

September 21, 2017

Coquille Tribal Council
North Bend, OR 97459

Coquille Indian Housing Authority Board of Commissioners
Coos Bay, OR 97420

SELF-MONITORING REPORT

INTRODUCTION

An Annual Compliance Assessment of the Coquille Indian Housing Authority's (CIHA) Indian Housing Block Grant (IHBG) program was completed on September 21, 2017 covering the program year 2017. The assessment was conducted as required by the Coquille Indian Tribe's Self-Monitoring Policy adopted by Tribal Council Resolution CY0254 and in accordance with the requirements of the implementing regulations of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) found at 24 Code of Federal Regulations (CFR) Part 1000.502. JWILLIS INC. and CIHA utilized the HUD Office of Native American Programs Monitoring Plan checklists to complete the assessment. Also included in this year's assessment were two new areas, the first pertains to 2 CFR § 200.303 and evaluates the Authority's performance in establishing and maintaining effective internal controls over its federal awards. The second relates to the changes brought about by the new guidance now codified at 2 CFR Part 200 and is applicable to various areas of the Authority's operations.

An outside consultant from JWILLIS INC. conducted the assessment with the assistance of the following individuals, who currently serve as the Monitoring Committee:

Anne Cook, Executive Director
Lyman Meade, Deputy Director
Debbie Dennis, Administrative Services Coordinator
Dale Herring, Housing Programs Coordinator
Marcy Chytka, Accounting Services Coordinator
Scott Felton, Maintenance Coordinator
Scott Platter, Maintenance Technician

Areas Reviewed:

1. APR and IHP
2. Organization and Structure
3. Environmental Review
4. Other Programs – Warehouse Project
5. Financial and Fiscal Management
6. Procurement and Contract Administration
7. Labor Standards
8. Relocation and Real Property Acquisition
9. Lead-Based Paint
10. Section 504 Accessibility
11. Maintenance and Inspection
12. IHBG Self-Monitoring
13. Admissions and Occupancy
14. Subrecipient Agreements

The Monitoring Committee and reviewer chose to classify review results in three ways:

1. Recommendations – Suggested improvements to existing procedures which are not deficiencies but which could assist management and staff in improving the performance of the organization.
2. Concerns – Deficiencies in performance but not violations of statutory or regulatory requirements. Recommendations are provided for correcting any areas of concern.
3. Findings – Clear violations of statutory or regulatory requirements. Findings require corrective action.

ASSESSMENT RESULTS

1. APR and IHP

Jimmy Willis of JWILLIS INC. (Consultants), an outside consulting firm, interviewed Anne Cook, Executive Director, to review the Authority's IHP and APR compliance. He also reviewed the files and documents which addressed this area and, where applicable, assessed the applicability of the two additional assessments required by the new regulations. No recommendations, concerns, or findings were noted in this area.

2. Organization and Structure

Jimmy Willis of JWILLIS INC. (Consultant), an outside consulting firm, interviewed Anne Cook, Executive Director, and Debbie Dennis, Administrative Services Coordinator, to review the organization and administration of the programs. He also reviewed the Authority's files and documents which addressed this area including the two additional assessments required by the new regulations. No concerns or findings were noted in this area, but the following observation by the Consultant and one management improvement is suggested:

One of the items in the Monitoring Plan for this area references the relationship between the Tribal Council and Board of Commissioners. This past year the Consultant was impressed with the spirit of cooperation shown by the Tribal Council and the Board, together with the management of the Authority, in overcoming the many obstacles to the warehouse replacement project. The Tribal Chair's inventive idea to make the shortfall of funds available to complete the project by a simple word change in an ordinance, combined with the Council's willingness to make these funds available to complete the project, is a model for other entities. The Board's assistance to management also facilitated the project and provided another link to its success. Finally, the hard work of the Executive Director in securing the low interest funding from the bank coupled with her guidance in assuring that the facility meets the needs of both the Tribe and Authority, not only now but for years to come, made the project a reality. All parties should be proud of this accomplishment.

Recommendation

Authority's Policies Could Be Improved

The Authority's policies are re-examined each year against any new statutory and procedural requirements to ensure they are compliant with current HUD rules and regulations. In all areas addressed by this self-monitoring assessment it was noted that its policies and procedures address the Authority's obligation to comply with NAHASDA rules and regulations, including the new assessments' requirements.

