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Audit Case Number	97-PH-163-0002

TO: Kevin E. Marchman, Acting Assistant Secretary
for Public and Indian Housing, P

FROM: Edward F. Momorella, District Inspector General for
Audit, Mid-Atlantic, 3AGA

SUBJECT: Memorandum of Agreement
Department of Housing and Urban Development and
Department of the Army
Washington, DC

We audited the Memorandum of Agreement (MOA) for inspection services between the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of the Army (DA), U.S. Army Corp of Engineers (COE). The purpose of our audit was to determine if HUD was effectively administering the MOA and if HUD was receiving the desired results from the inspections performed by the U.S. Army Corps of Engineers (COE).

We determined that the current MOA contains many deficiencies and is not in HUD's best interest. Further, HUD Field Offices are not receiving the inspection information as required.

Within 60 days, please give us, for each recommendation made in the report, a status report on: (1) the corrective action taken; (2) the proposed corrective action and date to be completed; or (3) why action is considered unnecessary. Also, please furnish us with copies of any correspondence or directives issued because of the audit.

Should your staff have any questions, please have them contact J. Phillip Griffin, Assistant District Inspector General for Audit, at (215) 656-3401.

Executive Summary

The MOA is not producing the results envisioned by HUD when the agreement was made. We noted the MOA is not in HUD's best interest and is not providing the required inspection information.

The MOA does not protect HUD's interest

The procurement of the MOA between the COE and HUD did not comply with the Federal Acquisition Regulations (FAR) as required. The contract was awarded without allowing all responsible sources to compete when HUD decided that the contract could be handled better by the COE than through other sources. In addition, HUD advances funds to the COE and allows the COE to account for all of the funds. As a result, HUD lacks assurance that it is receiving the best services at the most reasonable prices while the COE holds approximately \$10.4 million of unutilized HUD funds.

Services are not provided as required

HUD did not ensure the effectiveness of the required services provided by the COE. The Field Offices reviewed generally had problems with: (1) the COE submitting reports to HUD timely; (2) HUD reporting results to the PHA; (3) the COE recommending follow-up inspections to correct deficiencies; and (4) PHA responses to HUD. The COE also collected money (\$94,862) for some inspections that were not completed. HUD had no control of payment for services after completion of a work order and lack of monitoring allowed inspection reports to be untimely or never submitted. As a result, HUD has no assurance that inspections are being done efficiently or that PHA modernization work is improving.

Recommendations

We made recommendations to terminate the current MOA and to recover the unused funds and the ineligible costs for inspections not completed. Also, we made recommendations to improve operations if a new MOA/Contract is obtained.

Auditee Comments

We discussed the draft findings with the General Deputy Assistant Secretary for Public and Indian Housing (PIH) at an exit conference on June 20, 1997. The Department's response

to the draft findings was considered and incorporated, where appropriate, in preparing the final report. A copy of the Department's comments is included as Appendix A.

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Introduction

The Memorandum of Agreement (MOA) between HUD and the COE for inspection services at Public Housing Authorities (PHAs) and Indian Housing Authorities (IHAs) was signed on September 24, 1993. The agreement was originally for \$6,976,000 and has increased to \$21,351,000 as of June 5, 1996. The agreement calls for HUD to advance all funds to the COE.

The scope of the MOA calls for inspections of PHA and IHA modernization and reports of findings, evaluation and report of HA contract administration, annual report of inspection findings and program improvement recommendations, and such other related goods or services as may be mutually agreed upon in the future.

The accounting records are maintained by the COE. The only accounting information provided to HUD is a quarterly report that details the funds spent by the COE.

Audit Objectives

We audited the Memorandum of Agreement (MOA) between the U. S. Army Corp of Engineers (COE) and HUD. The purpose of our audit was to determine if HUD was effectively administering the MOA with the COE. Specifically, we determined whether HUD:

- followed Federal procurement procedures;
- ensured the effectiveness of COE services;
- ensured the reasonableness of COE costs.

