

ISSUES	MEASURES TO ACHIEVE OUTCOME	TARGET DATE	ACTUAL DATE	COMMENTS
GOVERNANCE G001				
Aa - RHA will operate within budget and cannot use HUD funds to repay City's debt	Monthly financial statements and no further debt to City incurred.	6/30/2013	6/30/2013 pending final sale documents. Extended to 9/13/2013. Extend to March 2014	Per on site meeting 5/7/13, Feb and March statements submitted. Westridge sold and papers will be signed next week. Buyer has 45 days to close. RHA submitted list of liabilities. RHA on June 11, 2013 submitted a letter with monthly financial attached from July 2012 to April 2013. Sales agreement for Westridge has been signed and initial deposit has been submitted in escrow. Per onsite meeting 7/9/2013, change target date to 9/13/13 as more time needed to process sale. Will use proceeds to pay OIG, City and Phase Down. Need May/June/July financials. Escrow closing delayed until January 2014. Escrow closing now delayed until February 10, 2014. Westridge sold 2/10/14 and escrow will close 3/11/14.
Ab - FASS score of 0 as of 6/30/2012 designating RHA troubled.	FASS score of 15 or higher by FYE 6/30/2014/then 18 or higher by FYE 6/30/2015.	6/30/2014 & 6/30/2015		2013 unaudited submitted timely - due 8/31/13 and submitted 8/16/2013.
B- No further interest on any City obligations.	Resolution from City	3/31/2013	3/26/2013	Per conference call 3/19/2013, action will be included in Resolution adopted on 3/26/2013. Resolution # 1965 executed 3/26/2013 and submitted under cover letter dated 3/27/2013. Closed
C -City will suspend charging for indirect cost until cost allocation plan submitted	Resolution from City and cost allocation submitted to HUD	3/31/2013	3/26/2013	Addressed per letter dated 3/8/2013 from RHA with the plan on a thumbdrive. Per conference call 3/19/2013, action will also be included in Resolution adopted on 3/26/2013. Resolution #1965 executed 3/26/2013 and submitted under cover letter dated 3/27/2013 adopting the plan. Closed
D-Sale of Westridge to pay debt.	Sell property by 6/30/2014	Dispo decision by 3/31/2013	3/11/2013	Discussed with kickoff meeting 2/28/2013. Final decision was made to sell the property/property has been listed/offer has been accepted per letter from RHA dated 3/5/2013 #10803. Closed

