

October 19, 2018

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 October 19, 2018 covering the program year 2018. 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 staff utilized the HUD Office of Native American Programs Monitoring Plan checklists to complete the assessment. A new checklist was added to this year's assessment to evaluate the Authority's ongoing compliance with IRS requirements applicable to the tax-exempt bond financing obtained for the Projects and Maintenance Operations and Storage Facility.

An outside consultant from JWILLIS INC. performed the review 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
Tracey Mueller, Housing Programs Specialist
Marcy Chytka, Accounting Services Coordinator
Scott Felton, Maintenance Coordinator
Scott Platter, Maintenance Technician

Areas Reviewed:

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

Deputy Director Lyman Meade 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. No recommendations, concerns, or findings were noted in this area.

2. Organization and Structure

Deputy Director Lyman Meade interviewed Anne Cook, Executive Director, to review the organization and administration of the programs. He also reviewed the Authority's files and documents which addressed this area. No concerns or findings were noted in this area, but the following management improvement is suggested:

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.

While, as noted above, its existing policies and procedures comply with statutory requirements, the Authority is encouraged to continue updating and improving its policies during the upcoming year.

3. Environmental Review

Deputy Director Lyman Meade interviewed Anne Cook, Executive Director, to review the Authority's environmental review compliance. He examined the Authority's

environmental review records which addressed all applicable areas requiring environmental review.

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

4. Other Programs – Warehouse Project

The Consultant interviewed Anne Cook, Executive Director, to review the status of the Authority's warehouse project.

As stated in the prior year's report, this project required an exceptional amount of preplanning to ensure that it fulfilled its intended purpose. The warehouse was completed in December and its tenants, both the Tribe and the Housing Authority, have found its innovative design to be both practical and attractive for its users. The Consultant commends the Tribe and Authority on the success of this project. Both should take great pride for such a remarkable achievement.

5. Financial and Fiscal Management

Maintenance Coordinator Scott Felton and Deputy Director Lyman Meade interviewed Marcy Chytka, Accounting Services Coordinator, to determine present procedures

Tests were conducted and documents were reviewed to determine present procedures and compliance with standards for financial reporting, maintaining accounting records, cash management, allowable costs, insurance, internal controls, separation of duties, and tax-exempt bond compliance. Mr. Felton noted that the Consultant, in performing monthly readings of the financial statements, reported no adverse comments concerning their accuracy and the most recent annual financial audit reported no findings. Mr. Felton and Mr. Meade found no exceptions in their tests of the financial management systems.

No concerns or findings were noted in this area.

Recommendations

Allocation of Payroll Expenses

With the completion of the warehouse, the Authority returned to the payroll allocation levels used prior to the project. It is recommended that a new time study be performed to ensure these percentages accurately reflect the Authority's current distribution of effort.

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

Housing Programs Coordinator Dale Herring interviewed Debbie Dennis, Administrative Services Coordinator, to determine present procedures. It was noted that the Authority's outside auditors also review this area during the annual financial audit. Mr. Herring tested 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 all procurements over this threshold were properly documented and followed the solicitation method required by the Authority in all instances. In addition, based on the reviewer'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.

There were no contracts or purchases that exceeded the small purchase threshold in the period.

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

7. Labor Standards

Housing Services Coordinator Dale Herring interviewed Debbie Dennis, Administrative Services Coordinator, to determine present procedures. The Authority uses HUD-determined or Davis-Bacon wage rates as dictated by the type of work. Mr. Herring reviewed certified payrolls where required by the type of work to substantiate that the Authority was following required procedures in this area. These were tested to ensure compliance with Davis-Bacon requirements. No exceptions were noted in this review.

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

8. Relocation and Real Property Acquisition

No activity occurred during the period.

9. Lead-Based Paint

Maintenance Technician Scott Platter 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 have children under the age of six in the household and live in homes built before 1978 require testing for lead-based paint issues. One unit required lead-based paint testing during the period, was inspected by a qualified inspector, and passed inspection.

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

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.

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 or appropriate units become vacant that can be rehabilitated into 504-compliant unit(s).

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

Housing Programs Technician Tracey Mueller interviewed Debbie Dennis, Administrative Services Coordinator and Scott Platter, Maintenance Technician.

Files were randomly selected for review to determine if annual inspections had been conducted on all rental and homebuyer units as required, and if annual preventive maintenance (APM) was occurring on all rental units. All units selected had been inspected at least once in the previous year and annual preventive maintenance work had been completed or scheduled. The forms used for these inspections are thorough and provide accurate information for work orders to be issued, when necessary.

Work orders were randomly selected for review to determine if work requested was completed. The list of open work orders was reviewed; there were minimal work orders open at the time. Maintenance staff were focused on exterior APM work while weather allowed and preparing vacant units for re-occupancy.

The computerized tracking of work orders, inspections, and preventive maintenance helps to ensure that timely maintenance of units occurs to maintain the integrity of the units. The system has promoted efficient use of resources, quick responses to resident's requests for service and repairs, and overall improved maintenance of the physical units.

It was noted that maintenance of the Authority's vehicles, common areas, and other buildings and facilities were tracked using the system as well.

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. Five years ago, HUD monitored the Authority's self-monitoring program and noted that the program was exemplary. The comprehensive approach taken by the Authority continues to address all areas of compliance mandated by HUD and as necessitated by other program activities.

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

13. Admissions and Occupancy

Maintenance Technician Scott Platter interviewed Dale Herring, Housing Programs Coordinator, to determine present procedures. During the most recent financial audit, the Authority's outside auditors examined at least $\frac{1}{3}$ of the files from each category and found no exceptions; therefore, additional testing was limited in this area. Ten random files were tested and found to be in compliance with no exceptions.

No concerns or findings were noted in this area, but the following management improvement is suggested:

Recommendation

Interest Should Be Charged on Payback Agreements

While provision is made in policy for the addition of interest to payback agreements, this has not been interpreted into practice. It is recommended that the Authority implement this provision of its policy to offset the costs of offering this option to participants.

14. Subrecipient Agreements

The Authority has no subrecipient agreements.

CONCLUSION

The Consultant and 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 4%, which, although higher than the Authority's usual rate, remains a significant accomplishment in subsidized housing.

It is suggested that CIHA consider any recommended improvements provided by the Consultant and the Committee for possible implementation. The Consultant 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