



FULTON COUNTY

**FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
HOME Program Monitoring Audit
3rd and 4th Quarter of 2016**

June 4, 2018

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INTRODUCTION

The Office of the County Auditor has conducted a monitoring audit of Fulton County's Home Investment Partnerships (HOME) Program. The HOME Program monitoring audit is required by the Department of Housing and Urban Development (HUD).

BACKGROUND

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA) and has been amended several times by subsequent legislation. Under the HOME Program, HUD allocates funding by formula to participating jurisdictions to fund a wide range of activities including building, buying and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

The Fulton County Housing and Community Development (FCHCD) Department receives funding from HUD to administer the HOME Program. HUD also provides funding to FCHCD for other federal housing grants including the Community Development Block Grant (CDBG), the Neighborhood Stabilization Program (NSP) and the Emergency Solutions Grant (ESG).

FCHCD uses HOME funds to deliver the following HOME funded activities:

- Homeowner Rehabilitation provides deferred payment loans to improve the living conditions of low and moderate income Fulton County residents, eliminate blighted conditions in targeted neighborhoods and preserve the basic character of Fulton County's neighborhoods;
- Tenant Based Rental Assistance (TBRA) provides temporary rental assistance to very low to moderate income individuals and families who are on the housing choice voucher waiting list and/or require immediate rental assistance in order to mitigate an emergency situation; and
- Home Ownership Program assists low and moderate income individuals and families of Fulton County with down payment assistance funds to purchase homes.

Additionally, FCHCD is required to set-aside at least 15% of the annual HOME allocation to fund Community Housing Development Organizations (CHDOs). CHDOs are not-for-profit and tax-exempt community based service organizations that provide housing development activities that result in safe, decent and affordable housing for low to moderate income households in Fulton County that are outside the city limits of Atlanta, Roswell and Sandy Springs.

OBJECTIVE

The objective of our monitoring audit included assessing the effectiveness of procedures and controls implemented by the FCHCD resulting from previous recommendations provided by HUD.

SCOPE

The audit period for this review consists of the third and fourth quarter of 2016 (July 1, 2016 through December 31, 2016).

METHODOLOGY

To accomplish our audit objectives, we evaluated FCHCD's overall administration of the HOME Program, which included a review of staffing, financial management and the administration of the HOME-funded activities. During our evaluation, we performed audit procedures to ensure:

- Proper documentation was obtained, reviewed and approved prior to disbursing HOME Program funds;
- HOME Program funds were committed by the required deadline;
- HOME Program activities were accurately recorded in HUD's Integrated Disbursement and Information System (IDIS);
- Proper monitoring was conducted of the HOME Program and projects;
- Appropriate documentation was maintained to validate compliance with HOME Program requirements and support performance information;
- HOME Program activities were provided to eligible recipients;
- Adequate staffing exists to effectively administer the HOME Program; and
- Appropriate actions were taken to recover all HOME Program funds invested in activities that could not be completed within a timely manner.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our findings and recommendations are detailed below:

FINDINGS AND RECOMMENDATIONS

Finding 1 –Ineffective Management of Staff

Based on HUD guidelines, proper program administration includes ensuring effective staff management based on the following practices:

- Job responsibilities and duties are clearly defined, communicated and understood by both management and staff;
- Lines of authority should be clearly defined, communicated and understood by both management and staff;

- Systems in place that establish deadlines and track employee performance of specific tasks;
- Systems to ensure that staff receives the appropriate information to enable them to complete tasks timely; and
- A library of HOME written guidance (final rule and policy notices) should be maintained or online access to those documents should be provided as needed.

During our fieldwork, we obtained the department's current organizational chart and interviewed key staff to evaluate the management of program staff. Based on our evaluation, we noted the following concerns related to management of staff:

- Staff duties, responsibilities and lines of authority have not been clearly defined. Interviews with staff revealed that the lines of authority constantly change and staff was uncertain of their current duties and responsibilities. Furthermore, the hierarchical setup as indicated on the current organizational chart provided by management does not coincide with the current reporting structure or flow of the delegation of tasks;
- Lack of adequate communication between departmental management and program staff. Staff felt they were not kept abreast of the status of the departmental restructure and changes resulting from the reorganization have not been adequately communicated to staff; and
- Staff indicated they feel isolated from meetings that involved their job responsibilities.

