

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY
(A Component Unit of the Government of Guam)**

UNIFORM GUIDANCE and HUD REPORTS

For the Year Ended September 30, 2018

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioner
Guam Housing and Urban Renewal Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Guam Housing and Urban Renewal Authority (the Authority), which comprise the statement of net position as of September 30, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 9, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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May 9, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners
Guam Housing and Urban Renewal Authority:

Report on Compliance for Each Major Federal Program

We have audited the Guam Housing and Urban Renewal Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2018. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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Basis for Modified Opinion on the CFDA 14.157 – Supportive Housing for the Elderly; CFDA 14.850 – Public and Indian Housing; and CFDA 14.871 – Section 8 Housing Choice Voucher

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding CFDA 14.157 Section 202 Supportive Housing for the Elderly, as described in findings 2018-01 through 2018-04 for Eligibility and Special Tests and Provisions; its CFDA 14.850 Public and Indian Housing Program as described in findings 2018-05 through 2018-07, for Eligibility and findings 2018-08 and 2018-09 for Special Tests and Provisions; and its CFDA 14.871 Section 8 Housing Choice Voucher Program as described in findings 2018-10 and 2018-11 for Eligibility, and finding 2018-12 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Modified Opinion on the CFDA 14.157 – Supportive Housing for the Elderly; CFDA 14.850 – Public and Indian Housing; and CFDA 14.871 – Section 8 Housing Choice Voucher

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the *Supportive Housing for the Elderly, Public and Indian Housing, Section 8 Housing Choice Voucher* programs for the year ended September 30, 2018.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2018.

The Authority’s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 2018-01, 2018-02, 2018-05, 2018-06, and 2018-07 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-03, 2018-04, 2018-08, 2018-09, 2018-10, 2018-11 and 2018-12 to be significant deficiencies.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended September 30, 2018, and have issued our report thereon dated May 9, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

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May 9, 2019

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Expenditures of Federal Awards
For Year Ended September 30, 2018

<u>CFDA#</u>	<u>AGENCY/PROGRAM</u>	<u>2018 Fiscal Year Expenditures</u>
Direct Grants:		
<u>U. S. Department of Housing and Urban Development (HUD)</u>		
	Housing Voucher Cluster:	
14.871	Section 8 Housing Choice Vouchers	\$ 30,063,004 *
14.879	Mainstream Vouchers	<u> -</u>
	Sub-total – Housing Voucher Cluster	<u> 30,063,004</u>
	CDBG - Entitlement Grants Cluster:	
14.218	Community Development Block Grants/Entitlement Grants	-
14.225	Community Development Block Grants/Special Purpose Grants/Insular Areas	<u> 3,105,920 *</u>
	Sub-total – CDBG – Entitlement Grants Cluster	<u> 3,105,920</u>
14.872	Public Housing Capital Fund Program	738,289
14.157	Supportive Housing for the Elderly	618,265 *
14.191	Multifamily Housing Service Coordinators	49,814
14.231	Emergency Solutions Grant Program	164,302
14.267	Continuum of Care Program	1,040,152
14.239	HOME Investment Partnerships	878,642
14.850	Public and Indian Housing	4,530,104 *
14.870	Resident Opportunity and Supportive Services	52,802
14.896	Family Self-Sufficiency Program	<u> 144,826</u>
	Total HUD Program Award Expenditures	<u>\$ 41,847,234</u>
Passed through the Government of Guam Department of Administration:		
<u>U. S. Department of Health and Human Services</u>		
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Center, Health Care for the Homeless, and Public Housing Primary Care)	<u> 16,059</u>
	Total Passed through the Government of Guam Department of Administration	<u> 16,059</u>
	Total Expenditures of Federal Awards Subject to OMB Circular A-133 Testing	<u>\$ 41,402,179</u>
	Percentage of Federal Awards Tested	<u> 93%</u>

* Denotes a major program as defined by 2 CFR Section 200.518 of the Uniform Guidance and based upon audit requirements imposed in the audit.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Expenditures of Federal Awards For Year Ended September 30, 2018

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the grant activity of GHURA and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements and does not present the financial position, changes in net position or cash flows of GHURA.

Programs Subject to Single Audit

The Schedule of Expenditures and Federal Awards presents each Federal program related to the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services. GHURA has one outstanding loan exceeding \$750,000 and the U.S. Department of Agriculture Rural Development requested the Supportive Housing Program for the Elderly be audited as a major program despite below the major program threshold for 2018. Therefore, this program was audited as a major program. The loan balance is \$966,317 as of September 30, 2018 and is included in GHURA's financial statements.

Note 2 Indirect Cost Allocation

GHURA has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance in accordance with 2 CFR §200.414.

Note 3 Subrecipients

GHURA administers certain programs through subrecipient organizations. Those subrecipients are also not considered part of the GHURA reporting entity. The Schedule of Expenditures of Federal Awards does not contain separate schedules disclosing how subrecipient outside of GHURA's control utilized those funds. Federal awards provided to subrecipients are treated as expenditures when paid to the subrecipient.

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, GHURA provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Amount provided to Subrecipients</u>
Continuum of Care	14.267	\$ 667,678
Community Development Block Grant	14.225	302,249
Emergency Solutions Grant	14.231	131,321
HOME Investment Partnership	14.239	19,052
	Total	<u>\$ 1,120,300</u>



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC
REQUIREMENTS APPLICABLE TO AFFIRMATIVE FAIR HOUSING
AND NON-DISCRIMINATION**

To the Board of Commissioners
Guam Housing and Urban Renewal Authority:

We have audited the basic financial statements of Guam Housing and Urban Renewal Authority (the Authority), a component unit of the Government of Guam for the year ended September 30, 2018 and have issued my report thereon dated May 9, 2019.

We have applied procedures to test the Authority's compliance with the Affirmative Fair Housing and Non-Discrimination requirements applicable to its HUD assisted programs, for the year ended September 30, 2018.

Our procedures were limited to the applicable compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of Inspector General. Our procedures were substantially less in scope than an audit, the objective of which would be the expression of an opinion on Authority's compliance with the Affirmative Fair Housing and Non-Discrimination requirements. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance with the Affirmative Fair Housing and Non-Discrimination requirements under the Guide.

This report is intended solely for the information of the management and Board of Commissioners of the Guam Housing and Urban Renewal Authority, the Office of the Public Accountability – Guam, and the Department of Housing and Urban Development and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is also a matter of public record.

A handwritten signature in black ink that reads "Burger Comer Magliari".

Tamuning, Guam
May 9, 2019

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

We have audited the financial statements of the Guam Housing and Urban Renewal Authority and issued an unmodified opinion.

Internal control over financial reporting:

- Material weaknesses were identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No
- Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? Yes

Type of report issued on compliance of major program:

The auditor's report on major program compliance for GHURA having four major programs included an unmodified opinion for the Community Development Block Grants and modified opinions for the Supportive Housing for the Elderly, Section Housing Choice Voucher and the Public and Indian Housing Programs based on identified reportable conditions, which, in our opinion, are considered to be significant deficiencies and material weaknesses.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

PART I - SUMMARY OF AUDITORS' RESULTS, continued

Identification of major programs:

CFDA#

PROGRAM

- 14.157 Supportive Housing for the Elderly
- 14.225 Community Development Block Grants/Special Purpose Grants/Insular Areas
- 14.850 Public and Indian Housing
- 14.871 Section 8 Housing Choice Voucher Program (HCV)

Dollar threshold used to distinguish between type A and type B programs: \$1,242,065

The Authority did not qualify as a low-risk auditee as defined in the Uniform Guidance in accordance with 2 CFR §200.520.

