

HUD FY 2013 Agency Financial Report

Section 3

	<ul style="list-style-type: none"> ratios. <input type="checkbox"/> Increased the MMI Fund capital over 26 billion by FYE. <input type="checkbox"/> Increased annual premium charge by 10 basis points. <input type="checkbox"/> Contracted for second independent Actuarial assessment.
FY 2014 Planned Actions	<ul style="list-style-type: none"> <input type="checkbox"/> Continue to monitor economic conditions, business trends and actuarial assessments. <input type="checkbox"/> Initiate actions to strengthen the MMI fund. <input type="checkbox"/> Implement new underwriting standards.
Non Compliance with FISMA	HUD did not comply with the Federal Information Security Management Act (FISMA)
FY 2013 Accomplishments	<ul style="list-style-type: none"> <input type="checkbox"/> Updated Security policies and procedures to ensure compliance with NIST-800-53 Rev 3 guidance. <input type="checkbox"/> Developed a comprehensive enterprise-wide Cyber Security Continuous Monitoring Strategy program. <input type="checkbox"/> Implemented a configuration management baseline. <input type="checkbox"/> Refined the capital planning and investment control process to comply with Federal guidelines.
FY 2014 Planned Actions	<ul style="list-style-type: none"> <input type="checkbox"/> Update current policies and procedures to ensure compliance with NIST-800-53 Rev 4 guidance. <input type="checkbox"/> Ensure security plans and Certification and Accreditation plans are updated in accordance with NIST guidance. <input type="checkbox"/> Strengthen security awareness and training program and activities, as well as security assessments.
Non Compliance with HOME Statute	HUD was not in compliance with the HOME Investment Partnership Act (HOME Statute) Section 218 (g)
FY 2013 Accomplishments	<input type="checkbox"/> N/A
FY 2014 Planned Actions	<input type="checkbox"/> Change the methodology for determining compliance with HOME commitment deadline.

Secretary’s Audit Resolution Report To Congress

This information on the Department of Housing and Urban Development’s audit resolution and follow-up activity covers the period October 1, 2012, through September 30, 2013. It is required by Section 106 of the Inspector General Act Amendments (Public law 100-504), and provides information on the status of audit recommendations with management decisions, but no final action. The report also furnishes statistics for FY 2013 on the total number of audit reports and dollar value for both disallowed costs and for recommendations that funds be put to better use.

Audit Resolution Highlights

Overall the Department achieved 710 approved management decisions and successfully implemented 919 recommendations. The Department also made good progress in reducing its inventory of potential

significantly overdue final actions, which are those recommendations which could potentially be significantly overdue on September 30, 2013. This inventory was successfully addressed and the Department resolved 121 recommendations in this category, which was a reduction of 53.5 percent.

Summary of Management Decisions On Audit Recommendations

Opening Inventory Requiring Decisions	308
New Audit Recommendations Requiring Decisions	810
Management Decisions Made *	(710)
Audit Recommendations Still Requiring Decisions **	408
Recommendations Beyond Statutory Resolution Period **	18

*Management decisions were made on a total of 710 recommendations (120 audits of which 65 had final management decisions). Of these, 304 recommendations were in the opening inventory.

**This reporting period ended with 408 recommendations without management decisions. Of these, 18 recommendations are over 6 months old.

Summary of Recommendations With Management Decisions And No Final Action

Opening Inventory – Final Actions Pending *	1,384
Management Decisions Made During Report Period	710
Sub-Total Final Actions Pending	2094
Final Actions Taken **	(919)
Audit Recommendations Reopened During Period (Without Final Actions)	0
Total Audit Recommendations Still Requiring Final Actions ***	1,175

* This Opening Inventory was increased by 2 due to retroactive entries by the OIG for two recommendations.

** Final Action was taken on a total of 919 recommendations (243 audits of which 140 had final actions taken, thus closing the audits). The number of recommendations where a management decision and final action were concurrent was 336 in 121 audits.

*** Of the 216 open audits, 49.5 percent or 107 are under repayment plans.

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Management Report on Final Action On Audits With Disallowed Costs

Audit Reports	Number of Audit Reports	Questioned Costs
A. Audit Reports with management decisions on which final action had not been taken at the beginning of the period.	290	\$667,148,645
B. Audit Reports on which management decisions were made during the period.	62	1,251,679,604
C. Total audit reports pending final action during period (total of A and B)	352	1,918,828,249
D. Audit Reports on which final action was taken during the period		
1. Recoveries *	72	849,603,776
(a) Collections and offsets	62	829,521,309
(b) Property	0	0
(c) Other	23	20,082,467
2. Write-offs	54	88,431,806
3. Total of 1 and 2 **	88	938,035,582
E. Audit Reports needing final action at the end of the period (subtract D3 from C) ***	264	980,792,667
F. Open Recommendations (with disallowed costs) ****	[535]	[\$616,330,898]

[Please note that the Inspector General Act requires reporting at the audit report level versus the individual recommendation level. At the audit report level, total disallowed costs in the report are reported as open until all recommendations in a report are closed.]

* Audit Reports are duplicated in D.1.(a), D.1.(b) and D.1.(c); thus the total is reduced by 13.

** Audit Reports are duplicated in both D.1 and D.2; thus the total is reduced by 38.

*** Litigation, legislation, or investigation is pending for 41 audit reports with costs totaling \$139,702,910.

**** Figures in brackets represent data at the recommendation level as compared to the audit level as described in E.

Other Information
Secretary's Audit Resolution Report To Congress

Management Report on Final Action On Audits With Recommendations That Funds Be Put To Better Use

Audit Reports	Number of Audit Reports	Funds to be put to Better Use
A. Audit Reports with management decisions on which final action had not been taken at the beginning of the period.	173	5,013,677,041
B. Audit Reports on which management decisions were made during the period.	33	1,644,832,017
C. Total audit reports pending final action during period (total of A and B)	206	6,658,509,058
D. Audit Reports on which final action was taken during the period		
1. Value of Audit Reports implemented (completed)	41	228,068,864
2. Value of Audit Reports that management concluded should not or could not be implemented	11	14,579,548
3. Total of 1 and 2 [*]	46	242,648,412
E. Audit Reports needing final action at the end of the period (subtract D3 from C) ^{**}	160	6,415,860,646
F. Open Recommendations (with funds put to better use) ^{***}	[106]	[\$1,324,594,995]

[Please note that the Inspector General Act requires reporting at the audit report level versus the individual recommendation level. At the audit report level, total disallowed costs in the report are reported as open until all recommendations in a report are closed.]

^{*} Audit Reports are duplicated in both D.1 and D.2; thus the total is reduced by 6.

^{**} Litigation, legislation, or investigation is pending for 26 audit reports with costs totaling \$787,192,650.

^{***} Figures in brackets represent data at the recommendation level as compared to the audit level as described in E.