

Office of the Legislative Auditor Agency Overview

OLA Office of the Legislative Auditor
State of Minnesota



Department of Human Services: Homelessness and Housing Support Grants

September 8, 2022

Objectives and Scope

Objectives:

- Did DHS comply with applicable legal criteria?
- Did DHS have adequate controls over these grants?

Scope:

- July 1, 2019 – December 31, 2021

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Background

- Two divisions:
 - Housing and Support Services Division
 - Office of Economic Opportunity
- Two types of grants:
 - Recurring
 - COVID-19 response emergency services

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Grant Funding Sources

Grant Expenditures July 1, 2019, through December 31, 2021

Dollars (in millions)



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Audit Results

- DHS did not always comply with requirements
- Significant deficiencies in internal controls
- Nine findings from awarding to the closeout of grants

Finding: Financial Stability

- Requirement:
 - Evaluate financial stability of grants >\$25,000
- Result:
 - No financial review for 91 of 117 grantees
 - Remaining 26, insufficient documentation
- Possible effect:
 - Grantee is not financially capable of fulfilling the expected outcomes

Finding: Monitoring Visits

- Requirement:
 - Monitoring visits for grants >\$50,000
- Result:
 - In all areas, a majority of site visits did not occur
 - Example: 93 of 109 COVID-19 grants
- Possible effect:
 - Program outcomes are not being achieved

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Finding: Financial Reconciliations

- Requirement:
 - Financial reconciliations for grants >\$50,000
- Result:
 - In all areas, a majority of financial reconciliations did not occur
 - Example: 93 of 109 COVID-19 grants
- Possible effect:
 - Funding is not spent on allowable activities

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