



# FINANCE COMMITTEE MEETING



**SAHA** | SAN ANTONIO  
HOUSING AUTHORITY  
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**NOV. 21  
2019**








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**PRESIDENT & CEO**

David Nisivoccia

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**SAN ANTONIO HOUSING AUTHORITY  
FINANCE COMMITTEE or  
\*\*SPECIAL BOARD MEETING**

**818 S. Flores St., San Antonio, TX 78204  
2:00 p.m., Thursday, November 21, 2019**

The Board of Commissioners will convene for a Committee, or Special Board meeting, at the San Antonio Housing Authority Central Office located at 818 S. Flores St., San Antonio, TX, 78204, for discussion on the following matters:

**MEETING CALLED TO ORDER**

1. The Board of Commissioners or its Committee may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board or Committee reserves the right to enter into closed meeting at any time, during the course of the meeting.

**PRESENTATION**

2. Independent Auditors Report
  - Governance Letter and status of the FY2019 Audit, presented by Santos Fraga, Marc Sewell, Kane Wells of RSM US LLP (Ed Hinojosa, Chief Financial Officer; Diana Kollodziej Fiedler, Director of Finance and Accounting)

**OPERATIONS**

3. Update and discussion regarding the Quarterly Financial Report for the San Antonio Housing Authority (Ed Hinojosa, Chief Financial Officer; Diana Kollodziej Fiedler, Director of Finance and Accounting)
4. Consideration and appropriate action regarding Resolution 5986, adopting the San Antonio Housing Authority Internal Audit Plan for Fiscal Year 2019-2020 and update and discussion regarding Internal Audit Department Activities (Aiyana Longoria, Director of Internal Audit)
5. Adjournment

\*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

\*\*Note: If a quorum of the Board of Commissioners attends the Committee Meeting, this meeting becomes a Special Meeting of the Board, but no Board action will be taken other than recommendations to the full Board, unless the full Board is present.

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly.

**SAN ANTONIO HOUSING AUTHORITY****November 21, 2019****MEMORANDUM**

**To:** Finance Committee

**From:** David Nisivoccia, President and CEO 

**Presented by:** Ed Hinojosa, Chief Financial Officer  
Diana Kollodziej Fiedler, Director of Finance and Accounting

**RE:** Update and discussion regarding the Quarterly Financial Report for the San Antonio Housing Authority

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**SUMMARY:*****Financial Performance Highlights***

The Quarterly Financial Report for the San Antonio Housing Authority for the Fiscal Year (FY) ended June 30, 2019, is attached. The results of operations for the FY ended June 30, 2019, reflect a Surplus Before Non-Cash Items of \$23.4 million, which was \$10.5 million above budgeted projections.

Total Operating Revenue was approximately \$16.0 million above budget, due primarily to favorable variances of \$8.5 million in Grants revenue and \$7.1 million in Section 8 Housing Assistance Payment (HAP) Revenue. Grants revenue was above budget by \$8.5 million, due primarily to a favorable variance in Capital Funds revenue of \$3.8 million, which resulted from the timing of both Capital Fund and Choice grant expenditures. HAP Revenue was \$7.1 million above budget, due to actual MTW lease-up of 101% compared to budgeted lease-up of 93%.

Total Operating Expenses ended the FY \$6.6 million above budget, due primarily to unfavorable variances of \$5.6 million in Ordinary Maintenance and Operations and \$5.8 million in Section 8 HAP Expense. The unfavorable variance of \$5.6 million in Ordinary Maintenance and Operations was primarily due to unfavorable variances in Public Housing, including unit make ready costs and new HVAC installations. HAP Expense was \$5.8 million higher than budgeted, due to higher voucher utilization, as well as, the implementation of Small Area Fair Market Rents in October 2018. Partially offsetting the overall unfavorable variance of \$6.6 million in Total Operating Expenses were favorable variances of \$1.9 million in Salaries and Benefits, \$0.5 million in Utilities, and \$2.3 million in Other Expenses.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$10.9 million from June 30, 2018, to June 30, 2019. Total Assets increased \$13.6 million, or 3.84%, due primarily to increases of \$10.9 million in Current Assets and \$1.9 million in Other Non-Current Assets. The \$10.9 million increase in Current Assets resulted primarily from the refinance of Burning Tree and Encanta Villa, which contributed \$6.6 million to the overall increase. Other significant increases stemmed from the sale of various Scattered Sites properties and Blueridge

**SAN ANTONIO HOUSING AUTHORITY****November 21, 2019**

Homes, which resulted in proceeds of \$2.2 million and \$4.6 million, respectively. Partially offsetting this was approximately \$4.1 million of disbursements made during the FY for Blueridge redevelopment. The \$1.9 million increase in Other Non-Current Assets was due primarily to accrued interest on various partnership notes and an increase in investment in joint ventures for the Science Park and O'Connor LPs. Total Liabilities increased by \$4.1 million, or 4.36%, due primarily to the refinance of Burning Tree and Encanta Villa, which resulted in new debt of \$6.8 million. The increase was partially offset by scheduled debt payments of \$3.5 million and a prepayment of \$1.0 million towards the Energy Performance Contract loan.

**PROPOSED ACTION:**

None at this time.

**FINANCIAL IMPACT:**

None.

**ATTACHMENTS:**

Financial Performance Report  
Cash and Investment Summary  
Grants Report



**San Antonio Housing Authority**  
**Financial Performance Report**  
**As of June 30, 2019**  
**(UNAUDITED)**

**Condensed Statement of Revenue and Expenses**  
**(For the Fiscal Year Ended 6/30/2019)**

	<b>ACTUAL</b> <b>6/30/2019</b>	<b>BUDGET</b> <b>6/30/2019</b>	<b>Variance</b>	<b>%</b>	<b>Highlights</b> <b>Section</b>
<b>Operating Revenue</b>					
Tenant Revenue	\$ 31,518,454	\$ 32,338,900	\$ (820,446)	-2.54%	I(a)(1)
Grants	55,995,737	47,462,707	8,533,030	17.98%	I(a)(2)
HAP Revenue	99,681,388	92,576,715	7,104,673	7.67%	I(a)(3)
Miscellaneous Revenue	4,750,970	3,532,890	1,218,080	34.48%	I(a)(4)
<b>Total Operating Revenue</b>	<b>\$ 191,946,548</b>	<b>\$ 175,911,212</b>	<b>\$ 16,035,336</b>	<b>9.12%</b>	
<b>Operating Expenses</b>					
Salaries and Benefits	\$ 32,086,953	\$ 34,014,061	\$ (1,927,108)	-5.67%	I(b)(1)
Ordinary Maintenance and Operations	16,960,875	11,365,376	5,595,499	49.23%	I(b)(2)
Utilities	7,048,901	7,515,593	(466,693)	-6.21%	I(b)(3)
Other Expenses	10,998,451	13,345,939	(2,347,488)	-17.59%	I(b)(4)
HAP Expense	98,161,528	92,376,214	5,785,314	6.26%	I(a)(3)
<b>Total Operating Expenses</b>	<b>\$ 165,256,707</b>	<b>\$ 158,617,183</b>	<b>\$ 6,639,524</b>	<b>4.19%</b>	
<b>Net Operating Income</b>	<b>\$ 26,689,841</b>	<b>\$ 17,294,029</b>	<b>\$ 9,395,812</b>	<b>54.33%</b>	
<b>Non-Operating Income (Expenses)</b>					
Interest Expense	\$ (2,968,494)	\$ (2,402,856)	\$ (565,638)	23.54%	
Interest Income	2,876,662	2,432,866	443,797	18.24%	
Other Income (Expenses)	(3,211,406)	(4,424,496)	1,213,090	-27.42%	I(c)(1)
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ (3,303,238)</b>	<b>\$ (4,394,487)</b>	<b>\$ 1,091,249</b>	<b>-24.83%</b>	
<b>Surplus (Deficit) Before Non-Cash Items</b>	<b>\$ 23,386,603</b>	<b>\$ 12,899,542</b>	<b>\$ 10,487,061</b>	<b>81.30%</b>	
<b>Non-Cash Items</b>					
Depreciation and Amortization	\$ (14,199,550)	\$ (12,207,081)	\$ (1,992,469)	16.32%	
Non-Operating Income (Expense)	1,718,408	2,584,076	(865,668)	-33.50%	
<b>Total Non-Cash Items</b>	<b>\$ (12,481,142)</b>	<b>\$ (9,623,005)</b>	<b>\$ (2,858,137)</b>	<b>29.70%</b>	
<b>Change in Net Position</b>	<b>\$ 10,905,461</b>	<b>\$ 3,276,537</b>	<b>\$ 7,628,924</b>	<b>232.83%</b>	I(c)(1)