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GOVERNANCE G002				
A - ED improves operations	PHAS score of 60 or higher by 6/30/2014 and 75 or higher by 6/30/2015.	6/30/2014 & 6/30/2015		
B - Complete conversion to asset management	Asset management fully implemented	6/30/2013	6/25/2013	Per 2012 audit, asset management has been fully implemented. See finding SA2012-6 and RHAs response in letter dated 6/25/2013. Closed
C - All upcoming audits submitted to REAC on time - FYE 2012 to be submitted 3/31/2013.	FYE 2012 audit to be submitted 3/31/2013.	3/31/2013	Temporarily Waived to 4/30/2013 Completed 8/27/2013	Per REAC 3/8/2013, glitch in system and 2012 can not be submitted until a fix is made which should be by 3/31/2013. Per discussion 3/19/2013, FO prepared exemption letter to RHA for verification. Unaudited rejected and RHA made corrections and resubmitted 5/8/12. Audited submitted 8/27/2013 and is in review status. Closed
Ca - Past due 2010 audit completed and submitted to REAC	FYE 2010 audit corrected and submitted by 11/30/2012	11/30/2012	10/25/2012	REAC approved audited submission on 10/25/2012. Closed
Cb - Past due 2011 audit completed and submitted to REAC.	FYE 2011 audit submitted by 2/15/2013	2/15/2013	2/12/2013	HA submitted audited submission 2/12/2013 (rejected). Audited approved 5/11/2013. Closed
Cc - Past due 2008 audit completed and submitted to REAC	FYE 2008 audit submitted by 6/30/2013	6/30/2013	Completed pending REAC determination Approved by REAC 10/28/13	Per REAC 3/8/2013, glitch in system and unaudited still under review. RHA can not submit audited until REAC fixes glitch which should be by 3/31/2013. Glitch fixed but unaudited is still under review status and RHA cannot submit audited until unaudited approved. Email into REAC for status on 7/2/13. Requested updated status from REAC on 9/3/2013 - per REAC, RHA can submit audited now. Audited still in review status as of 11/4/13. 2008 Approved on 10/28/2013. Closed.
Cd - Past due 2009 audit completed and submitted to REAC,	FYE 2009 audit submitted by 6/30/2013	6/30/2013	Completed pending REAC determination	Per correspondence with REAC on 5/8/13, RHA to submit 2009 as pre asset mgt. Unaudited still under review by REAC and audited can be submitted until unaudited approved. Email into REAC for status 7/2/13. Unaudited has been approved and requested updated status from REAC on 9/3/2013. Per REAC-RHA can submit audited now. Audited still in review status as of 11/4/13. Audit rejected 10/18/13. RHA made corrective actions and audit is currently under review status as of 12/11/2013.
D - Funds will be spent in accordance with OMB 87	No new or repeat audit findings.	6/30/2014		
E - Records will be complete and easily retrievable	Financial records organized and easily located during reviews.	6/30/2013	6/26/2013 with ongoing testing during next quarter. Completed	Per on site meeting 5/7/13, our office will give RHA a list of items to locate and send into office. On June 26, 2013, RHA submitted a certification from the auditor that accounting records are complete and accurate. This had been an audit finding which is now cleared. In addition, our office want to perform more testing. Our office sent letter dated 7/1/2013 with list of items to be submitted for review. Items electronically submitted 7/9/2013. Items reviewed and no issues found. Closed
F - Correspondence from HUD will be responded to in a timely manner	RHA responds to HUD in timely manner	3/31/2013	3/26/2013	Annotated in Resolution # 1965 executed 3/26/2013 and in cover letter dated 3/27/2013. Closed
Ga- RHA does not have an executed General Depository Agreement (GDA).	Execute GDA, update bank signature cards, and adopt cooperation agreement	3/31/2013	3/29/2013	Kickoff meeting 2/28/2013. Per HUD OGC decision of 1/11/2013, RHA cannot use the Mechanic Bank's GDA - it must be HUD's GDA. On 3/4/2013, ED referred issue to City's Finance Manager for a determination. Draft GDA submitted into FO for review per email dated 3/19/2013. Requested OGC to review 3/20/2013. OGC requested RHA's council's opinion. RHA's council declined opinion but RHA received opinion from bank's counsel. HUD OGC reviewed and it's up to FO to accept bank's statement. FO will accept GDA. Waiting for signed copies. Signed copies received 3/29/13. Closed
Gb - RHA does not have a cooperation agreement	Adopt a cooperation agreement	3/31/2013	3/11/2013	Per kickoff meeting 2/28/2013, RHA went through old files and found cooperation agreement. Per letter dated 3/5/2013, original cooperation agreement attached. Closed
Gc - RHA does not have updated bank cards	Update bank cards	3/31/2013	3/25/2013	This was accidentally omitted with kickoff meeting. Discussed in phone conference 3/19/2013. Tim will retrieve bank cards and submit. Bank signature cards submitted 3/25/2013. Closed

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GOVERNANCE G003				
City Council serves as the Board/Board and Advisory Council oversight has been ineffective.	Board and Advisory Council need to become more knowledgeable and prepared to perform their duty/Need to attend HUD sponsored Board training	9/30/2013 Completion Pending HUD Training		HUD staff to provide Board training before end of 2013. Discussed in 11/13/13 meeting. FO will ask RHA for dates. Discussion of dates is still ongoing as of January 2014.

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FINANCE F001				
Lack of internal controls and oversight has resulted in ineligible expenses, poor recordkeeping , failure to comply with HUDs requirements. Policies are absent or not followed.	F001-Aa Internal controls policy developed and adopted	3/31/2013	3/36/2013	Discussed at kickoff meeting 2/28/2013. RHA provided per letter dated 3/14/2013 #10837, a copy of the RHA internal control policies. As a department of the City, most of the City's adm policies pertain to RHA operations as well. Resolution # 1965 executed 3/26/2013 with cover letter dated 3.27/2013 adopting policy. Closed
	F001-Ab Training provided for staff and board	6/30/2013	Completion pending HUD training	Per on site meeting 5/7/13, RHA will provide staff training on internal policies. There is one new board member and he will need Board training and procurement training. Per internal meeting 6/17/13, Whitehead and Navarro to provide training to RHA.
	F001-B Board creates finance sub-committee to provide oversight of finances and keep board informed	3/31/2013	3/18/2013	Discussed at kickoff meeting 2/28/2013. RHA sent letter dated 3/14/2013 #10835. City Council, who serves as the HAs Board, has a standing finance committee that meets monthly. RHA will now be included in these meetings. Next meeting scheduled 4/5/2013 with RHAs financials and check register on agenda. Closed
	F001-C Finance sub-committee reviews monthly financial statements and reports quarterly to the Board	Every quarter starting 3/31/2013	3/18/2013	RHAs finances are now included in monthly finance meeting to begin 4/5/2013. See above
		6/30/2013	Completion pending next quarters reports	Per on site meeting 5/7/13, Feb and March statements were submitted. Will request April -June reports with next site visit.
		9/30/2013	11/13/2013	Requested financials per email to RHA 9/5/13. Rec'd financials during onsite 11/13/13 meeting.
		12/31/2013		
		3/31/2014		
		6/30/2014		

