

ROAD HOME PROGRAM  
PIPELINE RELIABILITY



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PERFORMANCE AUDIT

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ISSUED OCTOBER 31, 2007

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1600 NORTH THIRD STREET  
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FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT  
PATRICK GOLDSMITH, PERFORMANCE AUDIT MANAGER,  
AT 225-339-3800.

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

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STEVE J. THERIOT, CPA  
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October 31, 2007

Jerry Luke LeBlanc  
Commissioner of Administration  
Division of Administration

Dear Commissioner LeBlanc:

This report provides the results of our performance audit on the Road Home Pipeline Report. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our conclusions and recommendations. Appendix B contains the Office of Community Development's response to our recommendations. I hope this report will benefit you in your decision-making process.

Sincerely,

Steve J. Theriot, CPA  
Legislative Auditor

SJT/dl

RHPPR07

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# Office of Legislative Auditor

Steve J. Theriot, CPA, Legislative Auditor

## Road Home Program Pipeline Reliability Report

October 2007



Audit Control # 40070005

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### *Overall Objectives and Results*

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We conducted a performance audit to determine the reliability and sufficiency of the data presented in the weekly Road Home Situation and Pipeline Report. To determine sufficiency, we reviewed all data in the report related to the Homeowner Assistance program. To determine reliability of the data, we selected and reviewed ten indicators related to key parts of the program. The objectives of this audit and a summary of our results are as follows:

**Objective 1:** Does the Pipeline Report provide sufficient information on progress made, the number of homeowners in each stage of the process, aging of cases, and delays in the process as required by ICF's contract with the Office of Community Development (OCD)?

**Results:** The Pipeline Report does provide information on the number of homeowners in each stage of the process. However, ICF could improve the Pipeline Report by adding indicators on the aging of cases and explanations on delays in moving applicants through the process. OCD has developed performance measures for ICF that more adequately measure the timeliness of the process, such as the aging of cases in Resolution. ICF collected information on the aging of Resolution cases for one of the performance measures OCD implemented and began reporting it in the August 10, 2007, Pipeline Report. However, there is not sufficient aging information for other parts of the process, such as closings.

**Objective 2:** Can users of the Pipeline Report rely on the information presented for the indicators we reviewed?

**Results:** We reviewed ten key performance indicators in the Pipeline Report related to the Homeowner Assistance program. We found that users can rely on the information presented in eight of the indicators we reviewed. However, users cannot rely on the information in two of the indicators because they did not provide sufficient information to assess performance in these areas. ICF could improve these indicators by including additional information in the report.

### *Audit Initiation, Purpose, Scope and Methodology*

This is the eighth audit in a series of reports that reviews various processes within the Road Home program. The accuracy and sufficiency of the performance indicator data in the Pipeline Report is critical because the report is a main source of data on the program. The Office of Community Development (OCD) and Louisiana Recovery Authority (LRA) use the data in this report to help make policy decisions. In addition, state legislators and other officials use this report as a source for information about the program's progress and performance. Therefore, it is critical that the report presents reliable, complete, and useful performance information on the program.

This audit covers the time period from March 29, 2007, to July 31, 2007. The objectives of the audit are to determine the reliability and sufficiency of the data in the Pipeline Report. To answer our two objectives, we performed the following steps:

- Selected ten key indicators in the Pipeline Report related to the Homeowner Assistance program
- Interviewed ICF and First American Title Company (the subcontractor who manages the closing process) staff to determine how they calculate each performance indicator
- Reviewed the electronic queries used to calculate the indicators and reviewed source documentation for each applicable indicator
- Interviewed OCD staff to discuss the performance measures established in Amendment 4 of the contract

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the generally accepted government auditing standards as promulgated by the Comptroller General of the United States.

**Appendix A** contains the indicators in the Pipeline Report related to the Homeowner Assistance program, OCD's third and fourth quarter performance measures, and examples of some additional indicators ICF should include in the report. **Appendix B** contains a copy of OCD's management response to the recommendations in this report.

### *Overview of the Situation and Pipeline Report*

ICF issues the Pipeline Report weekly to OCD, LRA, and Housing and Urban Development officials. The report presents data on many parts of the Homeowner Assistance program, from application submission to closing. We reviewed the values for ten of the key performance indicators in the report related to the Homeowner Assistance program. Exhibit 1 describes the indicators we reviewed.