Audit Scope and Methodology

We reviewed and analyzed applicable HUD records and reports. We evaluated internal controls to the extent they related to the audit objectives. In addition, we interviewed the HUD staff at Headquarters and selected Field Offices and reviewed COE inspection reports and responses.

Our audit covered the period January 1, 1991, through June 30, 1996. We performed the audit field work from September, 1995, through July, 1997.

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

HUD's Memorandum of Agreement With The Army Corps of Engineers is Flawed

The Memorandum of Agreement (MOA) currently in existence between the Army Corps of Engineers (COE) and the Department of Housing and Urban Development (HUD), in our opinion, is not in the best interest of HUD since it does not provide adequate safeguards. First, the MOA award was made without allowing all prospective bidders to compete and the award did not comply with specific requirements of the Federal Acquisition Regulations (FAR). Further, HUD advanced inspection funds to the COE and allows the COE to maintain accounting control for all of the funds. As a result, HUD: (1) lacks assurance that it is receiving the best services at the most reasonable prices and (2) does not exercise proper control over appropriated funds.

Request for services cancelled

MOA Award Process

HUD advertised the Public and Indian Housing (PIH) inspection contract in the Commerce Business Daily on May 5, 1993. The bid package contained a request for contract services, statement of work, and necessary forms for each of the ten Districts to obtain a contract. PIH cancelled the request for contract services on June 11, 1993, because it felt the COE Interagency Agreement would prove to be quicker and more efficient than an open, competitive contract.

Cost benefit analysis not properly documented

There was no evidence of a cost benefit analysis by PIH. The only estimation prepared, described in a memorandum dated May 24, 1993, involved a comparison of: the U. S. Department of Transportation (DOT), Transportation System Center; the Army COE; and the open competitive selection process. Estimates of costs for contracts with DOT and COE are mentioned in the memorandum.

The open competitive selection section of the memorandum mentioned that 16 contractors showed interest in the Request for Proposal (RFP), but that they were concentrated on the East coast and not nationwide as the contract proposed. However, a listing of interested contractors, provided by the Modernization Department, contained 75 firms that contacted HUD requesting bid packages for the inspection contract.

Reasons for award of MOA

These 75 firms were from 26 States and the District of Columbia.

HUD felt that private contractors could not cover the US, the cost for a private company would probably be higher, and monitoring several companies would be more difficult than monitoring one. However, the GTR stated that HUD does no monitoring of the COE.

The Modernization Department Director stated the original reason for the contract was a lack of available staff to conduct inspections. The COE was selected because of nationwide coverage and construction expertise. According to the Modernization Department Director, the MOA was an interagency contract entered into pursuant to the Economy Act.

Criteria

Federal Acquisition Regulations (FAR) 17.503(a) states:

"Each Economy Act order shall be supported by a Determination and Finding(D&F). The D&F shall state that-

- (1) Use of an interagency acquisition is in the best interest of the Government; and
- (2) The supplies or services cannot be obtained as conveniently or economically by contracting directly with a private source."

Funds provided to COE in advance

Funds Advanced to the COE

HUD advanced inspection funds to the COE regardless of the amount of funds previously provided or the amount of funds expended by the COE. As of March 31, 1997, the COE had unutilized funds of approximately \$10.4 million. The contract history is as follows:

Contract Action	Contract Amount	Action Date	Estimated Expended at Action Date
Original	\$6,976,000	09/28/93	\$0
Modification 1	None	01/25/94	\$0
Modification 2	None	03/08/94	\$0
Modification 3	\$9,460,000	09/06/94	\$1,359,960
Modification 4	\$1,065,000	10/07/94	\$1,359,960
Modification 5	\$850,000	08/28/95	\$4,735,291
Modification 6	\$3,000,000	06/05/96	\$7,048,997
Totals	\$21,351,000		

