

Corrective Action Summary

<p>Finding GOV 1: MCDA's procurement policy is not in compliance with, nor does it reference, the Uniform Administrative Requirements at 2 CFR 200.</p>	
<p>Corrective action: MCDA must provide its revised and ratified procurement policy.</p>	<p>The CDA will revise and ratify an updated procurement policy by the end of the 1st quarter of 2018.</p>
<p>Finding GOV 2: MCDA's disposition policy for non-real property (e.g. equipment) is not in compliance with, nor does it reference, the Uniform Administrative Requirements at 2 CFR 200. Specifically, MCDA's current disposition policy has no requirement to contact HUD for disposition instructions for equipment purchased with HUD funds.</p>	
<p>Corrective action: MCDA must provide revised and ratified disposition policy.</p>	<p>The CDA will revise and ratify an updated disposition policy by the end of the 1st quarter of 2018.</p>
<p>Finding GOV 3-a: MCDA's capitalization policy dollar threshold is not in compliance with, nor does it reference, the Uniform Administrative Requirements at 2 CFR 200.</p>	
<p>Corrective action: MCDA must provide revised and ratified capitalization policy.</p>	<p>The CDA will revise and ratify an updated capitalization policy by the end of the 1st quarter of 2018.</p>
<p>Finding GOV 3-b: MCDA's capitalization policy does not accord proper capitalization treatment to certain types equipment and other capital assets as required by the Uniform Administrative Requirements at 2 CFR 200.</p>	
<p>Corrective action: MCDA must provide revised and ratified capitalization policy.</p>	<p>The CDA will revise and ratify an updated capitalization policy by the end of the 1st quarter of 2018.</p>

<p>Finding GOV 4: MCDA is not in compliance with Paragraph 2 of the General Depository Agreement (GDA), which requires MCDA to have a segregated bank account for all MCDA funds.</p>	
<p>Corrective action: MCDA must provide documentation to HUD MKE of MCDA having established a segregated account for MCDA funds as well as properly executed, unmodified GDA for that account.</p>	<p>The CDA is working with the City of Madison to establish segregated accounts that comply with the General Depository Agreement.</p>
<p>Finding GOV 5: MCDA is not in compliance with PIH Notice 96-33, which lists acceptable collateralization instruments.</p>	
<p>Corrective action: MCDA must provide documentation to HUD MKE that MCDA's segregated, newly established, bank account (see Finding GOV 4) only allows for collateralization of its assets from those listed in PIH Notice 96-33, Attachment A, Paragraphs 1, 2, and 3.</p>	<p>The CDA is working with the City of Madison to establish segregated accounts that comply with the collateralization provisions PIH Notice 96-33, Attachment A.</p>
<p>Finding GOV 6: MCDA has no formal, documented method for allocating costs amongst benefitting programs.</p>	
<p>Corrective action: MCDA must provide documentation to HUD MKE of how costs are to be allocated on a cost by cost basis.</p>	<p>The CDA will provide a written allocation plan by the end of the 1st quarter of 2018</p>
<p>Finding GOV 7: The City of Madison's (and therefore MCDA's) cash and cash equivalents include several investment instruments that are not on the list of HUD-approved investments.</p>	
<p>Corrective Action: MCDA must provide documentation to HUD MKE that MCDA's segregated bank account (see Finding GOV 4) has been established. Thereafter, MCDA must provide the investment register for MCDA. The investment register must only contain investments that are on the listing of HUD-Approved Investment Instruments and should detail the type of instrument, date of purchase, purchase price, interest rate, and applicable date of sale or maturity.</p>	<p>The CDA is working with the City of Madison to establish segregated accounts that comply with the investment requirements listed in this Finding.</p>

Finding HCV 1: MCDA's Utility Allowance review is out of date.	
Corrective Action: MCDA must conduct a review of its Utility Allowance schedule.	Completed (see attached)
Finding HCV 2: MCDA policy is to forgive debts after seven years	
Corrective Action: MCDA needs to revise its policies to preclude any amnesty or forgiveness of debts by program participants.	CDA will comply with PIH 2017-12,(item 17) which prohibits any PHA-sponsored amnesty or debt forgiveness programs. (See detail attached)
Finding PH 1: The MCDA ACOP was last revised thoroughly revised in 2012. There have been periodic updates including 2013 and 2017; however, a review of the ACOP, associated policies, and practices of MCDA have shown areas that require updates.	
Corrective Action: The MCDA must update its ACOP and related policies, and ensure practices are consistent with the above changes.	CDA will update the ACOP to comply with items a. through e. of this finding by the end of the 1st quarter of 2018.
Finding PH 2: MCDA has no current procedures, system, or schedule for the inventory of equipment or supplies.	
Corrective action: MCDA must provide documentation to HUD MKE that it has developed an inventory control system which includes procedures, system and the schedule for conducting inventories of MCDA assets	CDA will update the inventory control system by the end of the 1 st quarter of 2018.
Finding PH 3: The MCDA does not maintain a fidelity bond as required by 2 CFR 200.304.	
Corrective action: The MCDA must procure and maintain insurance coverages as required by 2 CFR 200.304 including the requirement for a fidelity bond or employee dishonesty coverage.	CDA will comply with the fidelity bond requirement under 2 CFR 200.304 by end of the 1 st quarter of 2018.

Finding PH 4: The lease contains non-standard lease provisions regarding entering into repayment agreements with participants.	
Corrective Action: The Non-Standard Rental provision must clarify the repayment agreement statement and be reflective of the requirements of PIH Notice 2017-12.	CDA will clarify the repayment agreement provisions of the public housing lease to comply with the requirements of PIH Notice 2017-12 by the end of the 1 st quarter of 2018.
Finding PH 5: MCDA policy is to forgive debts after seven (7) years unless there is a court ordered judgement.	
Corrective action: MCDA needs to revise the debt policy to state that this is no amnesty or debt-forgiveness in the Public Housing program.	CDA will comply with PIH 2017-12,(item 17) which prohibits any PHA-sponsored amnesty or debt forgiveness programs. (See detail attached)
Finding PH 6: MCDA conducted the last Utility Allowance study in 2015.	
Corrective action: MCDA must conduct a review of its Utility Allowance Schedule in accordance with 24 CFR 965.505 and the MCDA ACOP.	CDA will complete a review of the Public Housing Utility Allowance schedule to comply with 24 CFR 965.505 before the end of the 1 st quarter of 2018.
Finding PH 7: MCDA does not have an individual FSS program, yet four (4) tenants are indicated as participating in FSS.	
Corrective action: MCDA must remove the indicators from Boxes 2a and Box 2k for the FSS Program Indicators.	Completed. CDA has submitted 50058 forms to PIC removing the incorrect FSS indicators.