

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

For many years, audits and other assessments have documented chronic weaknesses in HUD's staffing as well as information and financial systems. Two large programs, comprising two-thirds of the Department's funds, are rated high-risk by the General Accounting Office. HUD officials have focused on these deficiencies and have demonstrated sustained progress.

### President's Management Agenda

	<i>Status</i>	<i>Progress</i>
<i>Human Capital</i>	(R)	(Y)
HUD is red in status for several reasons including skill gaps and human capital deficiencies across the Department. HUD does not sustain a high-performing workforce that is continually improving in productivity. HUD's progress, which is yellow, includes stepped up recruitment and hiring, adding new talent to augment the Cabinet's oldest workforce.		
<i>Competitive Sourcing</i>	(R)	(Y)
HUD is red in status because it has completed no studies of public-private competitions to determine the best method to deliver services. Progress is yellow because HUD has decided on the activities it plans to subject to public-private competition.		
<i>Financial Performance</i>	(R)	(G)
HUD's red status is due to five repeat material weaknesses on its latest audit report. Some financial systems fail to meet federal requirements. HUD's progress is green because of new internal controls procedures and the successful implementation of the first phase of the FHA commercial accounting system.		
<i>Expanding E-Government</i>	(R)	(G)
HUD is red in status because of chronic problems implementing IT systems. HUD's progress is green because of improved oversight and control of costs on investments in information technology.		
<i>Budget and Performance Integration</i>	(R)	(G)
HUD is red in status because planning and budget are separate, with not enough focus on outcomes. HUD's green progress rating results from using outcomes rather than outputs in selected cases in this year's budgeting and its development of a performance-based budget format.		

*HUD Management and Performance*

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HUD is red in status until improvements reach the targeted levels. HUD's progress is commendable. The housing provided to HUD-assisted tenants is better today than it was a year ago; many more units comply with HUD's physical standards. Some large long-troubled public housing authorities are turning around. FHA has lowered risks of its FHA loan guarantees by eliminating firms with inflated appraisals and improving the way it manages defaulted properties.

**Program Assessments**

Program assessments for six HUD programs are presented below. Ratings range from moderately effective for housing vouchers and HOME to ineffective for project-based rental assistance. In three programs, results were not demonstrated. HUD has ample room to improve.