The contract amount is increased every fiscal year by an Interagency Agreement Modification. HUD Headquarters advances funds to COE Headquarters for estimated upcoming work. As shown on the chart above, it took the COE nearly three years to expend the initial contract amount. In addition, HUD has continued to advance funds to the COE well in excess of its needs as shown below:

Funds Usage Information	
Funds Advanced @ 3/31/97 (A)	\$20,501,000
Inspection Costs @ 3/31/97 (B)	\$10,894,314
Unused Funds (C=A-B)	\$9,606,686
Pending Advances (D)	\$850,000
Unutilized Funds (C+D)	\$10,456,686

Inspection billings not provided to HUD

Reasonableness of Costs

HUD advances funds to the COE and allows the COE to do all accounting of the funds. The only information regarding expenditures of funds that HUD receives from the COE are the quarterly billing reports. These reports provide information about funds budgeted and expended by different COE offices. HUD does not receive any COE inspection billings. As a result, HUD has no way of confirming the amounts expended by the COE under the MOA.

According to the GTR, HUD maintains information regarding the MOA award but does not track or maintain COE inspection billings because the COE agreed to handle the accounting of the funds under the MOA for HUD. Further, the GTR said that HUD is getting good value for the money and that it is easier to have the COE handle all the cumbersome accounting details. According to the GTR, the COE is another Government agency, the inspectors are professionals, and HUD should trust their opinions and judgements. Also, the GTR stated it did not matter if the COE overcharged HUD since the funds were Government funds.

OIG pointed out to the GTR that this arrangement not only provided all funding to the COE up front but also left HUD totally dependent on information supplied by the COE. Also, OIG informed the GTR of mathematical errors contained in the COE quarterly reports. The report totals for various categories did not agree with the overall total of expenditures.

As a result, HUD has no assurance of the reasonableness of inspection costs. HUD does not have inspection cost records or custody of the contract funds to ensure work completion, and does not monitor the work of the COE even though the ease of monitoring one contractor was a factor in HUD's decision to forego competitive procurement. It is unclear how HUD is getting a good value when there is no financial control and no monitoring of COE inspection work, particularly in light of instances indicating some work was not being performed by the COE (See Finding 2).

Auditee Comments

PIH generally disagreed with the recommendations and stated the recommendation to terminate the MOA is based on issues identified at six Field Offices. Further, PIH stated it is merely the client of the Office of Procurement and Contracts (OPC) and PIH "...was not involved with, nor responsible for, the mechanics of this procurement...." PIH was troubled that OIG had not discussed the concerns of the procurement with OPC.

OIG Evaluation of Auditee Comments

As stated in the finding, we have concerns that HUD: lacks assurance it is receiving the best services at the most reasonable prices, and does not exercise proper control over its funds. We feel these issues are sufficient to recommend termination of the MOA. Results of our reviews at the six Field Offices merely add to our concerns.

Regarding the issue of discussing the procurement with OPC, we were concerned with providing PIH with the draft and had not talked with OPC at the time the draft report was issued. It was our intention, however, to discuss the issue with OPC after the draft report was provided to PIH. Based on our discussion with OPC, OPC relied on the requestor (PIH) to furnish the appropriate information to prepare the D&F. In our opinion, PIH did not have adequate documentation to support use of the interagency agreement.

Recommendations

We recommend you:

- 1A. Terminate the interagency agreement with the COE and request a refund of the \$10.4 million in unutilized inspection funds cited above.
- 1B. Discontinue the signing of inspection work orders so no additional funds can be drawn down from COE Headquarters to COE District Offices.
- 1C. If determined to be needed, rebid the inspection services contract, ensuring all necessary steps are taken to assure HUD obtains the best services at the most reasonable costs. Additionally, any new contract should provide proper accountability of HUD funds (including, but not limited to, advancing funds only as needed, proper submission of requests for payment from the contractor, and HUD reviewing and accounting for the disbursement of funds).