Some of the aforementioned concerns were also reported during our previous audit. It appears that management has failed to address concerns and implement the necessary measures to effectively manage program staff. As a result, employee morale has decreased which ultimately affects the administration and successful performance of the program.

Recommendation

Management should adhere to HUD's practices for effective staff management. As such, management should ensure that duties are clearly defined, staff has a clear understanding of their responsibilities and adequate lines of communication are established and maintained. Management should also take the necessary steps to build positive working relationships and increase employee morale. Furthermore, there were other concerns that were raised which were not under the purview of this audit and should be addressed by the appropriate authority.

Finding 2 – Lack of Written Reorganization Plan

According to the HOME Program Monitoring Response received from FCHCD on June 22, 2016, the department was working on a restructuring plan moving towards a more functional organizational structure that facilitates timely decisions, strategically utilizes resources, heightens accountability and more closely monitors the administration of all programs. The new structure should aid in the reduction of gaps in functional and organizational performance

which should increase overall effectiveness and efficiency by the department. The response also indicated that during the strategy formulation stage of the restructure, the department would formulate a plan that would identify key positions and critical elements within the department, address operational deficiencies and lead efforts in effectively administering the housing programs funded by HUD. The plan was to be submitted to the County Manager for approval.

We noted that the departmental reorganization began in 2016, and has yet to be finalized. In addition, we requested to obtain the plan submitted to the County Manager for approval; however, a written plan was not submitted for approval. Management indicated that instead of submitting a written reorganization plan, the Director met with the County Manager on a weekly basis to discuss past audit findings, employee concerns and critical operational gaps. As such, the County Manager offered the Director full consent to make the assessments and operational changes as deemed necessary to increase efficiency. Failure to prepare a written reorganization plan increases the inability to ensure that organizational changes met County standards, aligned with departmental operations, and were adequately implemented. Furthermore, it appears, management failed to effectively communicate organizational changes and facilitate ongoing communication with staff. This decreases employee engagement and productivity as well as prevents the employees from providing suggestions and communicating concerns.

Recommendation

FCHCD should ensure the results of the restructure will increase the effectiveness and efficiency of the department. Also, management should work to effectively communicate any changes due to the restructuring of the department to staff and maintain an open line of communication. Management may also want to work with the Personnel Department for assistance in completing the restructure to ensure compliance with the County's Personnel Regulations.

Finding 3 – De-Obligation of Funding

In accordance with 24 CFR 92.300(a), Set-aside for CHDOs, within 24 months after the date that HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement, the participating jurisdiction must reserve not less than 15 percent of the HOME allocation for investment only in housing to be owned, developed or sponsored by community housing development organizations. In addition, the participating jurisdiction must certify the organization as meeting the definition of "community housing development organization" and must document that the organization has capacity to own, develop, or sponsor housing each time it commits funds to the organization. The regulations also indicate that funds are reserved when a participating jurisdiction enters into a written agreement with the community housing development organization committing the funds to a specific local project in accordance with the definition of "commitment" in section 92.2.

We were notified that a total of \$93,175.80 in funding was de-obligated by HUD as a result of the program's failure to meet the 15% reservation requirement for fiscal year 2015 by the commitment deadline of September 30, 2017. The program was unable to meet the 15% reservation as they did not enter into a written agreement with a qualified CHDO in order to commit the funds. We found that FCHCD solicited request for proposals by advertising the availability of up to \$500,000 to be allocated to eligible CHDOs. The available funds were awarded through a competitive application process which required the applications to be evaluated and ranked. It appears that the program was unsuccessful at awarding the funds to a qualified CHDO due to management's delay in initiating the solicitation process. Despite attempts to begin the process in September 2016, the solicitation was not issued until March 2017. This only allowed five (5) months to complete the process and execute a written agreement. In addition, a decision was made by management in June 2017 to reject the proposal of the only solicitation received, although the evaluation committee recommended the CHDO for funding. At that point, there was not enough time to resolicit the request for proposal and enter into a written agreement. The delay in initiating the solicitation process did not permit enough time to successfully obtain and contract a qualified CHDO. This impeded the HOME Program's ability to commit and reserve available CHDO set-aside funds in a timely manner. Furthermore, the decision to not choose the recommended CHDO may have jeopardized funding and allowed the recapture of funds.

