



ARRA REPORT BY THE
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-08-0174

September 3, 2009

ARRA IHCDA TAX CREDIT ASSISTANCE PROGRAM (TCAP)

Indiana Inspector General David O. Thomas and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:

This report addresses an evaluation of federal funding from the United States Department of Housing and Urban Development¹ through its Tax Credit Assistance Program (TCAP) to the Indiana Housing and Community Development Authority (IHCDA).²

The stated purpose of the TCAP federal program is to increase affordable housing by administering funding to housing construction projects. IHCDA states that its mission is to “provide all Hoosiers the opportunity to live in safe, affordable, good-quality housing in economically stable communities.”³

On February 17, 2009, the United States Government enacted the

¹ 44 USC §3532.

² The IHCD is created in IC 5-20-1-3.

³ http://www.in.gov/ihcda/files/TCAP_FINAL_7-10-09.pdf

American Recovery and Reinvestment Act⁴ (ARRA). The ARRA intends to provide a stimulus to the United States economy by providing \$787 billion in program funding and tax credits.⁵

The purpose of this report is to document a preliminary ARRA compliance review of the ARRA funding through the TCAP program by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

I

The IHCD was awarded \$38,048,333 in 2009 ARRA TCAP funds. At least 75 percent of the funds must be committed by February 16, 2010, and 100 percent of the funds liquidated by February 16, 2012. The award will be utilized to provide additional funding for capital investment in low-income housing tax credit projects.

II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and publish "accounting and uniform compliance guidelines manuals" ("Manuals") to provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9, and to make written findings regarding violations of its Manuals or "any law."

⁴ American Recovery and Reinvestment Act of 2009, P.L. No. 111-5, 123 Stat. 115 (2009).

⁵ See: <http://www.recovery.gov>.

IC 5-11-5-1(a).

Within these authorities, a preliminary review of the TCAP program was made. This review included, but was not limited to, reviewing the program objectives, meeting with the program staff, reviewing agency-completed spending plans, reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and an assessment of the program's risks.

From this preliminary review, we make the following findings and recommendations.

III

A

Findings

We find from our initial review that the controls outlined in the TCAP spending plan approved by the OMB or other related documentation are adequate to meet the respective federal ARRA and State OMB guidelines and requirements.

We accordingly make no recommendations at this time, but we may perform additional procedures as deemed necessary to verify status of compliance requirements.

Dated this 3rd day of September, 2009.



David O. Thomas, Inspector General