PART II - FINANCIAL STATEMENT FINDINGS SECTION

No matters were noted.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

PART III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding No. 2018-01 – Material Weakness
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – Late Annual Recertification
Questioned Costs: \$0

Criteria:

Pursuant to the Elderly Program Administrative Plan, the Authority must reexamine family income and composition at least once every twelve months make appropriate adjustments in the tenant rent using documentation from third-party verification. The Property Site Manager is required to commence the annual reexamination process 90 to 120 days before the anniversary date of the initial lease; and all appointments should be completed no later than 45 days before the effective date of lease in order to meet the requirement of providing at least 30 days written notice of any increase in rent.

Condition:

For 3 or 18% of seventeen (17) tenant files tested, the recertification performed late, file documentation was incomplete or missing and was not uploaded on the Rural Development's Multi-Family Housing Management Interactive Network Connection (MINC), in a timely manner for the following:

1. For Unit #A-1: Effective Certification date was 4/1/18. Late certification and signed by Project Site Manager (PSM) 11/6/18. Recertification was started 2/24/18 but not completed timely and was uploaded to the Rural Dev Multi-Family Housing's Management Interactive Network Connection (MINC) until 5/17/18. The Application for Recertification was not signed by PSM until 11/15/18. The VAWA was not on-file.
2. For Unite #G-1: Effective Certification date was 2/1/18. Late certification on 3/19/18 and signed by PSM on 11/15/18. Tenant was initially recertified using 2017 income and assets. Recertification was started 2/24/18 but not completed timely and was uploaded to the Rural Dev Multi-Family Housing's Management Interactive Network Connection (MINC) on 5/17/18. Application for Recertification was not signed by PSM until 11/15/18.
3. Unit #C-1: USDA Form RD 3560-8 (Tenant Certification form) incorrectly completed as the PSM failed to exclude SNAP benefits. Application for Recertification, HUD 50059 and RD 3560-8 were not signed. Effective Certification date was 5/1/18. Property value was not updated or collected from tenant, as PSM carried over information from previous annual recertification of 5/1/17. We were not able to calculate actual TTP due property value not being updated. The VAWA form was not on-file.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-01 – Material Weakness, Continued
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – Late Annual Recertification
Questioned Costs: \$0

Cause:

The PSM failed to adhere to existing policies and procedures to conduct tenant eligibility properly and in a timely manner. Additionally, there is a lack of internal control monitoring or review procedures in place to ensure the adequacy and completeness of the tenant recertification.

Effect:

There is no material effect on the financial statements as a result of this condition. However, the Authority is not in compliance with its policies and procedures set forth in the Elderly Program Administrative Plan for the Supportive Housing for Elderly program for determining tenant eligibility.

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

The Authority should monitor and enforce its existing internal quality control policies and procedures to ensure that all tenants recertified annually in a timely manner. The PSM should monitor tenant recertification dates to ensure that all tenants are subjected annual recertification in a timely manner.

Greater quality control and internal control monitoring procedures should be implemented to review file maintenance. The Authority's Compliance Specialist or other PSM's familiar with the Program should periodically test a sample of tenant files for quality control and document the results to correct any deficiencies in a timely manner to strictly enforce adherence to the Elderly Program Administrative Plan and federal regulations.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-01 – Material Weakness, Continued
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – Late Annual Recertification
Questioned Costs: \$0

Auditee Response/Corrective Action Plan:

We agree with this finding.

Property Site Manager will ensure of processing Annual Recertification 90-120 days prior to the effective anniversary date in accordance to the Administrative Plan and Federal Regulations. Property Site Manager will also utilize WinTen2+ Occupancy and Rent Calculations Certification system as a guide to review and process upcoming Recertifications on a timely manner. The current Property Site Manager signed off "for" previous Property Site Manager on all documents that were missing signatures of the PHA/Project Representative. We unable to obtain the signature of the tenant residing in Unit A-1 for the VAWA form due to the end of program participation effective 2/28/19.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-02 – Material Weakness
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – Documentation form HUD 50059
Questioned Costs: \$0

Criteria:

In accordance with the Authority's Elderly Program Administrative Plan, the Authority must complete the following forms during interview with the tenant: (a) certification that the information provided to the Authority is correct; (b) one or more release forms to allow the Authority to obtain information from third parties; (c) a federally-prescribed general release form for employment information; and (d) a privacy notice. Additionally, the Authority must obtain the necessary information and documentation to verify income eligibility as a condition of admission or continued occupancy.

The Authority is responsible for annually reexamining incomes of households occupying assisted units and making appropriate adjustments to the tenant payment and the project rental assistance payment (24 CFR section 891.410). Assistance applicants shall submit signed consent forms upon initial application and at reexamination (24 CFR section 5.230).

Condition:

Of the seventeen (17) tenant files tested, 8 or 47% of tenant recertification was incorrectly performed, lacked certain documentation for the current period or had missing signatures from the Authority's officials for the following:

1. For Unit #F-3: Incorrect income entered for SS benefits. Should have been \$8,280 instead of \$8,124. Diff is \$156. The amount was subsequently adjusted 4/1/18. The form for VAWA was not on file.
2. For Unit #D-4: Form RD 3560-8 incorrectly completed, PSM failed to exclude public assistance. The Form 50059 reflects the correct tenant rent of \$113 instead of \$198 reported of RD 3560-8. The form for VAWA was not on-file.
3. For Unit #K-5: Effective Certification date was 8/1/18. Form RD 3560-8 incorrectly completed, PSM failed to include social security income of \$15,540. The Form 50059 reflects the correct tenant rent of \$350 instead of \$0.00 reported of RD 3560-8. Application for Recertification was not dated by Tenant nor was it signed and dated by PSM. Inspection conducted 12/4/17 which was a special inspection. No documentation on file to show that Form RD 3560-8 was uploaded to MINC. The form for VAWA was not on-file.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-02 – Material Weakness, Continued
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – File Maintenance
Questioned Costs: \$0

Condition: (continued)

4. For Unit #G-4: Form RD 3560-8 incorrectly completed, PSM failed to exclude SNAP benefits. The Form 50059 reflects the correct tenant rent of \$350 instead of \$0.00 reported of RD 3560-8. Application for Recertification was not dated by Tenant nor was it signed and dated by the PSM. The form for VAWA was not on-file.
5. For Unit #E-5: The Application for Recertification, HUD 50059 and RD 3560-8 were not signed and dated by PSM. The form for VAWA was not on-file.
6. For Unit #F-1: Form RD 3560-8 incorrectly completed, PSM failed to exclude SNAP benefits. Application for Recertification, HUD 50059 and RD 3560-8 was not signed and dated by PSM. The form for VAWA was not on-file
7. For Unit B-1: Form RD 3560-8 was incorrectly completed, PSM failed to exclude SNAP benefits. Application for Recertification, HUD 50059 and RD 3560-8 was not signed and dated by PSM. Asset cash balance was not correctly reported/updated (bank statements were submitted but not used), no impact on TTP.
8. For Unit J-3: Form RD 3560-8 was incorrectly completed as the PSM failed to exclude SNAP benefits. Consequently, income was incorrectly reported as \$17,844 instead of \$10,428. Asset cash balance was not correctly reported/updated (bank statements were submitted but not used), no impact on TTP. Application for Recertification, HUD 50059 and RD 3560-8 were not signed and dated by PSM. The form for VAWA was not on-file.