HUD Field Offices Are Not Receiving Inspection Information as Required

HUD did not ensure the effectiveness of services provided by the COE as required by the MOA. The Field Offices reviewed generally had problems with: (1) the COE submitting reports to HUD timely; (2) HUD reporting results to the PHA in a timely manner; (3) the COE recommending follow-up inspections to correct deficiencies; and (4) the PHAs responding to HUD in a timely manner. Also, the COE collected money for some inspections that were not completed. HUD had no control of payment for services after completion of a work order and HUD's lack of monitoring allowed inspection reports to be submitted in an untimely manner or, in some cases, never submitted. As a result, HUD has no assurance that inspections are being done efficiently and effectively or that PHA modernization work is improving.

Criteria

The MOA calls for inspections of PHA and IHA modernization and reports of findings, evaluation and report of HA contract administration, annual report of inspection findings and program improvement recommendations, and such other related goods or services as may be mutually agreed upon in the future. Section III of the MOA Implementing Instructions requires the following:

- deficiencies noted in contract administration and plans and specification reviews to be reported to HUD by the COE within five working days of the inspection.
- deficiencies and recommendations/ corrective actions from physical inspection reports be reported to HUD by the COE within five working days; and HUD shall examine the report for completeness and send a copy to the PHA within 30 days and the PHA shall furnish a written response within thirty days.

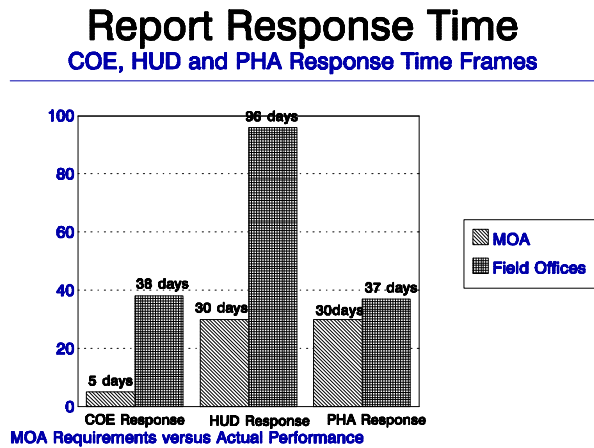
Services are not properly provided

Inspection Report Reviews

HUD did not ensure the effectiveness of services provided by the COE. The Field Offices reviewed generally had problems with: the COE submitting reports to HUD timely; HUD timely reporting results to the PHA; the COE recommending follow-up inspections to correct deficiencies; and PHAs timely responding to HUD.

Our review noted the following deficiencies and departures from requirements of the MOA:

- 66 of 80 reports (83 percent) were not submitted to HUD by the COE in a timely manner as required by the MOA;
- 56 of 78 reports (72 percent) were not transmitted from HUD to the PHA in a timely manner as required by the MOA;
- 51 of 58 reports (88 percent) with findings/comments did not contain any recommendations for follow-up as required by the MOA.
- 41 of 51 reports (80 percent) had no PHA response to HUD in a timely manner as required by the MOA.



- In Philadelphia, contract administration review deficiencies included missing and unsigned HUD transmittal letters and undated site review reports.
- In Washington, DC, the following were noted:
 - One work order was estimated at \$2,000, but increased to \$2,400 after a cost overrun.
 - One COE report recommended HUD monitoring of a PHA to resolve inspection findings.
 - Two inspections, at an estimated cost of \$3,500, were conducted to give a structural evaluation of public housing dwellings for a PHA. The COE recommendation was that since the evaluation was beyond their expertise, the correct action would be to issue a Request for Proposal and advertise for work.
 - One work order was not signed by the COE as required by the by the MOA.
- In Pittsburgh, contract administration reviews were not always complete.
- In Baltimore, there were no signed work orders or cost estimates present, one COE report was rewritten virtually word for word by HUD, and one report was orally issued.
- In West Virginia, work orders could not be evaluated for completeness because COE services could not be reconciled to work orders. Additionally, Field Office staff informed OIG that planning for future activity is difficult because the balance of allocated funds remaining is unknown.

