INTEROFFICE MEMORANDUM

TO:	Anthony Nicks, County Auditor
FROM:	Stanley Wilson, Director *Stanley Wilson* Department of Community Development
DATE:	May 15, 2026
SUBJECT:	HOME Program Monitoring Audit 3rd and 4th Quarter of 2024.

This memo is to provide a written response to the HOME Program Monitoring Audit Report for the 3rd and 4th Quarter of 2024 – July 1, 2024 – December 31, 2024. I would like to thank the Office of the County Auditor for the work that they do to ensure compliance throughout Fulton County and for the opportunity to provide more detail and specificity for the HOME Program Monitoring Audit Report.

This memorandum specifically addresses: Finding 1 – Inaccurate Reporting of HOME Match Fund, Finding 2 – Untimely Certification of Personnel Activity Report, Finding 3 – Missing and Incomplete Documentation, Finding 4 -Error in Income Eligibility Calculation, Finding 5 - Undocumented Income Projection Procedures, Finding 6 – Work Authorized Prior to Execution of a Contract, Finding 7 – Inconsistent Information Between Contract and Purchase Order, Concern 1 – Program Inactivity and Inefficiency.

A. <u>Finding 1 – Inaccurate Reporting of HOME Match Fund</u>

The department acknowledges that a clerical error on the match log caused the ending balance reported in the 2024 CAPER to differ from the beginning balance shown in 2025. This issue was identified prior to the audit, and the 2025 CAPER was amended to include a narrative explaining the difference in beginning balances.

<u>Corrective Action</u>

The Division is revising its procedures to ensure accurate reporting of HOME Match. As down payment assistance loans close, the Departmental Accountant will calculate and enter the corresponding HOME Match amounts in the Supplement Log. The log will undergo monthly review by the Financial Systems Manager, who will also provide the quarterly supplemental spreadsheet for entry into the master log.

The HOME Match Policy and Procedure will be updated to reflect these changes, and a formal workflow issued to support consistent implementation.

The Financial Systems Manager will conduct training on the revised procedures. These actions strengthen internal controls and improve the accuracy and completeness of financial reporting.

B. <u>Finding 2 – Untimely Certification of Personnel Activity Report (PAR)</u>

The department acknowledges that the (PARS) for the period May 8, 2024, through January 3, 2025, were all signed on the same day.

<u>Corrective Action</u>

To address delays in certifying Personnel Activity Reports (PARs), the Department is revising its Standard Operating Procedure (SOP) for submission and approval. Under the updated process, any employee whose salary is funded by the HOME program and who works on multiple cost activities will complete bi-weekly PARs aligned with the Fulton County payroll cycle and submit to their direct supervisor for review and approval. The Division Manager will conduct a second-level review and sign-off.

The Financial Systems Manager (or designee) will track monthly to ensure PARs are submitted on time. Once finalized, the revised SOP will be distributed to the appropriate staff, and supplemental training will be provided to ensure consistent compliance.

These actions establish a clear submission timeline, strengthen accountability, and improve the accuracy and consistency of PAR tracking and approval.

C. Finding 3 – Missing and Incomplete Documentation

The department acknowledges Finding 3.

Corrective Action

To address the issue of missing and incomplete documentation, the Division implemented a standardized application and documentation process in 2025. This process incorporates the administrating agency's use of the Neighborly software system to ensure all required documents are submitted, tracked, and centrally maintained in accordance with HUD file-management requirements.

A formal workflow and comprehensive checklist have been developed to ensure consistent application of the process. The HOME Standard Operating Procedures (SOP) have also been revised to incorporate these improvements, including updated documentation requirements. Training has been conducted to ensure staff understand and properly implement the updated procedures.

To further support compliance, HOME staff now complete a quality-control file review at each client closing to verify documentation accuracy and adherence to program requirements.

These measures strengthen internal controls, improve documentation accuracy, and reduce the risk of incomplete files.

D. Finding 4 - Error in Income Eligibility Calculation

The department acknowledges Finding 4.

Corrective Action

To address concerns related to income-eligibility calculations, the Department began using the Neighborly software system to standardize and automate income calculations and ensure that all required supporting documentation is maintained within each electronic case file.

Fulton County HOME staff are also finalizing updates to the HOME Standard Operating Procedures (SOP) to provide clearer guidance on the treatment and calculation of variable income sources, including overtime (OT). These updates align with HUD regulations as well as FHA and Fulton County policy requirements. Once finalized, the updated SOP will be distributed to the appropriate staff, and supplemental training will be provided to ensure consistent application of income-calculation methodologies. These actions will strengthen internal controls, enhance accuracy, and reduce the risk of future calculation errors.

E. Finding 5 - Undocumented Income Projection Procedures

The department acknowledges Finding 5.

Corrective Action

Refer to corrective action for Finding 4.

F. Finding 6 - Work Authorized Prior to Execution of a Contract

The department acknowledges the requirement under 2 CFR §200.318(b) to ensure that contractors perform in accordance with fully executed contract terms prior to the start of services.

Corrective Action
To address this, our department will continue to monitor contract performance and work closely with the Department of Purchasing and Contract Compliance to establish a consistent, approved process for agreements authorized with “Effective upon BOC approval” language. We will ensure that, moving forward, contracts with this type of effective date have clear procedural steps and controls in place.

G. Finding 7 - Inconsistent Information Between Contract and Purchase Order

The Department acknowledges the audit finding and will work to strengthen our internal controls related to procurement and contract administration.

Corrective Action
The Department will continue working closely with the Department of Purchasing and Contract Compliance to establish a standardized purchase order template that aligns with the executed contract’s scope, deliverables, and fee structure. This collaborative effort will help ensure that key procurement documents reflect consistent information, support a complete audit trail, and reinforce accountability throughout the contract lifecycle.

In addition, the Department of Community Development will enhance internal review procedures to verify alignment between purchasing documents and contracts prior to submission and approval. These improvements will promote accurate and efficient management of federally funded activities.

Concern #1 Program Inactivity and Inefficiency

To address the concern, the department has realigned to create a Federal Programs Division. The division is led by a Division Manager, and new hires include a HOME Program to oversee the HOP, TBRA and CHDO programs. Fiscal management and compliance was strengthened through the hiring of a Financial Systems Manager and a Department Accountant. Request for Proposals were released for both TBRA and CHDO were released and non-profit organizations were selected for recommendation to the Board of Commissioners to administer the programs. It is anticipated that the programs will begin in the 2nd quarter of 2026. Neighborly Software system will be used to automate application processing, streamline administration compliance monitoring and reporting.