

BOARD COMMISSIONER TRAINING

PHA Performance Monitoring and Risk Management



2021

Developed in 2021 using HUD's Lead the Way training, adapted by Econometrica, as well as other sources.

ECONOMETRICA, INC.

Learning Objectives

After completing this module, you should be able to:

- Identify oversight reports for the Board to review and other information sources, as well as the value of a “dashboard” format.
- Discuss methods to improve agency financial viability and property asset management oversight.
- State the consequences and corrective actions for poor agency performance.
- Describe the importance of risk management and your role in managing risk at your public housing agency (PHA).
- Describe the importance of assessment and evaluation.
- Understand HUD ratings, such as the Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP), and how to improve performance indicators.
- Appreciate the Board role in relation to OIG audits.



Today's Agenda



- Public Housing Recap
- Monitoring Your PHA
- Assessing Your PHA
- Risk Management
- Role of the Office of Inspector General (OIG) and Fraud Management



Public Housing Recap



Public Housing Overview

- **Authorization:** U.S. Housing Act of 1937 and subsequent acts.
- **Purpose:** Provide decent, safe, sanitary rental housing for low-income families.
- **Ownership:** Funded by federal government. Established by state law. PHA holds property title with conditions without HUD approval.



- **Financing:** By federal subsidy (Operating Fund, Capital Fund, and special purpose grants), rental income from tenants and grants.
- **PILOT:** Payment in lieu of taxes to the city instead of local taxes.
- **Rent:** Based on 30 percent of a family's monthly adjusted income.

Housing Choice Voucher, Section 8 Program Basics

- **Purpose:** Assist very low-income families to afford decent, safe, and sanitary housing in the private market.
- **Eligibility:** Families at less than 50 percent of area median income eligible, but most are at 30 percent of median income or below.
- **Rent/Housing Subsidy:** Based on PHA determined payment standard. Tenant pays 30 percent of their adjusted income toward rent and HUD pays remainder as a subsidy to the landlord.
- **Voucher Allocation:** Varies based on budget authority provided by HUD and the subsidy amount needed per voucher.



Key Documents

- **Annual Contributions Contract (ACC)**
 - Mechanism for receiving HUD funding and terms and conditions between the PHA and HUD.
- **PHA Plan, Capital Fund Budget/Plan**
 - Key plans that HUD requires at a minimum every five years if not annually.
- **Admissions and Continued Occupancy Policy (ACOP) and Section 8 HCV Administrative Plan (Admin. Plan)**
 - Core programmatic policy for the low rent public housing and housing choice voucher programs
- **Operational Policies - Procurement, Personnel, Financial, Etc.**
 - Policies for the PHAs core operational functions, at a minimum for procurement, personnel and finances and internal controls
- **PHA Bylaws and Code of Ethics**
 - Created by the Board as their guide for meetings, board structure, etc. and for the Board and staff to commit to an ethical environment and principles.



Monitoring Your PHA



Importance of Monitoring/Assessment/Evaluation

KNOW YOUR PHA

Performance

Resident Satisfaction

Finances

- Agency mission and plans: annual, 5-year, and capital.
- Monthly reports: financial and performance.
- Audits.
- HUD performance indicators: PHAS and SEMAP.
- Residents and landlords: community and surveys.
- Your own experience—educate yourself and be involved! You are the PHA's ambassador in the community you serve.

Assessment/Evaluation Is the Key



What Should the Board Review Monthly?

The Board should review the following reports at every meeting (monthly):

- Financial Reports.
- Asset Management Reports.
 - Occupancy.
 - Tenant Account Receivables.
- HCV Report.
 - Voucher utilization rate.
 - Percent late biennial Housing Quality Standards (HQS) inspections and pass/fail rate.
 - Percent late annual recertification of income.
 - Housing Assistance Payments (HAP) utilization.
- Capital Fund Report.
- Contracting and Procurement Reports.
- Human Resources Updates.
- Compliance Reports.
- Executive Director Dashboard.



Knowledge Check: Question 1



- Which of these are reasons to review data driven management reports monthly? Choose all that apply.
- a. Identify how the actual PHA expenses and income compare to the budget.
 - b. Through occupancy and rent receivables determine whether a property is performing as it should be.
 - c. Find out what the auditor thought of your annual FDS submission.
 - d. Verify whether you are utilizing all of your HCV vouchers.

How to Rate and Color-Code PHA Performance Reports

Monthly Performance Report for Your PHA (EXCERPT)

	AMP Project 1	AMP Project 2	Amp Project 3
Financial Indicators:			
Quick Ratio	2.5	1	0.5
Cash Balance	\$123,234	\$12,000	-\$2,334
Cash Balance Trend (latest 3 months)	Cash balances up last 3 months	Cash down 3% each of last 3 months	Cash balance down 8% and then 12%
Bank Overdrafts	0	0	3
Percent of Arrears Rent Collected	98%	92%	94%
Debt Service Coverage Ratio	0.5	1.25	1.5
Budget Variances	2%	4%	8%
MENAR (Monthly Expendable Net Asset Ratio)	1.5	4	0.4

https://youtu.be/B9wH_c_Ab5c

Maintaining Financial Viability

Verify that your PHA has strong financial internal controls.

- Review and understand financial management policies.
- Monitor obligation and drawdown of grant funds in HUD's Line of Credit Control System and establish access authority for the system.
- Ensure an Internals Controls Policy is up to date that:
 - Establishes check-signing authority.
 - Designates a contracting officer.
- Addresses the transfer of funds between accounts and programs.
- Monitors appropriate credit card use.



Strategies for Improving Financial Performance

Increase Revenue

- Evaluate lease enforcement and rent collection policies and implementation.
- Raise minimum rents within HUD guidelines.
- Consider property repositioning or the sale of non-public housing property.
- Assess whether portability revenue is fully collected and consider the portability policy.
- Obtain additional grant or supplemental funding.