- In Richmond, the following was noted:

- HUD performed a remote monitoring visit in April, 1996, and cited major problems with the contract award stage and contract modification for a contract that the COE had reviewed earlier. According to the COE report on the contract, "administrative management and construction practices are in place and working well". The COE reviewed contract administration, procurement and change order analysis in June, 1995, less than one year earlier.
- COE billing was obtained from July, 1994, to June, 1995, and showed total COE expenses of \$105,680 with direct labor of \$58,988. The remaining are departmental and overhead costs of \$19,072 and \$27,619, respectively. This may be excessive in light of the non-conducted inspections (see next section, "Inspections Not Conducted"). In letters to HUD, the COE frequently mentioned that more work orders were needed because of a shortage in funding.

OIG Financial Audits
noted problems

There were various problems noted at Field Offices during Fiscal Year (FY) 1994 and 1995 OIG Financial Audit site visits with respect to the COE agreement. For example:

- There were initial problems with review timeliness and quality, but the situation has been improving.
- COE work is good, but more expensive than if done by HUD. While unsure of the actual costs, only the estimated cost can be used because the Corps bills HQ directly without Field Office review of the invoices.
- One office signed a work order on 7/20/95 for the COE to conduct, but there was no inspection done as of 2/29/96.
- Field Offices did not develop a formal process to ensure that COE reports are received, reviewed, and transmitted to the respective Housing Authorities or that findings are corrected and appropriate action taken to safeguard against the same finding in the future as required by the MOA.

HUD staff opinions on
MOA

According to HUD staff:

- Inspections could be done cheaper in-house than with the COE (one-third to one-half), but HUD management wanted to use the COE.
 - The COE leaves follow-up for HUD to conduct.
 - HUD does not monitor COE work.
 - HUD does not generally receive information associated with billings, therefore, it can not evaluate cost of inspections. HUD only receives quarterly billing information from the COE, which is passed through HUD Headquarters.

Inspections not always conducted

Inspections Not Conducted

The COE appears to have received funds totaling \$94,862 for inspections that were not conducted. We noted inspections that were not conducted at two of the Field Offices we reviewed.

In Richmond, 6 of 12 inspections were not conducted by the COE, even through there was a signed work order for the inspections. These inspections represent an estimated cost of \$44,200 that appear to have been used to pay cost overruns on other COE inspections.

In Pittsburgh, it appears that the COE billed HUD a total of \$50,662 for work not performed. This is illustrated as follows:

Actual Costs (As of March, 1996)	\$124,434
Estimated Costs (1994 & 1995)	\$139,500
Work Not Performed (59 Insp.)	<u>(\$65,728)</u>
Work Performed	<u>(\$73,772)</u>
Billed But Not Performed	(\$50,662)

HUD staff stated that there is no way of ensuring the reasonableness of costs since no COE billing information is received. The COE Headquarters does not release funds to COE Field Offices without a signed work order. So, a signed work order by both agencies allows COE Field Offices to drawdown funds with no HUD control over the receipt of funds being linked to completion of inspection work.

Finding 2

As a result, HUD Field Offices have no assurance that inspections are being done efficiently and effectively or that PHA modernization work is improving. Also, the HUD Field Offices are not able to review invoices for accuracy and reasonableness and there is no assurance that all the services paid for are actually received.

Auditee Comments

PIH expressed concern over the finding and pledged to take action on certain matters.

OIG Evaluation of
Auditee Comments

OIG recognizes that changes are being made and suggests that PIH continue to attempt positive changes in its operations.

Recommendations

We recommend you:

- 2A. Request the COE to reimburse the \$94,862 for inspection work items not completed.
- 2B. Ensure work under the MOA and any further contract, if deemed necessary, is adequately monitored to provide proper performance.

