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Clerk/Auditor

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Weber County Audit Committee  
2380 Washington Blvd.  
Ogden, UT 84401

Dear Committee Members:

I recently completed a performance audit of the Weber Housing Authority (WHA).

### **Background**

The Weber Housing Authority (WHA) was created under the laws of the State of Utah and certified by the U.S. Department of Housing and Urban Development (HUD). The purpose of WHA is to administer programs under the Housing Act of 1937, as amended, in Weber County, Utah. The programs are subsidized by the Federal Government through the U.S. Department of Housing and Urban Development.

WHA was reported as a blended component unit of the Housing Authority of Ogden until February 28, 2009. On that date, WHA terminated its management agreement with the Housing Authority of the City of Ogden and began operating as a stand-alone entity. In 2012 Lantern House Case Management took over case management via a Memorandum of Understanding, until it was terminated in 2015 and brought in house to the WHA. It is now classified as a component unit of Weber County. Each of the five member governing board is appointed by the Weber County Commissioners.

### **Scope**

This audit was initiated based on Management discovering 11 voucher recipients had not paid their portion of rent, calculated from their income, over the course of approximately the last 5 years (2019-2023). Specifically, related to the Supportive Housing for Persons (PSH) with Disabilities and Shelter Plus Care programs. For context, the PSH manages approximately 300 vouchers in total when including the Housing Choice Voucher (HCV) program.

### **Master lease**

The Grant for PSH was written as a Master Lease where the WHA would be responsible for collecting the voucher participants 30% rent contribution. HUD would pay the remaining 70%. The Master Lease essentially means the rental contract is held by the WHA. This was intended to provide payment flexibility for a population that was particularly hard to house. The result is that WHA retains the liability for the 30% participant's contribution whether or not the participant actually pays.

This is in contrast to the HCV program where the participant is responsible for paying the landlord directly and would suffer consequences of failure to pay their 30%, such as eviction.

### **PSH Vouchers**

The case manager in question went on vacation for an extended period of time in late 2023 and it was discovered that some of the 20 voucher recipients had not been paying their share of rent. In addition, client recertification was not occurring. The employee was written up for failure to collect the participants 30% payment and not conducting client recertification. The employee shortly thereafter resigned.

The impact is that the PSH suffered a program loss for the following years:

2023	\$6,852
2022	\$11,564
2021	\$13,572
2020	\$4,794
Total Loss	\$30,782

This is a result of not having been reimbursed for the participants 30% rent contribution. The program loss affected case management the delivery of bus tokens to clients etc. It should be noted other housing authorities no longer administer a Master Lease program.

A new employee was hired in early 2024. This employee has contacted all 20 PSH clients and communicated that they are required to pay their 30% portion of rent despite the past problems with case management. Recertification for all 20 PSH clients has already begun.

#### **Recommendation 1:**

Management should take a sample of PSH vouchers and verify the correct calculation was made and that the WHA received the 30% payment contribution from the client.

#### Management response:

Management has already taken corrective action on this issue. Specifically, although not required by PSH regulation, Management is reviewing on a sample basis the calculations and supporting documentation for both the PSH and HCV programs regularly.

#### **Recommendation 2:**

Management should consider discontinuing the Master Lease program. Thus removing its liability exposure when the client fails to pay their 30% contribution. Instead adopt the HCV model where the WHA client is responsible to pay the landlord directly.

#### Management response:

Management has already taken corrective action on this issue and adopted the Recommendation.

#### **Recommendation 3:**

Continue with recertification of all 20 PSH clients

**Recommendation 4:**

Determine if HUD requires a recoupment of the PSH client's unpaid 30% rental contribution.

**Rent skimming**

A sample of PSH clients were contacted to determine if the former case manager was collecting rents in cash and pocketing it. There were not any instances where this was found to occur.

Sincerely,

Mark Viau  
Director Weber County Internal Audit