



**U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT**
DENVER REGIONAL OFFICE
1670 BROADWAY
DENVER, COLORADO 80202-4801

Office of Public Housing

September 11, 2006

Mr. Frank Alexander
Executive Director
Boulder County Housing Authority
P.O. Box 471
Boulder, CO 80306

Dear Mr. Alexander:

This letter closes finding 1A identified in the Audit Report 2005-DE-1002. The Audits Liaison Officer, Office of Chief Financial Officer approved closure of audit recommendation 1A for the subject audit, effective July 21, 2006. I have provided the recommendation number and the finding below.

Finding 1: Boulder County Housing Authority's Internal Controls did not ensure the proper use of HUD funds or the use of appropriate accounting principles.

1A: Require Boulder County Housing to repay from non-Federal funds the ineligible costs of \$433,139 to appropriate HUD-funded programs.

A letter to close the final open recommendation 1L will be submitted to the Audits Liaison Officer for approval. Attached is the status of the remaining findings.

If you have questions regarding the above, or, if we may be of assistance, please contact Ms. Nonda Elder, Financial Analyst, or myself at (303) 672-5351 or (303) 672-5370 respectively.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ann Roman".

Ann Roman
Director
Office of Public Housing

Attachment

Status as of 7/21/2006

Boulder County Housing Authority
OIG Audit Report 2005-DE-1002

Recommendation 1A: Require Boulder County Housing to repay from non-Federal funds the ineligible costs of \$433,139 to appropriate HUD-funded programs.

Closed 7/21/06.

Recommendation 1B: Require Boulder County Housing to provide documentation supporting the \$123,784 of unsupported costs for Boulder County Housing Authority. Based on the provided documentation, determine the amounts of questioned costs to be repaid to the various HUD-funded programs.

Closed 1/10/06.

Recommendation 1C: Require Boulder County Housing to repay from non-Federal funds the amounts determined in Recommendation 1B and ensure repayment is made to the appropriate HUD-funded programs.

Closed 1/10/06.

Recommendation 1D: Require Boulder County Housing to establish and maintain the Required Administrative Fees reserves accounts for Boulder County Housing Authority and Louisville Housing Authority

Closed 10/6/05.

Recommendation 1E: Require Boulder County Housing to establish and implement policies and procedures to ensure the proper maintenance of the Reserve accounts

Closed 10/6/05.

Recommendation 1F: Require Boulder County Housing to implement procedures for determining a reasonable, supportable method of allocating indirect costs to the HUD-funded programs

Closed 10/6/05.

Recommendation 1G: Require Boulder County Housing Authority to execute the appropriate updated Management Agreements for the management of Louisville Housing Authority's Public Housing, Section 8 Vouchers, and Multifamily project-based programs

Closed 12/15/05.

Recommendation 1H: Require Boulder County Housing to establish and implement policies and procedures that ensure compliance with the consolidated Annual Contributions Contract, Multifamily Housing Assistance Payments Contracts, and other applicable HUD and Federal requirements.

Closed 6/16/06.

Recommendation 1I: Require Boulder County Housing to prepare and submit the documentation required for the release of the suspended Capital Funds Program awards:

Closed 3/9/05.

Recommendation 1J: Require Boulder County Housing to establish and implement policies and procedures that will ensure the proper control over and accurate recording of the receipts and disbursements of HUD funds in accordance with HUD requirements and accounting principles.

Closed 12/20/05.

Recommendation 1K: Require Boulder County Housing to provide full explanations for all changes to the 2002 HUD funds balances. For any changes that resulted in inappropriate use or misstatement of HUD funds, require Boulder County Housing to take the necessary corrective actions.

Closed 3/28/06.

Recommendation 1L: Provide the necessary technical assistance to ensure the establishment of controls over the receipt and use of HUD funds and the preparation of accurate accounting records in compliance with HUD requirements

Closure Due 12/31/06.

Management Decision 1L:

OPH has and continues to provide technical assistance to ensure the proper use of HUD funds and preparation of accounting records. We will review pertinent documents as they are developed and provide suggestions for improvement. We will monitor implementation of policies and procedures through on-site review and review of submitted documents.

Documentation to be provided to confirm completion:

We will provide all documentation pertinent to the resolution of this recommendation. This will include documentation that BCHA has established accounting procedures and maintains

a complete and accurate accounting record that clearly and accurately show the receipt and use of HUD funds.

Target Completion Date: December 31, 2006