**San Antonio Housing Authority**  
**Financial Performance Report**  
**As of June 30, 2019**  
**(UNAUDITED)**

**Comparative Balance Sheet**

	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>Increase (Decrease)</b>	<b>%</b>	<b>Highlights Section</b>
<b>Assets</b>					
Current Assets	\$ 93,923,630	\$ 82,973,862	\$ 10,949,768	13.20%	
Fixed Assets	198,830,630	198,103,879	726,751	0.37%	
Other Non-Current Assets	75,365,585	73,436,452	1,929,133	2.63%	
<b>Total Assets</b>	<b>\$ 368,119,845</b>	<b>\$ 354,514,193</b>	<b>\$ 13,605,652</b>	<b>3.84%</b>	<b>II(a)</b>
<b>Deferred Outflows of Resources</b>					
Deferred Charges on Refunding	\$ 611,579	\$ 725,789	\$ (114,210)	-15.74%	
Deferred Swap Outflows	1,296,698	-	1,296,698	100.00%	
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,908,277</b>	<b>\$ 725,789</b>	<b>\$ 1,182,488</b>	<b>162.92%</b>	
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 370,028,122</b>	<b>\$ 355,239,982</b>	<b>\$ 14,788,140</b>	<b>4.16%</b>	
<b>Liabilities</b>					
Current Liabilities	\$ 21,721,923	\$ 20,716,247	\$ 1,005,676	4.85%	
Non-Current Liabilities	76,919,488	73,807,097	3,112,391	4.22%	
<b>Total Liabilities</b>	<b>\$ 98,641,411</b>	<b>\$ 94,523,344</b>	<b>\$ 4,118,067</b>	<b>4.36%</b>	<b>II(b)</b>
<b>Deferred Inflows of Resources</b>					
Deferred Swap Inflows	\$ -	\$ 235,388	\$ (235,388)	-100.00%	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 98,641,411</b>	<b>\$ 94,758,732</b>	<b>\$ 3,882,679</b>	<b>4.10%</b>	
<b>Net Position</b>					
Net Investment in Capital Assets	\$ 129,643,174	\$ 131,226,941	\$ (1,583,767)	-1.21%	
Restricted Net Position	30,354,202	20,466,879	9,887,323	48.31%	
Unrestricted Net Position	111,389,335	108,787,430	2,601,905	2.39%	
<b>Total Net Position</b>	<b>\$ 271,386,711</b>	<b>\$ 260,481,250</b>	<b>\$ 10,905,461</b>	<b>4.19%</b>	<b>II(c)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 370,028,122</b>	<b>\$ 355,239,982</b>	<b>\$ 14,788,140</b>	<b>4.16%</b>	

**San Antonio Housing Authority  
Financial Performance Report  
As of June 30, 2019  
(UNAUDITED)**

**HIGHLIGHTS**

The results of operations for the Fiscal Year (FY) ended June 30, 2019, reflect a surplus before non-cash items of \$23.4 million, which was \$10.5 million above budget. Total Operating Revenue was above budget by \$16.0 million, or 9.12%, and Total Operating Expenses were above budget by \$6.6 million, or 4.19%.

Total Assets and Deferred Outflows of Resources increased by \$14.8 million, or 4.16%. Total Liabilities and Deferred Inflows of Resources increased by \$3.9 million, or 4.10%. Presented below are explanations which summarize the results of operations and changes in financial condition.

**I. Income Statement**

Total Operating Revenue was above budget by \$16.0 million and Total Operating Expenses were above budget by \$6.6 million.

**(a) Operating Revenue**

- (1) Tenant Revenue was approximately \$820,000, or 2.54%, lower than anticipated for the FY primarily due to unfavorable dwelling rental revenue variances in the Beacon portfolio. Converse Ranch I and II combined for an unfavorable variance of \$435,000 and Sendero reported an unfavorable variance of \$270,000. However, all three properties reported year-to-date occupancy above 94% so the variances suggest a minor budgeting error. Largely offsetting this was a favorable dwelling rental revenue variance of \$521,000 in the Public Housing segment. Also contributing to the overall unfavorable variance in Tenant Revenue was bad debt expense, which was \$654,000 unfavorable due to higher than anticipated write-offs of tenant rents determined to be uncollectible.
- (2) Grants revenue was above budget by \$8.5 million, or 17.98%, due primarily to a favorable variance of \$3.8 million in Capital Funds revenue which resulted from the timing of both Capital Fund and Choice grant expenditures. Also contributing was a favorable variance in Public Housing Operating Subsidy of \$3.4 million. Of this \$3.4 million variance, \$1.8 million represents a timing difference of subsidy recognized in June but not received until July. The remainder of this favorable variance is attributable to actual FY proration of 89.5% compared to budgeted proration of 81.8%.
- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the FY above budget by \$7.1 million and was largely offset by Section 8 HAP Expense, which ended the FY above budget by \$5.8 million. HAP Revenue was \$7.1 million above budget due to actual MTW lease-up of 101% compared to budgeted lease-up of 93%. HAP Expense was \$5.8 million higher than budgeted due to higher voucher utilization as well as the implementation of Small Area Fair Market Rents in October 2018.
- (4) Miscellaneous Revenue was above budget by \$1.2 million, or 34.48%, due primarily to unbudgeted donations of \$500,000 and \$200,000 from the City of San Antonio and the San Antonio Housing Trust Foundation, respectively, which were used to fund the \$1.5 million Public Housing air conditioning project. Also contributing was an unbudgeted bond issuer's fee of \$187,000 which was earned by Las Varas Public Facility



**San Antonio Housing Authority  
Financial Performance Report  
As of June 30, 2019  
(UNAUDITED)**

Corporation for its issuance of bonds to a multifamily development known as Wurzbach Manor Apartments. Additionally, \$616,000 was received from various tax credit limited partnerships for payment of management fees and other cash flow distributions that were not budgeted.

**(b) Operating Expenses**

- (1) The Salaries and Benefits expense line item ended the FY \$1.9 million, or 5.67%, below budget with all segments other than Beacon reporting favorably. Beacon incurred a small unfavorable variance of \$80,000 due to higher administrative contract labor costs. The Public Housing and Central Office segments were the primary contributors to the favorable variance.
- (2) The Ordinary Maintenance and Operations expense line item ended the FY \$5.6 million, or 49.23%, over budget primarily due to unfavorable variances in Public Housing. Significant unfavorable variances included \$1.6 million in unit make ready costs, \$637,000 in new HVAC installations, \$415,000 in plumbing maintenance, and \$604,000 in other maintenance contracts. Total supplies and materials reported an unfavorable variance of \$1.0 million with the largest variances occurring in painting materials and window/door supplies. The largest unfavorable variances for Beacon consisted of \$139,000 in plumbing maintenance and \$183,000 in other maintenance contracts.
- (3) Utilities expense ended the FY \$467,000, or 6.21%, below budget. Public Housing was the primary contributor to the favorable variance having reported \$415,000 below budget. Across all segments, electricity was \$441,000 favorable.
- (4) The Other Expenses line item was below budget by \$2.3 million, or 17.59%. The Real Estate, Community Initiatives, and Capital Funds segments were the most significant contributors to the favorable variance in Other Expenses. Significant favorable variances for the Other Expenses category included \$583,000 in consulting fees and \$1.0 million in other contract costs. The favorable variance of \$1.0 million in other contract costs was primarily due to Wheatley Choice redevelopment incurring less contract costs than budgeted for the FY.

