

DRAFT

Appendix B: Management Control Questionnaire (Entity)

This questionnaire should not be viewed as a limitation on the questions to be asked, but as suggestions to understand the controls. The auditor should add or delete questions as circumstances require. The auditor should collect and review relevant documentation supporting the entity official's answers to these questions. Auditor judgment should be used to determine: 1) whether questions should be added or deleted; 2) appropriate follow-up questions; and 3) what supporting documentation to obtain.

Entity Experience

How long has the entity been in operation?

How much previous experience has the entity had with performing activities? With the additional funding, does it plan on adding activities?

How much experience does the entity staff have with administering HUD grants/agreements?

How much funding does the entity usually receive from HUD? How much additional funding will the entity receive from HERA/ARRA? How has the entity prepared for the increase?

If the program has specific requirements that might be difficult to administer, how is the entity preparing?

Employee Experience/Training

Is the entity properly and adequately staffed?

Does the entity have an employee training program? Are staff and managers continuously trained? How?

How are new employees trained?

How does management evaluate employee performance? How often?

How much turnover has occurred among the entity staff responsible for ensuring the success of the entity activities? Any turnover of key staff? Has it affected the entity?

How does the entity determine if employees are accomplishing their duties/tasks and following policies/procedures? What happens if they do not or if poorly performed?

Do employees/managers have knowledge and comprehension of their duties/tasks? Are managers/employees held accountable for departmental and staff performance? What actions would be taken if a department performed poorly or an employee acted unacceptably?

Does the entity hold regular staff meetings? What type of information is discussed?

Do employees have access to adequate resources and current information to accomplish their duties/tasks?

Does management report on the entity's performance relative to its goals and objectives? Are there status reports?

How does management communicate its expectations to employees?

Knowledge of HUD

How much knowledge of HUD grant requirements did the entity have prior to receiving

its allocation/grant?

If little or none, how did the entity obtain an understanding of the applicable requirements?

Has the entity received any technical assistance from HUD? If so, how much and when?

Has the entity received any informal assistance from HUD such as telephone conversations? If so, how much and when?

Eligible Activities

Has the entity made any changes or is it proposing any changes in its activities as set forth in its application/contract/grant agreement?

Would the entity ever consider modifying its activities? If so, under what circumstances? Who would be the approving official?

How does the entity ensure all activities it engages in are eligible?

Eligible Participants

Who does the entity's program attempt to serve? Does the entity have specific criteria for eligibility?

How does the entity verify that participants in its program are eligible?

Performance Measures

How did the entity establish performance goals (may be contained in its application)?

Has the entity made any changes to its performance goals? If so, what? (obtain relevant documentation)

What data does the entity maintain concerning participants in the program? Who is responsible for maintaining the data?

How does the entity track its performance in relation to its goals? What records does the entity maintain to support its level of performance?

Has the entity been able to meet its performance goals (past & present)?

Who is responsible for preparing reports to HUD? Do management officials review the report before submission?

What other funding sources are being used to fund current operations of the project?

How does the entity intend to continue to fund the project once the grant funds have been expended? Do they anticipate obtaining a renewal grant? Have they identified other funding sources?

How will the entity know that it has been successful? How is success measured?

Data/Computer Systems (questions may need to be answered by information technology/systems official)

How does the entity maintain program records (paper, data-base)? What system does the entity use?

Who can pull reports/data from the database?

Is the entity required to report to a HUD system? Which one? How is it done? Who does it?

For the entity's system(s), what staff has system override privileges? Does the system log all overrides?

What safeguards are in place to prevent lost or unauthorized access to data?

Does each system have an automatic logoff?

What controls are in place to ensure that input data is properly authorized?

Does the entity have a password protection policy? How often must passwords be changed? Is sharing of passwords among employees prohibited?

Timeliness

Is the entity going to be able to complete its project(s) on time? If not, why?

Does the entity report required/relevant information to HUD in a timely manner?

Fraud

Has the entity had any instances of fraud? Theft? Embezzlement? Accused?
Misappropriation? False statements?

What in their quality control plan addresses fraud?