It appears that a total of approximately \$539,908.35 in CHDO set-aside funds may have been available to be allocated to eligible CHDOs. However, due to the inability to obtain historical reports from IDIS, we were unable to confirm the actual amount of CHDO set-aside funding that may have been available during that period. Therefore, we relied on the available documentation and IDIS reports maintained by program staff. Exhibit 1, *CHDO Funds Available for Reservation/Commitment*, provides a breakdown of approximate amounts of available funding based on the year of allocation:

Exhibit 1, CHDO Funds Available For Reservation/Commitment

Allocation Fiscal Year	Commitment Deadline Date	Commitment Deadline Method	Total Amount Available During Scope	Total Amount Available During Fieldwork
2011	09/30/2017	Cumulative	\$ 165,810.30	\$ 162,164.85
2013	09/30/2017	Cumulative	87,352.05	87,352.05
2014	09/30/2017	Cumulative	<u>93,509.40</u>	<u>93,509.40</u>
Total Cumulative			<u>\$ 346,671.75</u>	<u>\$ 343,026.30</u>
2015	09/30/2017	Grants-Based	<u>93,175.80</u>	<u>De-Obligated</u>
Total Commitment By 9/30/17			<u>\$ 439,847.55</u>	<u>\$ 343,026.30</u>
2016	08/30/2018	Grants-Based	<u>100,060.80</u>	<u>100,060.80</u>
Total FY2011-2016 Available			<u>\$ 539,908.35</u>	<u>\$ 443,087.10</u>

HUD's transition from the first in, first out method for determining compliance with deadlines required fiscal year 2014 and older funds to be measured cumulatively and defaulted to the fiscal year 2015 commitment deadline date. Beginning with fiscal year 2015 and subsequent allocations, compliance is to be measured using a grants based method and the 15% requirement must be reserved based on the deadline of that year's allocation. Therefore, a total of \$439,847.55 should have been reserved and committed by September 30, 2017. Fortunately, HUD allowed jurisdictions to receive credit for commitments from fiscal year 2015 and 2016 which may have resulted in the program meeting the requirement even if all fiscal year 2014 and earlier funds were not committed. In that case, the fiscal year 2014 and earlier funds appeared to have met the commitment cumulatively. As a result, the commitment deadline was waived by HUD allowing a total of \$343,026.30 to remain available. However, the \$93,175.80 in fiscal year 2015 funds did not meet the grants-based commitment deadline and was subsequently de-obligated by HUD. Based on the fieldwork date, a total of \$443,087.10 is still available for future reservations. However, fiscal year 2016 funds totaling \$100,060.80 may still be at risk for de-obligation if not reserved by the fiscal year 2016 commitment deadline date.

Recommendation

We recommend that FCHCD implement adequate internal procedures to ensure compliance with all HOME statues and regulations. In addition, management should prioritize sourcing events in order to allow ample time to complete a full solicitation process. Most importantly, all available funding should be committed and/or reserved by the required deadline.

Finding 4 – Departure From Established Draw Process

According to the FCHCD Draw Process for the HOME Program, once the activity is completed, a draw request is completed. The appropriate fiscal staff will summarize all of the data and attach the required supporting documentation for signature approval, as follows:

- a. First line-fiscal staff
- b. Second tier-Community Development (CD) Program Manager
- c. Third tier-designated department authorized signer.

We noted that the draw requests submitted for the months of July through December 2016 did not obtain all required approvals. The draw requests were prepared by the fiscal staff and were approved by the designated departmental authorized signer. However, the department failed to present the draw requests to the HOME CD Manager for review and approval prior to submitting the documentation to the Grants Division of the Finance Department. By circumventing this level of review, FCHCD increases the risk of noncompliance with HUD's financial reporting requirements.

We also noted a delay in the submission of draw requests that we selected for review. Specifically, we noted the following:

- A total of \$361,885.14 in expenditures related to the period of July through November 2016 was not requested for draw until January 2017;
- Expenditures totaling \$18,194.99 for the month of December 2016 was not requested until March 2017; and
- TBRA expenditures totaling \$129,377.00 for the period of March through June 2017 were not submitted until August 2017.