While, as noted above, its existing policies and procedures comply with statutory requirements, the Authority is encouraged to update and clarify some areas of its Admissions and Occupancy policy.

3. Environmental Review

The Consultant interviewed Anne Cook, Executive Director, to review the Authority's environmental review compliance. He examined the Authority's environmental review records which addressed all of the applicable areas requiring environmental review and were completed before federal funds were expended.

No recommendations, concerns, or findings were noted in this area.

4. Other Programs – Warehouse Project

The Consultant interviewed Anne Cook, Executive Director, to determine the applicability of this section. While this monitoring section is usually devoted to other grants obtained by the Authority, the Consultant suggested that it might be used to evaluate the warehouse project as it constitutes a major activity during the review period.

This project required an exceptional amount of preplanning to ensure that it fulfilled its purpose. As previously noted, acquisition of the funding for the project showed creativity in combining the low interest bond financing and Tribal loan with the use of rental revenue as a repayment source, as did designing a portion of the facility to be suitable for Tribal use at very reasonable rental rates. An inspection of construction in progress indicated a high level of craftsmanship and concern for future needs as well.

The Consultant recommends regular review to ensure compliance with the requirements of the various funding sources used to complete the project. Further, the Authority should develop appropriate operational procedures and maintenance routines to preserve the long-term viability of the facility.

5. Financial and Fiscal Management

The Consultant interviewed Marcy Chytka, Accounting Services Coordinator, and Anne Cook, Executive Director, to determine present procedures. Where applicable, the Consultant also assessed the applicability of the two additional assessments required by the new regulations. The Consultant noted that the Authority's financial auditors performed extensive testing of the financial and fiscal management area this year and reported no exceptions; that the Consultant in performing his monthly reading of the financial statements reported no adverse comments concerning their accuracy; and, that the Consultant further found no exceptions in his tests of HUD-recommended sensitive accounts. The Consultant determined that further testing was unnecessary, except for the tests on inherent risk areas, which he tested and found no exceptions.

No concerns or findings were noted in this area, but the following management item should be annually considered for adoption if it becomes necessary:

Recommendations

Requirement to Calculate Program Income on the Cash Basis

The FY 2012 Self-Monitoring Report noted that HUD requires that the cash basis method be used in calculating program income for 1937 Housing Act rental units. The Authority calculates its program income allocation on the accrual basis rather than the cash basis. Because of the excellent record the Authority has with collection of its receivables each month, the difference between these two amounts for purposes of computing program income is not material. The Accounting Services Coordinator is aware of this requirement and continues to monitor this area for significant changes. Accounting for this area will be converted to the cash basis if tenant receivable balances warrant such a change.

6. Procurement and Contract Administration

The Consultant interviewed Executive Director Anne Cook, Administrative Services Coordinator Debbie Dennis, and Deputy Director Lyman Meade to determine present procedures. He also assessed the applicability of the two additional assessments required by the new regulations. The outside auditors also review this area during their audit engagement. The consultant performed a test of all procurements over \$5,000 to determine if proper procedures were used for expenditures in excess of the Authority's micro purchase policy.

These tests revealed that the one expenditure over this threshold was properly documented and followed the solicitation method required by the Authority. In addition, based on the Consultant's tests of those purchases made within the micro purchase policy, it was evident that the Authority attempted to purchase from multiple sources to achieve competitive pricing of products. The Authority should be

commended on this practice as it reflects the realization that the \$5,000 requirement is mandated, but the conscientious practice of getting the best price for the Authority's funds is the real goal.

The Authority engaged in only one contract that required the use of the competitive sealed bids method of procurement which was for the construction of the warehouse. Only one contractor responded to the Invitation for Bids which required the Authority to twice solicit bids for the contract. Only one was received so the Authority requested and received from the funding agency approval to use the contractor under the sole source rules. The consultant reviewed the contract file and found no exceptions in his testing of this contract.

No concerns, findings, or recommendations were noted in this area.

