

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
FEDERAL SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2020



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**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
FEDERAL SINGLE AUDIT REPORT
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sacramento Housing and Redevelopment Agency (the Agency), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated July 22, 2022. Our report includes a reference to other auditors who audited the financial statements of the Norwood Avenue Housing Corporation (a blended component unit) as described in our report on the Agency's financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission
Sacramento Housing and Redevelopment Agency

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Sacramento Housing and Redevelopment Agency's Response to Finding

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
July 22, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission
Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited the Sacramento Housing and Redevelopment Agency's (the Agency) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Agency's major federal programs for the year ended December 31, 2020. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Honorable Members of the City Council, Housing Authority
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Sacramento Housing and Redevelopment Commission
Sacramento Housing and Redevelopment Agency

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to these matters.

The Agency's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-002 that we consider to be a significant deficiency.

Honorable Members of the City Council, Housing Authority
of the City of Sacramento,
County Board of Supervisors, Housing Authority
of the County of Sacramento, and
Sacramento Housing and Redevelopment Commission
Sacramento Housing and Redevelopment Agency

The Agency's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Agency as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements. We issued our report thereon dated July 22, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Norwood Avenue Housing Corporation (blended component unit), as described in our report on the Agency's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on the results of our audit and the reports of other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
July 22, 2022

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-through Identifying Number	Expenditures	Amounts Provided to Subrecipients
Department of Housing and Urban Development Direct Programs:				
Community Development Block Grants/Entitlement Grants:				
Community Development Block Grants/Entitlement Grants (Entitlements)	14.218	N/A	\$ 12,699,793	\$ 1,796,459
COVID-19 Community Development Block CARES Act -CV1 and CV3	14.218	N/A	108,247	-
Community Development Block Grants/Entitlement Grants (Program Income)	14.218	N/A	1,397,243	-
Community Development Block Grants/Entitlement Grants (Beginning Loan Balance)	14.218	N/A	14,759,942	-
Community Development Block Grants - Neighborhood Stabilization Program:				
Neighborhood Stabilization Program 3 (Entitlements)	14.218	N/A	13,058	-
Neighborhood Stabilization Program 3 (Program Income)	14.218	N/A	9,092	-
Neighborhood Stabilization Program 1 (Beginning Loan Balance)	14.218	N/A	7,963,988	-
Total Community Development Block Grants/Entitlement Grants			36,951,363	1,796,459
Community Development Block Grants - Section 108 Loans	14.248	N/A	9,456,314	-
Community Development Block Grants - Section 108 Loans (Beginning Loan Balance)	14.248	N/A	5,499,991	-
Total Community Development Block Grants - Section 108			14,956,305	-
Emergency Solutions Grant Program	14.231	N/A	601,420	531,788
COVID-19 Emergency Solutions Grant Program CARES Act	14.231	N/A	3,105,351	3,105,351
			3,706,771	3,637,139
Home Investment Partnerships Program:				
Home Investment Partnerships Program (Entitlements)	14.239	N/A	4,648,054	-
Home Investment Partnerships Program (Program Income)	14.239	N/A	520,893	-
Home Investment Partnerships Program (Beginning Loan Balance)	14.239	N/A	114,665,070	-
Total Home Investment Partnerships Program			119,834,017	-
Housing Opportunities for Persons with AIDS:				
Housing Opportunities for Persons with AIDS (Entitlements)	14.241	N/A	1,975,656	590,326
COVID-19 Housing Opportunities for Persons with AIDS CARES Act	14.241	N/A	107,622	83,680
			2,083,278	674,006
Continuum of Care Program	14.267	N/A	4,814,363	-
Low Rent Public and Indian Housing	14.850	N/A	11,369,561	-
COVID-19 Low Rent Public and Indian Housing CARES Act	14.850	N/A	706,328	-
			12,075,889	-
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856	N/A	137,271	-
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	110,338	-
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	121,368,467	-
COVID-19 Section 8 Housing Choice Vouchers CARES Act	14.871	N/A	5,652,919	-
Mainstream Vouchers	14.879	N/A	845,935	-
Total Housing Voucher Cluster			127,867,321	-
Public Housing Capital Fund	14.872	N/A	7,657,332	-
Choice Neighborhoods Implementation Grants	14.889	N/A	7,557,723	-
Jobs-Plus Pilot Initiative	14.895	N/A	1,463,241	-
PH Family Self-Sufficiency Program	14.896	N/A	19,543	-
PH/HCV Family Self-Sufficiency Program	14.896	N/A	136,910	-
			156,453	-
Total Department of Housing and Urban Development			339,371,665	6,107,604
U.S. Department of Treasury Direct Program				
COVID-19 Coronavirus Relief Fund	21.019	N/A	6,059,027	-
Total Expenditures of Federal Awards			\$ 345,430,692	\$ 6,107,604