Failure to draw down funds in a timely manner increases the County's risk of financial hardship and noncompliance with federal requirements. Moreover, the delay in drawing down funds could also affect the HOME Program's match obligations, since the match contribution is only recognized when funds are drawn down.

Recommendation

FCHCD should ensure all drawdown requests are properly reviewed and approved. In addition, all funds should be drawn down in a timely manner. We recommend management implement a system to ensure that program expenses are requested for drawdown on a frequent and routine basis.

Finding 5– Program Expenditures Exceeded Funded Amount

The IDIS is a system that manages and accounts for the disbursement of HOME funds as well as collects, consolidates and reports information regarding HOME Program performance. HOME funds drawn through IDIS for the HOME activities cannot exceed the amount funded for the activity. During our review of the August 2016 draw request submitted by FCHCD to the Finance Department, a total of \$225,120.00 in TBRA funds were expended from March through August of 2016. However, only a total of \$209,054.68 was available for drawdown. We also noted that a verification of financial data and authorization to pay was not conducted by the HOME CD Manager or CD Fiscal staff prior to disbursing the TBRA payments. This may have been attributed to changes in the administration of the TBRA program. In addition, there may have been a period of time in which FCHCD experienced turnover with fiscal staff. Therefore, the program's budget was not monitored by the appropriate individuals and funds were disbursed without proper approval. The lack of adequate monitoring led to the program disbursing funds that exceeded the funding availability. This also prevented the program from notifying management that necessary actions were required to adequately increase the funding amount for TBRA activities. Furthermore, disbursing funds without obtaining proper authorization increases the risk of noncompliance with HUD regulations. Consequently, the County may be unable to obtain reimbursement for a total of \$16,065.32 in TBRA expenses from HUD which may result in inaccurate reporting of program performance in IDIS.

Recommendation

Management should implement a system to ensure financial and performance information reported in IDIS is accurate and meets compliance requirements. Likewise, management should ensure all performance and financial activities are properly tracked and monitored. We also encourage management to take a more proactive approach to counteract inefficient practices and mitigate the loss of County funds.

Finding 6 – Lag in Completion of AMS and IDIS Reconciliation

To ensure compliance with HUD’s financial management system requirements, the County’s AMS system should be reconciled to IDIS. During the follow-up review performed in 2016, we determined that the department was in process of taking the necessary action to fully implement our recommendations related to reconciling the County’s AMS financial information to the information in HUD’s IDIS. However, the FCHCD has not successfully reconciled the County’s financial information to the information reported in HUD’s IDIS. Based on discussion with staff, the reconciliation is still ongoing and there is currently a difference of approximately \$300,000. It appears that the delay in completing the reconciliation is due to the following:

- Staffing changes as a result of the departure of the CD Fiscal Manager that was hired in January 2016 as well as staffing changes from the departmental reorganization;
- The length of time required to complete the reconciliation as a result of the complexity of the reconciliation and needing to reconcile grant awards dating back to fiscal year 2000; and
- The first-in, first out (FIFO) methodology that was previously used by HUD to track funding for pre-2015 grants in IDIS has complicated the process.

Without adequately reconciling the two systems, we are unable to effectively determine whether all funds have been appropriately drawn from HUD. In addition, the County’s accounting records do not align with IDIS reports and the CAPER.

Recommendation

To ensure compliance with HUD requirements, IDIS and AMS should be appropriately reconciled. Since HUD has transitioned to a grants-based accounting method, it is imperative that management take the necessary steps to make sure the reconciliation is completed timely. Management should also implement procedures that require reconciliations to be conducted consistently, on a periodic basis.

Finding 7 – Incompliance with Administrative Costs Requirements

OMB Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments”, provides principles to be applied in establishing and determining the allowability of certain costs charged

to Federal grants. The principles require costs related to salaries and wages distributed for employees working on multiple activities or objectives are supported by personnel activity reports or a statistical sampling system approved by the cognizant Federal agency. Additionally, the personnel activity reports must meet the following standards:

- Reflect an after-the-fact distribution of the actual activity of each employee;
- Account for the total activity for which each employee is compensated;
- Be prepared at least monthly and coincide with one or more pay periods; and
- Be signed by the employee.