<b>Exhibit 1 Performance Indicators</b>	
<b>Indicator Name</b>	<b>Definition of Indicator</b>
Applications in System	The cumulative number of applications in the system submitted via phone, mail, and online.
Mail in System	The cumulative number of applications in the system for hard copy applications submitted via mail.
Online in System	The cumulative number of applications in the system for applications submitted online.
Phone in System	The cumulative number of applications in the system for applications taken over the phone.
Appointments Completed	The cumulative number of appointments completed at the Housing Assistance Centers (HACs).
Options Letters Sent	The cumulative number of applicants who have been sent a benefit options letter noting their respective benefit options.
Options Selected	The cumulative number of applicants who have replied to the options letter and selected their benefit option.
Evaluations Completed in the Field <sup>1</sup>	The cumulative number of applicants who have had a completed home evaluation.
Files Transferred to First American for Closing <sup>2</sup>	The weekly total number of files sent to First American for closing from ICF's pre-closing team.
Closings Held	The cumulative number of applicants who have had their closing meeting.
<b>Source:</b> Prepared by legislative auditor's staff using information from ICF's Situation and Pipeline Report.	

***Objective 1: Does the Pipeline Report Provide Sufficient Information on Progress Made, the Number of Homeowners in Each Stage of the Process, Aging of Cases, and Delays in the Process as Required by ICF's Contract With OCD?***

The Pipeline Report provides information on progress made and the number of homeowners in each stage of the process. However, it does not have sufficient information on problems and issues encountered, corrective actions taken, aging of cases, or explanations for delays in the process.

According to the third amendment of OCD's contract with ICF, the Pipeline Report should assess the program's performance by reporting the following information:

- Progress made
- Number of homeowners in each stage of the process

<sup>1</sup> Legislative auditor's staff is conducting a separate audit on the home evaluation process. That audit report will provide more details on home evaluation data.

<sup>2</sup> A July 5, 2007, legislative auditor's report provides more details on the pre-closing process.

- Problems and issues encountered
- Corrective actions taken
- Aging of cases
- Analysis of metrics explaining delays, bottlenecks, and other problems in moving the applicants through the system as compared to targeted or desired standards

In the fourth amendment to its contract with ICF, OCD developed performance measures for the second quarter of 2007 and revised measures for the third and fourth quarters of 2007. Under this amendment, ICF may receive penalties for each performance measure it does not meet. These new performance measures provide information on the aging of cases in Resolution. However, they do not provide data on the aging of cases in other areas of the process, such as closings. Appendix A describes the indicator's in the Pipeline Report for the Homeowner Assistance program, OCD's third and fourth quarter 2007 performance measures and examples of additional indicators that would address all performance areas listed in the contract.

In the August 10-16 Pipeline Report, ICF began reporting the aging of cases in Resolution that it collected for the third quarter performance measure related to the Resolution process. We did not review the aging information in this report.<sup>3</sup> However, in a previous report we did review data related to the Resolution process. In a July 25, 2007, Legislative Auditor's report on the Resolution process, we determined that ICF did not have sufficient data to accurately determine the number of homeowners in Resolution, the reasons people are in Resolution, or the aging of Resolution cases. According to OCD staff, they reviewed the data ICF provided for this performance measure and determined that ICF did not meet it for April, May, and June. OCD assessed ICF a penalty of \$25,000 for each month it did not meet the measure, for a total penalty of \$75,000. OCD should continue to review the data ICF provides for its performance measures to ensure that they are accurate.

**Recommendation 1:** OCD should ensure that ICF report in the Pipeline information on problems and issues encountered, corrective actions taken, aging of cases, and explanations for delays in the process.

**Summary of Management's Response:** OCD partially agrees with this recommendation. The Pipeline Report provides the necessary overview information for all parties to raise questions and concerns and to identify problems for discussion and resolution. Also, detailed aging reports, quality assurance and quality control reports, and fraud, waste and abuse reports, and performance measure reports are separately produced to provide decision-makers with additional information. The areas of interest listed in the recommendation for inclusion in the Pipeline Report, while important, are too detailed, voluminous, numerous, and complex to be incorporated into a report that is intended to be an overview of the program.

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<sup>3</sup> We plan to review this aging information in an upcoming report.

**Legislative Auditor’s Additional Comments:** First, OCD states that there are other reports that provide decision-makers information about the program. However, the other reports OCD mentions are mostly internal, nonpublic reports. Therefore, many decision-makers may not see or even be aware of them. The Pipeline Report is the most comprehensive, consolidated, public report that provides information about the program. Therefore, the Pipeline Report should be detailed enough to provide the information necessary to assess the program’s progress.

