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**Housing Opportunities for Persons with AIDS
Program Grant Audit of
AIDS Outreach Center, Inc.**

March 13, 2015



**City of Fort Worth
Department of Internal Audit**

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A Housing Opportunities for Persons with AIDS (HOPWA) Program Grant Audit of the AIDS Outreach Center was conducted as a part of the Department of Internal Audit's Fiscal Year 2014 Annual Audit Plan.

Audit Objectives

The objectives of this audit were to determine whether:

- the AIDS Outreach Center complied with applicable federal regulations and City contract requirements, and
- expenditures charged against the Housing and Urban Development grant were eligible, allocable, and reasonable.

Audit Scope

Our audit included a review for the period October 1, 2013 through September 30, 2014.

Opportunity for Improvement

Timely processing of payment reimbursement requests

Executive Summary

As a part of our FY2014 Annual Audit Plan, the Department of Internal Audit conducted an audit of Housing Opportunities for Persons with AIDS (HOPWA) Program grant funds administered by the AIDS Outreach Center.

For the 12-month period ended September 30, 2014, the AIDS Outreach Center provided supportive services to approximately 153 clients. Of the 153 clients, short term rent, mortgage and utilities assistance was provided to approximately 84 clients. Tenant-based rental assistance was provided to approximately 69 clients.

The AIDS Outreach Center was awarded \$622,694.00 in HOPWA funds for the contract period October 1, 2013 through September 30, 2014. Based on work performed, the AIDS Outreach Center complied with federal regulations and contract requirements relating to financial functions. Also, expenditures charged against the Housing and Urban Development grant were eligible, applicable and reasonable.

The contract between the City of Fort Worth and the AIDS Outreach Center requires that reimbursement requests be submitted to the City by the 15th of each month, even if there are no reimbursable expenses. Although necessary requests for additional information (by the Neighborhood Services Department – formerly the Housing and Economic Development Department) resulted in payment delays, the Department of Internal Audit was able to confirm that reimbursement requests were initially submitted by the 15th of each month.



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Background

The City of Fort Worth receives an annual allocation of federal grant funds from the United States Department of Housing and Urban Development (HUD) for Housing Opportunities for Persons with AIDS (HOPWA) programs.

HOPWA is a program that provides formula allocations and competitively-awarded grants to eligible states, cities, and nonprofit organizations to provide housing assistance and related supportive services to meet the housing needs of low-income persons and their families living with HIV/AIDS. These resources help clients maintain housing stability, avoid homelessness, and improve access to HIV/AIDS treatment and related care while placing a greater emphasis on permanent supportive housing.

HOPWA funds must be used to provide eligible clients with one or more of the following program services, each of which is administered by the City's Neighborhood Services Department:

- supportive services including housing counseling and case management;
- tenant-based rental assistance (TBRA); or
- short-term rental, mortgage, or utility assistance (STRMU).

TBRA is a rental subsidy program that grantees can provide to help low-income households access affordable housing. STRMU is a time-limited housing subsidy designed to prevent homelessness and increase housing stability. Grantees may provide assistance for up to 21 weeks in any 52-week period. The amount of assistance varies per client depending on funds available, tenant need and program guidelines.

HOPWA funds were to be used to pay costs associated with delivering supportive services to any client receiving either TBRA or STRMU assistance, including salaries and fringe benefits, FICA for employees, supplies, insurance and program facility and utility costs. No more than 7% of the HOPWA funds were to be used to pay administrative costs, including salaries, insurance, taxes, and legal and accounting fees associated with the Program.

The AIDS Outreach Center began in 1986 as an all-volunteer organization in order to provide support to those dying from HIV/AIDS. Today, the AIDS Outreach Center provides support services to more than 1,600 individuals and their families across all races, ethnicities, genders, ages, and sexual identities.



Objectives

The objectives of this audit were to determine whether:

- the AIDS Outreach Center complied with applicable federal regulations and City contract requirements, and;
- expenditures charged against HUD grants were eligible, allocable, and reasonable.

Scope

The scope of this audit was limited to financial functions of the AIDS Outreach Center from October 1, 2013 through September 30, 2014.

Our audit did not include a review of performance requirements, as the Neighborhood Services Department is responsible for reviewing performance compliance.

Methodology

To achieve the audit objectives, the Department of Internal Audit performed the following:

- reviewed executed contract between the City of Fort Worth and the AIDS Outreach Center;
- reviewed a sample of expenditure transactions maintained by the City's Neighborhood Services Department, Financial and Management Services Department, and the AIDS Outreach Center;
- reviewed applicable federal regulations; and,
- conducted a site visit at the AIDS Outreach Center.

We conducted this audit in accordance with generally accepted government auditing standards, except for peer review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Audit Results

During this audit, the Department of Internal Audit tested a sample of reimbursed expenses for October 1, 2013 through March 31, 2014. Each sampled transaction was tested to ensure that the expense was eligible, allocable, and reasonable. Sampled transactions consisted of expenses incurred in the following categories:

- Administrative
- Program Personnel
- Supplies and Services
- Facility and Utilities
- Legal
- Financial and Insurance
- Direct Assistance

Our audit test results concluded that the AIDS Outreach Center complied with applicable federal regulations. The Department of Internal Audit was able to determine that reimbursement requests were submitted to the City in a timely manner. However, since additional time was required to submit adequate supporting documentation, February and March 2014 invoices (which included expenses from mid-January through mid-March) were not reimbursed until May 2014.



Acknowledgements

The Department of Internal Audit would like to thank the AIDS Outreach Center and staff within the City's Neighborhood Services Department for their cooperation and assistance during this audit.