7. Labor Standards

The Consultant interviewed Deputy Director Lyman Meade and Administrative Services Coordinator Debbie Dennis to determine present procedures. Mr. Meade indicated that the Authority uses HUD-determined or Davis-Bacon wage rates as dictated by the type of work. The Consultant reviewed certified payrolls for construction of the warehouse to substantiate that the Authority was following required procedures in this area. These were tested to ensure compliance with Davis-Bacon requirements, some of which included payments to apprentices based on experience rating as permitted by regulation. No exceptions were noted in this review.

No recommendations, concerns, or findings were noted in this area.

8. Relocation and Real Property Acquisition

The Consultant interviewed Dale Herring, Housing Programs Coordinator to review the Authority's compliance with relocation and property acquisition requirements.

No recommendations, concerns, or findings were noted in this area.

9. Lead-Based Paint

The Consultant interviewed Dale Herring, Housing Programs Coordinator, to determine present procedures. The units of all participants in the Monthly Housing Assistance Payments (MHAP) tenant-based rental assistance program that had children under the age of six in the household and lived in homes built before 1978 require testing for lead-based paint issues by a qualified inspector. Only one of the tenants during this fiscal year required lead-based paint testing and the home passed inspection by a qualified inspector.

Based on the tests performed and the new procedures instituted in this area, no recommendations, concerns, or findings were noted.

10. Section 504 Accessibility

In prior self-monitoring engagements, it was noted that the Authority has compliance issues with respect to its conformity with Section 504 accessibility rules. A legal review revealed that in the initial construction of the reservation units in the 1990s, the Authority did not build the number of Section 504 compliant units to meet the requirements of this statute.

During the current self-monitoring review, it was determined that the Authority is in technical compliance with the rules. The Authority has three compliant units (the number required by regulation), two of which are rented and one of which is leased under a lease-purchase contract. Although the Authority is in technical compliance with 504 rules, it is the Authority's intent to continue to work toward providing at least one additional 504-compliant rental unit as funds become available. In the interim, in accordance with 24 CFR 8.4 (b) (1), other actions will be taken to ensure residents with needs under the Act receive specific modifications to their units as necessary.

11. Maintenance and Inspection

The Consultant interviewed Administrative Services Coordinator Debbie Dennis, Maintenance Coordinator Scott Felton, and Maintenance Technician Scott Platter to determine present procedures. Files were reviewed for compliance with laws and regulations concerning this area. The Consultant commends the Authority for its work to integrate and computerize the entire area of work orders, annual inspections, and preventive maintenance activities into one comprehensive and controlled system. The process has promoted efficient time management, the use of available manpower, helped to ensure prompt attention to resident's service requests, and increased the overall effectiveness of this important function of the organization. The new warehouse, which is close to completion, will further enhance the Authority's performance in this area.

No recommendations, concerns, or findings were noted in this area.

12. IHBG Self-Monitoring

The Consultant interviewed Anne Cook, Executive Director, to review the Authority's self-monitoring program. Four years ago, HUD monitored the Authority's self-monitoring program and noted that the program was exemplary. No changes have been made to the program and its comprehensive approach addresses all compliance mandated by HUD.

No recommendations, concerns, or findings were noted in this area.

13. Admissions and Occupancy

The Consultant interviewed Dale Herring, Housing Programs Coordinator, to determine present procedures. The Authority's outside auditors examined at least $\frac{1}{3}$ of the files from each category and their testing found no exceptions, therefore the Consultant felt that additional testing could be limited in this area. He tested, however, all files of new residents during FY 2017 and no exceptions were noted. The Consultant also noted that the Coordinator has made significant changes that have greatly enhanced and coordinated the move out procedures required of all Authority staff members when a rental unit becomes vacant.

No recommendations, concerns, or findings were noted in this area.

14. Subrecipient Agreements

The Authority has no subrecipient agreements.

CONCLUSION

JWILLIS INC. and the Monitoring Committee concur that the IHBG program is well managed and substantially in compliance with the requirements of NAHASDA. There is one item of special interest that should be noted. The Authority has continued to exert exemplary control over resident receivables. In the current fiscal year, the increase in Tenant Accounts Receivable (TARs) was .2%, which is an exceptional accomplishment in subsidized housing.

It is suggested that CIHA consider any recommended improvements provided by JWILLIS INC. and the Committee for possible implementation. JWILLIS INC. and the Committee thank all those that participated for their cooperation and assistance in completing the annual compliance assessment.

Respectfully submitted,

JWILLIS INC. and the Monitoring Committee