**(c) Summary of Changes in Net Position**

- (1) Change in Net Position ended the FY with a \$7.6 million favorable variance. Net Operating Income was \$9.4 million favorable which was partially offset by an unfavorable variance in Depreciation and Amortization of \$2.0 million.

**II. Balance Sheet**

Total Assets and Deferred Outflows of Resources increased by \$14.8 million, Total Liabilities and Deferred Inflows of Resources increased by \$3.9 million, and Total Net Position increased by \$10.9 million.

**San Antonio Housing Authority**  
**Financial Performance Report**  
**As of June 30, 2019**  
**(UNAUDITED)**

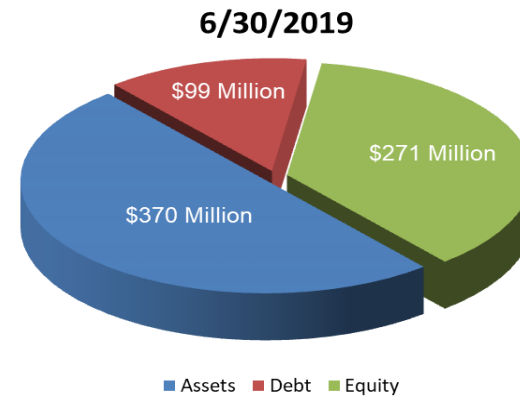
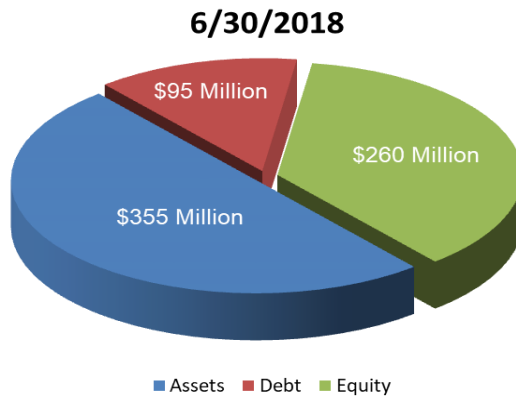
- (a) Total Assets increased by \$13.6 million, or 3.84%, due primarily to increases of \$10.9 million in Current Assets and \$1.9 million in Other Non-Current Assets. The \$10.9 million increase in Current Assets resulted primarily from the refinance of Burning Tree and Encanta Villa which contributed \$6.6 million to the overall increase of \$10.9 million. Other significant increases stemmed from the sale of various Scattered Sites properties and Blueridge Homes which resulted in proceeds of \$2.2 million and \$4.6 million, respectively. Partially offsetting this was approximately \$4.1 million of disbursements made during the FY for Blueridge redevelopment. A \$1.0 million prepayment of the EPC loan marginally offset the aforementioned increases. The \$1.9 million increase in Other Non-Current Assets was due primarily to accrued interest on various partnership notes and an increase in investment in joint ventures for the Science Park and O'Connor LPs. During the FY, the San Antonio Housing Facility Corporation loaned Wheatley Family II, LP approximately \$3.5 million of Choice Neighborhoods Initiatives Grant Funds subgranted from SAHA. Note payments received totaled approximately \$3.5 million which offset the new note additions.
- (b) Total Liabilities increased by \$4.1 million or 4.36%, due primarily to the refinance of Burning Tree and Encanta Villa, which resulted in new debt of \$6.8 million. The increase was partially offset by scheduled debt payments of \$3.5 million and a prepayment of \$1.0 million towards the Energy Performance Contract loan.
- (c) Total Net Position increased by \$10.9 million, or 4.19%, as a result of operations.

### **III. MTW Expenditures**

<b>Projects</b>	<b>Cumulative Expenditure Balance as of 6/30/19</b>
Section 8	\$ 454
Community Development Initiatives	1,312,870
Capital Planning	364,147
Wheatley Matching	(41,900)
East Meadows Development - Public Improvements	48,123
Public Housing Rehabilitation:	
Victoria Plaza Modernization	122,701
Lincoln Heights Roof Replacement	1,975,952
Redevelopment of Alazan	1,000
Purchase of 9323 Somerset Road	328,651
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<b>Total</b>	<b>\$ 4,111,998</b>

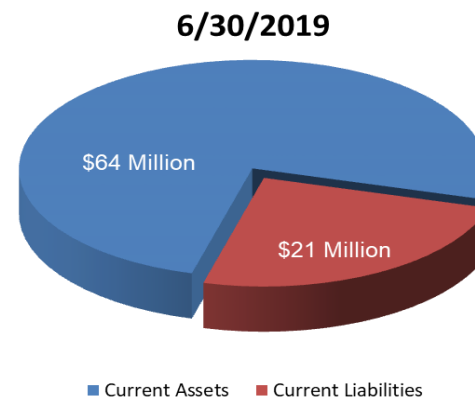
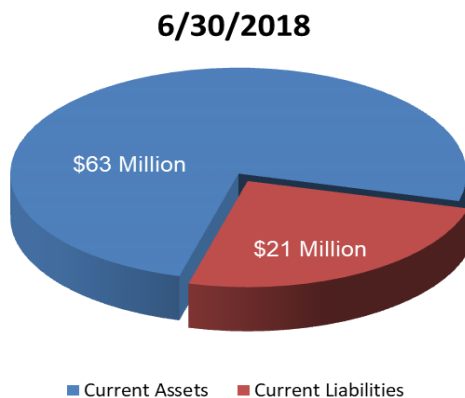
# SAHA remained financially strong and liquid

## Financial Strength



The debt-to-equity ratio remained stable at 0.37 and demonstrates SAHA's strong solvency position.