Decrease Expenses

- Energy conservation measures.
- Evaluate existing contracts for cost and value.
- Evaluate and re-price insurance costs, fleet vehicles, travel, and ancillary benefits.
- Contract property management or maintenance to an outside entity or other PHA.
- Evaluate staffing levels and organizational structure.

Denton Case Study, Scenario 1

- Constance Medina, the Denton Housing Authority (DHA) CEO, provides a packet to the board with all the items recommended each month.
- For 5 months, the budget overview has been in the red. Rent revenues are low; overhead, payroll, and maintenance are high.



Scenario 1: Question

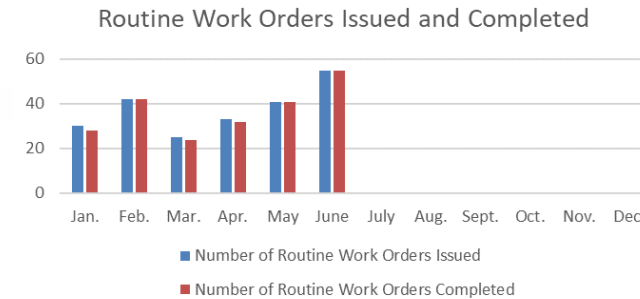
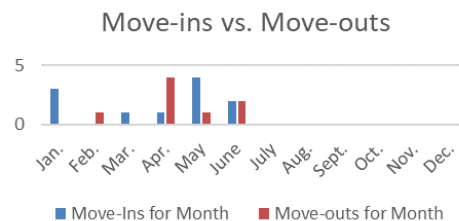
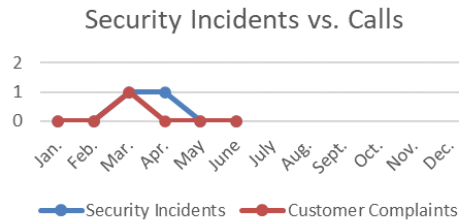
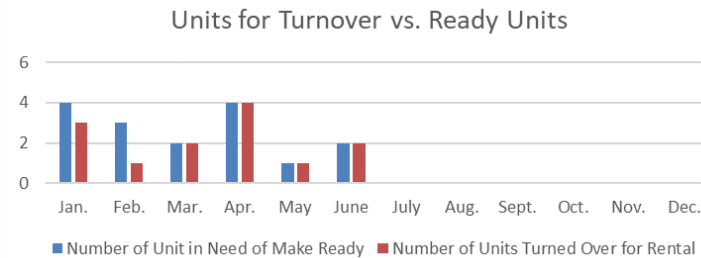
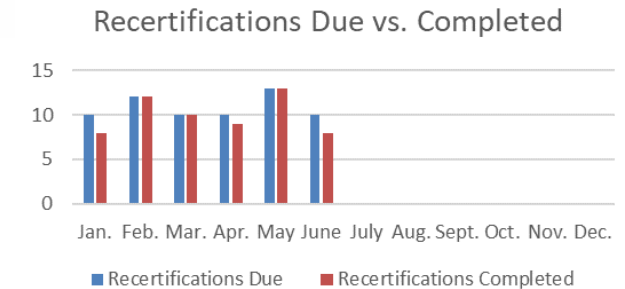
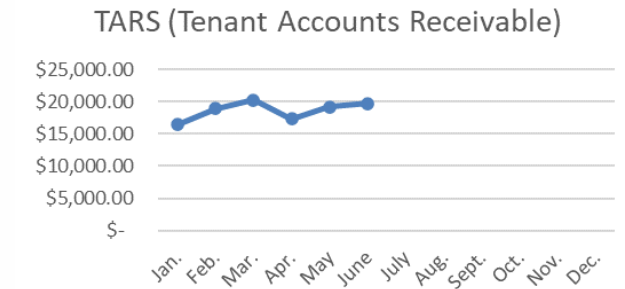
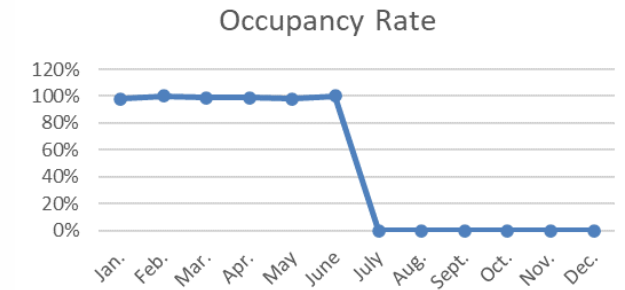


Given the information you have, what strategy can DHA employ to increase revenues?

- a. Consider raising minimum rents and evaluate rent collection to ensure that rent payments are coming in on time.
- b. Cut supplemental funding from state or local government agencies.
- c. Seek less expensive building and maintenance contracts by asking for discounts from family members in these businesses.

Sample Asset Management Report

Public Housing Management Summary Report - Date, Board Meeting													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	TOTAL
Occupancy Rate	98%	100%	99%	99%	98%	100%							
Number of Units	120	120	120	120	120	120							
Move-Ins for Month	3	0	1	1	4	2							
Move-outs for Month	0	1	0	4	1	2							
Vacancies for Month	0	1	0	4	1	2							
Number of Applications Pulled	0	1	0	4	1	2							
TARS (Tenant Accounts Receivable)	\$ 16,453.00	\$ 18,916.00	\$ 20,295.00	\$ 17,316.00	\$ 19,207.00	\$ 19,745.00							
Recertifications Due	10	12	10	10	13	10							
Recertifications Completed	8	12	10	9	13	8							
Monetary Amount of Property Damage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -							
Number of 15-Day Demands Issued for Non-Payment of Rent	0	0	0	0	20	18							
Number of Evictions Issued	0	0	2	1	0	1							
Maintenance													
Number of Unit in Need of Make Ready	4	3	2	4	1	2							
Number of Units Turned Over for Rental	3	1	2	4	1	2							
Number of Routine Work Orders Issued	30	42	25	33	41	55							
Number of Emergency Work Orders Issued	0	0	5	1	5	0							
Number of Routine Work Orders Completed	28	42	24	32	41	55							
Number of Emergency Work Orders Completed	0	0	5	1	5	0							
Security/Customer Service													
Security Incidents	0	0	1	1	0	0							
Number of Customer Complaints	0	0	1	1	0	0							
Housing Manager Signature: _____													
Report Submitted for the month of: _____													



