

**REPLY AND IMPLEMENTATION SUMMARY
FOLLOW-UP OF COMPLIANCE REVIEW OF SHIP AND HOME PROGRAMS**

RECOMMENDATION	RESPONSE	CURRENT STATUS	IMPLEMENTATION DATE	COMMENTS FROM AUDITEE
1. Grant Accounting should reconcile program expenditures per the general ledger to the records maintained by the program staff on a monthly basis, with appropriate program and finance supervisory approvals.	Concur	Implemented	January 2003	A new position, Administrative Liaison, has been assigned to the Bureau to handle accounting and financial tasks. Each month, a report for each program is prepared, approved by program managers and reconciled against the general ledger.
2. SHIP program staff should: a. Develop contingency plans to help meet goals whenever substantial reliance on one/two projects could cause the City to forfeit significant funding; b. Take extra steps to ensure data contained in the Annual Report to the State is consistent; c. Develop marketing strategies to obtain additional contractors for the program.	Concur Concur Concur	Implemented Implemented N/A	April 2002 September 2002 N/A	An assessment of SHIP projects is conducted before April 15 th to ensure that all funded projects with a June 30 th deadline are in compliance. The Administrative Liaison reviews and reconciles data for accuracy in the Annual Report. The Bureau has received increased requests from contractors to participate in the program over the past year. Therefore, the Bureau has undertaken limited marketing efforts.

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<p>3. Management should consider using standardized agreements, target timeframes for executing agreements, periodic meetings between HCD and Legal Affairs staff and employing a paralegal to facilitate the agreement approval process.</p>	Concur	Implemented	February 2002	Bureau management discussed this recommendation with OLA. We agreed that the program agreements that we currently have are standardized and will require minor revisions, which should reduce delays.
<p>4. To improve duties segregation, the HCD assistant should record returned, unused down payment assistance funds in a log before forwarding the checks to Revenue Collection for deposit, account coding, and recording in the general ledger.</p>	Concur	Implemented	November 2001	New procedures were developed and are currently in use.
<p>5. Program checklists should be used to improve file folder organization and the checklists should be signed/initialed to provide evidence of review prior to closing the file.</p>	Concur	Implemented	July 2002	Checklists monitoring the work progress are being placed in files.
<p>6. The Bureau should develop a written Delegations of Authority policy specifying individuals and/or levels authorized to approve commitments and/or spending commensurate with the level to be approved.</p>	Concur	Implemented	August 2002	A statement addressing the Delegation of Authority was added to the Bureau's written operating procedure.

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