



U.S. Department of Housing and Urban Development  
Wanamaker Building, Suite 1005  
100 Penn Square East  
Philadelphia, PA 19107-3380

District Inspector General for Audit

October 29, 1997

**Audit Related Memorandum**  
**No. 98-PH-241-1801**

MEMORANDUM FOR: Lynn B. Daniels, Acting Director of Community  
Planning and Development Division, Pittsburgh  
Area Office, 3ED

FROM: Edward F. Momorella, District Inspector General  
for Audit, Mid-Atlantic, 3AGA

SUBJECT: City of Altoona  
Survey of CDBG Program  
Altoona, Pennsylvania

We have completed a survey of the City of Altoona's CDBG Program. The purpose of the survey was to review the City's administration of the program and determine whether further audit work was necessary.

We interviewed Community Planning and Development staff, reviewed area office files, the City's latest IPA audit report, and grantee performance reports. We interviewed staff at the City and loan recipients. We reviewed financial statements, records, and files and other relevant data and tested transactions when applicable. We also conducted on-site inspections of CDBG work performed.

Transaction tests were performed in the following areas:

- Housing Rehabilitation Program
- Public Facilities & Improvements
- Subrecipient Activities
- Relocation Assistance
- Public Service Activities
- Economic Development Loans

Our survey disclosed the following:

- The City monitored only 2 of its 11 subrecipients since January, 1997. The City monitored its largest subrecipients, both of which received more than \$200,000 each during 1995. Inadequate subrecipient monitoring was noted as a finding in the City's 1995 single IPA audit. The City's Community Development Director planned on establishing a threshold for on-site monitoring of subrecipients. The Director stated the City continually monitors the subrecipients because supporting documentation is required before any CDBG funds are released. Resolution of this situation is currently being handled by your staff.
  
- No significant deficiencies were disclosed in the other areas surveyed.

Based on our review, we have concluded that no additional audit work is necessary.

A copy of this memorandum was provided to the City.

If you have any questions please contact Irving I. Guss, Assistant District Inspector General for Audit at (215) 656-3401.

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