Second, OCD’s response states that the areas of interest we list are too detailed and complex to be included in the Pipeline Report. However, OCD’s contract with ICF explicitly states that the Pipeline Report should assess the program’s performance by reporting the following information:

- Progress made
- Number of homeowners in each stage of the process
- Problems and issues encountered
- Corrective actions taken
- Aging of cases
- Analysis of metrics explaining delays, bottlenecks, and other problems in moving the applicants through the system as compared to targeted or desired standards

Currently, the report does not provide sufficient information on problems encountered, corrective actions taken, aging of cases, and analysis of delays. If OCD intends to hold ICF accountable for the deliverables in its contract, OCD should ensure that this information is reported in the Pipeline.

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***Objective 2: Can Users of the Pipeline Report Rely on the Information Presented for the Indicators We Reviewed?***

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We reviewed ten key performance indicators in the Pipeline Report related to the Homeowner Assistance program. We found that users can rely on the information presented in eight of the indicators we reviewed. However, users cannot rely on the information in two of the indicators because ICF did not provide sufficient information to assess performance in these areas. ICF could improve these indicators by including additional information in the report. We found that ICF calculated all ten of the indicators accurately.

**ICF can improve the reliability of two of the performance indicators in the Pipeline Report by including additional information.** ICF includes data in the Pipeline Report on the number of options letters sent and home evaluations completed. However, ICF could improve the report by including additional information for these indicators. Including additional information would provide adequate information to assess performance in these areas.

“Options letters sent” is the cumulative number of applicants who have been sent an options letter. ICF calculates the value for this indicator by conducting a manual count of all the original options letters sent to applicants. However, an applicant may receive multiple options letters. An additional indicator that would improve the information on options letters sent is the total number of options letters sent. Adding this indicator would show the number of applicants who have received a letter and the total number of letters sent. According to an ICF official, ICF only tracks the number of first options letters sent, not subsequent letters.

“Home evaluations completed in the field” is the cumulative number of applicants who have had a completed home evaluation. This number should include only the number of original evaluations. However, ICF’s calculation for this indicator includes reevaluations conducted as a result of data errors. Although the calculation does include these duplicate evaluations, the small number of reevaluations (0.25%) is not material. According to a member of the home evaluation team, ICF plans to remove reevaluations from the calculation. ICF could further improve the data in the Pipeline on home evaluations by reporting separately the number of original evaluations and the number of reevaluations.

As of July 26, 2007, there have been:

- 118,749 completed evaluations
- 5,554 QA evaluations
- 299 reevaluations
- 114,113 approved evaluations

In addition, ICF should report the number of quality assurance/quality control (QA/QC) evaluations and approved evaluations. The home evaluation team conducts QA/QC on 5% of all completed evaluations. ICF also has to review and approve all evaluations before they are finalized. ICF could improve the data on home evaluations by reporting the number of QA/QC evaluations and approved evaluations. According to a member of the home evaluation team, she reports the number of approved and QA evaluations for submission to the Pipeline Report. However, these numbers are not included in the report.

**Recommendation 2:** OCD should consider requiring ICF to track the total number of options letters sent, including all letters subsequent to the original letter. Once ICF begins tracking the total number of letters sent, OCD should require ICF to report that number in the Pipeline Report.

**Summary of Management’s Response:** OCD partially agrees with this recommendation. The program currently tracks all options letters sent, but does not track additional letters sent. We will study this matter and discuss with stakeholders to determine if this adds value to the Pipeline Report or whether this data should be reported in a supplemental report.

**Recommendation 3:** OCD should require ICF to report separately in the Pipeline Report the number of original home evaluations, reevaluations, and QA evaluations. ICF should also report the number of approved evaluations.

**Summary of Management’s Response:** OCD partially agrees with this recommendation. This recommendation will be discussed with stakeholders to determine if this information should be included in the Pipeline Report or in a supplemental report.

**ICF calculated the performance indicators we reviewed correctly.** To determine how ICF obtained the data for each indicator, we interviewed each person responsible for calculating the indicators to determine their methodology. Exhibit 2 describes the departments that are responsible for the calculation and how they calculate each indicator.