Cause:

There is a lack of internal control monitoring to ensure that tenant files are independently reviewed for completeness prior to tenant certification GHURA lacks proper tenant file maintenance. The Property Site Manager did not adhere to the internal control procedures to complete all the required documents at the time of the annual or recertification process. There is a lack of internal control monitoring or review procedures in place over the initial and annual recertification process.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-02 – Material Weakness, Continued
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – File Maintenance
Questioned Costs: \$0

Effect:

There is no material effect on the financial statements as a result of this condition. However, the Authority is not in compliance with 24 CFR sections 891.410 and 5.230 and its policies and procedures set forth in the Elderly Program Administrative Plan.

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

The Authority should enforce and monitor its existing internal control policies and procedures to ensure that all required documents are submitted and complete during the admission or recertification process. There is a File Document Review and Checklist that is in the tenant's folder that should be completed to ensure that all the necessary documents are obtained, properly completed and on-file for independent verification. Supervisors and management must examine files to ensure completeness and accuracy.

Greater quality control and internal control monitoring procedures should be implemented to mitigate errors and omissions. The Authority's Compliance Specialist should periodically test a sample of tenant files for quality control and document the results to correct any deficiencies in a timely manner to strictly enforce adherence to the Elderly Program Administrative Plan and federal regulations.

Auditee Response/Corrective Action Plan:

We agree with the above findings.

The PSM will retroactively review files and make necessary corrections. The PSM is currently reviewing case files and correcting any discrepancies while in the process of Tenant's current or upcoming recertification.

For quality control, Property Site Manager will solicit assistance from the Section 8 Quality Control Reviewer to conduct monthly monitoring of computation of income and rent to identify discrepancies or necessary corrections to files to ensure adequacy and completeness of each case file. The current PSM signed off "for" previous Property Site Manager on all documents that were missing signatures of PHA/Project Representative.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-03 – Significant Deficiency
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – File Maintenance
Questioned Costs: \$0

Criteria:

In accordance with the Authority's Elderly Program Administrative Plan, the Authority must complete the following forms during interview with the tenant: (a) certification that the information provided to the Authority is correct; (b) one or more release forms to allow the Authority to obtain information from third parties; (c) a federally-prescribed general release form for employment information; and (d) a privacy notice. Additionally, the Authority must obtain the necessary information and documentation to verify income eligibility as a condition of admission or continued occupancy.

The Authority is responsible for annually reexamining incomes of households occupying assisted units and making appropriate adjustments to the tenant payment and the project rental assistance payment (24 CFR section 891.410). Assistance applicants shall submit signed consent forms upon initial application and at reexamination (24 CFR section 5.230).

Condition:

Of the seventeen (17) tenant files tested, 4 or 23% of tenant folders either lacked certain documentation for the current period or had missing signatures from the Authority's officials for the following:

1. For Unit D-1: New tenant and initial application not-on-file. Bank statements for assets submitted but not recorded on 50059 and RD-3560-8 Tenant Certification form; however, there was no impact on the Total Tenant Payment (TTP). The Violence Against Women Act (VAWA) form was not and completed on file.
2. For Unit C-3: The lease agreement not signed by the Project Site Manager (PSM). Police Clearance not conducted until 12/13/18 and approved 1/16/19. Form 50059 not signed by PSM. Consent to Release Disclosure form not signed and dated by PSM. The VAWA form was not completed and on file.
3. For Unit D-2: Declaration of Section 214 Status not completed until 11/5/18 and Systematic Alien Verification for Entitlement (SAVE) search for verification of citizenship status not performed until 1/21/19 and Naturalized Certificate wasn't completed until 10/26/18. Lease agreement not signed and dated by PSM for Unit Transfer. The VAWA form was not completed and on file.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-03 – Significant Deficiency, Continued
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – File Maintenance
Questioned Costs: \$0

Condition: (continued)

4. For Unit #G-3: The House Rules not signed and dated by PSM. The VAWA form was not completed and on file. A Police Clearance not performed until 11/26/18.

Cause:

There is a lack of internal control to ensure that tenant files are independently reviewed for completeness prior to tenant certification GHURA lacks proper tenant file maintenance. The Property Site Manager did not adhere to the internal control procedures to complete all the required documents at the time of the annual or recertification process. There is a lack of internal control monitoring or review procedures in place over the initial and annual recertification process.

Effect:

There is no material effect on the financial statements as a result of this condition. However, the Authority is not in compliance with 24 CFR sections 891.410 and 5.230 and its policies and procedures set forth in the Elderly Program Administrative Plan.

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

The Authority should enforce and monitor its existing internal control policies and procedures to ensure that all required documents are submitted and complete during the admission or recertification process. There is a File Document Review and Checklist that is in the tenant's folder that should be completed to ensure that all the necessary documents are obtained, properly completed and on-file for independent verification. Supervisors and management must examine files to ensure completeness and accuracy.

Greater quality control and internal control monitoring procedures should be implemented to mitigate errors and omissions. The Authority's Compliance Specialist should periodically test a sample of tenant files for quality control and document the results to correct any deficiencies in a timely manner to strictly enforce adherence to the Elderly Program Administrative Plan and federal regulations.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. **2018-03 – Significant Deficiency, Continued**
CFDA Program: **14.157 – Supportive Housing for the Elderly**
Area: **Eligibility – File Maintenance**
Questioned Costs: **\$0**

Auditee Response/Corrective Action Plan:

We agree with the above findings.

The current Property Site Manager signed off on documents that required signatures of PHA/Project Representative. To ensure compliance, the Property Site Manager will review each file and use the checklist flap as a guide and ensure that all documents are enclosed within each flap for completeness. (Current Property Site Manager signed off "for" previous Property Site Manager on all documents that were missing signatures of PHA/Project Representative.)

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-04 – Significant Deficiency
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Special Tests and Provisions – Housing Inspections
Questioned Costs: \$0

Criteria:

Pursuant to the Elderly Program Administrative Plan for the Supportive Housing for Elderly program to conduct annual inspections to ensure that it maintain its housing units in a manner that meets the physical conditions standards set forth in 24 CFR 5.703 in order to be considered decent, safe and in good repair. Additionally, GHURA conducts move-in inspections as an opportunity for families to familiarize his/her self with the project and the unit. The move-in inspections document the unit's current condition and assures tenants that the unit is in livable condition, free of damages.

Condition:

For 3 or 18% of seventeen (17) tenant files tested, there was either no inspection report on file prior to lease renewal or the inspection was performed late and after tenant recertification for the following:

1. For Unit #A-1: Effective Certification date was 4/1/18. Unit inspection was conducted 11/6/18.
2. For Unit #G-1: Effective Certification date was 2/1/18. Unit inspection was conducted 11/6/18.
3. For Unit #C-1: No documentation on file for Unit Inspection.

Cause:

The PSM failed to adhere to existing policies and procedures to conduct housing inspections according to scheduled time frames to coincide with the annual inspections prior to tenant recertification in a timely manner. Additionally, there are no independent internal control monitoring or review procedures in place to ensure the adequacy and completeness of the admission and certification of tenants.

Effect:

There is no material effect on the financial statements as a result of this condition. However, the Authority is not in compliance with its policies and procedures set forth in the Elderly Program Administrative Plan for the Supportive Housing for Elderly program to conduct annual inspections to ensure that it maintain its housing units in a manner that meets the physical conditions standards set forth in 24 CFR 5.703.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-04 – Significant Deficiency, Continued
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Special Tests and Provisions – Housing Inspections
Questioned Costs: \$0

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

The Authority should enforce its existing internal control policies and procedures to ensure that Unit inspections are conducted upon move-in and annual inspections of dwelling units are conducted and deficiencies are corrected in a timely manner and documented within the tenant's folder.