Strategies for Improving Asset Management

- ✓ Monitor each Asset Management Project's (AMP) building and infrastructure conditions.
- ✓ Use scarce resources effectively and efficiently.
- ✓ Establish goals for weak performance areas.
- ✓ Match actual performance against stated goals.
- ✓ Determine the reason for failure if goals are not being met.
- ✓ Look for patterns and trends.
- ✓ Develop a comprehensive plan for facility and infrastructure maintenance.
- ✓ Develop a data-driven process for use of capital funds.
- ✓ Be familiar with every property—only then are you in a position to make decisions on behalf of it.

Knowledge Check: Question 2



What steps should the board take to address the needs of a troubled AMP at a PHA?

- a. Balance the budget for the AMP by creating a shared vision of the property's future.
- b. Facilitate building and infrastructure improvements that meet both housing quality standards and the tenants' current and future needs.
- c. Hire additional staff so that each AMP, including the troubled AMP, has dedicated personnel equipped for the task.
- d. Establish a core project team with staff from maintenance, engineering, finance, tenant services, and information technology, as well as tenant stakeholders.
- e. All of the above.

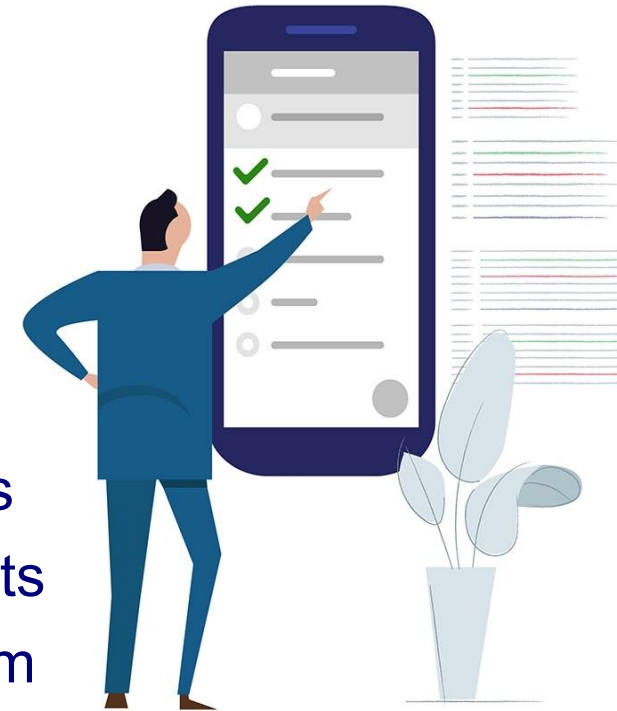


Assessing Your PHA

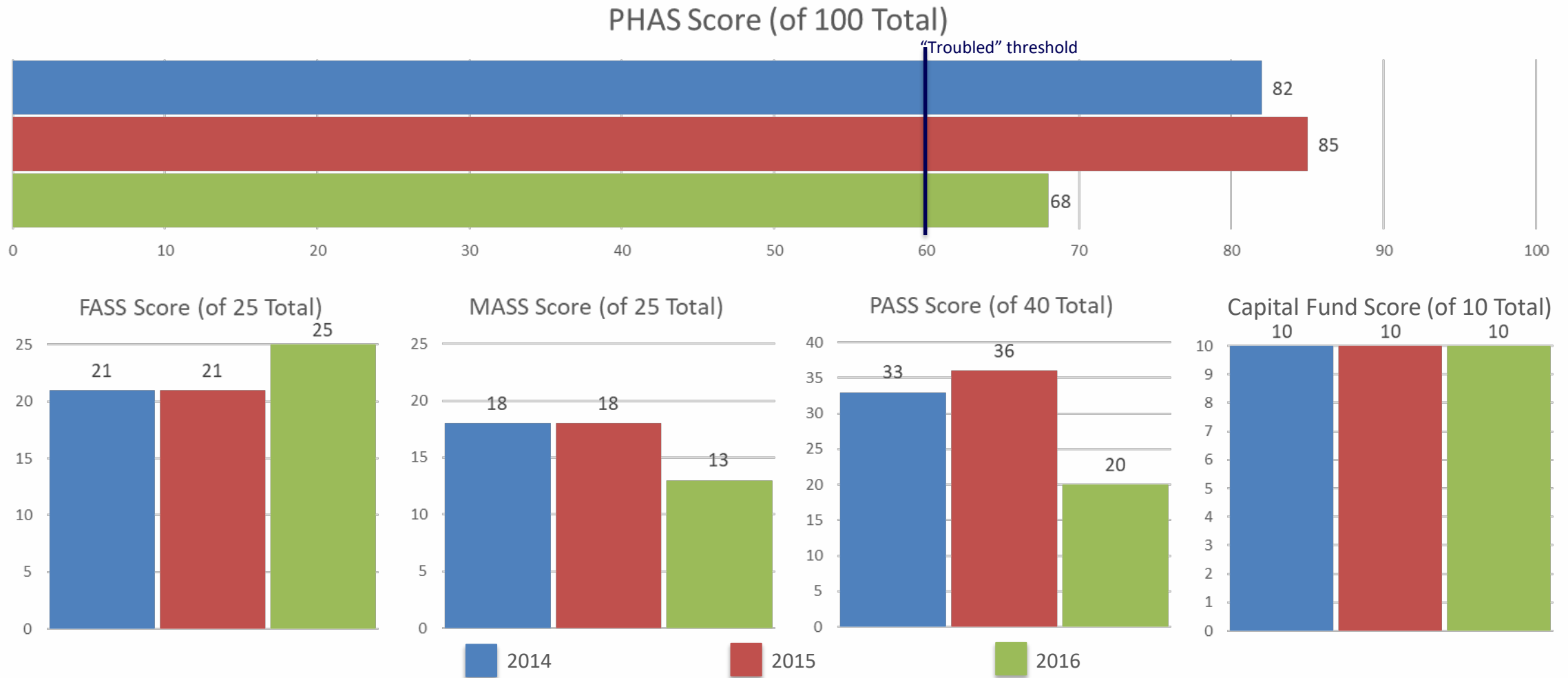


Performance Assessment

- Uses the Public Housing Assessment System (PHAS) indicators for each AMP.
- Weighted by AMP unit count.
- Rolled up to the agency-wide score.
- Score of 100 points is based on four Indicators:
 - Physical (Physical Assessment Subsystem (PASS)) – 40 points
 - Financial (Financial Assessment Subsystem (FASS)) – 25 points
 - Management Operations (Management Assessment Subsystem (MASS)) – 25 points
 - Capital Fund Program (CFP) 10 points
- Below 60 = “Troubled” status – Less than 70 = “Substandard” -- Above 90 = “High Performer”



Sample PHAS



A total PHAS Score of less than 70 is considered "Substandard." A total score of less than 60 denotes "Troubled."

Understand and Improve Financial Performance

- **FASS: Financial Assessment Subsystem.**
 - Measures the financial condition of each AMP.
 - Determined by data reported to HUD in the Financial Data Schedule (FDS).

- **Strategies to improve FASS:**
 - Maintain accurate financials.
 - Submit financials on time.
 - Increase Quick Ratio.
 - Increase Months Expendable Net Asset Ratio.

QUICK RATIO

- Liquidity.
- Current assets.

MONTHS EXPENDABLE NET ASSET RATIO

- Adequacy of reserves.
- Operate using net available resources.

DEBT SERVICE COVER RATIO

- Capacity to cover debt.
- Ability to meet regular debt obligation.

Audits

- Regulations for Financial Reporting.
 - Public Housing Assessment System (PHAS).
 - Uniform Financial Reporting System.