<b>Exhibit 2 Performance Indicators in the Weekly Situation and Pipeline Report</b>		
<b>Indicator Name</b>	<b>Department Responsible for Calculation</b>	<b>Methodology for Calculation</b>
Applications in System	MIS	Staff queries ICF data to obtain the total number of applications submitted by homeowners.
Mail in System	MIS	Staff queries ICF data to obtain the total number of mailed-in applications.
Online in System	MIS	Staff manually calculates the number of applications submitted electronically by subtracting the number of phone and mailed-in applications from the total number of applications.
Phone in System	Call Center	Staff queries ICF data to obtain the total number of applications taken over the phone.
Appointments Completed	MIS	Staff queries ICF data to obtain the total number of applicants who completed an appointment at a housing assistance center.
Options Letters Sent	Call Center	Staff conducts a manual count of the number of letters sent to homeowners each day.
Options Selected	MIS	Staff queries ICF data to obtain the total number of applicants who have selected a benefit option.
Evaluations Completed in the Field	Home Evaluation Team	Staff queries ICF data to obtain the total number of applicants who received a completed home evaluation.
Files Transferred to First American for Closing	Pre-closing Team	Staff queries ICF data to obtain the number of files sent to First American to begin the final closing process.
Closings Held	First American Title Company	Staff queries ICF data to obtain the total number of applicants who had a closing meeting.
<b>Source:</b> Prepared by legislative auditor’s staff using information from ICF and the Situation and Pipeline Report.		

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**APPENDIX A: PERFORMANCE INDICATORS**



Performance Indicators			
Homeowner Assistance Program Process	*Key Indicators in Pipeline Related to Each Process as of August 2, 2007	OCD's 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter Performance Measures	Example of Additional Indicators to Report
Homeowner submits application.	<ul style="list-style-type: none"> <li>• Online in system</li> <li>• Mail in system</li> <li>• Phone in system</li> <li>• Total applications in system</li> <li>• Applications not valid for processing</li> <li>• Applications recorded</li> <li>• Inactive applications</li> </ul>	N/A	N/A
ICF sends letter to homeowner to schedule an appointment.	<ul style="list-style-type: none"> <li>• Initial appointments scheduled</li> <li>• RHAS appointments scheduled</li> </ul>	N/A	<ul style="list-style-type: none"> <li>• Average amount of time from application submission to appointment letter sent</li> </ul>
Homeowner meets with HAC advisor to finalize application.	<ul style="list-style-type: none"> <li>• Initial appointments completed</li> <li>• RHAS appointments completed</li> <li>• Applications determined to be ineligible</li> </ul>	The monthly average wait time between a call for an initial HAC appointment and the next available initial appointment date at each and every HAC shall be no longer than 14 days. A performance credit of \$10,000 per center will be issued for each center that does not meet the goal.	<ul style="list-style-type: none"> <li>• Average amount of time from appointment letter sent to appointment with advisor</li> </ul>
Home evaluation requested.	<ul style="list-style-type: none"> <li>• Work orders submitted by housing advisors</li> <li>• Work orders dispatched</li> <li>• Evaluations completed in the field</li> </ul>	N/A	<ul style="list-style-type: none"> <li>• Average amount of time from first appointment to home evaluation completed</li> <li>• Number of QA/QC evaluations completed</li> <li>• Number of approved evaluations</li> </ul>
ICF verifies application information.	<ul style="list-style-type: none"> <li>• Applications in verification</li> </ul>	N/A	<ul style="list-style-type: none"> <li>• Average amount of time to verify information</li> </ul>