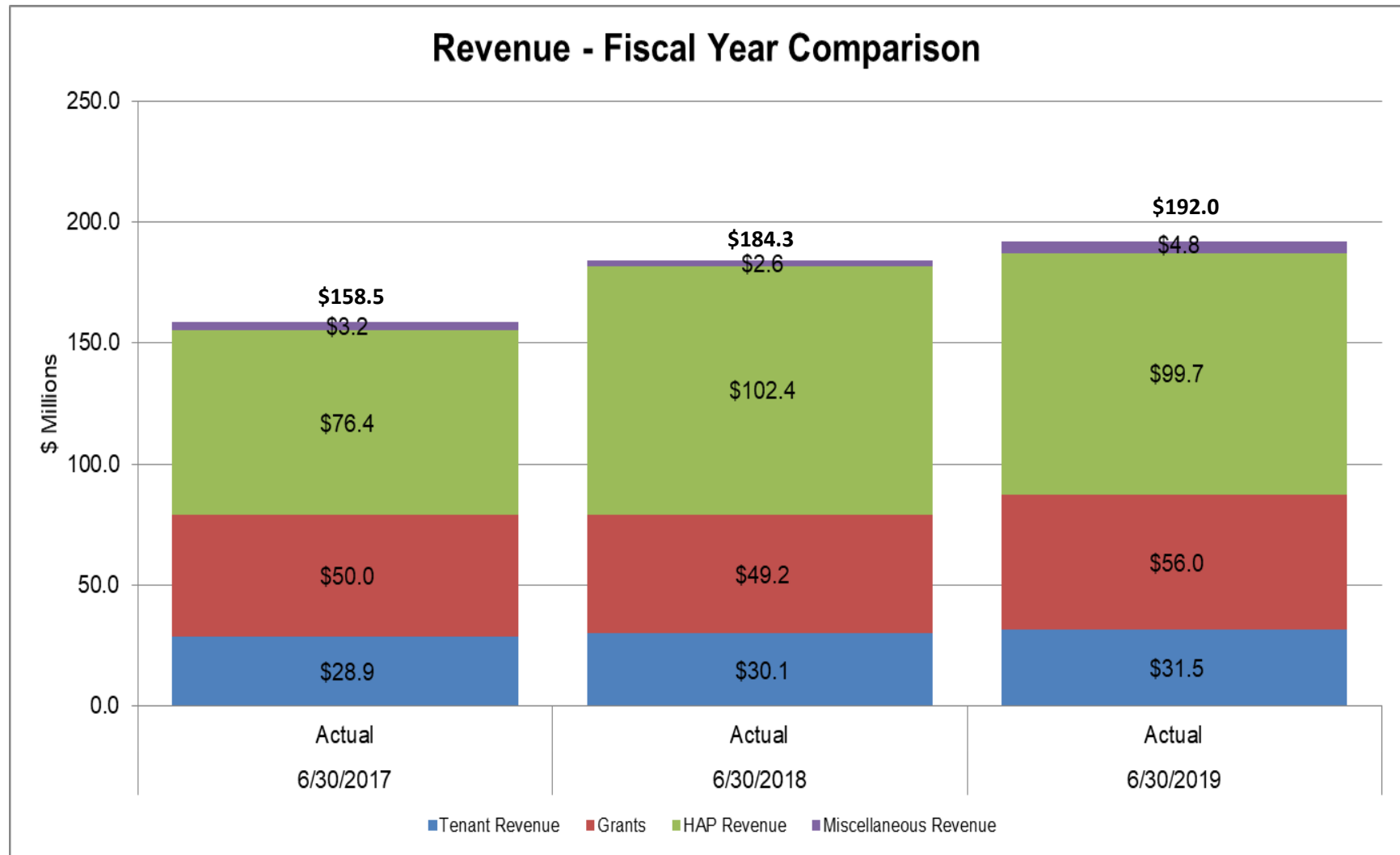
## Financial Liquidity



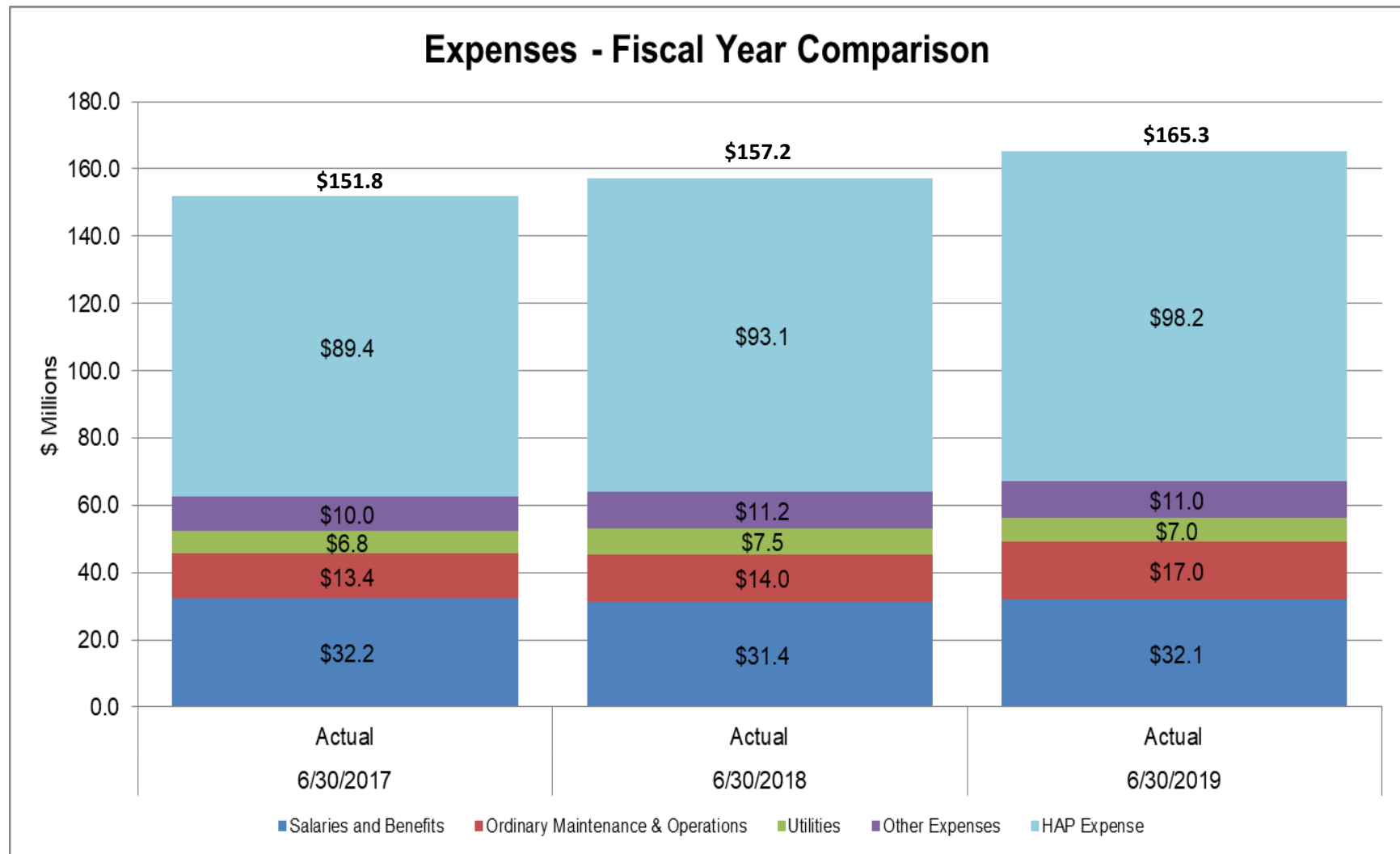
The current ratio increased slightly from 3.00 to 3.05, indicating SAHA's strong capacity to pay short-term debt.



Total Revenue was approximately 4% higher compared to the previous year due primarily to increases in Grants revenue and miscellaneous revenue



Total Expenses were 5% higher compared to the previous year due primarily to Section 8 HAP Expense and Ordinary Maintenance and Operations



## Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending June 30, 2019

The overall cash and investment balance increased by \$3.9 million over the previous quarter partially due to the receipt of \$3.5 million in proceeds from the sale of Westside Redevelopment and Public Housing Scattered Site homes. The agency also collected \$1.6 million from tax credit partnerships in connection with various land loans and other agreements. The cash increase noted above was partially offset by payments in connection with the Westside Redevelopment project and ongoing capital projects at various Beacon and Public Housing communities.

### Cash

#### Unrestricted Cash

- **Public Housing-** There is a net cash increase of approximately \$4.4 million over the previous quarter largely due to the reclassification of \$5 million in internally restricted proceeds received from insurance claims and payments received in connection with agreements with tax credit partnerships. See below **Cash - Restricted Cash - Public Housing**. The increase was offset by transfers out for settlement of intercompany balances.
- **Properties under SAHFC-** There is a net cash increase of approximately \$4.4 million over the previous quarter primarily due to the reclassification of \$4.8 million in restricted modernization and development funds from two Beacon communities as mentioned below in **Cash - Restricted Cash - Properties under SAHFC**. The increase in unrestricted resources was partially offset by payments in connection with ongoing capital project work at various Beacon communities.
- **Other Unrestricted Cash-** There is a net cash increase of approximately \$2.2 million over the previous quarter primarily due to the settlement of \$1.7 million in intercompany balances due from various Beacon and Public Housing properties. In addition to this, cash flow distributions and bond issuer fees totaling \$763 thousand received from various tax credit partnerships also contributed to the overall cash increase in this category.

#### Restricted Cash

- **Public Housing-** There is a net cash decrease of approximately \$770 thousand due to a combination of the following. The reclassification of \$5 million in proceeds from insurance claims and loan payments from tax credit partnerships to unrestricted resources. See above in **Cash - Unrestricted Cash - Public Housing**. In addition to this, payments in relation to ongoing capital projects at various Public Housing properties and the Westside Redevelopment project totaling \$1.4 million. The overall decrease was offset by \$3.5 million in proceeds received from the sale of Westside Redevelopment and Scattered Site homes. Additionally, the maturity of a \$2 million T-Note also helped to minimize the impact of the decrease in cash as mentioned below in **Investments - Restricted Investments at Various Banks - Public Housing**.
- **Properties under SAHFC-** There is a net cash decrease of approximately \$3.2 million primarily due to the reclassification of \$4.8 million in restricted funds to unrestricted resources as mentioned above in **Cash-Unrestricted Cash- Properties under SAHFC**, and the transfer out of \$393 thousand to fund capital improvements at a Beacon community. The decreases noted above were partially offset by the maturity of a \$2 million T-Note, as mentioned below in **Investments - Restricted Investments at Various Banks - Other Restricted Cash at Various Banks**.

