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Auditor

SPECIAL ADVISORY REPORT

U.S. Government Accountability Office's Intergovernmental Initiative on Affordable Housing

SUMMARY

The City and County of Denver Auditor's Office participated in an innovative intergovernmental initiative (initiative) with the United States Government Accountability Office (GAO). The initiative included audit professionals from federal, state, and local jurisdictions and focused on the issue of affordable housing.

KEY GOAL

The goal of the initiative was to assess federal, state, and local government approaches to reducing or eliminating fragmentation, duplication, and overlap, as well as improving coordination and performance outcomes for affordable housing rental assistance programs for low-income households.

BACKGROUND

GAO functions as the watchdog over federal programs, departments, and finances. GAO's performance audits—governed by Generally Accepted Government Auditing Standards—are either requested by members of Congress or initiated by the Comptroller General, who leads the agency.

A portion of GAO's 2014 Strategic Plan focuses on the nation's fiscal sustainability and debt challenges. The plan strives to identify opportunities for reducing or eliminating fragmentation, overlap, and duplication in government programs.¹

¹ Dodaro, Gene, "Anticipating and Meeting Accountability Challenges in 2014 and Beyond," 20th Biennial Forum of Government Auditors, Denver, Colorado, August 20, 2014. Keynote Address.

As a component of this strategy, GAO adopted an ambitious and forward-leaning approach for examining the fragmentation and extent of collaboration that exist among multiple levels of government regarding programs that provide affordable housing for low-income households. The pilot initiative included federal, state, and local government partners. The City and County of Denver was one of several local government audit offices selected to participate along with audit offices from the City of Portland, Oregon; Multnomah County, Oregon; and King County, Washington. State-level participants included audit organizations from Oregon and Washington. Federal-level partners included the U.S. Department of Housing and Urban Development, the U.S. Department of the Treasury, and the Internal Revenue Service.

Coordinated Audit Plan

To facilitate the initiative, GAO developed a coordinated audit plan (plan), based on four research objectives. The first objective focused on each jurisdiction's overall performance goals, including outputs and outcomes, related to rental assistance programs.² The next two objectives involved creating an inventory of relevant programs in each jurisdiction and collecting key data elements that are used to address the performance goals identified in the first section. Examples of data collected by the

² An output measures the products or services delivered by a program over time (e.g., number of housing vouchers), while an outcome measures the results of those products or services delivered by the program (e.g., reduction in the number of homeless).

audit team include number of people served by programs, funding, the frequency of internal program evaluations, and reporting on program performance, to name a few.

The final objective of the plan focused on obtaining interview and supporting data from Denver housing officials regarding challenges associated with:

- Establishing and achieving performance goals and outcome measures;
- Collecting data and monitoring outcome performance;
- Intergovernmental collaboration; and
- Areas where overlap, fragmentation, or duplication exist between the local, state, and federal programs.

In addition to assessing potential challenges, the last final plan objective also focused on identifying the use of best practices, such as special task forces or working groups, to gain efficiencies and prevent overlap, fragmentation, and duplication with other levels of government.

The Denver Auditor's Office executed the plan and provided data to GAO personnel, who will review the information along with data provided by the other participating local and state governments, to determine the extent to which collaboration and consolidated strategies between multiple levels of government have resulted in, or could result in, better overall outcomes for programs related to rental assistance for low-income households. GAO plans to issue a final report to the U.S. Congress regarding the intergovernmental initiative in 2015.

METHODOLOGY

To address the audit objectives in the plan provided by GAO, the audit team conducted interviews with housing officials in the City's Office of Economic Development (OED) and the Denver Housing Authority (DHA). The audit team also reviewed housing-related

information provided by OED and DHA to create the inventory of affordable housing programs for low-income households. In addition, to gather information to execute the coordinated audit plan, auditors participated in multiple conference calls with GAO and the other participating jurisdictions to provide updates on the initiative. The Denver Auditor's Office also hosted GAO management and staff during their visit to Denver to meet with local housing staff and to monitor the progress of the audit work.

CONCLUSION

In conjunction with the GAO initiative, the Denver Auditor's Office conducted an independent performance audit of affordable housing in Denver. The audit team leveraged the data collected for the GAO initiative for the Denver Affordable Housing Performance Audit, which was released on November 20, 2014. A copy of the audit can be obtained from the Denver Auditor's Office website at www.denvergov.org/auditor. The Office will continue to leverage this work for a performance audit currently underway examining Denver's Road Home, the City's program to end homelessness.

The Denver Auditor's Office takes great pride in participating with such a forward-leaning initiative and stands ready to help with future efforts. The Office is also pleased that we could leverage the work on this initiative to ensure local impact while simultaneously promoting national issues.

We sincerely thank GAO personnel, initiative partners, and representatives from the OED and DHA for their assistance with this effort.

SAR TEAM

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