Performance Indicators			
Homeowner Assistance Program Process	*Key Indicators in Pipeline Related to Each Process as of August 2, 2007	OCD's 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter Performance Measures	Example of Additional Indicators to Report
ICF calculates award amounts and sends options letter.	<ul style="list-style-type: none"> <li>• Applications available for calculation</li> <li>• Number of benefits calculated</li> <li>• Number of original options letters sent</li> </ul>	By December 31, 2007, ICF should issue award letters to a minimum of 85% of all valid, eligible, and active homeowner applicants who applied by the July 31, 2007, deadline and have had an appointment at a HAC by October 31, 2007. A performance credit of \$50,000 for each percentage point below 85% will be issued to ICF for a maximum penalty of \$1,000,000.	<ul style="list-style-type: none"> <li>• Average amount of time from application submission to mailing options letter</li> <li>• Total number of options letters sent</li> </ul>
Homeowner may elect to go to Resolution.	<ul style="list-style-type: none"> <li>• Number of cases moved to closing from Resolution</li> <li>• Number of new homeowner issues initiated</li> </ul>	<p><b>A.</b> For resolution files open and pending in JIRA as of 12:01 a.m. July 1, 2007:</p> <p>(i.) 95% of those files which have been open more than 120 days shall be closed on or before July 31, 2007. For each percentage point below the 95% by which ICF does not meet this performance measure, a performance credit shall be issued at the rate of \$5,000 per percentage point for a maximum penalty of \$250,000.</p> <p>(ii.) 95% of those files which have been open less than 120 days shall be closed on or before August 31, 2007. For each percentage point below 95% by which ICF does not meet this performance measure, a performance credit shall be issued at the rate of \$25,000 per percentage point for a maximum penalty of \$250,000.</p> <p><b>B.</b> Commencing July 1, 2007, each issue presented by an applicant for resolution shall be assigned a separate resolution file for tracking purposes. For any resolution issues still open in JIRA after 12:01 a.m. July 1, 2007, shall be subject to the following schedule of performance credits:</p>	<ul style="list-style-type: none"> <li>• Total number of homeowners in Resolution</li> <li>• **Aging of open and closed Resolution cases and average amount of time to complete Resolution</li> </ul>

Performance Indicators			
Homeowner Assistance Program Process	*Key Indicators in Pipeline Related to Each Process as of August 2, 2007	OCD's 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter Performance Measures	Example of Additional Indicators to Report
		<ul style="list-style-type: none"> <li>61-90 days - \$1,500 per applicant resolution issue overdue</li> <li>91-119 days - \$2,000 per applicant resolution issue overdue</li> <li>120 + days - \$5,000 per applicant resolution issue overdue</li> </ul> <p>This performance measure shall be assessed on the last business day of September, October, November, and December 2007. There is a maximum penalty of \$100,000 for each month listed.</p>	
Homeowner may elect to go to Appeals.	<ul style="list-style-type: none"> <li>Number of cases in Appeals</li> <li>Appeals cases pending research</li> <li>Appeals cases pending decision</li> <li>Appeals cases resolved</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Aging of Appeals cases and average amount of time to complete Appeals</li> </ul>
Homeowner selects option.	<ul style="list-style-type: none"> <li>Benefit options selected (Number of option one, two, and three selections)</li> <li>Number of applicants who decline benefits</li> <li>Number of applicants who delay benefits</li> <li>Number of options selected by LMI applicants</li> <li>Number of options selected by elderly applicants</li> <li>Incomplete benefit selection form and resolution</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Average amount of time from options letter sent to option selection</li> </ul>
Pre-Closing prepares application for closing.	<ul style="list-style-type: none"> <li>Files transferred for closing</li> <li>Closing scheduled to occur</li> </ul>	N/A	N/A

Performance Indicators			
Homeowner Assistance Program Process	*Key Indicators in Pipeline Related to Each Process as of August 2, 2007	OCD's 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter Performance Measures	Example of Additional Indicators to Report
Homeowner closes.	<ul style="list-style-type: none"> <li>Closings held</li> <li>Number of closings held by LMI applicants</li> </ul>	<p><b>A.</b> By December 31, 2007, ICF should conduct closings on a minimum of 85% of all valid, eligible, and active applications for homeowners who have returned completed benefit selection forms for option 1 and 75% for options 2 and 3. Each homeowner to be counted within these goals must have accepted their benefit amount by October 31, 2007, and have no ownership impediments. For each percentage point below the respective goal by which ICF does not meet this performance measure, a performance credit shall be issued at the rate of \$50,000 per percentage point for a maximum penalty of \$1,000,000.</p> <p><b>B.</b> ICF should conduct 50,000 closings cumulatively by August 31, 2007, and 90,000 cumulatively by December 31, 2007. A performance credit of \$150,000 shall be issued for the months of August and December if the goal is not met. It is intended to have these goals achieved at a steady rate, which would produce 70,000 closings by October 31.</p>	<ul style="list-style-type: none"> <li>Average amount of time between option selection and closing</li> <li>Number of applicants who have received their disbursement compared to the number of closings held</li> </ul>
Homeowner may elect to appeal the award amount.	<ul style="list-style-type: none"> <li>Number of cases received in Appeals</li> <li>Appeals cases pending research</li> <li>Appeals cases pending decision</li> <li>Appeals cases resolved</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Average amount of time to complete the appeals process</li> </ul>
<p>*We reviewed the reliability of the indicators highlighted in blue.                      **ICF included aging information on open Resolution issues in the August 10-16 Pipeline Report. We did not review this data but will review it in a later audit report.  <b>Source:</b> Prepared by legislative auditor's office using information provided by ICF and OCD.</p>			