UNAUDITED

- Submitted via FDS.
- Due 2 months after fiscal year (FY) end.
- Prepared by Finance/
Fee Accountant.

AUDITED

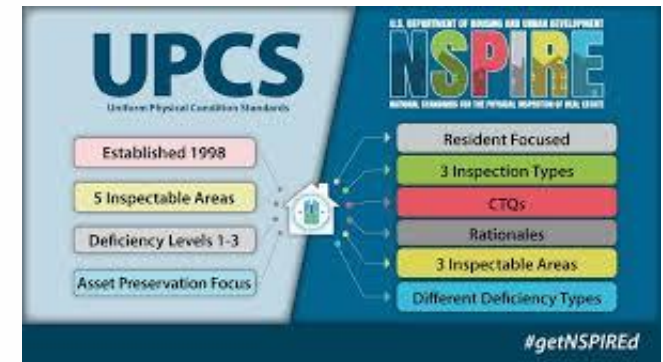
- PHAs with \$500,000 or more.
- Submitted via FDS.
- Due 9 months after FY end.
- Prepared by independent
or outside accountant.

Independent Public Accountant (IPA) Reports

- IPAs can provide information regarding:
 - Financial condition of the agency.
 - Reliability of financial records or documentation and/or missing inventory.
 - Procurement issues.
 - Internal control weaknesses/segregation of duties.
 - Possible fraud/conflicts of interest.
 - Improper use of funds.
 - Improper calculation or payment of rent subsidies.
- Review the IPA management letter and footnotes.
 - Rotate your IPA at least every 5 years to get a different view and avoid favoritism.
 - Use a different auditor than your fee accountant.

Understand and Improve Physical Performance

- PASS: Physical Assessment Subsystem.
 - Measures and scores the physical condition of each AMP
 - Performed by a HUD sponsored Real Estate Assessment Center (REAC) inspector every three years/annually
- Strategies to Improve Physical Performance
 - Understand/comply with Uniform Physical Condition Standards (UPCS) and inspect all units annually using UPCS.
 - Examine Capital Fund use and prioritization.
 - Compare your maintenance program with comparable properties
 - Maintain accurate Public and Indian Housing Information Center (PIC) building and unit inventory.
 - Perform routine and preventative maintenance on all properties/systems
 - Complete all emergency repairs within 24 hours.



Understand and Improve Management Performance

- **MASS: Management Assessment Subsystem.**
 - Assesses AMP and PHA management operations.
 - Occupancy, Tenant Accounts Receivables, and accounts payable.
 - Determined by data reported to HUD in FDS.
- **Strategies to improve MASS:**
 - Increase unit occupancy/reduce vacancies.
 - Utilize rent collection best practices.
 - Reduce accounts payable and practice timely payment procedures.
 - Review and understand maintenance reports.
 - Know the amounts and status of your CFP grants.
 - Closely review construction contracts.



Knowledge Check: Question 3



Which of the following things can a PHA do to help increase its PASS (Physical Assessment System Score)/REAC Score?
Choose all that apply.

- a. Make sure the AMP budget and actuals balance.
- b. Inspect 100% of the units using the Uniform Physical Condition Standards (UPCS) prior to the REAC Inspector's arrival.
- c. Increase rent collection.
- d. Perform routine and preventative maintenance on the properties throughout the year.
- e. Utilize your Capital Fund to address more major REAC findings and issues uncovered in your own UPCS inspections.

