

# OFFICE OF AUDITS & ADVISORY SERVICES



## HOUSING PROGRAMS AUDIT

### *FINAL REPORT*

Chief of Audits: Juan R. Perez  
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# County of San Diego

**TRACY DRAGER**  
AUDITOR AND CONTROLLER

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**JUAN R. PEREZ**  
CHIEF OF AUDITS

March 27, 2020

TO: Nick Macchione, Director  
Health and Human Services Agency

FROM: Juan R. Perez  
Chief of Audits

FINAL REPORT: HOUSING PROGRAMS AUDIT

Enclosed is our report on the Housing Programs Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

A handwritten signature in blue ink, appearing to read "Juan R. Perez".

JUAN R. PEREZ  
Chief of Audits

AUD:FL:nb

Enclosure

c: Tracy Drager, Auditor and Controller  
Dean Arabatzis, Chief Operations Officer, Health and Human Services Agency  
Andrew Pease, Executive Finance Director, Health and Human Services Agency  
Debbie Ordonez, Revenue & Budget Manager, Health and Human Services Agency

## INTRODUCTION

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**Audit Objective** The Office of Audits & Advisory Services (OAAS) completed an audit of the County of San Diego Housing and Community Development Services (HCDS) Housing Programs. The objective of the audit was to evaluate controls in place to ensure compliance with housing mandates and achievement of the County's housing initiatives.

**Background** The HCDS assists low and moderate-income households through public services that provide safe and affordable housing opportunities. HCDS also helps improve neighborhoods through community development opportunities and management of innovative housing initiatives. At the time of review, two recently established affordable housing programs were identified:

- **No Place Like Home (NPLH)** – Authorized for the County in November 2018, NPLH provides funding from the State for permanent supportive housing for persons experiencing homelessness that have serious mental illness.
- **County Innovative Housing Trust Fund (IHTF)** – Authorized for the County in June 2019, provides a local trust fund to increase affordable housing opportunities throughout San Diego County through the construction, acquisition, rehabilitation and loan repayment of affordable multi-family rental housing.

**Audit Scope & Limitations** The scope of the audit focused on the existence and the effectiveness of controls and processes related to ensuring compliance with housing mandates and initiatives within the NPLH and IHTF programs. The time period of the review included fiscal year 2019-20.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

**Methodology** OAAS performed the audit using the following methods:

- Interviewed HCDS stakeholders regarding methods for complying with housing mandates and County initiatives.
- Reviewed laws, regulations, and policies pertaining to housing programs.
- Verified HCDS has controls in place to analyze, monitor, and implement new legislative requirements by confirming sampled housing legislation introduced during 2019 was appropriately addressed.

- Verified housing program contracts outline the appropriate program requirements. Additionally, verified these requirements have appropriate monitoring controls in place or planned.
- Verified sampled disbursements for housing programs were for eligible expenses.

## AUDIT RESULTS

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### Summary

Within the scope of the audit, there is reasonable assurance that HCDS has effective controls in place for ensuring compliance with housing mandates and County initiatives.

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### Office of Audits & Advisory Services

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