



Attachment al006b01

Audit Findings FYE 3.31.2016



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CHAIRMAN

March 18, 2016

Mr. Robert Kenner
Director, Office of Public Housing
Birmingham Field Office – Region IV
U.S. Department of Housing and Urban Development
Medical Forum Building, Suite 900
950 22nd Street, North
Birmingham, AL 35203

Re: Montgomery Housing Authority
Audit for Fiscal Year Ended March 31, 2015
Corrective Action Plan

Dear Mr. Kenner:

The Montgomery Housing Authority respectfully submits the following corrective action plan for the year ended March 31, 2015

Audit Period: April 1, 2014 through March 31, 2015

Finding 2015-001 - Tenant File and Housing Assistance Payments

Federal Program: Section 8 Housing Choice Voucher Program

Requirement: Allowable Cost, Reporting.

Condition: Form HUD-50558 was not completed within 12 months of the previous recertification for 18 tenants. During the year, the Authority overpaid approximately \$220,000 in housing assistance payments to landlords.

Context: 40 tenant files out of the entire population of Housing Choice Voucher tenant files, 18 of which contained errors as noted above.

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Section 8 Housing Choice Voucher Program deficiencies: (continued from page 1)

Questioned Costs: \$222,925.

Effect: Tenant portion of the rent and housing assistance payments were not supported and could have been significantly different than the amounts that were calculated.

The Authority overpaid landlords approximately \$220,000 in housing assistance payments.

Audit Recommendation: We recommend the Authority designate someone to review the timeliness of the 50058 recertifications to ensure the caseworkers are doing timely recertifications.

For landlord overpayments, we recommend the Authority determine why overpayments are occurring and implement controls to prevent such overpayments. We also recommend deploying all possible collection efforts to collect the overpayments.

Management's Response:

The Montgomery Housing Authority (MHA) has developed processes to ensure timely completion of Annual Reexaminations of all participants.

In March of 2015, the position of Housing Choice Voucher Supervisor was created. The supervisor is responsible for continuous tracking of the reexamination schedule and for implementing various strategies to ensure all reexaminations are completed at least ninety (90) days prior to lease expiration. The supervisor has to complete audits on 25 percent or more of the files to ensure compliance with HUD regulations.

Staff retention and ongoing training is also part of the plan to correct the deficiencies noted.

Once confirmation was given in reference to landlord overpayments, immediately owners were notified of these overpayments and given a deadline to repay the amounts owed. For current owners, immediate recoupment began from existing accounts.

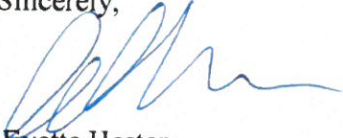
MHA is in the process of contracting an outside source to identify further system weaknesses, so that there will be no further discrepancies.

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If you have any questions or need additional information, please call me at 334-206-7255 or email ehester@mhatoday.org.

Sincerely,



Evette Hester
Executive Director

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