



AUDIT SUMMARY

Department of Housing

www.ctauditors.gov

Fiscal Years Ended June 30, 2021, 2022, and 2023

ABOUT THE AGENCY



The Department of Housing (DOH) is the lead state agency on all matters relating to housing and is responsible for advancing strategies and administering programs that promote the development, redevelopment, and preservation of housing for low and moderate-income families, community revitalization, as well as financial and other support for the state's most vulnerable residents. The department's mission is to ensure everyone has access to quality housing opportunities and options throughout the State of Connecticut.

ABOUT THE AUDIT

We have audited certain operations of the Department of Housing in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2021, 2022, and 2023. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

[Link to full report](#)



Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

NOTEWORTHY FINDINGS



Findings

1

The Department of Housing (DOH) did not fulfill its reporting responsibilities under Section 8-444 of the General Statutes. DOH did not file required reports to the General Assembly describing any complaint trends and making recommendations to improve the efficiency, fairness, or operations of the captive insurance company.

2

We reviewed 26 housing and community development projects, for which DOH provided \$39,827,352 in financial assistance. DOH did not perform onsite monitoring, obtain and review required reports, or perform financial closeouts. In addition, DOH disbursed \$4,520,000 to a contractor prior to the full execution of funding agreements for six projects.

3

Our review of the Rental Assistance Program disclosed that DOH does not regularly reconcile its contractor's funding to the disbursed assistance payments. DOH did not verify the accuracy of contractor monthly payment requests or its financial and programmatic reports. In addition, the department did not identify unexpended funds and request the contractor return them, and did not verify the accuracy of contractor fraud recoveries. We also found that the housing authority has not updated the utility allowance schedule since 2012.

4

DOH does not maintain records of its complaints and investigations that documents how it investigated and resolved them.



Recommendations

DOH should take the necessary actions to carry out its reporting responsibilities in Section 8-444 of the General Statutes.

DOH should strengthen internal controls to ensure that it performs a complete review of all projects from application until closeout. The department should only disburse funds during approved budget periods in accordance with personal service agreements.

The department should adopt policies stipulating deadlines for completing monitoring and issuing monitoring letters and certificates of completion.

DOH should strengthen internal controls and properly monitor its contractor to ensure accountability over Rental Assistance Program funds. In addition, the department should ensure that the utility allowance schedule reflects current rates in accordance with its administrative plan.

DOH should strengthen internal controls and develop and implement complaint processing procedures. They should include a centralized system to track complaints and document their resolution.