Internal Controls

In planning and performing our audit, we considered internal control systems of HUD management of the Memorandum of Agreement with the U. S. Army Corp of Engineers (COE) to determine our auditing procedures and not to provide assurance on internal controls. Internal control is the process by which an entity obtains reasonable assurance as to achievement of specified objectives. Internal control consists of interrelated components, including integrity, ethical values, competence, and the control environment which includes establishing objectives, risk assessment, information systems, control procedures, communication, managing change, and monitoring.

Control Categories

We determined that the following internal control categories were relevant to our audit objectives:

- (1) Procurement
- (2) Effectiveness of COE Services
- (3) Reasonableness of Costs

Scope of Work

We evaluated all of the control categories identified above by determining the risk exposure and assessing control design and implementation.

Significant Weaknesses

A significant weakness exists if internal control does not give reasonable assurance that the entity's goals and objectives are met; that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports. Based on our review, we believe the following items are significant weaknesses:

- (1) Procurement (Finding 1)
- (2) Effectiveness of COE Services (Finding 2)
- (3) Reasonableness of Costs (Finding 1)

Follow Up On Prior Audits

This is the first OIG audit of the Memorandum of Agreement with the COE.

Auditee Comments

Schedule of Inspection Exceptions

				# OF		# OF		# OF	
SITE	REPORT	A	B	DAYS	C	DAYS	D	DAYS	
Baltimore	Fredrick HA	NO	NO	36	NO	671	N/A	N/A	Report never sent
	Annapolis HA	NO	NO	22	YES	15	N/A	N/A	PHA response w/ verbatim.
	Baltimore HA	NO	NO	14	NO	671	N/A	N/A	Report never sent
Washington	HOC Montgomery	NO	NO	31	YES	19	N/A	N/A	
	Prince George's HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Glenarden HA	YES	NO	37	YES	13	NO	164	
	Rockville HA	NO	NO	12	YES	3	NO	40	
	HOC Montgomery	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Prince George's HA	NO	YES	2	YES	4	YES	21	
	HOC Montgomery	NO	NO	26	YES	7	N/A	N/A	
	Prince George's HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	DCHA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	DCHA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$1,500 estimate f
	DCHA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$2,000 estimate f
	DCHA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	DCHA request fc
Philadelphia	Philadelphia HA	NO	NO	15	NO	74	NO	Unknown	PHA response co
	Philadelphia HA	NO	NO	14	NO	74	NO	Unknown	PHA response co
	Philadelphia HA	NO	NO	8	NO	74	NO	Unknown	PHA response co
	Philadelphia HA	NO	NO	14	NO	74	NO	Unknown	PHA response co
	Philadelphia HA	NO	NO	9	NO	74	NO	Unknown	PHA response co

Follow Up On Prior Audits

	Philadelphia HA	NO	NO	13	NO	42	NO	Unknown	PHA response could not be located.
	Philadelphia HA	NO	YES	7	NO	42	NO	Unknown	PHA response could not be located.
	Philadelphia HA	NO	YES	7	NO	69	NO	Unknown	PHA response could not be located.
	Philadelphia HA	NO	NO	13	NO	42	NO	Unknown	PHA response could not be located.
	Philadelphia HA	NO	YES	5	NO	42	NO	Unknown	PHA response could not be located.
	Philadelphia HA	NO	YES	6	NO	69	NO	Unknown	PHA response could not be located.
	Dover HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Reading HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Reading HA	YES	NO	9	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Lackawanna County HA	NO	NO	32	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Montgomery County HA	YES	YES	7	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Montgomery County HA	YES	YES	7	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Montgomery County HA	YES	YES	7	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
Pittsburgh	Mckeesport HA	NO	YES	7	NO	140	NO	Unknown	PHA response could not be located.
	Beaver Co. HA	NO	NO	34	NO	65	YES	8	
	Connellsville HA	NO	NO	Unknown	NO	Unknown	NO	Unknown	Response dates could not be determined.
	Pittsburgh HA	NO	NO	289	NO	49	NO	Unknown	PHA response could not be located.
	Pittsburgh HA	NO	NO	218	NO	49	NO	Unknown	PHA response could not be located.
	Pittsburgh HA	NO	NO	297	NO	49	NO	Unknown	PHA response could not be located.
	Pittsburgh HA	NO	NO	18	NO	31	YES	24	
	Pittsburgh HA	NO	NO	45	YES	28	YES	24	
	Pittsburgh HA	NO	NO	20	YES	28	YES	14	
	Pittsburgh HA	NO	NO	8	YES	19	YES	14	
	Pittsburgh HA	NO	YES	1	NO	31	YES	18	
	Pittsburgh HA	NO	YES	7	NO	39	YES	8	
	Pittsburgh HA	NO	NO	10	NO	103	NO	Unknown	PHA response could not be located.
	Alleghany HA	NO	NO	11	NO	56	NO	Unknown	PHA response could not be located.