Auditee Response/Corrective Action Plan:

We agree with the above finding cited herein.

The Property Site Manager will ensure that Annual Unit Inspections are conducted and on file to coincide with each Tenant's Annual Recertification. Review of all tenant files will be conducted to ensure inspections were conducted in a timely manner and properly documented in case files.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 05 – Material Weakness
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation
Questioned Costs: \$0

Criteria:

In accordance with 24 CFR Sections 5.212, 5.230, and 5.601 through 5.615, the Authority must complete the following forms during interview with the tenant: (a) certification that the information provided to the Authority is correct; (b) one or more release forms to allow the Authority to obtain information from third parties; (c) a federally-prescribed general release form for employment information; and (d) a privacy notice. Additionally, the Authority must obtain the necessary information and documentation to verify income eligibility as a condition of admission or continued occupancy.

Condition:

For eleven (11) or 18% of the sixty (60) tenant files tested, we noted that the tenant folders either lacked documentation or was incomplete for the following:

1. For Unit #6AMAK: The Violence Against Women Act (VAWA) form was not completed for two household members.
2. For Unit #40MAO: Form HUD-50058 and Allowances for Tenant Furnished Utilities and Other Services (HUD-52667) were not on-file. The Certification for Divestitures of Assets was signed but the form not completed.
3. For Unit #114ASD: The Affidavit of Zero Income of Adult Member, Tax Certification and the Fraud Affidavit for Penalties for Fraud forms were not completed and on-file.
4. For Unit #7MAO: Household member is claiming disability but no medical doctor certification form on-file; however, a completed Assessment for Handicapped/Disability with Special Needs form was on-file. The Allowance for Tenant-Furnished Utilities and Other Services not completed.
5. For Unit #A09: The Tax Certification form was not completed on and on-file. Housing specialist relied up representation made annual recertification application.
6. For Unit #70MAO: The date of birth for household was incorrectly entered on form HUD-50058 as 10/30/63 instead of 10/29/63 as listed on birth certificate and I-94 documentation and certification by US Customs & Border Protection.
7. For Unit #16PAH: 2017 Income Tax Return not signed & dated by tax filer nor stamped by Guam Department of Revenue and Taxation.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 05 – Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation
Questioned Costs: \$0

Condition: (Continued)

8. For Unit #4ADAM: No Police Clearance was obtained for household member who was 18 yrs. old at the time recertification.
9. For Unit #13BDAM: Form HUD-92006 - Supplemental to Application for Federally Assisted Housing for was signed and dated by tenant but not filled out and completed.
10. For Unit #4BPAQ: The Residential Lease Agreement not signed by PSM. The Occupancy & Rent Calculation (OCR) Changes was not signed and dated by PSM prior to submission to Fiscal Division.
11. For Unit #16BDAM: Copies of 2016 and 2017 tax return on-file but they were not stamped as received by and filed with Guam Department of Revenue and Taxation.

Cause:

It appears that the Public and Indian Housing personnel did not adhere to the internal control procedures in ensuring that all the required documents are complete and accurate at the time of the recertification process.

Effect:

There is no material effect on the financial statements as a result of this condition. Additionally, the Authority is not in compliance with its policies and procedures set forth in the Admission & Continued Occupancy Policies for Public and Indian Housing program.

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 05 -Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation
Questioned Costs: \$0

Recommendation:

The Authority should enforce its existing internal control policies and procedures to ensure that all required documents are submitted and complete during the admission or recertification process. There is a File Document Review and Checklist that is in the tenant's folder must be completed to ensure that all the necessary documents are on file and properly completed. Supervisors and management must examine files to ensure completeness and accuracy.

Auditee Response/Corrective Action Plan:

AMP 1 agrees with the finding cited in condition #1 above. The required documents are pending the tenant's return who is currently off-island.

AMP 3 agrees with the findings cited in condition #2 through #7 above. The PSM will conduct quality control review of all tenant folders for completeness and accuracy. The Housing Specialist will ensure vital documentation is obtained during the annual recertification and tenant tax returns received are properly filed and stamped by the Government of Guam Department of Revenue and Taxation (DRT).

AMP 4 agrees with the finding cited in condition #8 above. Although GPD clearances are conducted bi-annually, the Housing Specialist will review each Annual Recertification to ensure that all documents are in place prior to submitting to PSM. To address this finding, the tenant will be contacted to have household member submit clearance request to GPD in order for GPD to process.

AMP 4 agrees with the finding cited in condition #9 above. The Housing Specialist will review each Annual Recertification to ensure that all documents are properly signed and in place before submitting to PSM. To address this finding, the tenant will be contacted to update the form HUD-92006 form or provide the required information on the form.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 05 – Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation
Questioned Costs: \$0

Auditee Response/Corrective Action Plan: (Continued)

AMP 4 disagrees with the finding cited in condition #10 above. The ORC memo (pink) in file is a tracking memo until such time the ORC memo is returned by the Administrative Assistant (AA). Upon completion of her review against the system, the AA returns the ORC memo (yellow) to the Housing Specialist for tenant folder. The HS removes the pink ORC memo and replaces it with the yellow ORC memo. PSM acknowledges the time the ORC memo is processed is not timely and will discuss with AA staff.

AMP 4 agrees with the finding cited in condition #11 above. The Housing Specialist will review each annual recertification to ensure that all documents are properly signed and in place before submitting to PSM. To address this finding, the tenant will be contacted to provide documents that were submitted to DRT and stamped received by DRT.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 06 – Material Weakness
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – Form HUD 50059
Questioned Costs: \$0

Criteria:

In accordance with 24 CFR Sections 5.212, 5.230, and 5.601 through 5.615, the Authority must complete the following forms during interview with the tenant: (a) certification that the information provided to the Authority is correct; (b) one or more release forms to allow the Authority to obtain information from third parties; (c) a federally-prescribed general release form for employment information; and (d) a privacy notice. Additionally, the Authority must obtain the necessary information and documentation to verify income eligibility as a condition of admission or continued occupancy.

Condition:

For eleven (11) or 18% of the sixty (60) tenant files tested, we noted that the tenant folders either lacked documentation or was incomplete for the following:

Condition:

1. For Unit #11ASAL: Annual DOE wages for household member should have been \$17,843 instead of \$18,458 per Line 7d of form HUD-50059.
2. For Unit #4BATIS: The citizenship status incorrectly entered on Line 3j on form HUD-50059 for a head of household member incorrectly entered on Declaration of Section 214 Status as Permanent Residence under 249 of INA 4. It should have been EN (eligible noncitizen) instead of EC (eligible citizen) as there were no naturalized citizen documentation on-file.
3. For Unit 24MJLG: On form HUD-50059, a household member was listed as disabled on Line 3j but no Medical Doctor's Certification on file.
4. For Unit # 27PD: Wages were incorrectly entered on form HUD-50558. S/H/B \$14,136 instead of \$14,050. Effect is \$2 increase in TTP or \$24 annually.
5. For Unit 3JCR: Gross waged not properly calculated from tenant check stubs. Housing Specialist included \$412.90 instead of \$402.90 on tenant's 9/23/17 to 9/23/17 check stub. The effect was a \$2.00 overstatement of TTP and Tenant Rent which have been \$559 instead of \$561.
6. For Unit #A28: Income was incorrectly entered on form HUD-50059 Line 7 for General Assistance - SNAP as \$6,312 instead of \$6,228 (but amt is excludable) and Cash assistance was incorrectly entered as \$1,824 instead of \$1,836. No impact on TTP.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 06 – Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – Form HUD 50059
Questioned Costs: \$0

