



December 6, 2012

## **The City of Inglewood, CA, Did Not Administer HOME Investment Partnerships Program Funds in Accordance With HUD Rules and Requirements**

# **Highlights**

Audit Report 2013-LA-1001

### **What We Audited and Why**

We reviewed the City of Inglewood's HOME Investment Partnerships Program. We initiated the review because of the U.S. Department of Housing and Urban Development's (HUD) Los Angeles Office of Community Planning and Development's expressed concerns about the City's administration of its program funds. Our objective was to determine whether the City complied with HOME rules and requirements for obligations, commitments, expenditures, program income, monitoring, and reporting.

### **What We Recommend**

We recommend that the Director of HUD's Los Angeles Office of Community Planning and Development recapture more than \$2.6 million in uncommitted and unexpended HOME funds. We also recommend that the Director require the City (1) to develop better planning processes to commit and expend program income and funds and (2) establish and implement sufficient internal control policies and procedures to ensure compliance with program rules and requirements. Otherwise, consider revoking the City's status as a participating jurisdiction for HOME funds.

### **What We Found**

The City did not commit or disburse its HOME funds in accordance with HUD rules and requirements. This condition occurred because the city council failed to approve the City's policies and procedures that were needed to ensure that it committed and expended HOME funds before HUD's required deadlines, which resulted in its incurring more than \$2.6 million in unused HOME funds that should have been used to further affordable housing activities.