We discovered that the salaries and wages for the HOME Program staff were charged to administrative costs of Federal grants including HOME, CDBG and NSP. A portion of several staff's salaries were also charged to Fulton County's General Fund. The salaries were allocated based on a pro rata share established by an estimated percentage of the employee's time spent on program administration assignments. However, FCHCD management failed to require employees to adequately track the actual time spent managing and administering the federal grants. Program staff could not provide adequate documentation consisting of personnel activity reports or any other support that reflects the employees' actual activity or their distribution of time related to the grants. Therefore, we were unable to determine whether the administrative costs charged to the grants were allowable.

Failure to comply with the administrative cost requirements could result in the costs being deemed unallowable and thereby, impacting the HOME Program's ability to obtain a reimbursement from HUD.

Recommendation

FCHCD should implement a process that requires program staff to adequately track the actual time spent and activities conducted in the administration of their assigned grants to meet the administrative cost requirements. The process should include a review by management to ensure that the actual activity conducted by program staff is allowable and complies with grant requirements.

Finding 8 – Failure to Adequately Conduct Environmental Reviews

Environmental reviews for HOME funded activities should be conducted in accordance with 24 CFR 58. We noted the following concerns as it relates to the environmental review process implemented by FCHCD:

- FCHCD improperly issued a Notice to Proceed to Habitat for Humanity of North Georgia, a non-profit operating as a sub-recipient, to begin work on a home rehabilitation prior to completion of the environmental review process. It appears that staff failed to obtain appropriate approval of the environmental review records as required to complete the

process. Additionally, once staff was notified that the project was unable to proceed due to an incomplete environmental review; immediate actions were not taken to promptly notify Habitat for Humanity and/or the homeowner that the project needed to be halted until the environmental process was properly completed. This inconvenienced the homeowner as she was displaced from her home for a period of time. As such, the homeowner filed a complaint with a Congressional representative.

- FCHCD implemented a three-step internal review process which requires reviews by the Project Manager/Specialist, Environmental Specialist and the Division Manager prior to submitting to the Director for final authorization. However, staff indicated the Division Manager will only perform reviews once a week. We also noted two (2) instances in the Home Ownership Program in which environmental documents were not ready by the homeowner's closing date. As a result, the homeowners were unable to close on their loans and the projects were cancelled. The program was unable to commit \$19,867.50 in proposed funding related to those projects. Failure to ensure timely review and approval of environmental documents may impede the completion of environmental reviews which may delay commitment of funds to proposed projects.
- FCHCD failed to maintain the adequate capacity to conduct environmental reviews. We noted that once the Environmental Specialist resigned, the department was incapable of conducting environmental reviews for several months. The department lacked sufficient staff that were trained and qualified to conduct environmental reviews. This may have delayed the progress of projects and could contribute to underperformance of the program.

Based on the aforementioned concerns, it appears to be a lack of adequate capacity and poor management to ensure environmental reviews are performed accurately and timely, which is a critical process. This ultimately affects the program's performance, ability to allocate funding, and adherence to HUD regulations. This may also subject the County to legal ramifications.

Recommendation

We recommend that FCHCD prioritize processes that are critical to their programs, such as environmental studies. In addition, ensure that multiple staff members are properly cross-trained by HUD to perform the studies in the event of staff turnover. The department should also have a contingency plan in place to obtain assistance from HUD or another third party if there is a lack of qualified staff members.

Finding 9 – Nonperformance of Program Goals

Per 24 CFR 91.520, each jurisdiction that has an approved consolidated plan shall annually review and report, in a form prescribed by HUD, on the progress it has made in carrying out its strategic plan and its action plan. The report should include a comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. We reviewed the 2016 Consolidated Annual Performance Evaluation Report (CAPER) to assess the

performance of the HOME Program. Based on our review, we noted that FCHCD failed to meet the expected outcomes for three (3) of the six (6) or 50% of the annual performance goals under the affordable housing priority. For example, there were 20 rental units expected to be rehabilitated, however 0% percent were completed. Based on discussion with staff and management, the Housing and Rehabilitation Program is currently being modified which has halted the allocation of funding to new projects. As a result, this has decreased performance and FCHCD's ability to meet intended performance outcomes.