Follow Up On Prior Audits

	Alleghany HA	NO	NO	10	YES	18	NO	Unknown	PHA response could not be located.
	Alleghany HA	NO	NO	20	YES	18	NO	Unknown	PHA response could not be located.
	Alleghany HA	NO	NO	65	NO	31	NO	Unknown	PHA response could not be located.
	Alleghany HA	N/A	NO	39	YES	27	N/A	N/A	
	Alleghany HA	N/A	NO	36	YES	20	N/A	N/A	
	Alleghany HA	NO	NO	309	NO	49	NO	Unknown	PHA response could not be located.
	Alleghany HA	NO	NO	283	NO	49	NO	Unknown	PHA response could not be located.
	Johnstown HA	NO	NO	59	YES	24	YES	13	
Richmond	Chesapeake RHA	NO	NO	10	NO	52	YES	9	
	Chesapeake RHA	NO	NO	14	NO	33	NO	129	
	Portsmouth HA	NO	NO	27	NO	457	N/A	N/A	No results reported to the PHA by HUD.
	Sufflok HA	NO	NO	20	NO	430	N/A	N/A	No results reported to the PHA by HUD.
	Newport News HA	NO	NO	25	NO	360	N/A	N/A	No results reported to the PHA by HUD.
	Norfolk HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,200 estimate. Corps signed WO on 1/03/95 but never conducted inspections.
	Roanoke HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$12,000 estimate. Corps signed WO on 4/24/95 but never conducted inspections.
	Lynchburg HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$4,000 estimate. Corps signed WO on 4/24/95 but never conducted inspections.
	Danville HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$6,000 estimate. Corps signed WO on 4/24/95 but never conducted inspections.
	Hampton HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$7,000 estimate. Corps signed WO on 4/24/95 but never conducted inspections.
	Norfolk HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$11,000 estimate. Corps signed WO on 4/24/95 but never conducted inspections.
	Chesapeake RHA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$15,000 estimate for claims dispute resolution with a contractor and the RHA.
West Virginia	Raleigh County HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Raleigh County HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Raleigh County HA	NO	NO	Unknown	NO	Unknown	NO	Unknown	Response could not be calculated for COE or located for HUD and PHA.
	Raleigh County HA	NO	YES	6	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Parkersburg HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Parkersburg HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Parkersburg HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Follow Up On Prior Audits

