

2017
2/10

Finding 1 – Missing Certification Statement in File

Pursuant to 24CFR 92.203, the applicant must provide a certification statement, stating that qualifying income and eligibility requirements have been met and that additional source documents, if requested, will be provided. We found the certification statement missing from one participant's file in each quarter examined. This finding indicates that a supervisory review of the file was not thoroughly performed. The certification statement is a critical part of the HOME Program application process. In these instances Fulton County was not in compliance with HUD's requirements.

Recommendations

The participant's program files should be reviewed for completeness by the community development specialist and a secondary review should be performed by the supervisor.

Response: Finding 1

The application for DPL 09-06 was taken in March 2009 and the income eligibility was determined based upon Fulton County's Home Program Policies and Procedures that comply with 24 CFR 92.203(2)(b) and 24 CFR 5.609. The application and certification are in the file and available for reexamination. A formal monitoring review conducted by HUD in February 2010 challenged the December 2008 application form create with guidance from the Internal Audit Division because the 2008 form referenced eligibility determination based on 92.254(b)(1), which relates to project requirements not income determination.. The form was updated to comply with income determination and a copy is enclosed as Attachment A.

Finding 2 – Suspended or Debarred Contractors

According to 24 CFR Part 24, the County should verify that the contractors used are not suspended or debarred. The purpose of this verification is to protect the public's interest from persons who are not responsible. The County did not confirm whether the contractors awarded contracts were suspended or debarred. Instead, the County used the current approved registration status with the State, as a substitute for verification. The effect of using State's contractors registration status is that verification of suspended or debarred contractors at the Federal level is not a part of the registration process.

Recommendations

Fulton County HOME Program specialist should use the General Services Administration (GSA) Excluded Parties List System (EPLS) as a reference. This system maintains a listing of suspended and debarred contractors who are prohibited from doing business with the Federal government. The search should be documented in the applicants' file by printing the screen page on the computer and noting the date that the search was performed.

Response: Finding 2

A conclusive determination to establish Finding 2 is dubious in that separate contractor files are maintained which document each general contractor's certification process and houses the backup documentation used to verify there eligibility for participation in the Fulton County Housing Rehabilitation Program.

These files are housed in the work space of the Housing Rehab Program Manager. They are not housed with the housing rehabilitation project files. The contractor files were mentioned by Ron Edwards, Program Manager to Jeff Hill and Herman Hicks, audit team, during the conversation and interview conducted regarding the program overview, but the actual files were not requested for review by the audit team.

If and upon review, evidence is enclosed and others are available to make a conclusive determination that none of the contractors currently engaged in the Housing Rehabilitation Program are debarred. The individual contractor files outline and document that each contractor is licensed through the State of Georgia, completed a detailed application packet, submitted pictures and referrals, and provided adequate insurance and bonding documentation.

Each contractor file also includes a signed Debarment/Suspension statement from the general contractor certifying their debarment status (Attachment B). The Fulton County HOME Policies and Procedures Manual directs that staff is to investigate the contractor's work history through the Better Business Bureau and verify that the contractor is not included on the US Department of Housing and Urban Development Department's Debarred Contractor's List. These outlined measures have been taken for all general contractors of the Housing Rehabilitation Program, and none of the general contractors or companies are on the debarred list.

On June 24, 2010, during the review by the audit team, staff utilized the www.epls.gov website of the Excluded Parties List System (EPLS) as recommended by the audit team (Attachment C). Use of this website confirmed that none of the Fulton County Housing Rehabilitation General Contractors are debarred. Moving forward, the individual EPLS printouts will be added to the contractor file requirements and it will be referenced in the next revised Fulton County HOME Policies and Procedures Manual and Standard Operating Procedures (SOP).

Finding 3 – Incomplete and Missing Documentation

HUD provides useful checklist for monitoring compliance of HOME Program rules and regulations as well as with other Federal requirements to ensure necessary documentation is maintained. During our review of the HOME Program files for the Rehabilitation Program, we found:

- One file contained a tax return not signed by the applicant.
- One file was missing the W-2 income support.
- One file was missing property rehab and cost estimate write-up documentation.
- One file was missing internal bid documentation used to select the lowest and most responsive bidder.

The above project file deficiencies were not cited by the community development specialist and supervisor during their review of the files.

Recommendations

The supervisor should periodically document the review of the files and ensure that the files conform to the HOME Program's quality controls checklists.