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

NOTE 1 BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards (SEFA) is prepared on the modified accrual basis of accounting for grants accounted for in governmental funds and the accrual basis of accounting for grants accounted for in proprietary funds, as described in Note 1 of the Sacramento Housing and Redevelopment Agency's (the Agency) financial statements. Assistance Listing #21.019 follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The Agency participates in the Community Development Block Grants/Entitlement Grants, Community Development Block Grants – Section 108 Loans and Home Investment Partnerships federal loan programs. The balance of the loans from previous years and current year loan activity, as required under the Uniform Guidance, are presented in the Schedule of Expenditures of Federal Awards.

The following is a summary of changes in federal loan balances for the year ended December 31, 2020:

	Balance at January 1, 2020	Activity in Current Year	Balance at December 31, 2020
Community Development Block Grants/Entitlement Grants	\$ 22,723,930	\$ (567,286)	\$ 22,156,644
Community Development Block Grants - Section 108 Loans	5,499,991	-	5,499,991
Home Investment Partnerships Program	114,665,070	603,049	115,268,119
Totals	<u>\$ 142,888,991</u>	<u>\$ 35,763</u>	<u>\$ 142,924,754</u>

NOTE 3 INDIRECT COSTS

The Agency did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported

3. Noncompliance material to the financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund
14.239	HOME Investment Partnerships Program
14.267	Continuum of Care
14.231	Emergency Solutions Grant

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000
- Auditee qualified as low-risk auditee? x yes no

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section II – Financial Statement Findings

Finding 2020-001 FINANCIAL CLOSE PROCESS

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: There were multiple adjusting journal entries and one prior period adjustment recorded during the audit. This is indicative of a lack of internal controls over the financial reporting and financial close processes. The Agency does not have a policy in place to provide reasonable assurance that trial balance is prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP); therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented, or detected and corrected, by the organization's internal controls.

Criteria: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: During the audit, SHRA (the Agency) identified significant adjusting journal entries that were needed to be recorded in order to properly state its' accounting records.

Specifically, we noted the following:

- Significant entries to cash and investments
- Elimination of intercompany transactions
- Significant entries to capital assets
- Significant entries to loan receivables
- Prior period adjustment to loan receivables
- Significant entries to various revenue and expense accounts

Effect: The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected. Inefficient controls over the financial reporting and close process could result in inaccurate account balances, a significant number of audit adjustments or a lack of timely financial information. Inaccurate reporting to HUD could adversely affect the Agency's funding.

Cause: COVID 19 caused significant delay in processing the 2020 Audit. Additionally, during the audit process, HUD wanted the Agency to change the way they had reported it's financials for more than a decade. During the 2020 audit period, HUD required the Agency to re audit and reissue 2019 financials which caused delay, during an already difficult time during the pandemic.

Recommendation: The Agency should evaluate its' financial reporting and close processes and controls to determine whether additional controls over the preparation of the final trial balances and related schedules can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Agency to review its' current procedures for reconciliations and year end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate.