Capital Fund Basics

- HUD funding for PHAs is distributed through a formula.
- The funds include capital and management activities, such as:
 - Development.
 - Financing.
 - Modernization.
 - Management improvements.
 - Safety and security measures.
 - Homeownership activities.
 - Improvement of energy and water-use efficiency.
- No more than 20 percent of capital funds may be used for operating expenses; no more than 10 percent may be used for management improvements and program administration.



Understand and Improve Capital Fund Performance

- Capital Fund Assessment Subsystem.
 - Examines the obligation rate for the Capital Fund program.
 - High score if PHA obligates 90 percent or more of their Capital Program funds in no more than two years after funds awarded.
 - Encourages PHAs to modernize units and improve occupancy.
- Strategies to improve obligation of Capital Program funds and increase unit occupancy:
 - Plan for use of funds.
 - Track obligation end dates and progress against them.
 - Report monthly to Board.
 - Evaluate procurement timeliness and effectiveness.
 - Operate a well-planned vacancy reduction program.
 - Reduce turnover time.
 - Pre-processing of resident applicants from the waiting list.



Knowledge Check: Question 4



The Capital Fund must be 50% obligated within 24 months of the grant receipt in order to meet the requirements for the 10 points for the Capital Fund Score in PHAS.

- a. True
- b. False

HCV Performance Assessment

- Section Eight Management Assessment Program (SEMAP).
- PHA self-certification takes place within 60 days of FY end.
 - Agency submits self-certification and attests to its validity.
- HUD Field Office issues a score within 120 days of FY end.
 - Includes analyzing PHA certification and possible onsite testing.
- Scores below 60 are designated as “Troubled.”
- Scores above 90 are designated as “High Performer.”
- Fourteen indicators total.
 - First seven are self-certified.

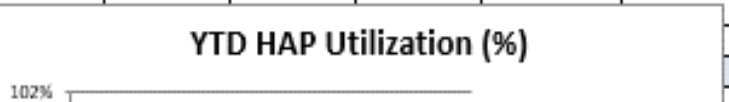
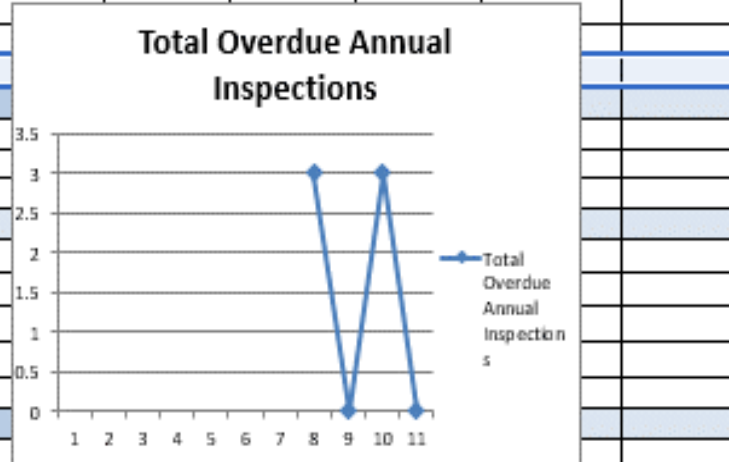
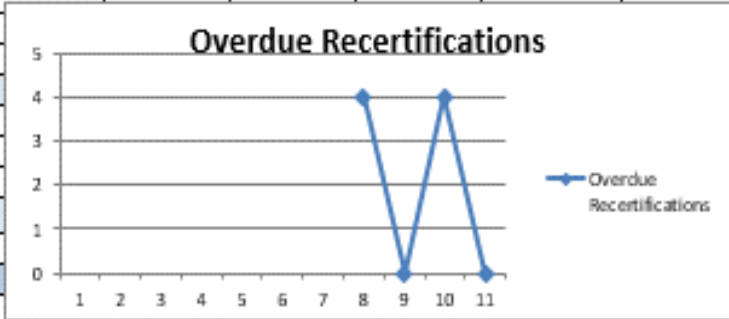
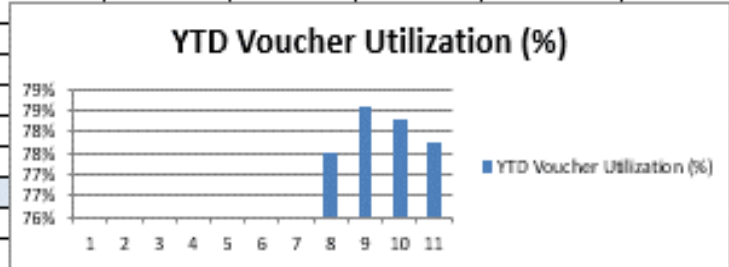


Ensuring High Quality Programming Housing, SEMAP

Number	SEMAP Indicator	Maximum Points	Scoring
1	Selection from the Section 8 Waiting List	15	PHA
2	Reasonable Rent	20	PHA
3	Determination of Adjusted Income	20	PHA
4	Utility Allowance Schedule	5	PHA
5	HQS Quality Control Inspections	5	PHA
6	HQS Enforcement	10	PHA
7	Expanding Housing Opportunities	5	PHA
8	Payment Standards	5	PHA
9	Annual Re-examinations	10	Multifamily Tenant Characteristics System (MTCS)-HUD
10	Correct Tenant Rent Calculations	5	MTCS-HUD
11	Pre-contract HQS Inspections	5	MTCS-HUD
12	Annual HQS Inspections	5	MTCS-HUD
13	Lease-up	15	Voucher Management Systems/HUD Central Accounting Program System
14	Family Self-Sufficiency	10	MTCS-HUD
	Deconcentration Bonus	5	