Condition: (Continued)

7. For Unit #229AJQQ: Child support per the application should have been \$3,406 instead of \$3,526 reported on Form HUD-50059. The TTP and Tenant Rent should have been \$432 and \$238, respectively. No interim adjustment was made.
8. For Unit #70MAO: A household member assigned an "alternative ID" by HUD's Inventory Management System/PIH Information Center's (IMS/PIC) system, as H00335955 on 1/19/18 because a social security number (SSN) had not been provided. The SSN was applied for 10/13/16 per the Social Security Administration documentation. No subsequent follow up made by Housing Specialist. The subsequent recertification was performed 9/21/18 and there was no additional follow up was documented. Tenant file was poorly maintained as the subsequent recertification file documentation did not include Form-50059, clearance of Sex Registry not performed, and the Utility Allowance Schedule were not on-file as 4/24/19.
9. For Unit #16PAH: The birthdate for a household member was incorrectly entered on form HUD-50059 as 10/30/63 instead of 10/29/63 as listed on the birth certificate, the I-94 documentation and certification by US Customs & Border Protection.
10. For Unit #18CRDB8: The Family Choice of Rental Payment stated tenant elected "Flat Rent" for 2-bdrm unit but was charged for rent based on income of \$614 instead of \$799.
11. For Unit #82MAO: The last name on the birth certificate for household member #2 did not match what was reported on form HUD-50059. The Zero Income Certification was not on-file. Housekeeping Inspection performed 1/22/18 after effective certification date of 1/1/18.

Cause:

It appears that the Public and Indian Housing personnel did not adhere to the internal control procedures in ensuring that all the required documents are complete and accurate at the time of the recertification process.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 06 – Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation
Questioned Costs: \$0

Effect:

There is no material effect on the financial statements as a result of this condition. Additionally, the Authority is not in compliance with its policies and procedures set forth in the Admission & Continued Occupancy Policies for Public and Indian Housing program.

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

The Authority should enforce its existing internal control policies and procedures to ensure that all required documents are submitted and complete during the admission or recertification process. There is a File Document Review and Checklist that is in the tenant's folder must be completed to ensure that all the necessary documents are on file and properly completed. Supervisors and management must examine files to ensure completeness and accuracy.

Auditee Response/Corrective Action Plan:

AMP 1 agrees with the finding for condition #1 above. The Housing Specialist processed a PH correction/income with a TTP from \$544 to \$528 per which was completed 4/19/19.

AMP 1 agrees with the finding for condition #2 above. The Housing Specialist processed a PH correction/non-income from eligible citizen to eligible non-citizen. There was no impact on the TTP.

AMP 1 agrees with the finding for condition #3 above. The head of household member submitted a doctor's certification on 5/8/19.

AMP 2 agrees with the finding for condition #4 above. Due to the increase in rent, an interim adjustment will be conducted with a proper 30-day notice effective 7/1/19.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 06 – Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation
Questioned Costs: \$0

Auditee Response/Corrective Action Plan: (Continued)

AMP 2 agrees with the calculation error cited in the above condition #5. Based on the tabulation, the tenant was overcharged a total of \$2 per month or \$24 for the certification period. Due to the tenants End of Participation on 2/4/2019, AMP 2 is unable to reopen the certification to make correction to the 50058's for the review period. The error has been manually documented to the closed-out file and the Housing Specialist counseled with regards to rewriting the Gross wages on the check stubs, which leads to calculation errors. The tenant left GHURA AMP 2 with a balance of \$506 dollars in unpaid rental arrears. GHURA will offset and credit the former tenant the \$24 overcharged for the review period and make the corrections to the Tenant Accounts Receivable and Debts Owed in EIV. This will reduce the amount the former tenant owes GHURA AMP 2 to \$482.

AMP 3 agrees with findings for condition #6 through #9 above. The PSM will conduct quality control reviews on tenant files for completeness and accuracy. The Housing Specialist will verify all vital tenant documentation during all annual recertifications.

For condition #10 cited above, there is no impact to rent calculation. PSM has forwarded IPA's concerns to MIS and they forwarded such to Tenmast to address this matter. IPA had cited that the Family Choice of Rental Payment form reflected the amount of \$614 on both income-based and flat rent; the income-based rent should be \$741. IPA had commented that the calculation in the 50058 on items 10d, 10e, and 10f do not add up when calculating the Income Based Rent. PSM informed IPA that when the HS checks the flat rent box in the 50058, the system automatically prints the amount into the Family Choice of Rental Payment form and the Tenant rent on 10f reflects the Flat Rent.

AMP 3 agrees with the finding cited in condition #11 above. The PSM will conduct quality control reviews on tenant files for completeness and accuracy. The Housing Specialist will verify all vital tenant documentation during all annual recertifications.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 07 – Material Weakness
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – Annual Certification
Questioned Costs: \$0

Criteria:

As per 24 CFR 960.253, 960.257, and 960.259, the Authority must reexamine family income and composition at least once every twelve months. Furthermore, the Authority must make appropriate adjustments in the housing assistance payment and tenant rent using documentation from third-party verification.

Condition:

For four (4) or 7% of sixty (60) tenant files tested, the following tenants were not recertified in a timely manner:

1. For Unit #82MAO: The effective recertification date was 1/1/18 and the tenant was recertified on 1/30/18.
2. For Unit #20MAO: The effective recertification date was 3/1/18 and Housing Specialist started process and failed complete such prior to tenant's death on 8/28/18.
3. For Unit #70MAO: The effective recertification date was 11/1/17 but was actually recertified 1/19/18, therefore 80 days late.
4. For Unit #93MAO: The effective recertification date was 1/1/18 and actual certification was 5/1/18. Housing Specialist used income amounts from previous 6/17/17 interim certification.

Cause:

There is a lack of internal control monitoring procedures to ensure that tenants are recertified in a timely manner.

Effect:

The Authority is not in compliance with 24 CFR 960.253, 960.257, and 960.259 and its policies and procedures set forth in the Admission & Continued Occupancy Policies for Public and Indian Housing program.

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018 – 07 – Material Weakness, Continued
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – Annual Certification
Questioned Costs: \$0

Recommendation:

The Authority should strengthen its internal control policies and procedures over the monitoring of caseload management and the scheduling of annual tenant recertification.

Auditee Response/Corrective Action Plan:

AMP 3 agrees with findings for conditions cited above. The PSM will conduct quality control reviews on the Housing Specialist annual recertifications conducted each month.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018 – 08 – Significant Deficiency
CFDA Program: 14.850 – Low Income Housing Assistance Program
Area: Special Tests and Provisions – Annual Inspections
Questioned Costs: \$0

Criteria:

Pursuant to the Public Housing Assessment System (PHAS) regulations (24 CFR 902), the Authority must conduct annual inspections of dwelling and non-dwelling units annually. Furthermore, per the Authority's Admission & Continued Occupancy Policies, inspections should be done at move in prior to occupancy, periodically (but not less than annually) prior to lease renewal, and at move out to determine whether tenant maintains a safe, decent and sanitary dwelling unit. Failure to maintain the dwelling unit will result in termination of the tenant's lease.