### Investments

#### Restricted Investments at Various Banks

- **Public Housing-** There is a net decrease of approximately \$2 million due to the maturity of a \$2 million



T-Note as mentioned above in **Cash - Restricted Cash - Public Housing**.

- **Other Restricted Investments at Various Banks-** There is a net decrease of approximately \$1.6 million primarily due to the maturity of a \$2 million T-Note as mentioned above in **Cash - Restricted Cash - Properties under SAHFC**. The decrease is offset by required deposits to trustee accounts and interest earned on those accounts.

**San Antonio Housing Authority**  
**Cash and Investment Summary**  
**June 30, 2019**

	Balance 3/31/2019	Deposits	Withdrawals	Balance 6/30/2019
<b>Cash</b>				
<b>Unrestricted Cash:</b>				
Central Office Cost Center	7,977,631	2,550,416	3,164,726	7,363,321
Public Housing	3,614,281	21,009,779	16,621,599	8,002,461
Section 8	1,692,444	32,294,003	32,181,453	1,804,994
Community Development Initiatives	4,422	1,318,368	1,280,376	42,414
Central Office- Health Insurance	2,035,263	1,517,803	1,210,544	2,342,522
Homeownership	156	52,833	52,834	155
Properties Unrestricted Cash	2,178,552	3,624,275	3,064,240	2,738,587
Properties under SAHFC	6,081,870	7,260,691	2,815,749	10,526,812
Foundation Corporation	426	48,946	48,154	1,218
Capital Fund Program	-	6,645,423	6,645,423	-
Development Activities under SAHFC	304,780	2,715,849	2,811,346	209,283
Other Unrestricted Cash	7,950,468	45,128,096	42,906,970	10,171,594
<b>Restricted Cash:</b>				
Public Housing	13,126,306	9,539,806	10,309,847	12,356,265
Section 8- FSS Escrow	1,689,469	59,141	388,023	1,360,587
Project Based Properties	882,374	2,148	-	884,522
Properties under SAHFC	14,180,896	2,078,144	5,239,965	11,019,075
Capital Fund Program	1,222,129	6,513	-	1,228,642
Development Activities under SAHFC	1,012,861	1,077,214	820,289	1,269,786
Non-Profit-Other Restricted	547,495	57,275	5,487	599,283
Other Restricted Cash	265,088	90,844	46,304	309,628
Endowment Trust	16,489	41	14,647	1,883
<b>Sub-Total:</b>	<b>64,783,400</b>	<b>137,077,608</b>	<b>129,627,976</b>	<b>72,233,032</b>
<b>Investments</b>				
<b>Restricted Investments at Various Banks:</b>				
Public Housing	1,995,033	4,967	2,000,000	-
Other Restricted Investments	2,888,785	1,624,975	3,189,229	1,324,531
<b>Sub-Total:</b>	<b>4,883,818</b>	<b>1,629,942</b>	<b>5,189,229</b>	<b>1,324,531</b>
<b>Total Cash &amp; Investments:</b>	<b>\$ 69,667,218</b>	<b>\$ 138,707,550</b>	<b>\$ 134,817,205</b>	<b>\$ 73,557,563</b>

3,890,345.00

**San Antonio Housing Authority  
Investment Value  
June 30, 2019**

Investment	Maturity Date	Book Value		Market Value	
		3/31/2019	6/30/2019	3/31/2019	6/30/2019
PH-Mirasol T-Note 912828Q52	April 15, 2019	1,995,033	-	2,006,935	-
Castle Point T-Note 912828ST8	April 30, 2019	1,998,733	-	2,008,436	-

**San Antonio Housing Authority  
Cash Held for Properties Managed by SAHA  
June 30, 2019**

	3/31/2019	Deposits	Withdrawals	6/30/2019
Cash Held for Properties Managed by SAHA: Cash from Tax-Credit Partnerships	5,933,496	1,322,536	2,384,053	4,871,979
<b>Total Cash Held for Properties Managed by SAHA:</b>	<b>\$ 5,933,496</b>	<b>\$ 1,322,536</b>	<b>\$ 2,384,053</b>	<b>\$ 4,871,979</b>

**San Antonio Housing Authority  
Collateralization  
June 30, 2019**

	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 71,496,664	\$ 500,000	\$ 71,496,664	\$ 87,442,888
Bank of New York - Woodhill	\$ 746,168	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 300,141	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 260,221	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 425,118	\$ 250,000	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 32,401	\$ 32,401	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 245,401	\$ 245,401	\$ -	\$ -
	<b>\$ 73,506,114</b>	<b>\$ 1,027,802</b>	<b>\$ 71,496,664</b>	<b>\$ 87,442,888</b>

FDIC has made permanent the standard coverage - all funds in noninterest-bearing accounts are fully insured up to \$250,000

The accompanying Cash and Investment Summary Report has been prepared in accordance with the compliance requirements of the Texas Public Funds Investment Act, Chapter 2256. As the Investment Officer for the San Antonio Housing Authority I certify that all investments in our portfolio comply with the investment strategy expressed in SAHA's Investment Policy dated April 14, 2016 and with the relevant provisions of the State of Texas, Government Code Chapter 2256, Public Funds Investment.

*Diana Fiedler*

Diana Fiedler, CPA, CGMA

Investment Officer, Director of Finance and Accounting

*Ed Hinojosa*

Ed Hinojosa, Jr.  
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CFO

Footnotes:

\* Includes Mirasol Settlement Funds (Original Settlement Amount is \$12.7 million)



## CAPITAL GRANTS

- (1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.
- (2) A portion of the 2016 CFP grant contains DDTF funding of \$832,561. Total DDTF funding has been expended.
- (3) A portion of the 2017 CFP grant contains DDTF funding of \$854,061. Total DDTF funding has been expended.
- (4) A portion of the 2018 CFP grant contains DDTF funding of \$1,204,763. Total DDTF funding has been expended.
- (5) A portion of the 2019 CFP grant contains DDTF funding of \$1,269,432. No DDTF funding has been expended.

## GRANTS REPORT AS OF June 30, 2019

HUD - PROGRAM GRANTS							
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	PROGRAM GRANTS		
					Expended Percentage	Remaining to Expend	LOCCS Disbursement
Grant expenditure is not progressing as planned.							
<b>Continuum of Care (CoC)</b> Funding for housing and supportive services on a long-term basis for homeless persons with disabilities							
TX0233L6J001709	07/01/18	06/30/19	\$ 842,022.00	\$ 867,005.40	103%	\$ (24,983.40)	\$ 831,296.00
(6)							
<b>Resident Opportunities &amp; Self Sufficiency (ROSS)</b> Funding for Family Self Sufficiency (FSS) Coordinators							
TX006RPS072A015	05/10/16	09/30/19	\$ 637,068.00	\$ 496,596.68	78%	\$ 140,471.32	\$ 477,125.83
*2015 ROSS Service Coordinators							
TX006RPS072A018	05/13/19	05/12/22	\$ 508,761.00	\$ -	0%	\$ 508,761.00	\$ -
*2018 ROSS Service Coordinators							
TX006FSS18TX2673	02/19/19	02/18/20	\$ 822,783.00	\$ 367,659.84	45%	\$ 455,123.16	\$ 293,898.30
*PH & HCV Combined FSS 2018							
<b>Jobs Plus</b> Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents							
TX006FJP000815	06/06/16	09/30/22	\$ 2,700,000.00	\$ 2,019,229.16	75%	\$ 680,770.84	\$ 1,894,420.05
*Jobs Plus - Cassiano							

NON-HUD - PROGRAM GRANTS								
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received		
<b>Annie E. Casey Foundation</b> Wheatley Courts Family Support Services Caseworker (Eastside Jobs Plus)								
SAHA 2019 Jobs Plus East	01/01/19 - 12/31/19	\$ 170,000.00	\$ 74,695.67	44%	\$ 95,304.33	\$ 47,809.46		
<b>Alamo Colleges</b> Health Professions Opportunity Grant (HPOG)								
HPOG Grant 2018	09/30/18 - 09/29/19	\$ 75,620.00	\$ 55,630.50	74%	\$ 19,989.50	\$ 28,447.23		
<b>New York Mayor's Fund</b> Continuation of evidence-based services initiated under the Social Innovation Fund Grant								
Continuation of Services	10/01/16 - 06/30/19	\$ 170,000.00	\$ 170,000.00	100%	\$ -	\$ 170,000.00		


(6) This grant is currently over expended in Admin in the amount of \$456.40 and HAP in the amount of \$24,527. MTW funds of \$20,000 has been approved to cover the over expended amounts. The \$4,983.40 in excess of the previously approved MTW amount will need an additional MTW authorization to cover the excess. An eLOCCS disbursement of \$10,726 was received July 16, 2019.