HCV Oversight and Monitoring

HCV Annual Budget Authority	January	February	March	April	May	June	July	August	September	October	November	December	Notes
Monthly HAP Receipts								\$ 286,974	\$ 286,974	\$ 286,974	\$ 204,125		
Monthly HAP Payments								\$ 296,701	\$ 286,788	\$ 294,983	\$ 297,462		
Monthly HAP Difference								\$ (9,727)	\$ 186	\$ (8,009)	\$ (93,337)		
Annual Budget Authority Available*								\$3,436,644	\$ 3,436,644	#####	\$ 3,436,644		
YTD HAP Expenditure								\$ 3,446,810	\$ 3,446,810	\$3,156,416	\$ 3,156,416		
YTD HAP Utilization (%)								100%	100%	92%	92%		
Admissions and Waitlist													Notes
Total Program Vouchers								751	751	751	751		
Total Waitlist								660	660	633	635		
Applicants Pulled from w/L								50	50	27	25		
Vouchers Issued								25	35	14	11		
New Admissions Completed (code 1)								4	4	4	9		
Recertifications													Notes
Recertifications Scheduled								42	46	50	51		
Recertifications Completed								38	46	46	51		
Overdue Recertifications								4	0	4	0		
Terminations													Notes
Terminations Completed (Code 6)								5	6	6	4		
Repayment Agreements													Notes
Total Repayment Agreements								5	5	5	5		
Delinquent Notification Letters Mailed								20	25	18	20		
# Families Delinquent								5	5	5	5		
Total Debts Owed to the IHC								\$ 500	\$ 475	\$ 450	\$ 500		
Inspections (Annual)													Notes
Annual Inspections Scheduled								68	79	78	70		
Annual Inspections Completed								65	79	75	70		
Total Overdue Annual Inspections								3	0	3	0		
Voucher Utilization													Notes
Voucher Unit Months Available								24	24	24	24		
Voucher Unit Months Leased								6	6	6	6		
YTD Unit Months Leased								22	22	22	22		
YTD Total Vouchers Under Lease								582	590	588	584		
YTD Voucher Utilization (%)								77%	79%	78%	78%		
Quality Control													Notes
# Files Reviewed								5	8	10	10		
# Failed								3	2	2	4		
% Failed								60%	25%	20%	40%		
Hearings													Notes
Hearings Requested	102%							5	5	5	5		



Denton Case Study, Scenario 2

- DHA's CEO, Constance Medina, has told the Board that DHA has dropped from "High Performer" to "Standard" for their Section 8 program. DHA's score is now 83.
- They could not verify that DHA had completed all the required HQS inspections.
- They could not verify that it correctly adjusted income and utility allowances at admission and reexamination.
- They could not demonstrate that they had HAP contracts for all the units in its ACC.



Scenario 2: Question

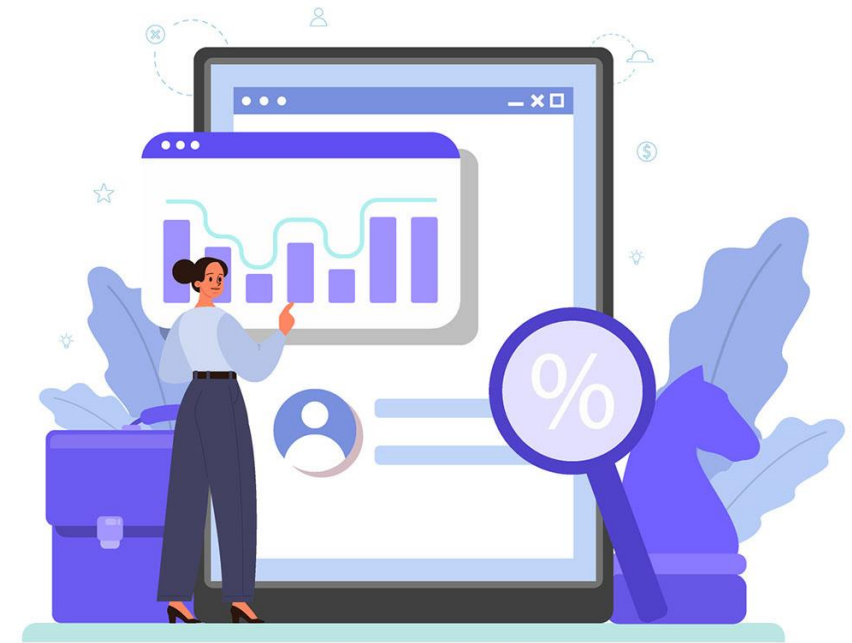
Why was DHA's inability to demonstrate that it had entered HAP contracts for the number of units reserved under their ACC the most detrimental to its score?

- a. Lease-up, the indicator associated with this issue, is 15 points and makes up the largest portion of the score.
- b. Lease-up is the most important indicator.
- c. If a housing agency misses the lease-up indicator, the agency will lose those units reserved under the ACC for HAP contracts that they do not have in place.

SEMAP Indicator	Maximum Points
Selection from the Section 8 Waiting List	15
Reasonable Rent	20
Determination of Adjusted Income	20
Utility Allowance Schedule	5
HQS Quality Control Inspections	5
HQS Enforcement	10
Expanding Housing Opportunities	5
Payment Standards	5
Annual Re-examinations	10
Correct Tenant Rent Calculations	5
Pre-contract HQS Inspections	5
Annual HQS Inspections	5
Lease-up	15
Family Self-Sufficiency	10
Deconcentration Bonus	5

Board Responsibility With Performance Measurement

- A “Troubled” PHA is less able to support families who need the agency’s support.
- It is your responsibility to keep your PHA out of harm’s way.
 - Focus attention on weak PHAS and SEMAP performance areas.
 - Closely monitor the agency’s revenue/expenses.
 - Establish goals for weak performance areas.
 - Match performance against goals at Board meetings.
 - Look for poor management trends.