Response: Finding 3

- First Bullet Response: Fulton County HOME Policies and Procedures Manual and Standard Operating Procedures (SOP) will be updated to reflect that all copies of tax returns are signed by the homeowner. Clients such as the client for DPL 09-24 that submit their IRS information electronically without signature will be required to sign the IRS Tax Return copies provided to the Housing Rehabilitation Program.
- Second Bullet Response: The client of the DPL 09-24 file reviewed will be contacted to forward the W-2 income statement. Written correspondence sent to the homeowner on August 11, 2009 reflects a W-2/1099 was requested with the submittal of the 2008 Income Tax Return.
- Third Bullet Response: It is requested that the audit team review file DPL 09-24 again and peruse Section E where the estimate work write up dated/printed October 4, 2009 is located. The second/revised copy is also included dated/printed July 20, 2010 which was printed out during the audit review as proof that the revised cost estimate write-up document existed and was previously executed and readily available. The next revised Fulton County HOME Policies and Procedures Manual and Standard Operating Procedures (SOP) will require that all copies of final work-write ups including any change orders be included in the file.
- Fourth Bullet Response: The audit team did not substantiate this finding. No file was referenced or discussed to warrant or clarify the concern.

Finding 4 – Reconciliation of Financial Reporting System not Performed

Based on The Housing Department's policies and procedures, HOME funds recorded in the County's Automated Management System (AMS) and internal reports should be reconciled to HOME funds recorded in the federal Integrated and Disbursement Information System (IDIS). Based on our review of the reports, we noted that Program Income Expenses, Disallowed Grant Charges, and other expenditures were not properly recorded on the Fund Balance Report nor was a reconciliation performed. Per Art Christian, HUD knows that there was no Program Income received for 2009 and 2010. The total amount of Program Income receipted into IDIS is actually overstated because it had already been receipted and spent as Program Income from what was later deemed by HUD to be ineligible HOME projects. Program Income in IDIS is estimated to be overstated by a few hundred thousand dollars.

Recommendations

The IDIS system needs to be corrected to reflect the accurate amount of Program Income. The Office of Housing should reconcile Program Income in the IDIS system and determine the total amount overstated.

Response: Finding 4

Fulton County will record the amount of the total program income and state the amount that is overstated. We are working towards receiving guidance from HUD of

how to proceed with the adjustment of any deficiencies and/or correction into the IDIS system. The County has also requested from HUD IDIS specific technical assistance. HUD will notify us upon approval and identification of the technical assistance team. Additionally, the county if allowable budget constraints exist may seek assistance from an outside financial firm to reconcile the figures in IDIS.

Finding 5 – Untimely Submission of Draw Requests

As stated in The Housing Department's policies and procedures, it should submit draw requests for current month's expenditures to the County's Finance Department by the 15th of the following month. We noted draw requests for the HOME Program were not submitted timely to Fulton County's Finance Department. The draw requests were untimely due to the Finance Specialist researching that prior outstanding HOME expenditures were properly drawn down. Late submission of draw requests resulted in the untimely recovery of funds from HUD.

Recommendations

The Housing Department should adhere to its policies and procedures to ensure that draw requests are submitted to the Finance Department in a timely manner.

Response: Finding 5

Staffing levels have been addressed in the Financial Reporting area. Two new hires recently started on July 21, 2010, thereby bringing the area up to the desired three CD Specialist. The day to day operations associated with all programs will be carried out by these three CD Financial Specialist. Each Specialist will be responsible for a specific grant funded program but crossed trained in each program. Additionally, one Specialist will be tasked with special projects along with the BILP program. The Financial Reporting team will work closely with the Fulton County Finance Department on tracking commitments, expenditures, and drawdown of all grant funds. As such, the HCD financial staff is now part of a larger financial services division and can draw upon the expertise of these other staff as well.

The policy that has been implemented in the financial area is not based on federal regulations or requirements but is based on internal processes within the department. The Housing staff will prefer to establish general internal controls based on federal regulations and compliance but will work on time constraints within the federal guidelines thereby restricting or allowing adjustments to the internal process.

Audit Concern 1 – Income Certification Questioned

Pursuant to 24CFR 92.203, the applicant must provide a certification statement, stating that qualifying income and eligibility requirements have been met and that additional source documents, if requested, will be provided. We found that the participant's income was \$48,489 and the respective program income limit was \$51,600. The applicant had other bi-weekly bank deposits of \$325.00. The \$325.00 receipts were not verified as income or

otherwise. If the \$325.00 receipts were found to be income, the applicant would not have qualified for the Rehabilitation HOME Program funds.

Recommendations

When recurring receipts are discovered during the application process, the community development specialist should determine if the receipts are additional income; identify the sources; and document this information in the income section.

Response: Concern 1

Income eligibility is determined based upon Fulton County's Home Program Policies and Procedures that comply with 24 CFR 92.203(2) (b) and 24 CFR 5.609. The use of tax returns and pay stubs meet the requirements of the program guidelines. Moving forward, staff will investigate recurring deposits and have documentation to verify its source. As discussed during the audit review, the Housing Rehabilitation Program Manager will investigate use IRS Form 4603 as suggested by the audit team.