Recommendation

FCDCC should work to achieve all goals and objectives established. Management should develop a system to monitor and track progress to ensure that all goals are met within the specified timeframe.

Finding 10 – Delay in Submitting CAPER to HUD

Based on HUD regulations, the CAPER shall be submitted to HUD within 90 days after the close of the jurisdiction's program year. We noted that FCHCD failed to submit the CAPER for the 2016 calendar year to HUD by March 31, 2017. In fact, management requested a 31-day extension from HUD. The request indicated that the reason for the extension request was a result of the retirement of a key employee. This employee was responsible for performing critical functions required to complete the CAPER. In addition, it appears the employee failed to perform required duties prior to her departure. Once the employee retired, the department worked to compile the data and obtain access to submit the data in IDIS. Lack of adequate oversight and failure to implement succession planning created a disruption in operations. This resulted in a violation of HUD's reporting requirements.

Recommendation

The HOME Program should adhere to applicable reporting requirements. Management should ensure that multiple staff members are adequately trained to prepare all critical reports and that proper system access to IDIS has been granted by HUD. The department should also develop a contingency plan to ensure staff coverage in the event there is turnover in critical roles.

AUDIT CONCERN 1 – Possible Default of the Expenditure Deadline

In accordance with the National Defense Authorization Act, any HOME funds appropriated in FY 2011 will not be available for participating jurisdictions to expend after September 30, 2018. During our review, we noted that a total of \$162,164.85 of fiscal year 2011 funds has not been expended. All efforts should be made to ensure these funds are expended as the deadline is quickly approaching. Failure to ensure funds are expended and/or drawn in a timely manner may result in these funds being recaptured by the United States Treasury.

AUDIT CONCERN 2 – Potential Repayment of Funds to HUD

Environmental reviews for HOME-funded activities should be conducted in accordance with 24 CFR 58. During our review, we obtained the results of the most recent onsite environmental monitoring review conducted by HUD for HOME, CDBG, and ESG Programs. The results revealed several instances of non-compliance with the environmental review records of projects and/or activities. For instance, one finding indicated FCHCD failed to compile complete environmental review records and receive the required approval from HUD prior to expending funding on the Delowe Place and Delowe Village CHDO projects. In addition, HUD indicated FCHCD lacked capacity, internal procedures, and specific personnel with the responsibility of understanding to ensure environmental compliance. As a result, HUD provided corrective actions which required FCHCD to submit developed policies and procedures and the environmental review records of any new or future projects to HUD for review and approval. Furthermore, FCHCD would be required to repay HUD for any funds that were expended for activities that HUD determined has resulted in adverse environmental impacts. Although FCHCD has completed corrective actions and HUD has cleared the findings, HUD has yet to determine whether amounts should be repaid. Therefore, the County may still be at risk of repaying HUD a total of \$1,071,067.51 which consists of CDBG funds in the amount of \$365,708.16 for the Delowe Place project and HOME funds in the amount of \$705,359.35 Delowe Village CHDO project.

CONCLUSION

Our audit of the HOME Program identified several weaknesses in the administration of the program that have resulted in the following findings:

- Inadequate Staff Management;
- Lack of Written Reorganization Plan;
- De-Obligation of Funding;
- Departure From Established Draw Process;
- Program Expenditures Exceeded Funded Amount;
- Lag in Completion of AMS and IDIS Reconciliation
- Incompliance with Administrative Costs;
- Failure to Adequately Conduct Environmental Reviews;
- Nonperformance of Program Goals; and
- Delay in Submitting CAPER to HUD.

We recommend that the management of FCHCD and Home Program staff give immediate attention to the above findings. Management should also implement the necessary corrective actions to ensure effective administration of the HOME Program as it relates to the program's difficulties with staffing. It is imperative that management ensures compliance with required HOME Program regulations so that the program will not be exposed to a decrease in current or future funding allocations.

In addition to the above findings, we noted concerns related to the possible default of the expenditure deadlines and potential repayment of funds to HUD. We recommend that management take the opportunity to assess areas of concerns and make any necessary improvements.

Please provide a written response to this audit within 10 business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response may be submitted via email to the County Manager and to Robbie Bishop-Monroe, Audit Coordinator in the Office of the County Auditor at Robbie.Bishopmonroe@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.