(7) Grant expenditures are approximately \$93K short of the projected average cumulative expended amount or expended percentage of 92.68%.

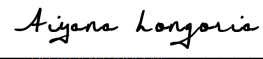
## GRANTS REPORT AS OF June 30, 2019

LIST OF GRANT APPLICATIONS						
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description
Mainstream Voucher	\$2,170,800	06/15/18	N/A	N/A	Pending	HUD Mainstream Voucher Grant
Family Unification Program	\$726,000	07/25/18	N/A	N/A	Pending	HUD Family Unification Program Grant
Presente! Attendance	\$132,893	11/14/18	N/A	N/A	Awarded	United Way Grant
Jobs Plus	\$100,000	11/14/18	N/A	N/A	Awarded	HUD Jobs Plus Grant
FSS Grant	\$927,123	11/28/18	N/A	N/A	Pending	HUD Family Self Sufficiency Grant
ConnectHome Community Grant	\$25,000	02/28/19	N/A	N/A	Awarded	Wells Fargo ConnectHome Grant
Time Limited Working Preference	\$116,043	09/27/18	N/A	N/A	Not Awarded	Department of Human Services CoSA
Presente!	\$147,932	09/27/18	N/A	N/A	Not Awarded	Department of Human Services CoSA
Presente! Community Connectors Grant	\$60,000	03/05/19	N/A	N/A	Not Awarded	Presente! Community Connectors Education Development Grant
HUD Safety & Security Grant	\$250,000	06/03/19	N/A	N/A	Pending	HUD Safety & Security Grant
Fannie Mae Challenge	\$100,000	05/31/19	N/A	N/A	Not Awarded	Fannie Mae Grant
Wells Fargo Grant	\$100,000	06/28/19	N/A	N/A	Pending	San Antonio Homeownership Opportunities Corp

**SAN ANTONIO HOUSING AUTHORITY****November 21, 2019****BOARD OF COMMISSIONERS  
Finance Committee****RESOLUTION 5986, ADOPTING THE SAN ANTONIO HOUSING AUTHORITY INTERNAL  
AUDIT PLAN FOR FISCAL YEAR 2019-2020**

DocuSigned by:  
  
5609927B75274DC...  
**David Nisivoccia**  
**President and CEO**

DocuSigned by:  
  
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**Muriel Rhoder**  
**Chief Administrative Officer**

DocuSigned by:  
  
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**Aiyana Longoria**  
**Director of Internal Audit**

**REQUESTED ACTION:**

Consideration and appropriate action regarding Resolution 5986, adopting the San Antonio Housing Authority Internal Audit Plan for Fiscal Year 2019-2020.

**FINANCIAL IMPACT:**

None.

**SUMMARY:**

The 2019-2020 Internal Audit Plan is a risk-based plan developed to determine that the priorities of the Internal Audit department are consistent with The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards), as well as, the San Antonio Housing Authority's (Housing Authority's) strategic goals. The IIA Standard 2020, "Communication and Approval" requires the chief audit executive (CAE), i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval. The Housing Authority's Internal Audit Plan is defined in the Housing Authority's Internal Audit Charter and included as part of the comprehensive internal audit program established pursuant to the Housing Authority's Internal Audit Policy. Internal Audit activities also align with the Housing Authority's strategic goal to transform core operations to be a high performing and financially strong organization. Final approval of the Internal Audit Plan for 2019-2020, resides with the Board of Commissioners.

The IIA Standard 2010, "Planning," requires the internal audit plan to be based on a documented risk assessment, undertaken at least annually, with input from senior management and the Board. The Housing Authority's CAE issued risk assessment surveys to the members of the Board of Commissioners, the Board's attorney, and to each member of senior management and multiple operational personnel. The results of these surveys were tabulated to identify the significant risk areas, which were then included as proposed audits for the 2019-2020 Internal Audit Plan.

Additionally, in accordance with the approved Internal Audit Charter: "At least twice a year, the Audit Committee will meet separately with the CAE to provide a status report on operations and to discuss any matters that the Audit Committee or the CAE believes should be discussed privately." The Internal Audit Charter also requires the CAE to communicate any significant deviation from the approved internal audit plan to the Audit Committee, the CEO, and the Legal and Compliance Officer, or equivalent, through periodic activity reports. This update provides the

**SAN ANTONIO HOUSING AUTHORITY**

**November 21, 2019**

required communication, as follows:

- Internal Audit Plan Status – provided each quarter of the Fiscal Year 2019-2020
- Summary and Status of Management Corrective Action Plans (open action items only)

Management Corrective Action Plans resulting from internal audits are entered into a spreadsheet to allow for easier tracking of the status of open items. A copy of the spreadsheet is attached. Each of the action items are color-coded to indicate their status as follows: green indicates the action has a due date 30 days or more in the future; red indicates the the action is behind schedule; and yellow indicates the action has a due date less than 30 days in the future.

**STRATEGIC GOAL:**

Transform core operations to be a high performing and financially strong organization.

**ATTACHMENTS:**

Resolution 5986

Slide presentation: Internal Audit Plan - 2019-2020

Slide presentation: Internal Audit Update

Summary and Status of Management Corrective Action Plans as of November 4, 2019



**San Antonio Housing Authority  
Resolution 5986**

**RESOLUTION 5986, ADOPTING THE SAN ANTONIO HOUSING AUTHORITY INTERNAL  
AUDIT PLAN FOR FISCAL YEAR 2019-2020**

**WHEREAS**, internal auditing is an independent, objective assurance and consulting activity designed to add value and improve San Antonio Housing Authority (Housing Authority) operations; and

**WHEREAS**, internal auditing helps the Housing Authority accomplish its mission by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes; and

**WHEREAS**, internal audit activities align with the Housing Authority's strategic goal to transform core operations to be a high performing and financially strong organization; and

**WHEREAS**, the 2019-2020 internal audit plan is a risk-based plan developed to establish the priorities of the internal audit activity, consistent with The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing (Standards), as well as the Housing Authority's strategic goals; and

**WHEREAS**, IIA Standard 2020, entitled "Communication and Approval," requires the Chief Audit Executive, i.e., the Director of Internal Audit, to communicate the internal audit activity's plans and resource requirements to senior management and the Board for review and approval.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of SAHA hereby:

1. Approves Resolution 5986, adopting the San Antonio Housing Authority Internal Audit Plan for Fiscal Year 2019-2020, as attached to this Resolution.

**Passed and approved the 5th day of December 2019.**

---

**Morris A. Stribling, DPM**  
**Chair, Board of Commissioners**

**Attested and approved as to form:**

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**David Nisivoccia**  
**President and CEO**



# Internal Audit Plan 2019-2020

Presentation to Finance Committee  
November 21, 2019

# Objective and Background

## Objective

- Review of the proposed 2019-2020 Internal Audit Plan by the Finance Committee, for adoption by the Board, to set the priorities of the internal audit function for the fiscal year.