	Parkersburg HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Parkersburg HA	NO	NO	Unknown	NO	Unknown	NO	Unknown	Response could not be calculated for COE or located for HUD and PHA.
	Huntington HA	YES	YES	3	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Huntington HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Huntington HA	NO	NO	Unknown	NO	Unknown	NO	Unknown	Response could not be calculated for COE or located for HUD and PHA.
	Huntington HA	NO	NO	Unknown	NO	Unknown	NO	Unknown	Response could not be calculated for COE or located for HUD and PHA.
	Huntington HA	YES	NO	Unknown	NO	Unknown	NO	Unknown	Response could not be calculated for COE or located for HUD and PHA.
	Fairmont HA	NO	YES	1	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Fairmont HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Fairmont HA	NO	YES	6	NO	Unknown	NO	Unknown	HUD and PHA response could not be located.
	Fairmont HA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Keyser HA	YES	NO	Unknown	NO	Unknown	NO	Unknown	Response could not be calculated for COE or located for HUD and PHA.
Washington	DCHA z	N/A	NO	9	YES	N/A	N/A	N/A	\$2,000 estimate changed to \$2,400 because of work requirements.
	DCHA z	N/A	YES	8	YES	N/A	N/A	N/A	
Baltimore	Fredrick HA y	N/A	NO	Unknown	N/A	N/A	N/A	N/A	Unknown date of inspection by the COE.
	St. Mary's HA y	N/A	NO	Unknown	N/A	N/A	N/A	N/A	No written Report produced.
West Virginia	Dunbar HA y	N/A	NO	12	YES	N/A	N/A	N/A	
	Dunbar HA y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Fairmont HA y	N/A	NO	34	NO	N/A	N/A	N/A	
	Fairmont HA y	N/A	NO	13	YES	N/A	N/A	N/A	
	Grafton HA y	N/A	NO	76	YES	N/A	N/A	N/A	
	Kanawha County HA y	N/A	NO	74	YES	N/A	N/A	N/A	
	Keyser HA y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Huntington HA y	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
	Huntington HA y	N/A	NO	62	YES	N/A	N/A	N/A	
	Mingo County HA y	N/A	NO	34	YES	N/A	N/A	N/A	
Pittsburgh	McKean Co HA z	N/A	YES	4	YES	N/A	N/A	N/A	

Follow Up On Prior Audits

	Pittsburgh HA z	N/A	NO	Unknown	YES	N/A	N/A	N/A	Date of Plans and Specification Review not indicated on correspondence.
Philadelphia	Philadelphia HA y	N/A	NO	21	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Philadelphia HA y	N/A	NO	22	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Philadelphia HA y	N/A	NO	28	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Harrisburg HA y	N/A	NO	13	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Scranton HA y	N/A	NO	33	YES	N/A	N/A	N/A	
	Philadelphia HA y	N/A	NO	19	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Bethlehem HA y	N/A	YES	5	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Clinton HA y	N/A	NO	42	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	Dauphin Cty HA y	N/A	NO	43	YES	N/A	N/A	N/A	
	Hazleton HA y	N/A	NO	29	NO	N/A	N/A	N/A	No Assurance Report was Provided to PHA.
	EXPECTATIONS	51	66		56	6	41		
	AVERAGE			38.27		96.31		37.38	

LEGEND

A =DO THE PHYSICAL INSPECTION REPORTS RECOMMEND FOLLOW-UP INSPECTIONS TO ASSURE THE DEFICIENCIES ARE CORRECTED.
 B =IS THE REPORT SUBMITTED TO THE HUD F.O. WITHIN 5 WORKING DAYS OF THE INSPECTION.
 C =IS THERE EVIDENCE THAT HUD HAS EXAMINED THE REPORT FOR COMPLETENESS AND HAS SENT THE REPORT TO THE PHA WITHIN 30 DAYS FOR PHYSICAL INSPECTIONS OR AT ALL FOR CONTRACT ADMINISTRATION REVIEWS.
 D =DID THE PHA FURNISH THE HUD FO WITH A REPORT OF ACTIONS TAKEN OR TO BE TAKEN WITHIN 30 DAYS.
 y =Contract Administration Review - if not marked then report is for Physical Inspection
 z =Plans and Specification Review - if not marked then report is for Physical Inspection

Of the inspections reviewed:

-51 inspections with findings/comments did not have a recommendation for follow-up as required by the MOA
 -66 reports were not transmitted by the COE in a timely manner as required by the MOA.
 -56 reports were transmitted by HUD to the PHA in a timely manner as required by the MOA
 -41 reports were not responded by the PHA in a timely manner as required by the MOA.

APPENDIX C

APPENDIX D