Views of Responsible Officials: There is no disagreement with this audit finding.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section III – Federal Award Findings and Questioned Costs

2020-002

Federal agency: U.S. Department of Housing and Urban Development

Federal program title: Continuum of Care

Assistance Listing Number: 14.267

Award Period: January 1, 2020 – December 31, 2020

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: Special Tests – Rent Reasonableness:

Where grants are used to pay for rent for all or a part of a structure, the rent paid must be reasonable in relation to rents being charged in the area for comparable space. In addition, the rent may not exceed rents currently being charged by the same owner for comparable unassisted space (24 CFR section 578.49(b)(1)).

Where grants are used to pay rent for individual housing units, the rent paid must be reasonable in relation to rents being charged for comparable units taking into account relevant features. In addition, the rents may not exceed rents currently being charged by the same owner for comparable unassisted units, and the portion of rents paid with grant funds may not exceed HUD-determined fair market rents. Grant funds in an amount up to one month's rent may be used to pay the non-recipient landlord for any damages to leased units by homeless participants (24 CFR sections 578.49(b)(2) and 578.51(g) and (j)).

Condition: During our testing, we noted the Agency did not have adequate internal controls designed to ensure that rent was reasonable prior to the rent going into effect.

Questioned costs: None

Context: During our testing, it was noted that 8 out of 13 rent reasonableness determination forms were not signed and approved by a case worker.

Cause: The COVID-19 Pandemic immensely impacted 2020 and staff converted to telework due to the pandemic. Staff did not have the capability to print and sign the rent determination forms at the same volume as they could when they were in office. This contributed to a longer processing time for rent increase requests.

Effect: Rents could go into effect that are not considered to be reasonable. The lack of internal controls over this compliance requirement provides an opportunity for noncompliance.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Recommendation: We recommend the Agency design controls to ensure an adequate review process is in place to review potential rent changes to determine that they are reasonable in comparison to similar units.

Views of responsible officials: There is no disagreement with the audit finding.

Section IV – Prior Year Audit Findings

There were no financial statement findings or findings in accordance with 2 CFR 200.516(a) in the prior year.



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Sacramento Housing & Redevelopment Agency Corrective Action Plan Year Ended December 31, 2020

INVESTING IN COMMUNITIES

A Joint Powers Agency

MEMBERS

City of Sacramento

County of Sacramento

Housing Authority of the
City of Sacramento

Housing Authority of the
County of Sacramento

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Sacramento Housing and Redevelopment Agency (the Agency) respectfully submits the following corrective action plan for the year ended December 31, 2020.

Audit period: January 1, 2020 – December 31, 2020

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2020-001 Financial Close Process

Recommendation: The Agency should evaluate its' financial reporting and close processes and controls to determine whether additional controls over the preparation of the final trial balances and related schedules can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Agency to review its' current procedures for reconciliations and year end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate.

Explanation of disagreement with audit finding: There is no disagreement with this finding.

Action taken in response to finding: The Agency agrees that the number of staff assigned to various accounting functions needed to be addressed to ensure staffing is appropriate. During the COVID-19 pandemic, staffing changes significantly impacted the timely reconciliation and close process that are already in place.

Name(s) of the contact person(s) responsible for corrective action plan:
Susana Jackson (916) 440-1373

Planned completion date for corrective action plan: December 2022



INVESTING IN COMMUNITIES

Sacramento Housing & Redevelopment Agency Corrective Action Plan Year Ended December 31, 2020

A Joint Powers Agency

MEMBERS

City of Sacramento

County of Sacramento

Housing Authority of the
City of Sacramento

Housing Authority of the
County of Sacramento

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2020-002 Continuum of Care – Assistance Listing Number 14.267 -
Rent Reasonableness

Recommendation: We recommend the Agency design controls to ensure an adequate review process is in place to review potential rent changes to determine that they are reasonable in comparison to similar units.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Agency continues to conduct quality control reviews of rent increases. The quality control review includes ensuring the market comparable search forms are signed. The management staff working on this response were not part of the rent increase process during the audit period.

Name(s) of the contact person(s) responsible for corrective action: Tanya Cruz

Planned completion date for corrective action plan: DocuSign electronic signature has already been implemented

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Susie Jackson at (916) 440-1373.