FULTON COUNTY HOUSING REHABILITATION PROGRAM
 277 East Broad Street
 Fairburn, GA 30213
 (404) 612-8111

INCOME CERTIFICATION

Name: _____

Address: _____ City, State & Zip: _____

Part I: HOUSEHOLD COMPOSITION AND INCOME

A. Household Composition

(List all members in household, including minors)

1. Name (Last, First)	DOB	2. Total # of Persons in Household
A.		
B.		
C.		
D.		

B. Annual Income Information

Household Member	a. Wages/Salaries	b. Benefits/Pensions	c. Public Assistance	d. Other Income
A.				
B.				
C.				
D.				
3. Totals	a.	b.	c.	d.
4. Annual Income: Enter total of items 3a. through 3d.				5. \$

Part II: HOUSEHOLD CERTIFICATION

I/We certify that the information presented in Part I of this form is true and correct to the best of my/our knowledge and belief. I/We consent to the disclosure of such information to the Fulton County Housing Rehabilitation Program in its capacity to monitor the property's compliance with applicable program requirements. I/We understand that this certification is part of the application process and does not guarantee program participation.

(Signature – Head of Household) *(Date)*

(Signature – Co-Head of Household) *(Date)*

Part III: ELIGIBILITY DETERMINATION

A. Household Income: _____
(Total from Part I Annual Income #5)

B. Household to Limit Verification: Use the matrix to determine the income level/limit. Circle the appropriate level.

2010 HOME Income Limits
(Effective May 2010)

	30% Limit	50% Limit	80% Limit
1 Person	\$12,850	\$21,450	\$34,350
2 Persons	\$14,700	\$24,500	\$39,250
3 Persons	\$16,550	\$27,600	\$44,150
4 Persons	\$18,400	\$30,650	\$49,050
5 Persons	\$19,850	\$33,100	\$52,950
6 Persons	\$21,350	\$35,550	\$56,900
7 Persons	\$22,800	\$38,000	\$60,800
8 Persons	\$24,250	\$40,450	\$64,750

C. Income Status:

<i>Income Status</i>
<input type="checkbox"/> ≤ 30% HOME Income Limit
<input type="checkbox"/> ≤ 50% HOME Income Limit
<input type="checkbox"/> ≤ 80% HOME Income Limit
<input type="checkbox"/> > 80% HOME Income Limit (OVER INCOME)

Part IV: CERTIFICATION

I have verified the information presented in Part I of this form in accordance with the requirements of the HOME and/or CDBG program guidelines. I possess the documentation necessary to support this certification. To the best of my knowledge, the information presented on this form is complete and accurate.

(Signature of Housing Rehab CD Specialist)

(Date)

Part V: APPROVAL

I have reviewed the certification and deem the household income eligible for the services.

(Signature of CD Manager)

(Date)



DEBARMENT/SUSPENSION STATEMENT

I MOHAMMED ABINA, General Contractor certify that I have never been placed on the United States Department of Housing and Urban Development (HUD) debarred list nor suspended from participating in any Single Family Owner-Occupied Rehabilitation Program administered by a city, county or state agency receiving federal funds.

Contractor's Certification and Warning: Failure to disclose any disbarment/suspension is considered fraudulent.

Moammed Abine
Signature

ATTACHMENT B



Search - Current Exclusions

- > Advanced Search
- > Multiple Names
- > Exact Name and SSN/TIN
- > MyEPLS
- > Recent Updates
- > Browse All Records

View Cause and Treatment Code Descriptions

- > Reciprocal Codes
- > Procurement Codes
- > Nonprocurement Codes

Agency & Acronym Information

- > Agency Contacts
- > Agency Descriptions
- > State/Country Code Descriptions

OFFICIAL GOVERNMENT USE ONLY

- > Debar Maintenance
- > Administration
- > Upload Login

EPLS Search Results

Search Results for Parties Excluded by

Exact Name : Gist, Michael or Olasupo, Olori or Olakekan,
Mohammed Abina or Roberts, Sidney

As of 24-Jun-2010 1:42 PM EDT

Save to MyEPLS

Your search returned no results.

It is further recommended that you perform a Partial Name search on any word of the name to further confirm the eligibility status of the party. An additional Partial Name search might be necessary because an Exact Name match will not be found if the spelling or format of the name you are searching for is different than the name of the exclusion in EPLS.

[Back](#) [New Search](#) [Printer-Friendly](#)

Resources

- > Search Help
- > Public User's Manual
- > FAQ
- > Acronyms
- > Privacy Act Provisions
- > News

Reports

- > Advanced Reports
- > Recent Updates
- > Dashboard

Archive Search - Past Exclusions

- > Advanced Archive Search
- > Multiple Names
- > Recent Updates
- > Browse All Records

Contact Information

- > For Help: Federal Service Desk

ATTACHMENT C