Condition:

For four (4) or 7% of the sixty (60) tenant files tested, there was either no inspection report on file prior to lease renewal or inspection report indicated a failed inspection and there were no work orders or re-inspections to evidence that the deficiencies were corrected in a timely manner for the following units:

1. For Unit 10JEV: Inspection Report was not dated and not signed & dated by inspector.
2. For Unit 3JCR: Inspection Report was not dated and not signed & dated by inspector.
3. For Unit #93MAO: Inspection Report was not dated and not signed & dated by inspector.
4. For Unit #82MAO: The unit inspection performed 1/22/18 after effective certification date of 1/1/18.

Cause:

The Authority lacks effective internal controls to monitor and ensure that all units are inspected annually in a timely manner.

Effect:

The Authority is in noncompliance with the PHAS regulations and its HQS policies set forth in the Admission & Continued Occupancy Policies.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018 – 08 – Significant Deficiency, Continued
CFDA Program: 14.850 – Low Income Housing Assistance Program
Area: Special Tests and Provisions – Annual Inspections
Questioned Costs: \$0

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

The Authority should enforce its existing internal control policies and procedures to ensure that annual inspections of dwelling units are conducted in a timely manner and documented within the tenant's folder.

Auditee Response/Corrective Action Plan:

The AMP 2 agrees with the finding cited above for conditions #1 and #2. The inspection reports were subsequently signed and dated by the inspector on 5/7/19.

The AMP 3 agrees with the finding cited above for conditions #3 and #4. The inspection reports were subsequently signed and dated by the inspector. The PSM will ensure that inspections are performed prior to annual recertification in a timely manner.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018 – 09 – Significant Deficiency
CFDA Program: 14.850 – Low Income Housing Assistance Program
Area: Special Tests and Provisions – Community Service
Questioned Costs: \$0

Criteria:

Pursuant to the Authority's Admissions and Continued Occupancy Policy, 24 CFR Part 960.603~607 and Section 512 of the Quality Housing and Work Responsibility Act of 1998, which amends Section 12 of the Housing Act of 1937, established a new requirement for non-exempt residents of public housing to contribute eight (8) hours of community service each month or 96 hours annually; or to participate in a self-sufficiency program for eight (8) hours each month.

Condition:

For four (4) or 7% of the 60 tenant files tested, we noted that the following tenants did meet the community service compliance:

1. For Unit #4FMD: Head of Household member only performed only 40 hours of the 96 hours required Community Service.
2. For Unit #7MAO: Husband claimed Community Service Exemption Certification for being over 62-year-old but is only 50 years old and did not perform any community service.
3. For Unit #114ASD: Tenant did not perform any of the required 96 hours for community service.
4. For Unit #70MAO: Tenant did not perform any of the required 96 hours for community service.

Cause:

There appears to be a lack of internal controls and monitoring procedures to ensure that adult family member is in compliance with the community service requirement.

Effect:

There is no known material effect on the financial statements as a result of this finding. However, the Authority is in noncompliance with its Admissions and Continued Occupancy Policy and HUD regulations pertaining to the community service requirements contained in 24 CFR 960 Subpart F (960.600 through 960.609).

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018 – 09 – Significant Deficiency, Continued
CFDA Program: 14.850 – Low Income Housing Assistance Program
Area: Special Tests and Provisions – Community Service
Questioned Costs: \$0

Prior Year Status:

The above condition was cited as a similar finding in the prior year audit of the Authority.

Recommendation:

Management should implement internal controls procedures to ensure that community service requirement objectives are monitored monthly and tenants are properly evaluated each annual reexamination period.

Auditee Response/Corrective Action Plan:

AMP 2 agrees with the finding cited in condition #1 above. The tenant family was renewed without meeting the required 96 hours of Community Service for the review period. Although the Housing Specialist did locate some community service time sheet logs for the subject tenant, the hours still did not meet the threshold requirement and the family was still lacking 24 hours of Community Service. The PSM reminded the Housing Specialist that it is only valid for the 12-month certification period and that it can only be used during annual recertification appointment to monitor and track the tenant family's ability to meet the threshold requirement of 96 hours of community service prior to renewal.

AMP 3 agrees with the finding cited in conditions #2 through #4 above. The household member checked the wrong box for the exemption and it was overlooked by the Housing Specialist. The Housing Specialist contacted the tenants to complete the Community Service Compliance Agreements.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-10 – Significant Deficiency
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Eligibility – Form HUD 50058 Discrepancies
Questioned Costs: \$0

Criteria:

In accordance with 24 CFR Sections 982.4, 982.54(d)(15), 982.152(f)(7) and 982.503, the Authority must maintain current records to document the basis for the determination that rent to owner is a reasonable rent. The Authority is also required to examine family income and composition at least once every twelve months and adjust total rent and housing assistance payment as necessary in accordance with 24 CFR Sections 5.617 and 982.516.

Condition:

Of the sixty (60) tenant files tested, four (4) or 7% either lacked certain required documentation or correct information for the following:

1. For Voucher #HCV0792: The date of birth incorrectly entered on Line 3e, which shows 1/15/13 but the birth certificate shows 1/29/18.
2. For Voucher #6-01-0294-58677: The birth certificate of the tenant shows 11/12/75 but was reported on form HUD -50058 Line 3e. as 11/12/72. There was no effect on the TTP.
3. For Voucher 6-06-0250-1830: the tenant's 2017 tax return not signed nor stamped as received by GovGuam Department of Revenue & Taxation.
4. For Voucher HCV0387: The tenant's 2017 tax return was not obtained and on-file for adult family members.

Cause:

There is a lack of internal control monitoring procedures over tenant folder review to ensure that all required documents are complete and accurate at the time of admission or recertification. Quality control procedures have not been fully implemented to ensure that case files are well-managed and properly maintained.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No. 2018-10 – Significant Deficiency, Continued
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Eligibility – Form HUD 50058 Discrepancies
Questioned Costs: \$0

Effect:

There is no material effect on the financial statements as a result of this condition. The Authority is not in compliance of their policies and procedures as set forth in the Administrative Plan for the Section 8 HCV program and federal regulations for determining eligibility. The potential exists for improper payment amounts or rent to be paid or admission of ineligible participants and not be detected in a timely manner.

Recommendation:

The Authority should strengthen its internal control monitor policies and procedures to ensure that all required documents are submitted and complete during the admission or recertification process. There is a File Document Review and Checklist that is in the tenant's folder that should be completed, signed and dated by the Housing Specialist to ensure that all the necessary documents are obtained, properly completed and on-file for independent verification.

Greater quality control and internal control monitoring procedures should be implemented to mitigate errors and omissions. The Authority's Compliance Specialist should periodically test a sample of tenant files for quality control and document the results to correct any deficiencies in a timely manner to strictly enforce adherence to the Administrative Plan and federal regulations.

Auditee Response/Corrective Action Plan:

The Housing Manager agrees with this finding and response for each condition is as follow:

1. The date of birth has been corrected in the system.
2. The Housing Specialist inadvertently made a typographical error when inputting the information into the system. The birthdate has been corrected in the system.
3. The participant provided a signed and acknowledged copy.
4. The Housing Specialist did not obtain a copy of the 2017 tax return at the time of the annual recertification.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018-11 – Significant Deficiency
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Eligibility – Criminal Activity
Questioned Cost: \$0

Criteria:

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

Condition:

For two (2) or 3% of the sixty (60) tenant files tested, we noted the following:

1. For Voucher #6-08-0062-48318: The Criminal History/Sex Offender Certification for was not signed and dated by two required household members.
2. For Voucher #6-08-0331-47403: The Criminal History/Sex Offender Certification not verified.

Cause:

The Authority did not adhere to its administrative plan for screening applicants and tenants for family behavior or suitability for tenancy.