**APPENDIX B: MANAGEMENT'S RESPONSE**





*State of Louisiana*  
DIVISION OF ADMINISTRATION

OFFICE OF COMMUNITY DEVELOPMENT  
DISASTER RECOVERY UNIT

KATHLEEN BABINEAUX BLANCO  
GOVERNOR

JERRY LUKE LEBLANC  
COMMISSIONER OF ADMINISTRATION

October 24, 2007

Mr. David K. Greer, CPA  
Assistant Legislative Auditor and  
Director of Performance  
Louisiana Office of Legislative Auditor  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Greer:

The purpose of this letter is to respond to the audit report dated October 8, 2007, on ICF's Pipeline Report. We appreciate the Office of Legislative Auditor's review of this program deliverable.

As noted in the ICF contract under tasks 2(a)12, 2(a)14, and 2(a)15, ICF is required to produce a Pipeline Report on a weekly basis. This report is being produced weekly. The purpose of requiring the Pipeline Report is to provide sufficient program data for an overview of how the program is progressing. The contract identifies twelve areas of reporting and any other reporting as deemed necessary by the Office of Community Development (OCD). The Pipeline Report contains Road Home data in all twelve areas of reporting and other information requested by the OCD. The overview required by the contract and requested by the OCD, the Louisiana Recovery Authority (LRA), and the Legislature contains all the information and data requested by the above listed entities. It must be noted that in addition to the Pipeline Report, OCD receives many detailed supplemental reports containing program data that are analyzed on a continuing basis.

The following provides the OCD response to each of the three recommendations made by the Office of Legislative Auditor in the Pipeline Audit Report.

**Recommendation 1:** OCD should ensure that ICF report in the Pipeline information on problems and issues encountered, corrective actions taken, aging of cases and explanations for delays in the process.

**OCD Response:** The Pipeline Report provides the necessary overview information for all parties to raise questions and concerns, and to identify problems for discussion and resolution during and between the biweekly meetings. In addition to the Pipeline Report, it must be noted that other reports, such as detailed aging reports, quality assurance and quality control reports, and fraud, waste and abuse reports, and performance measure reports are separately produced to provide decision-makers with additional information. The areas of interest identified in the recommendation for inclusion in the Pipeline Report are, while important pieces of information, are simply too detailed, voluminous, numerous, and complex to be incorporated into a report that is intended to be an overview of the program.

**Recommendation 2:** OCD should consider requiring ICF to track the total number of options letters sent, including all letters subsequent to the original letter. Once ICF begins tracking the total number of letters sent, OCD should require ICF to report that number in the Pipeline Report.

**OCD Response:** As noted in OCD's response to Recommendation 1, the Pipeline Report provides the necessary overview information for all parties to raise questions and concerns, and to identify problems for discussion and resolution during and between the biweekly meetings. The program currently tracks all options letters sent, but does not track additional letters sent. We will study this matter and discuss with stakeholders to determine if this adds value to the pipeline report or whether this data should be reported in a supplemental report.

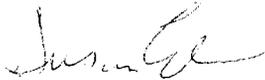
**Recommendation 3:** OCD should require ICF to report separately in the Pipeline the number of original home evaluations, re-evaluations, and QA evaluations. ICF should also report the number of approved evaluations.

**OCD Response:** As stated earlier, the purpose of the pipeline report is to provide an overview of the program for all stakeholders. The State does however review this data. This recommendation will be discussed with stakeholders (for possible inclusion) in the Pipeline Report are whether the data should be reported in a supplemental report

Mr. David K. Greer, CPA  
October 24, 2007  
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It is again noted that a number of more detailed reports relating to specific monitoring, compliance and management issues are regularly provided to OCD and used by OCD as tools for continuous program improvement.

Sincerely,



Susan Elkins  
Executive Director, OCD

SE/MS

c: Mr. Michael Taylor  
Mr. Thomas Brennan  
Mr. Michael Spletto  
Mr. Richard Gray  
Mr. Frank Abramcheck  
Mr. John Thornton  
File