EXECUTIVE SUMMARY

DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF HOUSING AND COMMUNITY RESOURCES
SELECTED PROGRAMS

We found adequate controls were in place at the DCA to ensure the propriety of the program costs for the housing assistance programs and the Low Income Home Energy Assistance Program (LIHEAP). In making these determinations, we noted certain internal control weaknesses merit management’s attention.

AUDIT HIGHLIGHTS

- Our analysis of the data from the Housing Pro System disclosed 65 percent of recipients of State Rental Assistance Program (SRAP) benefits, excluding elderly, disabled, and project-based recipients, remained on the program beyond the established limitation periods. We tested 100 percent of the SRAP recipients, excluding elderly, disabled, and project-based recipients, and found 595 of 909 cases exceeded the programs’ five-year limit, with monthly payments of $605,000. The division could not provide us with sufficient evidence supporting any extensions beyond the five-year period.

- Although the division does verify wages with wage and hour reports when a household applies for the housing assistance programs and at the annual recertification, it does not perform any interim matches. According to department policy, recipients of housing assistance program benefits are required to report any income change during the year. Our data analysis of wage and hour reports and the Housing Pro System database revealed 6,058 recipient matches of which 2,721 recipients may have underreported their income and could have been investigated for possible increases to their contribution levels or elimination from the program. The division now investigates possible underreporting of income and takes appropriate action.

- The division does not send potential fraud cases to the Office of the Attorney General for possible prosecution because they state their cases have not been prosecuted in the past. Instead, the division terminates the cases and reports all overpayments to the state’s SOIL collection program. The division should not be responsible for making the decision not to prosecute cases and the Attorney General’s office should be given the opportunity to review cases and take appropriate action.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report, click here.