Effect:

The Authority did not adhere to its Administrative Plan. The potential exists for participants with a history of criminal sexual activity to be admitted to the program and not be detected in a timely manner.

Recommendation:

The Authority should adhere to its existing internal control policies and procedures during the admission and recertification process.

Auditee Response/Corrective Action Plan:

We agree with the audit finding.

The Housing Specialist failed to have client signed the Criminal History/Sex Offender Certification form. The deficiency has been corrected.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018-12 – Significant Deficiency
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Rent and Housing Assistance Payment – Rent Reasonableness
Questioned Costs: \$0

Criteria:

The PHA must maintain records to document the basis for the determination that rent to owner is a reasonable rent (initially and during the term of the HAP contract) (24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507). The Authority must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the PHA must consider:

1. The location, quality, size, unit type, and age of the contract unit; and
2. Any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

Condition:

For four (4) or 7% of the sixty (60) tenant files tested, we noted the following:

1. Voucher #6-03-0066-47496: The Rent Reasonableness Determination Report used for determining reasonable rent and providing comparable unit did not include owner information. The Determination Report was and the Reasonable Rent Certification was completed by the same person.
2. NED: The Rent Reasonableness Determination Report was not signed and dated.
3. Voucher #6-01-0294-58677: Same person signed off on the reasonable rent determination and the certification.
4. For Voucher HCV0286: The Determination Report was and the Reasonable Rent Certification was completed by the same person. The utility allowances were not included on the Rent Reasonable Determination Report.

Cause:

Prior the amendment, the Authority's administrative plan did not specifically address the segregation of the duties for this function. Additionally, the data base had not been thoroughly reviewed to ensure all unassisted units included all necessary information for comparability.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Schedule of Findings and Questioned Costs
Year Ended September 30, 2018

Finding No.: 2018-12 – Significant Deficiency, Continued
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Rent and Housing Assistance Payment – Rent Reasonableness
Questioned Costs: \$0

Effect:

The Authority is not in compliance with its administrative plan and the provisions of 24 CFR sections 982.4, 982.54(d)(15), 982.158(f)(7), and 982.507.

Recommendation:

The Authority should adhere to its existing administrative plan and procedures should be established to periodically review its unassisted landlord data base to ensure all necessary comparable data is obtained for unassisted units.

Auditee Response/Corrective Action Plan:

The Housing Manager agrees with this finding.

The audit performance period was overlapping from last year's finding. This occurred around the same time the discrepancy was initially discovered. The process has since been corrected to ensure the Supervisor performing the Rent Reasonableness determination follows the policy.

The Supervisor has been counseled and instructed to follow policy.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Summary Schedule of Prior Year Audit Findings Year Ended September 30, 2018

Audit Finding

2016-03	This finding is resolved.
2016-04	This finding is resolved.
2016-09	This finding is unresolved as a similar findings were cited in findings 2017-09 and 2018-08.
2016-13	This finding is unresolved as a similar findings were cited in findings 2017-12 and 2018-09.
2017-01	This finding is unresolved.
2017-02	This finding is unresolved as a similar findings was cited in finding 2018-02.
2017-03	This finding is unresolved as a similar findings was cited in finding 2018-03.
2017-04	This finding is unresolved as a similar findings was cited in finding 2018-04.
2017-05	This finding is unresolved as a similar findings was cited in finding 2018-01.
2017-06	This finding is unresolved as a similar findings was cited in finding 2018-05.
2017-07	This finding is unresolved as a similar findings was cited in finding 2018-07.
2017-08	This finding is resolved.
2017-09	This finding is unresolved as a similar findings was cited in finding 2018-08.
2017-10	This finding is unresolved as a similar findings was cited in finding 2018-06.
2017-11	This finding is resolved.
2017-12	This finding is unresolved as a similar findings was cited in finding 2018-09.
2017-13	This finding is resolved.
2017-14	This finding is resolved.
2017-15	This finding is resolved.
2017-16	This finding is resolved.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Summary of Unresolved Questioned Costs
Year Ended September 30, 2018

	<u>Questioned Costs</u>	<u>Costs Allowed</u>	<u>Costs Disallowed</u>	<u>Unresolved Questioned Costs</u>
FY 2018 Questioned costs	\$ -	\$ -	\$ -	\$ -
FY 2012 Questioned costs	<u>97,751</u>	<u>-</u>	<u>-</u>	<u>97,751</u>
Total unresolved questioned costs at September 30, 2018	<u>\$ 97,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,751</u>

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No. **2018-01**
CFDA Program: **14.157 – Supportive Housing for the Elderly**
Area: **Eligibility – Late Annual Recertification**

Condition:

For 3 or 18% of seventeen (17) tenant files tested, the recertification performed late, file documentation was incomplete or missing and was not uploaded on the Rural Development's Multi-Family Housing Management Interactive Network Connection (MINC), in a timely manner.

Corrective Action Stated and Taken:

Property Site Manager will ensure of processing Annual Recertification 90-120 days prior to the effective anniversary date in accordance to the Administrative Plan and Federal Regulations. Property Site Manager will also utilize WinTen2+ Occupancy and Rent Calculations Certification system as a guide to review and process upcoming Recertifications on a timely manner. The current Property Site Manager signed off "for" previous Property Site Manager on all documents that were missing signatures of the PHA/Project Representative. We unable to obtain the signature of the tenant residing in Unit A-1 for the VAWA form due to the end of program participation effective 2/28/19.

Responsible Party:

Property Site Manager

Anticipated Date of Completion:

On-going.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No. 2018-02
CFDA Program: 14.157 – Supportive Housing for the Elderly
Area: Eligibility – Documentation form HUD 50059

Condition:

Of the seventeen (17) tenant files tested, 8 or 47% of tenant recertification was incorrectly performed, lacked certain documentation for the current period or had missing signatures from the Authority's officials.

Corrective Action Stated and Taken:

The PSM will retroactively review files and make necessary corrections. The PSM is currently reviewing case files and correcting any discrepancies while in the process of Tenant's current or upcoming recertification.

For quality control, Property Site Manager will solicit assistance from the Section 8 Quality Control Reviewer to conduct monthly monitoring of computation of income and rent to identify discrepancies or necessary corrections to files to ensure adequacy and completeness of each case file. The current PSM signed off "for" previous Property Site Manager on all documents that were missing signatures of PHA/Project Representative.

Responsible Party:

Property Site Manager

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No. **2018-03**
CFDA Program: **14.157 – Supportive Housing for the Elderly**
Area: **Eligibility – File Maintenance**

Condition:

Of the seventeen (17) tenant files tested, 4 or 23% of tenant folders either lacked certain documentation for the current period or had missing signatures from the Authority's officials.

Corrective Action Stated and Taken:

The current Property Site Manager signed off on documents that required signatures of PHA/Project Representative. To ensure compliance, the Property Site Manager will review each file and use the checklist flap as a guide and ensure that all documents are enclosed within each flap for completeness. (Current Property Site Manager signed off "for" previous Property Site Manager on all documents that were missing signatures of PHA/Project Representative.)

Responsible Party:

Property Site Manager

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No. **2018-04**
CFDA Program: **14.157 – Supportive Housing for the Elderly**
Area: **Special Tests and Provisions – Housing Inspections**

Condition:

For 3 or 18% of seventeen (17) tenant files tested, there was either no inspection report on file prior to lease renewal or the inspection was performed late and after tenant recertification.

Corrective Action Stated and Taken:

The Property Site Manager will ensure that Annual Unit Inspections are conducted and on file to coincide with each Tenant's Annual Recertification. Review of all tenant files will be conducted to ensure inspections were conducted in a timely manner and properly documented in case files.