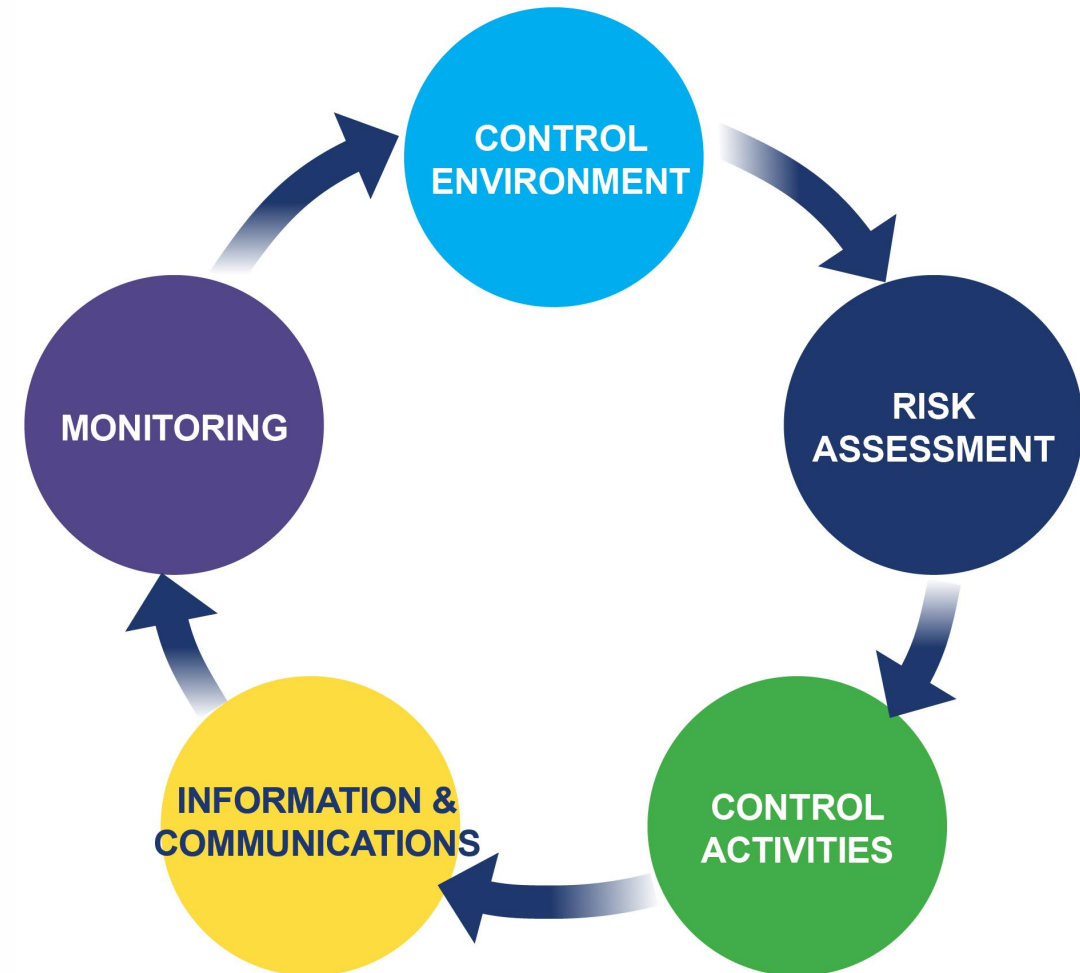


Risk Management



Risk Management Overview

- Board members and PHA Leadership are responsible for risk management—even more so at smaller PHAs.
- Some ways to manage risk:
 - Continually review areas that are prone to risk.
 - Make sure that policies are compliant and up to date and are being followed.
 - Inspect tips of fraud or non-compliance.
 - Make sure rules are being followed.



What Is Risk Management?

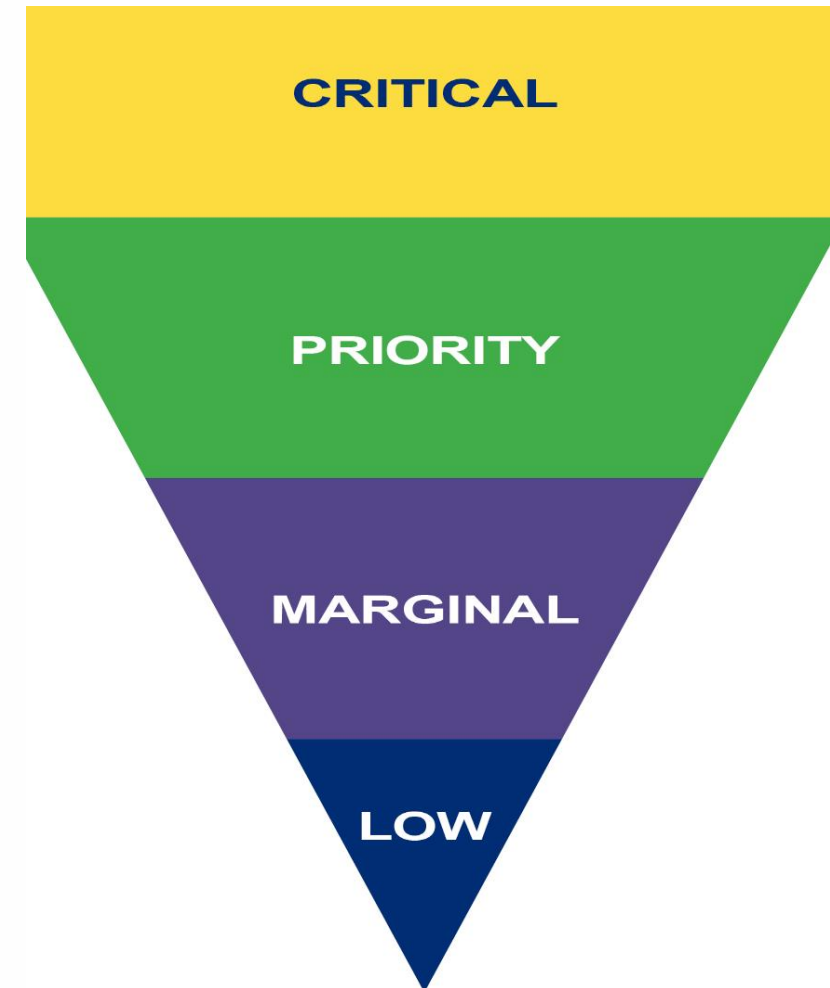


What Does Risk Look Like at a PHA?

