

August 29, 2019

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 August 27-28, 2019 covering the program year 2019. 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. The CIHA Board of Commissioners, Executive Director, and Staff, with the assistance of Jimmy Willis (Consultant), utilized the HUD Office of Native American Programs Monitoring Plan checklists to complete the assessment.

Monitoring Committee:

Robert More, Vice-Chairperson	Lyman Meade, Deputy Director
Denise Hunter, Secretary/Treasurer	Debbie Dennis, Administrative Services Coordinator
Don Garrett, Commissioner	Tracey Mueller, Housing Programs Specialist
Judy Rocha, Commissioner	Marcy Chytka, Accounting Services Coordinator
Jeff Severson, Commissioner	Scott Felton, Maintenance Coordinator
Anne Cook, Executive Director	Scott Platter, Maintenance Technician

Areas Reviewed:

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| 1. APR and IHP | 7. Lead-Based Paint |
| 2. Organization and Structure | 8. Section 504 Accessibility |
| 3. Environmental Review | 9. Maintenance and Inspection |
| 4. Financial and Fiscal Management | 10. IHBG Self-Monitoring |
| 5. Procurement and Contract Administration | 11. Admissions and Occupancy |
| 6. Labor Standards | 12. Tax-Exempt Bond Compliance |

The Monitoring Committee and Consultant 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

Commissioner Judy Rocha interviewed Anne Cook, Executive Director, to review the Authority's IHP and APR compliance. Commissioner Rocha also reviewed the files and documents which addressed this area. No recommendations, concerns, or findings were noted in this area.

2. Organization and Structure

Commissioner Judy Rocha interviewed Anne Cook, Executive Director to review the organization and administration of the programs. Commissioner Rocha also reviewed the Authority's files and documents which addressed this area. No concerns or findings were noted, however the following observations were made:

Recommendations

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. However, although 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.

Reconsider County PILOT LCA

When time allows, the Authority may wish to renew efforts to transition its current local cooperative agreement arrangements to the County.

3. Environmental Review

Commissioner Judy Rocha interviewed Anne Cook, Executive Director, regarding the Authority's environmental review compliance and examined the Authority's environmental review records. All activities were addressed as required and reviews completed prior to the expenditure of funds. No recommendations, concerns, or findings were noted in this area.

4. Financial and Fiscal Management

Vice-Chairperson Robert More and Secretary/Treasurer Denise Hunter interviewed Marcy Chytka, Accounting Services Coordinator, to determine present procedures.

Reviewers selected random computer-generated samples, conducted tests, and reviewed documents to determine compliance with applicable standards for financial reporting, maintaining accounting records, cash management, allowable costs, insurance, internal controls, separation of duties, and tax-exempt bond compliance. The Reviewers noted that the Consultant had performed monthly readings of the financial statements and reported no adverse comments concerning their accuracy, and that the most recent annual financial audit reported no findings. No exceptions were found in the reviewers' tests of the financial management systems.

No concerns or findings were noted in this area, but the following recommendations were noted:

Recommendations

Frequency of Bank Deposits

During the first week of every month, when rents are due, the Authority may wish to prepare bank deposits more frequently.

Requirement to Calculate Program Income on the Cash Basis

The FY 2012 Self-Monitoring Report noted that HUD requires 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 tenant rents 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.

5. Procurement and Contract Administration

Commissioner Don Garrett interviewed Debbie Dennis, Administrative Services Coordinator, to determine present procedures. The outside auditors also review this area during their

annual audit engagement. Commissioner Garrett tested all procurements over \$5,000 to determine if proper procedures were used for expenditures in excess of the Authority's micro-purchase policy.

Tests revealed that all procurements over this threshold were properly documented and followed the solicitation method required by Authority policy in all instances. In addition, based on the Commissioner'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.

6. Labor Standards

Commissioner Don Garrett 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. Commissioner Garrett reviewed all certified payrolls, where required by the type of work, to substantiate that the Authority was following proper procedures and to ensure compliance with Davis-Bacon standards. No exceptions were observed.

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

7. Lead-Based Paint

Commissioner Jeff Severson interviewed Tracey Mueller, Housing Programs Specialist, to determine and verify present procedures. The units of all participants in the Monthly Housing Assistance Payments (MHAP) tenant-based rental assistance program with children under the age of six in the household living in homes built before 1978 require testing for lead-based paint issues by a qualified inspector. Four units required lead-based paint testing during the period, three of which passed inspection the first time. The fourth home failed the first inspection, abatement was performed, and subsequent testing was clear of lead-based paint.

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

8. 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 additional 504 compliant rental units. In FY 2019 the Authority applied for an IHBG Competitive Grant, which if awarded will allow for rehabilitation of three existing units to Section 504 standards and construction of three new units to Section 504 standards. 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.

9. Maintenance and Inspection

Commissioner Don Garrett interviewed Lyman Meade, Deputy Director.

A computer-generated random selection of files was reviewed 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 were observed to be thorough and to provide accurate information for work orders to be issued, if needed.

Work orders were selected for review from a computer-generated sample, to determine if work requested was completed. The list of open work orders was reviewed. Minimal work orders were open at the time of the review. Maintenance staff had been focusing on exterior APM work while weather allowed, and continued preparation for re-occupancy of vacant units.

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 for years to come. The system has promoted efficient use of resources, quick responses to residents' requests for service and repairs, and overall improved maintenance of the physical units. In addition, maintenance and repairs on vehicles were part of the computerized tracking system.

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

10. IHBG Self-Monitoring

Commissioner Judy Rocha interviewed Anne Cook, Executive Director, and reviewed documents related to the Authority's self-monitoring program. In the Authority's last HUD monitoring report, it was noted that the Authority's self-monitoring 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.

11. Admissions and Occupancy

Commissioner Jeff Severson interviewed Tracey Mueller, Housing Programs Specialist, to determine present procedures. The Authority's outside auditors examined multiple files from each category and their testing found no exceptions, therefore the Reviewer felt that additional testing could be limited in this area. Eighteen files were tested from a random computer-generated sample and found to be in compliance with no exceptions.

No concerns or findings were noted in this area.

Recommendation

Self-Monitoring Assessment Information Gathering Could be More Efficient

Information gathering for future self-monitoring assessments could be streamlined by filing all original data and verifications, including the income limits current at the time of application, in the section of the client's file with the original application.

12. Tax-Exempt Bond Compliance

Vice-Chairperson Robert More and Secretary/Treasurer Denise Hunter interviewed Marcy Chytka, Accounting Services Coordinator, and reviewed records to determine compliance with bond documents and IRS requirements. No recommendations, concerns, or findings were noted.

CONCLUSION

The Consultant and Monitoring Committee concur that the IHBG program is well managed and substantially in compliance with the requirements of NAHASDA. One item that should be noted is the 14% Tenant Accounts Receivable (TARs) rate for the period, which is unusually high for the Authority and attributable primarily to the performance of one household. Review indicates this event to be an anomaly and largely beyond the Authority's control.

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

Respectfully submitted,

Consultant Jimmy Willis and the Monitoring Committee