

**CITY OF WEST ALLIS, WISCONSIN
CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2022**

Federal: U.S. Department of Housing and Urban Development

State: Wisconsin Department of Health Services

The City of West Allis, Wisconsin respectfully submits the following corrective action plan for the year ended December 31, 2022.

Audit period: January 1, 2022 to December 31, 2022

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no financial statement audit findings to report in accordance with Government Auditing Standards for the year ended December 31, 2022.

FINDINGS—FEDERAL AND STATE AWARD PROGRAMS AUDITS

U.S. Department of Housing and Urban Development

2022-001 Housing Choice Voucher Program – Assistance Listing No. 14.871

Recommendation: We recommend that the City review its system of internal control related to the policies and procedures in place to mitigate the risk of noncompliance with the requirements of HQS enforcement.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The PHA is currently finalizing a contract with a 3rd party contractor to perform the required HQS inspections. They anticipate that outsourcing the inspection work will lessen the workload on PHA staff to allow program staff to focus their efforts on improving overall program compliance, including HQS enforcement procedures. As the contract arrangement is rolled out staff will review procedures between inspectors and PHA staff to ensure proper communication and clear procedures are in place as they relate to enforcement actions.

PHA staff also will implement a new standard procedure in which the Housing Coordinator will check a list of units with failed or incomplete inspection records against the payment batch report prior to sending the batch to Finance to issue the HAP payments.

PHA Supervisory Staff have also requested more detailed information on the audit results to help them further analyze the 3 specific cases where customers were issued HAP payments despite a failed inspection. This will help supervisory staff conduct a more thorough review and consider additional procedural changes.

Additionally, the Finance Department suggests the PHA engage its software vendor or a peer agency to review functionality in the software to determine whether additional features could be employed in the software to prevent a HAP payment on a unit with a failed inspection, for example.

Name(s) of the contact person(s) responsible for corrective action: Steve Schaer

Planned completion date for corrective action plan: 3/31/2024

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2022-002 Housing Choice Voucher Program – Assistance Listing No. 14.871

Recommendation: We recommend that the City review its system of internal control related to the policies and procedures in place to mitigate the risk of noncompliance with the requirements of the stated criteria.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: PHA staff noted that the current process of finding comparable data for rent reasonableness comparisons is challenging and obtaining accurate, up-to-date data has been a struggle. As part of the RFP process for inspection services, staff noted that McCright offers a process that can assist in accessing data and making the rent reasonableness comparisons. PHA staff will also pursue options available under its contract with McCright, data feeds that could work within its existing software, and any other options in use at peer agencies to determine the best specific path forward to ensuring compliance with rent reasonableness requirements.

PHA Supervisory Staff have also requested more detailed information on the audit results to help them further analyze the specific rent reasonableness cases where documentation and performance errors were made which led to this finding. This will help supervisory staff conduct a more thorough review and consider additional procedural changes.

Name(s) of the contact person(s) responsible for corrective action: Steve Schaer

Planned completion date for corrective action plan: 3/31/2024

2022-003 Housing Choice Voucher Program – Assistance Listing No. 14.871

Recommendation: We recommend that the City review its system of internal control related to the policies and procedures in place to mitigate the risk of noncompliance with the requirements of the stated criteria.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding

Action taken in response to finding: PHA supervisory staff will review the detailed income verification procedures that are in place, including documentation procedures. Supervisory staff have also requested more detailed information on the audit results to help them review the specific instances that led to this finding so specific procedural changes can be considered and implemented. Staff understand that income verification is essential to ensuring that only eligible participants are provided HAP benefits. Results of the PHA's internal procedural review will be submitted to the Finance Department for additional review to ensure proper procedural controls are in place.

Name(s) of the contact person(s) responsible for corrective action: Steve Schaer

Planned completion date for corrective action plan: 3/31/2024

2022-004 Housing Choice Voucher Program – Assistance Listing No. 14.871

Recommendation: We recommend that the City review its system of internal control related to the policies and procedures in place to mitigate the risk of noncompliance with the requirements of the annual HQS inspection.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: As mentioned previously, the PHA is currently finalizing a contract with a 3rd party contractor to perform the required HQS inspections. They anticipate that

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outsourcing the inspection work will lessen the workload on PHA staff to allow for program staff to focus their efforts on improving overall program compliance, including HQS inspection procedures.

As the contract arrangement is rolled out staff will review procedures between inspectors and PHA staff to ensure proper communication and clear procedures are in place to ensure all required inspections are completed. The Housing Coordinator or other PHA staff should review summary reports of renewals processed each month and compare them to inspections processed each month to ensure all necessary inspections are completed.

PHA Supervisory Staff have also requested more detailed information on the audit results to help them further analyze the specific cases that did not have a documented or completed annual inspection. This will help supervisory staff conduct a more thorough review and consider additional procedural changes.

Additionally, the Finance Department suggests the PHA engage its software vendor or a peer agency to review functionality in the software to determine whether additional features could be employed in the software to prevent a HAP payment on a unit with an incomplete inspection, for example.

Name(s) of the contact person(s) responsible for corrective action: Steve Schaer

Planned completion date for corrective action plan: 3/31/2024

2022-005

Housing Choice Voucher Program – Assistance Listing No. 14.871

We recommend that the City review its system of internal control related to the policies and procedures in place to mitigate the risk of noncompliance with the requirements of the stated criteria.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: PHA staff will review its current procedures for completing rent reasonableness requirements. As noted above, they will pursue options available under their contract with McCright, data feeds that could work within their existing software, and any other options in use at peer agencies to determine the best specific path forward to ensuring compliance with rent reasonableness requirements.

PHA Supervisory Staff have also requested more detailed information on the audit results to help them further analyze the specific rent reasonableness cases where documentation and performance errors were made which led to this finding. This will help supervisory staff conduct a more thorough review and consider additional procedural changes.

Also, as noted above the Finance Department suggests the PHA engage its software vendor or a peer agency to review functionality in the software to determine whether additional features could be employed in the software to prevent a HAP payment on a unit where rent reasonableness has not been completed yet.

Name(s) of the contact person(s) responsible for corrective action: Steve Schaer

Planned completion date for corrective action plan: 3/31/2024

If the U.S. Department of Housing and Urban Development or the Wisconsin Department of Health Services has questions regarding this plan, please call Kris Moen, Deputy Finance Director, at (414) 302-8251.