EXECUTIVE SUMMARY

DEPARTMENT OF COMMUNITY AFFAIRS
AMERICAN RECOVERY AND REINVESTMENT ACT
WEATHERIZATION ASSISTANCE PROGRAM
MULTI-FAMILY BUILDINGS

Our audit found adequate controls were in place at the department to determine the propriety of program costs for the weatherization agencies and the New Jersey Housing and Mortgage Finance Agency (HMFA) with regard to multi-family buildings. In making this determination, we noted certain internal control weaknesses and compliance issues meriting management’s attention.

AUDIT HIGHLIGHTS

- Controls over the input of data into the Hancock Energy Software Weatherization Assistance Program (HESWAP) system were found to be inadequate, which decreases the reliability of the system data. The department receives monthly data extracts from the HESWAP system, but they are not in a usable format. As a result, the department has not been able to utilize the data extracts as a management tool for the oversight and monitoring of program costs.

- Landlords are required to contribute varying percentages of the cost of specific improvements to their properties. Our testing disclosed the department did not enforce regulations regarding landlord contributions which resulted in uncollected funds of $1.6 million.

- The department did not review HMFA projects adequately to ensure weatherization funds were spent effectively and in compliance with agency policies. The department approved items totaling $145,000 that should not have been reimbursed and it did not review change orders for the sampled projects. In addition, energy audits for HMFA projects were significantly more costly than those of the weatherization agencies.

- The department reported units to the United States Department of Energy (USDOE) as completed before the federal reporting regulations had been met. In addition, the department paid for additional work on units that had already been reported as completed without properly removing these units from the USDOE reporting system.

AUDITEE RESPONSE

The department, in most cases, concurs with our findings and recommendations.

For the complete audit report, click here.