

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 05, 2011

To: Supervisor Johnny Thomas, Chairman, Committee on Finance and Audit

From: Jerome J. Heer, Director of Audits

Subject: Updated Status Report – Better Management Oversight Needed for County Administered Federal Rent Assistance Program (File No. 10-217)

At its meeting on June 17, 2010, the Committee on Finance and Audit voted 5-0 to receive and place the subject audit report on file with a six-month status report regarding implementation of the audit recommendations.

The requested status report was submitted to the Committee for its meeting in December 2010, where our recommendation to receive and place it on file with an updated status report for the July 2011 meeting was accepted.

Attached is the updated status report for your review. As noted in the report, Housing Division management continues to make progress toward implementation of our audit recommendations, but progress has been slowed due to significant turnover.

This status report is informational. We will continue to monitor the Division's progress and plan to provide a status report to the Committee in January 2012.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Finance and Audit Committee Members
Chris Abele, Milwaukee County Executive
Patrick Farley, Director, Department of Administrative Services
Geri Lyday, Interim Director, Department of Health and Human Services
Leonard Jackson, Administrator, DHHS - Housing Division
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Fiscal & Budget Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: July 1, 2011

TO: Paul Grant, Audit Compliance Manger - Milwaukee County

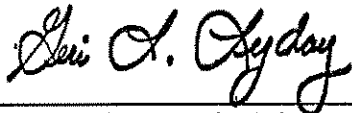
FROM: Geri Lyday, Interim Director, Department of Health and Human Services

SUBJECT: **INFORMATIONAL REPORT FROM THE INTERIM DIRECTOR OF THE DEPARTMENT OF HEALTH & HUMAN SERVICES REGARDING A HOUSING DIVISION STATUS REPORT ON THE NINE AUDIT RECOMMENDATIONS FROM THE MAY 2010 INTERNAL AUDIT**

Attached is the six month status report of the Better Management Oversight Needed for County Administered Federal Rent Assistance Program audit. As you know, the Housing Division has experienced significant turnover in the past six months, ranging from the Division Administrator to other key Program Coordinators. Therefore, some of the audit recommendations have not progressed as rapidly as we had hoped.

We now have a Division Administrator who is aware of these items and developing various policies and procedures to address the issues. In addition, we are aggressive hiring new staff and identifying temporary staff. Therefore, Housing will be able to expedite the completion of the audit recommendations in a timely manner. Thank you for your understanding.

Respectfully submitted:



Geri Lyday, Interim Director
Department of Health & Human Services

Attachment

cc: Jerry Heer, Director of Audit
Leonard Jackson, Housing Administrator
Rick Fieldbinder Housing Choice Voucher Program Coordinator
Douglas Jenkins, Deputy Director of Audit
Antionette Thomas-Bailey, Analyst - DAS
Jeanne Dorff, Fiscal Assoc. Administrator DHHS

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Better Management Oversight Needed for County Administered Federal Rent Assistance Program **File Number:** 10-217

Audit Date: May 2010 **Status Report Date:** 7-1-11 **Department:** DHHS -- Housing Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
1. Review Rent Assistance program protocols for possible revisions to better align verification efforts for earned income with applicable 120-day and 60-day HUD standards.		X			X		Auditee: The Program Coordinator has put in to place processing protocol that will ensure the recertification process cannot begin before the 120-day HUD standard.
2. Establish specific, continuous training and procedural refresher sessions for program staff, including proper interpretation of CARES and EIV systems, as well as consistent follow-up and documentation of efforts to reconcile differences between system-reported data and participant-reported income.					X		Auditee: The program management has been working individually and as a group with program staff to ensure a consistent understanding and application of the HUD EIV data. As noted in #5 below, CARES is not available in the expanded format the Division sought. However, we are working to ensure that differences between EIV reported information and client provided information are not only identified but that files are consistently noted and that efforts to reconcile the differences, including contact made, documents provided, etc are noted and copied to the file to provide a complete trail to support decisions related to eligibility.
3. Perform more detailed case reviews on a sample of at least 30 cases per quarter and follow-up individual errors with reinforcement during training and procedural refresher sessions previously recommended. Particular care should be taken to ensure consistent application of all program policies.		X				X	Auditee: Due to staff retirements and furlough days we were unable to perform the first quarter 2011 case reviews. In July of 2011, the process will be implemented using new and temporary staff resources identified to complete this recommendation on a timely basis each quarter.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Better Management Oversight Needed for County Administered Federal Rent Assistance Program **File Number:** 10-217

Audit Date: May 2010 **Status Report Date:** 7-1-11 **Department:** DHHS – Housing Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
	4. If mandatory furlough days continue to reduce available staff hours, work with the Department of Administrative Services to identify additional resources (e.g., temporary help, student intern positions, etc.) sufficient to provide relief to Housing Program Associates for needed training.	X					
5. Petition the State of Wisconsin for enhanced access to the CARES system, thus sanctioning past program practice.	X				X		Auditee: The additional data requested is limited by federal regulations to only workers determining eligibility for the food share and medical assistance programs. This recommendation is considered as complete.
6. Identify resources within the department to make the purchase of a relatively inexpensive scanner/copier (approximately \$1,000) for the Rent Assistance program a priority.		X			X		Auditee: A scanner is in place as part of a Housing Division copy machine.
7. Update the Administrative Plan, including a specific section on Program Integrity that formalizes the program's quality control measures to prevent and detect staff errors and omissions. Specific policies and procedures should be established for fair and consistent treatment of cases involving intentional misreporting, abuse and fraud.		X				X	Auditee: The Administrative Plan revision will be completed by the end of the third quarter of 2011. The HUD EIV system used to determine and recertify program income eligibility of participants went through a major overhaul after this recommendation was made. The program purchased a modal administrative plan to incorporate a broader revision of the administrative plan. This task should be completed during this calendar year.

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Better Management Oversight Needed for County Administered Federal Rent Assistance Program **File Number:** 10-217

Audit Date: May 2010 **Status Report Date:** 7-1-11 **Department:** DHHS -- Housing Division

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	
	8. Develop a dialogue and working relationship with the District Attorney's Office to guide the program in identifying appropriate cases of suspected fraud for referral to the District Attorney.					X	
9. Work with Department of Administrative Services to utilize the County's Tax Intercept Program to recoup program overpayments when participants refuse to sign or honor repayment agreements.	X					X	Auditee: The Division has talked with DAS and is compiling the data and back up documentation of debts in the required format so as to implement the tax refund intercept program in Q1 2011. This recommendation will be pursued for completion during the third quarter of this year as temporary help has been identified to follow up on this recommendation.