- **Excessive Spending**
 - Executive Director (ED) salaries above HUD's limits.
 - Expensive trips or events/fancy offices.
- **Embezzlement**
 - An ED hides the financial officer's signature on checks to himself or relatives.
 - Rent checks from a fictitious resident but goes to a staff person instead.
- **Mismanagement of Funds**
 - Public housing or HCV residents are ineligible for the program.
 - Public housing funds are used to pay for tickets to the mayor's campaign fundraiser.
- **Nepotism**
 - The Board Chair hires a family member as ED.
- **Lack of a Control Environment**
 - Does not maintain up to date and compliant policies and procedures
 - No financial internal controls
- **Poor Documentation**
 - Not maintaining auditable books (e.g., receipts for travel expenses, receipts for rent collection).
- **Payroll Controls**
 - ED was employed full-time at two agencies, drawing full-time salary from both agencies.

Set a Control Environment and Risk Assessment

- Lead with integrity and strong ethical values.
- Commit to competence.
 - Require thorough background checks for positions, such as the ED and CFO
- Management can demonstrate its commitment to competence, for example, by:
 - Supporting staff education and skills training programs.
- Begin with strong agency goals and objectives.
- Identify operation areas most prone to risk.
- Rank items based on the type of risk: financial, mission or program goals, operational, external, physical, etc.



Risk Types

Mission	Financial	Management	External	Physical
<ul style="list-style-type: none"> • Meeting annual goals. • Intake/occupancy errors. • Tenant dissatisfaction. • Poor site management. • Improper asset management. • Delayed modernization. 	<ul style="list-style-type: none"> • Inaccurate budgeting. • Inadequate revenue. • Missing or untimely reports to HUD. • Accounting errors or embezzlement. • Faulty procurement. • Financial audit findings. • Travel/expense abuses. • Poor grant administration. 	<ul style="list-style-type: none"> • Poor staffing and training. • Performance issues. • Personnel security issues. • IT security. • Lawsuits. • Ethics and fraud issues. • Legal non-compliance. • Health and safety risk. 	<ul style="list-style-type: none"> • Funding loss due to HUD. • New laws, regulations, and requirements. • Monitoring/auditing issues. • HCV landlords. • Natural disasters. • Environmental hazards. • Reputation risk. 	<ul style="list-style-type: none"> • Condition of projects. • Environmental factors. • Tenant abuse of units. • Maintenance capacity. • Natural disasters. • Project locations. • Flood zone. • Superfund site. • Economically distressed area.

Information and Communication

- Board Members need key information to include:
 - Financial condition.
 - Physical condition.
 - Status of attaining annual goals.
 - Compliance with laws and regulations.
- The sources for this information are:
 - Monthly reports.
 - Briefs.
 - Observations.
 - Organizations.
 - Public hearings.
 - Crime reports.
 - Research.
 - Tips.
 - Audits.
 - Workshops, conferences, and trainings.



Assessing Complaints About Staff Members

Establish a formal process.

“Mr. Jones didn’t give me that promotion because he doesn’t like women. That’s discrimination.”

“I know we aren’t reporting our SEMAP scores accurately...”

“Ms. Smith, the Procurement Officer, has a conflict of interest...”

“Have you heard that Joe drinks on the job? And I think I’ve seen Chris smoking weed!”

“Somebody told me that Mr. Collins, the Executive Director, has been sexually harassing his secretary!”

“My supervisor has created an abusive working environment. What are you going to do about it?”



Role of the OIG and Fraud Management



Office of Inspector General (OIG)

- OIG was established in 1978. Its charge is to:
 - Conduct audits, investigate fraud, and initiate civil and criminal investigations of the agency's programs and operations.
 - Recommend policies designed to keep the HUD Secretary and Congress aware of noncompliance.
- ❖ [OIG Integrity Bulletin: A Primer for Commissioners](#)
- ❖ [HUD Office of Inspector General](#)
- ❖ [Audit Reports](#)
- ❖ [Semiannual Reports to Congress](#)



As a public housing board member:

YES

- Receive notification of the audit immediately.
- Stay informed through updates from the Executive Director (ED).
- Cooperate completely.
- Review the audit report thoroughly.
- Work with the ED to respond thoroughly and in a timely manner.
- Follow progress to full audit resolution.

NO

- Misrepresent information or the facts.
- Influence others to misrepresent information or facts.
- Destroy or alter documents.
- Prevent agents from conducting the audit through access to information, documents or people.

Fraud Reporting and What Does Fraud Look Like?

2 CFR Part 200.113 requires the reporting of fraud.

- Fictitious expenses.
- Theft of rent receipts or inventory (supplies, tools, equipment).
- Contracting irregularities, steering of contracts, or similar acts.
- Checks written to self, cash, friends, and relatives.
- Misuse of PHA employees' or contractors' time and labor.
- Purchase and travel card abuses.
- Embezzlement.
- Tenant fraud.



Reporting can be done on [OIG's website](#) or to a special agent.

Thank you
for your commitment and service to
your PHA and its residents!

