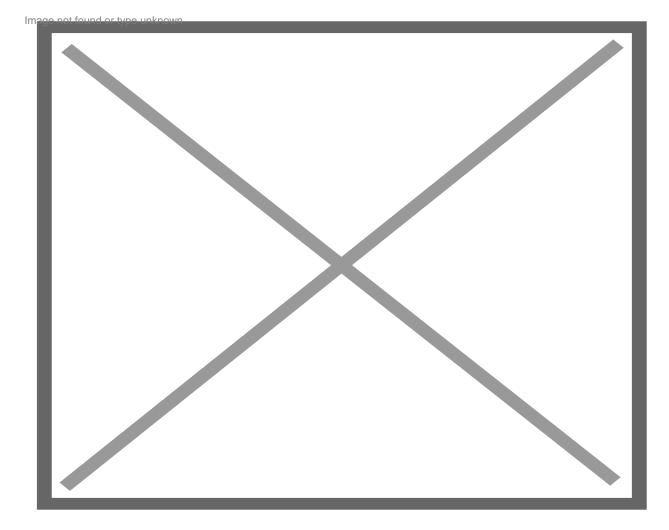
VI Housing Authority Earns Clean Audit, Recognized as a Model Agency

Auditors praised VIHA for compliance with federal regulations and strong financial management, highlighting unmodified opinions for major programs and internal controls. The six-year streak of clean audits reflects VIHA's ability to retain top talent

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The V.I. Housing Authority received a clean bill of health from its independent auditor, board members learned during a meeting last week.

"It's a very, very good report," said Richard Larsen of Novogradac. VIHA received unmodified opinions, "the highest level of assurance that we can give," in two of the three areas examined by the auditor. A qualified opinion on the body's financial statements had to be given, board members

learned. "That is because of the pension report from the GERS not being available," Mr. Larson informed. Because VIHA's fiscal year-end in December is out of sync with other government agencies in September, current data was not available in time, the auditor explained.

The audit of VIHA's internal control processes and adherence to federal laws and regulations found no instances of noncompliance, which is "also the highest level of assurance" an auditor can give, said Mr. Larson.

Auditors also examined each of VIHA's six major programs – approximately \$44 million worth of projects funded by dollars from "the housing voucher cluster of programs, the disaster grant and the CDBG entitlement," according to Mr. Larsen. All six programs received "an unmodified opinion on compliance," he reported, stressing the complexity of the achievement. "We asked for literally hundreds of...control documents to make sure you comply with all those rules and regulations," Mr. Larson noted, describing the "hundreds and hundreds of strings attached with those different programs."

"We test it to make sure that the authority complied with all those parts," he declared. "The three reports, I think, was a really, really positive outcome."

The VIHA's financial profile as of December 31, 2023 was also healthy, Mr. Larsen told the board – in good shape to be submitted to the Department of Housing and Urban Development. "One of the things they look at is...your current assets over your current liabilities," the auditor noted. VIHA's approximate "five month's worth of operating reserves" is "right in the ballpark where they're looking to see," Mr. Larsen declared.

The agency's \$91 recorded million deficit was no reason for alarm, because as Mr. Larsen explained "you're required to put your pension liability and your post employment benefit liability on the books," even when these monies will not have to be paid out until years down the line. "If you didn't have to put those future liabilities on the books, you have a positive surplus of about \$15 million," he pointed out.

Operating expenses surpassed revenues by \$6.5 million on the books, but Mr. Larsen argued that "you really need to add depreciation expense back to that number," which would then show "a moderate operating profit of a couple hundred thousand dollars." The auditor again called the outcome of the review "a very, very good report."

"We audit about 75 or 80 housing authorities across the United States," Mr. Larsen noted. "My office is very, very complimentary of the entire staff at VIHA."

Chair of the VIHA Board of Commissioners Dr. Noreen Michael congratulated the VIHA staff and Executive Director Dwayne Alexander, and singled out the finance team led by Chief Financial Officer Cecile Tonge-Fahie for particular praise. "For the past six years, we have had zero findings related to the financial audit, and that is significant," Ms. Michael declared. "VIHA can be a model agency for agencies across the territory. We pay our bills on time. We get clean audits. And, you know, we show movement in everything that we're doing."

Mr. Larsen attributed a significant part of that success in VIHA's ability to retain top talent. "You've done a very nice job of keeping some key people over the years, and therefore you're getting clean opinions and your financial statements are getting done timely and properly," he said. The agency's ability to keep a stable employee base stands in stark contrast with the public housing authority industry nationwide, which according to Mr. Larsen "is experiencing an incredible amount of turnover" right now. © Viconsortium 2024