## Background

- The Internal Audit Department adheres to The Institute of Internal Auditors, Inc. (IIA) Definition of Internal Auditing, Code of Ethics, and the following International Standards for the Professional Practice of Internal Auditing (Standards), as documented in the approved SAHA Internal Audit Policy and Internal Audit Charter.
- The IIA Standard 2010, “Planning,” Section A1, requires the following: “The internal audit activity’s plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.”
- The IIA Standard 2020, “Communication and Approval,” requires the following: “The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.”

# Process for Developing the 2019-2020 Internal Audit Plan

3

## Risk Assessment Survey conducted

- Key variables assessed:
  - Staff time used in the process
  - Public disclosure implications
  - Alignment with strategic objectives
  - Increased Senior Management/Commissioner interest over prior year
  - Recent changes in personnel/procedures
  - Internal and external compliance requirements

## Other considerations

- Oversight provided by other entities, including:
  - Independent Financial and Compliance Audit
  - Regulatory Audits and Reviews
  - Other Third-Party Reviews
- Time since last audit

# Process for Developing the 2019-2020 Internal Audit Plan, continued.

4

## Risk Assessment Survey conducted

- Google Form format
  - Increased participation rate, and
  - Open comment sections improved context of responses
- Risk Assessment Methodology was the same as that used for the 2018-2019 Audit Plan
- Risk Assessment Survey responses were received from the Board of Commissioners, and Staff
  - 91% response rate through form
- Feedback to format was positive, and future risk assessments will build upon feedback received
- All Directors received a memo with the comments provided on the assessment

# Risk Assessment Survey Results

5

## Board of Commissioners' Survey Results - Topics of Highest Interest

- Assisted Housing Programs
  - Inspections and re-inspections process
  - Customer service
- Beacon Communities
  - Third-party maintenance of properties
- Community Development Initiatives
  - Move-to-Work Program operations and management
- Development Services and Neighborhood Revitalization
  - Construction of new developments managed by third-parties
- Public Housing
  - Resident and program participation termination process
  - Resident lease payment process
  - Maintenance of properties

# Risk Assessment Survey Results, continued.

6

Business Process	Board of Commissioners	Executive Leadership	Senior Leadership Team	Other Staff
<b>Asset Management</b> - Five-year capital plan; real estate / property disposition process including appraisal process and market analysis; property refinancing		X	X	
<b>Assisted Housing Programs</b> - Rent calculation accuracy; recertification of participants; property inspections	X	X	X	
<b>Community Development Initiatives (CDI)</b> - Move-to-Work program; Family Self-Sufficiency program; financial processes and controls; grant management	X	X	X	X
<b>Construction Services and Sustainability</b> - Planning, development, design, and contract management for capital improvements, retrofits, and modernization of Public Housing and Beacon Communities properties; process and financial controls for project completion on time and within budget	X	X	X	
<b>Development Services and Neighborhood Revitalization</b> - Third party managed construction; capital planning, and cost controls for new developments; property disposition at best price	X	X		
<b>Human Resources</b> - Hiring process; grievance process; termination process		X	X	X
<b>Innovative Technology</b> - Cyber security; disaster preparedness		X		
<b>Public Housing and Beacon Communities</b> - Rent calculation accuracy; resident intake; recertifications; property maintenance; rent collection process	X	X	X	X

# Proposed Internal Audit Plan FY 2019-2020

7

1st Qtr. (July - Sep)	2nd Qtr. (Oct. - Dec.)	3rd Qtr. (Jan. - March)	4th Qtr. (April - June)
<b>Internal Audits</b>			
<ul style="list-style-type: none"> <li>Contract Management for Capital Improvements</li> </ul>	<ul style="list-style-type: none"> <li>Contract Management for Capital Improvements</li> </ul>	<ul style="list-style-type: none"> <li>Disaster Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of Public Housing Properties</li> </ul>
<ul style="list-style-type: none"> <li>Rent Calculation and Collection Processes at Public Housing</li> </ul>	<ul style="list-style-type: none"> <li>Disaster Preparedness</li> </ul>	<ul style="list-style-type: none"> <li>Third Party Inspections and Audits of Public Housing</li> </ul>	<ul style="list-style-type: none"> <li>Resident and Program Participation Termination Process</li> </ul>
<b>Compliance Reviews</b>			
<ul style="list-style-type: none"> <li>Assisted Housing Program</li> </ul>	<ul style="list-style-type: none"> <li>Assisted Housing Program</li> </ul>	<ul style="list-style-type: none"> <li>Assisted Housing Program</li> </ul>	<ul style="list-style-type: none"> <li>Assisted Housing Program</li> </ul>
<ul style="list-style-type: none"> <li>Beacon Communities</li> </ul>	<ul style="list-style-type: none"> <li>Beacon Communities</li> </ul>	<ul style="list-style-type: none"> <li>Beacon Communities</li> </ul>	<ul style="list-style-type: none"> <li>Beacon Communities</li> </ul>
<ul style="list-style-type: none"> <li>Mixed Income Properties</li> </ul>	<ul style="list-style-type: none"> <li>Mixed Income Properties</li> </ul>	<ul style="list-style-type: none"> <li>Mixed Income Properties</li> </ul>	<ul style="list-style-type: none"> <li>Mixed Income Properties</li> </ul>
<ul style="list-style-type: none"> <li>Public Housing</li> </ul>	<ul style="list-style-type: none"> <li>Public Housing</li> </ul>	<ul style="list-style-type: none"> <li>Public Housing</li> </ul>	<ul style="list-style-type: none"> <li>Public Housing</li> </ul>
<ul style="list-style-type: none"> <li>TP Funds and Petty Cash</li> </ul>	<ul style="list-style-type: none"> <li>TP Funds and Petty Cash</li> </ul>	<ul style="list-style-type: none"> <li>TP Funds and Petty Cash</li> </ul>	<ul style="list-style-type: none"> <li>TP Funds and Petty Cash</li> </ul>
<b>Internal Audit also participates in various committees throughout the organization providing opinions on internal controls.</b>			



# QUESTIONS?



**SAHA** | SAN ANTONIO  
HOUSING AUTHORITY  
Opportunity Lives Here

# Internal Audit Update

Presentation to Finance Committee  
November 21, 2019

# Internal Audit Q1 Activities in Support of SAHA Strategic Goals

2

- ❑ **Strategic Goal 1: *Empower and equip families to improve their quality of life and achieve economic stability***
  - Received and provided comments for five Family Self-Sufficiency Escrow requests for payout (over \$5,000.00 each/average of \$8,000.00)
  
- ❑ **Strategic Goal 5: *Transform core operations to be a high performing and financially strong organization***
  - Procurement Processes and Reporting Audit
  - Rent Calculation and Collection Processes at Beacon Communities Audit
  - Travel and Expenses Audit
  - Ongoing Compliance Audits

# Status of 2018-2019 Internal Audit Plan

3

## Internal Audits

### ■ Audit of Travel and Expenses

- Final Report sent to the Finance Committee on July 10, 2019
- No Material Weaknesses, one Significant Deficiency, and three Other Internal Control Deficiencies
- Corrective Action Plan provided by management addresses the findings and mitigates the risk of similar findings in the future

### ■ Audit of Rent Calculation and Collection Processes at Beacon Communities

- Final Report sent to the Finance Committee on October 11, 2019
- No Material Weaknesses, three Significant Deficiencies, and one Other Internal Control Deficiency
- Corrective Action Plan provided by management addresses the findings and mitigates the risk of similar findings in the future

# Status of 2017-2018 Audit Plan, continued.

4

## Compliance Audits

### ■ Assisted Housing Program

- Final Report for FY 2017-2018 Assisted Housing Compliance Audits sent to the Finance Committee on June 7, 2019
- One Material Weaknesses, one Significant Deficiency, and one Other Internal Control Deficiency
- Corrective Action Plan provided by management addresses the findings and mitigates the risk of similar findings in the future

### ■ Public Housing

- Final Report for FY 2017-2018 Public Housing Compliance Audits sent to the Finance Committee on June 7, 2019
- No Material Weaknesses, seven Significant Deficiencies, and no Other Internal Control Deficiencies
- Corrective Action Plan provided by management addresses the findings and mitigates the risk of similar findings in the future

