properly and "rapidly" enact the HPRP along with the other nine (9) new disaster recovery and economic recovery programs that have been undertaken above and beyond our typical CDBG and HOME programs. Although we are in disagreement about some of the issues raised in the Draft Audit, we do feel that we have complied with the HPRP policies and procedures set forth by HUD in an expeditious and timely manner, as called for by HUD. As mentioned, based on the Draft Audit, we are in the process of enhancing our processes and controls to better ensure compliance with program requirements.

Thank you for your consideration of our comments and we hope that you will consider our suggested revisions and changes and enhancements to our procedures. Please feel free to contact me or Johnny Beatty, Grants Manager at (409) 880-3100 if you have any further questions or need any additional information.

Sincerely,
Christopher Boone,
Community Development Director

Cc: Johnny Beatty, Grants Manager

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OIG Evaluation of Auditee Comments

- Comment 1** We modified the table in the report to include a column for a date that HUD signed the agreement with the City and removed the column related to the number of months. We modified the entire section of the finding based upon information provided by HUD. The City's response did not discuss how the City was prohibited from meeting the deadline or that the deadline was unrealistic. Rather, the City's response argued that it should be exempt from the requirement because (1) the Dodd-Frank Wall Street Reform and Consumer Protection Act was not enacted until July, 2010; (2) HUD did not list a repercussion for not meeting the obligation deadline; and (3) the issue was not raised in audits of other entities. Based upon the information provided, the City could have gotten the grant agreements signed by September 30, 2009.
- Comment 2** The comment regarding "timely Homeless Program training" was based upon discussions with subrecipients. The City did not provide support for this training that would attendees and agenda.
- Comment 3** The City will need to provide the support to HUD to address and clear the recommendation.
- Comment 4** We appreciate the City's efforts to address the recommendations.
- Comment 5** While the City now cites the correct Program guidance, it did reference the CDBG guidance during the audit. The incorporation of this guidance as policy would be an improvement.