



U.S. Department of Housing and Urban Development
Community Planning and Development Division
Region IV, Miami Field Office
Brickell Plaza Federal Building
909 SE First Avenue, Room 500
Miami, FL 33131-3042

May 19, 2014

Dorritt Miller, Deputy Administrator
City of West Palm Beach
Mayor's Office
P.O. Box 3366
West Palm Beach, FL 33402

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MAY 20 2014
City of West Palm Beach
Mayor's Office

Dear Ms. Miller:

SUBJECT: West Palm Beach- HOME Program
Office Inspector General HUD
Audit Report # 2013-AT-1008

This is a follow-up to the Office of Inspector General's (OIG) audit referenced above issued on September 30, 2013.

During fiscal years 2009-2012, the City of West Palm Beach, Florida was awarded more than \$2.3 million in Home Investment Partnerships Program (HOME). A review of the City's operations to administer HOME program was conducted to ensure proper use of these funds in accordance with applicable HUD requirements. Please see attached audit for a description of the activities.

The audit resulted in fifteen (15) - CPD controlled recommendations pertaining to the HOME program. The recommendations are as follows:

Recommendations:

Recommendation 1A & 1B below are currently under discussion between CPD and OIG, therefore no response is required until further notice.

Recommendation 1A. Reimburse the U.S. Treasury \$402,217 in ineligible costs from non-Federal funds for activities 670, 704, 768, 769, 770, and 776, that the City did not commit by the 24-month statutory deadline.

Recommendation 1B. Recapture \$157,072 in remaining HOME funds for activities 670 and 776 that the City did not commit by the 24-month statutory deadline.

For the following recommendations, our office concurs with the Auditors as noted below:

Recommendation 1C. Reprogram \$988,272 committed for canceled activities and make funds available for other eligible HOME activities.

Recommendation 1D. Determine whether \$11,728 drawn down for those canceled activities was for supported and eligible expenditures.

Recommendation 1E. Establish and implement procedures to ensure that future HOME funds are committed by the required deadline, ensure the accuracy of information entered into IDIS, and take appropriate action to promptly correct detected violations.

Recommendation 1F. Train staff regarding HUD's documentation and entry requirements for commitments entered into IDIS.

Recommendation 2A. Provide supporting documentation or reimburse its program \$1,081,092 in unsupported expenditures related to activities 429, 526, 637, and 672 from non-Federal funds.

Recommendation 2B. Reimburse \$225,235 in ineligible costs related to activities 476, 524, 526, 546, 637, and 699 from non-Federal funds.

Recommendation 2C. Reprogram \$28,282 in remaining funds for completed activity 699 and deobligate \$42,950 from activities 523, 526 and 637 since it did not expend funds by the 5-year deadline.

Recommendation 2D. Review the status of its open activities and determine whether the projects are completed. The City should also update IDIS and ensure that HOME funds allocated to any activities with remaining funds are reprogrammed or deobligated if the funds were not spent by the 5-year deadline.

Recommendation 2E. Reimburse \$4,542 in HOME funds overdrawn from non-Federal funds.

Recommendation 2F. Maintain supporting documentation and implement controls over disbursements that are sufficient to ensure compliance with applicable regulations.

Recommendation 2G. Amend all present and future contracts to ensure the City accepts responsibility for the performance and quality of the work performed.

Recommendation 2H. Review and reconcile its information regarding the Coleman Park infill project and determine the results of its monitoring review.

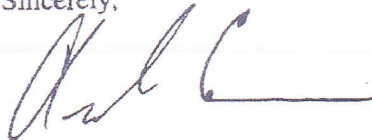
Recommendation 21. Provide supporting documentation for activities 675, 697, 701, and 702 to show whether they were eligible HOME activities or reimburse its program \$153,950 from non-Federal funds.

Please provide our office with a written response that includes documentation to support clearance of the above findings within 30-days from the date of this letter.

If you have any questions regarding this correspondence, or any other program matter, please do not hesitate to contact Ms. La Vora Bussey, Community Planning and Development Representative, at (305)-520-5007, or via email message at: lavora.b.bussey@hud.gov.

As always, it is our pleasure to work with you to advance the best interest of your organization.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ann D. Chavis', written over a horizontal line.

Ann D. Chavis
Director
Community Planning and Development