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FINANCE F002				
Procurement records are poor and procurements are inconsistent	F002-A Adopt a procurement policy that complies with federal and state requirements and spell out responsibilities including maintenance and record retention.	3/31/2013	3/26/2013 corrected policy due 9/30/13	Discussed at kickoff meeting 2/28/2013. FO sent clarification email to ED on 3/5/2013 regarding the two policies that were submitted during PHARS review. Draft procurement policy submitted via email on 3/7/2013. Letter from RHA dated 3/14/2013 #10836, verifies the RHA has submitted a revised policy. Resolution to follow. Resolution #1965 executed 3/26/2013 adopting policy. Melina reviewed policy and RHA needs to make some corrections along with new resolution. Per discussions with RHA, it will be in RHAs best interest to hire a contractor to review policy pending RHAs capacity to move in this direction. Per Nov 2013 on site visit, requested revised procurement SOPs.
	F002-B Staff and board to receive procurement training from HUD.	6/30/2013	5/7/2013	Staff trained 2/8/2011 to 2/10/2011 per OIG recommendation 1R. Board trained on 3/15/2011 per OIG recommendation 1A. New staff member trained at NAHRO. Per onsite meeting 5/7/13, no further action required. Closed
	F002-C Procurement actions are in compliance by submission of sample procurement actions as requestd.	6/30/2014		

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FINANCE F003				
Board and advisory committee do not have sufficient knowledge of HA operations, programs, financial conditions or activities and have not provided oversight of the ED.	Board and advisory committee should have sufficient knowledge.	See G003/F001/F002	6/30/2013 9/30/2013	

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FINANCE F004				
Finance manager's knowledge is inadequate and records are poor and unreliable.	Finance manager should be knowledgable with HUDs requirements/organized/ensure deadlines are met/should not have lead finance responsibilities.	3/31/2013	3/26/2013	Discussed in kickoff meeting 2/28/2013. RHA's finance staff was placed under the City's Finance Department early 2012 after the PHARS close out meeting. Per City Managers progress report of 10/10/2012, the RHA finance staff has benefitted from the strong internal controls and fiscal management practices currently in place and it appears to be successful in improving financial management of RHA. Per conference with RHA on 3/19/2013, this action will be in Resolution dated 3/26/2013. Resolution # 1965 executed 3/26/2013 confirming this action has taken place 3/5/2012. Closed

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FINANCE F005				
RHA has failed to comply with HUDs accounting and financial reporting requirements.	F005-A All overdue audits should be submitted to REAC and future audits submitted timely/FASS score increases to 15 by FYE 6/30/2013 and 18 by FYE 6/30/2014.	6/30/2013 and 6/30/2014	Completed 6/30/2013 pending REAC	Kickoff meeting on 2/28/2013. FYE 2011 audited statement just submitted into REAC on 2/12/2013. FO will provide RHA a summary of the audits findings from 2008 - 2011. Summary was provided to ED via email on 3/4/2013. Everything on hold with REAC due to glitch in REACs system per John Hine's email of 3/8/2013. Glitch fixed and RHA submitted 2012 corrections and draft audit report per on site meeting on 5/7/13. Audit for 2008 approved & 2009 is still pending REAC determination. Audited 2012 has been approved. Unaudited for 2013 submitted timely and tentative FASS score is 18%.
	F005-B Audit findings should be corrected and confirmed/closed with HUD FO.	6/30/2013.	Completed 6/30/2013 pending REAC	See above - Audit and financial statements completed by RHA but cannot submit into REAC until REAC gives go ahead. Audit letter sent to RHA regarding draft 2012 findings on June 19,2013. RHA responded June 25, 2013 addressing all findings. All financial findings will be cleared with 2013 audit. Closed
	F005-C RHA records should be properly maintained and easily retrieved (see G002).	See G002-A	6.30/2014	
	F005-D RHA funds should not be used for ineligible or unreasonable costs.	See G002-A	6/30/2014	