# Status of 2018-2019 Internal Audit Plan

5

## Internal Audits

- **Audit of Contract Management for Capital Improvements**
  - Fieldwork in progress
- **Audit of Rent Calculation and Collection Processes at Public Housing**
  - Fieldwork in progress

## Compliance Audits

- **Assisted Housing Program (*Ongoing*)**
  - 195 resident files audited in Q4
  - 195 resident files audited in Q1
- **Public Housing (*Ongoing*)**
  - 144 resident files (17 properties) audited in Q4
  - 162 resident files (12 properties) audited in Q1
- **Tenant Participation Funds/Dollar Per Unit per Year (DPUY)**
  - 10 Resident Council DPUY disbursements were audited for FY 18-19

# Status of 2018-2019 Internal Audit Plan

6

## Internal Audits Remaining on the 2018-2019 Audit Plan

- **Disaster Preparedness**
  - Planning in progress

# Action Items

7

## Status of Corrective Action Items resulting from Internal Audits

- Currently, there are eight open action items
- Seven of the action items are expected to be completed this fiscal year, and one action item will be completed next fiscal year



# Status of Third Party Audits

8

**There are no Third Party Audits to report**

# QUESTIONS?

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/8/19

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
<b><u>Fiscal Year 2013-2014</u></b>											
FY 13-14	5/10/2015	Audit of Records Retention	Internal Control Deficiency	Finding 1	Agency email communications are currently being retained indefinitely, and could be subject to e-discovery requirements.	<i>Emails have been retained since an incident arose where Commissioners lost emails that had been sent to their agency email accounts. At this point, we will work with the Interim President and CEO to ensure that the email record retention policy will hereinafter be followed.</i>	12/31/2015	12/30/2020	<b><i>In Progress</i></b>	EH	Google Unlimited has been procured; a Google Vault is included with this system that allows for automated email deletions based on recommended parameters. Pending executive approval to implement email retention policies.
<b><u>Fiscal Year 2016-2017</u></b>											
FY 16-17	8/20/18	Audit of CDI Grant Funds	Internal Control Deficiency	Finding 3 - <i>BCJI - Delay in the Initial Execution of the Grant</i>	<p>The BCJI grant was awarded on September 25, 2012, to be effective October 1, 2012. Selection of the research partner, Trinity University, was not presented to the Board of Commissioners until June 21, 2013, almost nine months later.</p> <p><b>Recommendation</b> To ensure compliance with grant provisions, CDI should develop a standard operating procedure for each grant. The procedure should address all grant provisions including, but not limited to, documentation, drawdown, and reporting requirements.</p>	<i>[CDI] staff will review notes from Grants Committee meetings and complete a grants SOP for the Department.</i>	12/31/2018	2/28/2020	<b><i>In Progress</i></b>	DN	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
FY 16-17	8/20/2018	Audit of CDI Grant Funds	Internal Control Deficiency	Finding 5 - <i>BCJI - Missed Financial Reporting Deadlines</i>	<p>Of the 19 Federal Financial Reports reviewed for the BCJI grant, five were filed over one day after the due date as indicated on the electronic confirmation receipt.</p> <p><b>Recommendation</b> A method for monitoring/confirming the report submission should be established to ensure timely reporting.</p>	<i>a. [CDI] Staff will review notes from Grants Committee meetings and complete a grants SOP for the Department. The SOPs will create a system to ensure that important dates and deadlines are met, including grant performance and financial reports.</i>	12/31/2018	2/28/2020	<b><i>In Progress</i></b>	DN	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
						<i>b. The Director of CDI will review and analyze adding an analyst position to the CDI Department. CDI will work with Finance and Accounting to determine the scope of work for the proposed analyst position and determine, during next fiscal year's budget process, if adding the position is financially feasible.</i>	7/1/2019	2/28/2020	<b><i>In Progress</i></b>	DN	

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/8/19

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
FY 16-17	8/20/2018	Audit of CDI Grant Funds	Internal Control Deficiency	Finding 6 - BCJI - Late Submission of Expenses	<p>The Federal Financial Report, submission 12 with a reporting period end date of September 30, 2015, included \$2,363.86 in expenses incurred during the previous quarter. These expenses were reported on line 10-e of the Federal Share of Expenditures report, in the column labeled This Period.</p> <p><b>Recommendation</b> Ensure that all expenses and related reporting are completed in the required time frame, as listed in the BCJI Grant documentation.</p>	<p><i>[CDI] staff will review notes from Grants Committee meetings and complete a grants SOP for the Department. The SOPs will create a system to ensure that important dates and deadlines are met, including grant performance and financial reports.</i></p> <p><i>The Director of CDI will review and analyze adding an analyst position to the CDI Department. CDI will work with Finance and Accounting to determine the scope of work for the proposed analyst position and determine, during next fiscal year's budget process, if the adding the position is financially feasible.</i></p>	7/1/2019	2/28/2020	In Progress	DN	SOP for Grant Procedures, Monitoring and Oversight has been drafted. It is pending review and approval from grant committee.
FY 16-17	4/16/2019	Audit of Tenant Participation Funds at Parkview Apartments	Significant Deficiency	Finding 3 - Check Disbursements	<p><b>Recommendation</b> Internal Audit recommends that the Property Manager or Case Management Specialist assist the RC with establishing a bank account that will conform to the requirements set forth in the RC Manual. including the requirement for dual signatures, with the Treasurer being one of the signatories on each disbursement. Additionally, either the Property Manager or the Case Management Specialist should be on the bank account.</p>	<p><i>CDI Management will meet with PH Management to determine best course of action for supporting RC with establishing bank accounts. An SOP will be developed to provide guidance for SAHA staff who have expressed concerns with adding their names to the RC bank account.</i></p>	5/8/2019	2/28/2020	In Progress	DN	
	<b><u>Fiscal Year 2017-2018</u></b>										
FY 17-18	4/22/2019	Audit of Procurement Processes and Reporting	Significant Deficiency	Finding 1 - Personally Identifiable Information retained in file	<p>Recommendations</p> <p>a. Procurement management should take steps to ensure PII is not retained unnecessarily in the department's files; or, if necessary to be retained, then such PII is adequately safeguarded.</p> <p>b. In addition, written procedures should be established for withdrawal of bids. The procedures should address verification of the identity of the person or persons withdrawing a bid; as well as, how the verification is to be documented without retaining PII, such as that shown on a government-issued identification card or other document.</p>	<p>a. <i>Procurement Director will provide all examples where the department requests PII information and our attorney will review to determine how this should be handled within its necessity for business uses.</i></p> <p>b. <i>Procurement will develop a protocol on what should be done to verify identity for bid withdrawal requests among other situations (Section 3 certification, etc.).</i></p>	5/15/2019	11/30/19	In Progress	MR	
							5/15/2019	11/30/2019	In Progress	MR	
FY 17-18	4/22/2019	Audit of Procurement Processes and Reporting	Significant Deficiency	Finding 3 - Incomplete documents	<p><b>Recommendation</b> Ensure all documents are completed in their entirety, and that all required authorization dates and approving signatures are included.</p>	<p><i>The checklist was not completed in all cases. Staff will be responsible for ensuring the completeness of the checklist and the new Contract Specialist will be responsible for double checking compliance. The checklist is currently being reviewed by staff and a final version will be adopted by end of January 2019.</i></p>	5/30/2019	11/30/2019	In Progress	MR	

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/8/19

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
FY 17-18	4/22/2019	Audit of Procurement Processes and Reporting	Significant Deficiency	Finding 4 - Supplier/vendor due diligence checks prior to award could not be confirmed	Recommendation Establish written procedures to ensure that all due diligence checks are performed on every vendor prior to contracting with and/or providing services to the Agency. The procedures should include a system of review by another staff member as confirmation.	A Standard Operating Procedure (SOP) will be developed outlining scenarios within procurement processes to ensure that responsible due diligence is conducted by staff prior to award of contracts. The Director's draft version will be submitted for approval to the Contracting Officer by February 15, 2019, with final implementation no later than February 28, 2019.	5/15/2019	11/30/2019	In Progress	MR	
	<b><u>Fiscal Year 2018-2019</u></b>										
None.											