Responsible Party:

Property Site Manager

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action Federal Award Findings and Questioned Costs September 30, 2018

Finding No. 2018 – 05
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – File Maintenance and Missing Documentation

Condition:

For eleven (11) or 18% of the sixty (60) tenant files tested, we noted that the tenant folders either lacked documentation or was incomplete.

Corrective Action Stated and Taken:

AMP 1 –The required documents are pending the tenant’s return who is currently off-island.

AMP 3 – The PSM will conduct quality control review of all tenant folders for completeness and accuracy. The Housing Specialist will ensure vital documentation is obtained during the annual recertification and tenant tax returns received are properly filed and stamped by the Government of Guam Department of Revenue and Taxation (DRT).

AMP 4 – The Housing Specialist will review each Annual Recertification to ensure that all documents are in place prior to submitting to PSM. To address this finding, the tenant will be contacted to have household member submit clearance request to GPD in order for GPD to process.

AMP 4 – The Housing Specialist will review each Annual Recertification to ensure that all documents are properly signed and in place before submitting to PSM. To address this finding, the tenant will be contacted to update the form HUD-92006 form or provide the required information on the form.

AMP 4 – The Housing Specialist will review each annual recertification to ensure that all documents are properly signed and in place before submitting to PSM. To address this finding, the tenant will be contacted to provide documents that were submitted to DRT and stamped received by DRT.

Responsible Party:

Property Site Managers and Housing Specialists

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action Federal Award Findings and Questioned Costs September 30, 2018

Finding No. 2018 – 06
CFDA Program: 14.850 – Public and Indian Housing
Area: Eligibility – Form HUD 50059

Condition:

For eleven (11) or 18% of the sixty (60) tenant files tested, we noted that the tenant folders either lacked documentation or was incomplete.

Corrective Action Stated and Taken:

AMP 1 – The Housing Specialist processed a PH correction/income with a TTP from \$544 to \$528 per which was completed 4/19/19. For condition #2 cited, the Housing Specialist processed a PH correction/non-income from eligible citizen to eligible non-citizen. For condition #3 cited, the head of household member submitted a doctor's certification on 5/8/19.

AMP 2 – For condition #4 cited, due to the increase in rent, an interim adjustment will be conducted with a proper 30-day notice effective 7/1/19. For condition #5 cited, the error has been manually documented to the closed-out file and the Housing Specialist counseled with regards to rewriting the Gross wages on the check stubs, which leads to calculation errors. The tenant left GHURA AMP 2 with a balance of \$506 dollars in unpaid rental arrears. GHURA will offset and credit the former tenant the \$24 overcharged for the review period and make the corrections to the tenant accounts receivable and debts owed.

AMP 3 – For conditions #6 through #9 cited, the PSM will conduct quality control reviews on tenant files for completeness and accuracy. The Housing Specialist will verify all vital tenant documentation during all annual recertifications. For condition #10 cited, the PSM has forwarded this matter to IT Department and they forwarded such to software vendor to address this matter. For condition #11 cited. The PSM will conduct quality control reviews on tenant files for completeness and accuracy. The Housing Specialist will verify all vital tenant documentation during all annual recertifications.

Responsible Party:

Property Site Managers and Housing Specialists

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No. **2018 – 07**
CFDA Program: **14.850 – Public and Indian Housing**
Area: **Eligibility – Annual Certification**

Condition:

For four (4) or 7% of sixty (60) tenant files tested, the following tenants were not recertified in a timely manner.

Corrective Action Stated and Taken:

The PSM will conduct quality control reviews on the Housing Specialist annual recertifications conducted each month.

Responsible Party:

Property Site Manager

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No.: 2018 – 08
CFDA Program: 14.850 – Low Income Housing Assistance Program
Area: Special Tests and Provisions – Annual Inspections

Condition:

For four (4) or 7% of the sixty (60) tenant files tested, there was either no inspection report on file prior to lease renewal or inspection report indicated a failed inspection and there were no work orders or re-inspections to evidence that the deficiencies were corrected in a timely manner.

Corrective Action Stated and Taken:

The AMP 2 – For conditions #1 and #2 cited, inspection reports were subsequently signed and dated by the inspector on 5/7/19.

AMP 3 – For conditions #3 and #4 cited, inspection reports were subsequently signed and dated by the inspector. The PSM will ensure that inspections are performed prior to annual recertification in a timely manner.

Responsible Party:

Property Site Manager

Anticipated Date of Completion:

Completed and on-going monitoring.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No.: 2018 – 09
CFDA Program: 14.850 – Low Income Housing Assistance Program
Area: Special Tests and Provisions – Community Service

Condition:

For four (4) or 7% of the 60 tenant files tested, tenants did meet the community service compliance.

Corrective Action Stated and Taken:

AMP 2 – For condition #1 cited, the PSM reminded the Housing Specialist that the required community service hours must be met during 12-month certification period and to monitor and track the tenant family's ability to meet the threshold requirement of 96 hours of community service prior to recertification.

AMP 3 – For conditions #2 through #4 cited, the Housing Specialist contacted the tenants to complete the Community Service Compliance Agreements.

Responsible Party:

Property Site Manager and Housing Specialist

Anticipated Date of Completion:

Completed.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No. **2018-10**
CFDA Program: **14.871 – Section 8 Housing Choice Voucher Program**
Area: **Eligibility**

Condition:

Of the sixty (60) tenant files tested, four (4) or 7% either lacked certain required documentation or correct information.

Corrective Action Stated and Taken:

1. The date of birth has been corrected in the system.
2. The Housing Specialist inadvertently made a typographical error when inputting the information into the system. The birthdate has been corrected in the system.
3. The participant provided a signed and acknowledged copy.
4. The Housing Specialist did not obtain a copy of the 2017 tax return at the time of the annual recertification.

Responsible Party:

Housing Manager and Housing Specialist

Anticipated Date of Completion:

Completed.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No.: 2018-11
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Eligibility

Condition:

For two (2) or 3% of the sixty (60) tenant files tested, Criminal History/Sex Offender Certifications were not signed by tenants.

Corrective Action Stated and Taken:

The Criminal History/Sex Offender Certification form were subsequently signed by tenants.

Responsible Party:

Housing Manager and Housing Specialist

Anticipated Date of Completion:

Completed.

GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Plan of Corrective Action
Federal Award Findings and Questioned Costs
September 30, 2018

Finding No.: 2018-12
CFDA Program: 14.871 – Section 8 Housing Choice Voucher Program
Area: Rent and Housing Assistance Payment – Rent Reasonableness

Condition:

For four (4) or 7% of the sixty (60) tenant files tested, we noted the following:

1. Voucher #6-03-0066-47496: The Rent Reasonableness Determination Report used for determining reasonable rent and providing comparable unit did not include owner information. The Determination Report was and the Reasonable Rent Certification was completed by the same person.
2. NED: The Rent Reasonableness Determination Report was not signed and dated.
3. Voucher #6-01-0294-58677: Same person signed off on the reasonable rent determination and the certification.
4. For Voucher HCV0286: The Determination Report was and the Reasonable Rent Certification was completed by the same person. The utility allowances were not included on the Rent Reasonable Determination Report.

Corrective Action Stated and Taken:

The process has since been corrected to ensure the Supervisor performing the Rent Reasonableness determination follows the policy.

The Supervisor has been counseled and instructed to follow policy.

Responsible Party:

Housing Manager

Anticipated Date of Completion:

Completed.