

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Internal Audit of the Amy Young Barrier Removal Program (AYBRP)

Audit Report # 25-001

Executive Summary

The Office of Internal Audit (OIA) performed an audit of the Amy Young Barrier Removal Program, its processes and procedures, as well internal controls and rules and regulations that governs the program. Based on our review and testing the Amy Young Barrier Removal Program appear to be effective in assisting very low-income Texans with disability to live in a safe and hazardous free home.

The AYBR Program is funded through the State Housing Trust Fund, a biennial State authorized allocation. The program provides one-time grants of up to \$22,500 for qualified households with Persons with Disabilities who need modifications to increase accessibility and eliminate hazardous conditions in their home. Our testing and analysis did not result in any finding or recommendations for this audit.

Objective, Scope, and Methodology

Our scope included a review of the applicable Texas Administrative Codes, program manual and SOPs, and internal controls related specifically to the AYBR program. We also conducted interviews with several key program staff and performed testing and analysis of the operation of the program, from the approval process of the Administrators to approval and funding of individual projects.

Mark Scott

2/24/25

Mark Scott, CPA, CIA, CISA, CFE, MBA
Director, Internal Audit

Date Signed



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
Leo Vasquez, Chair
Kenny Marchant, Vice Chair
Cindy Conroy, Member
Anna Maria Farías, Member
Holland Harper, Member
Ajay Thomas, Member

Feb 24, 2025

Writer's direct phone # 512.475.3813
Email: mark.scott@tdhca.texas.gov

Board Members of the Texas Department of Housing and Community Affairs ("TDHCA")

RE: Internal Audit of the Amy Young Barrier Removal Program

Dear Board Members:

This report presents the results of the Office of Internal Audit ("OIA") "*Audit of the Amy Young Barrier Removal Program*". This audit was conducted in accordance with the applicable audit standards. It includes the objectives to assess and evaluate the internal controls related to the program, as well as accuracy and compliance of grant applications with applicable rules and regulation. The Amy Young Barrier Removal Program (AYBRP) was identified during the fiscal year 2025 risk assessment and rated high on the risk assessment matrix due to lack of recent audits of the program and its importance in helping low-income individuals with disability to live in a safe and hazardous free environment.

For this audit we reviewed applicable sections of Texas Administrative Code (TAC) Chapter 20, Chapter 21, and Chapter 26. We also reviewed the AYBR program manual, program specific SPOs, and other applicable rules and regulations.

This report includes the following sections:

- A. Overall Result
- B. Background
- C. Scope and Methodology
- D. Roles and responsibilities
- E. Testing and Recommendations

A. Overall Results

Based on our review and testing the Amy Young Barrier Removal program seems to be operating effectively in assisting low-income Texans live in safe and hazardous free homes.

B. Background and Program Criteria

The Texas Housing Trust Fund was established in 1991 by the 72nd Legislature, Senate Bill 546, to create affordable housing for low and very low-income individuals and families. It is the only State-authorized source of funding for affordable housing programs. Funding sources consist of appropriation and transfers made to the fund, unencumbered fund balances, and public or private gifts or grants. The AYBR Program is funded through the State Housing Trust Fund, a biennial State authorized allocation. The program provides one-time grants of up to \$22,500 for qualified households with Persons with Disabilities who need modifications to increase accessibility and eliminate hazardous conditions in their home.

In May 2010, the Texas Department of Housing and Community Affairs launched its all-new Amy Young Barrier Removal Program, named in honor of one of the state's most passionate and persuasive advocates for Texans with disabilities, Amy Young. Amy, a public policy analyst with the Texas Council for Developmental Disabilities, passed away in September 2008 after a sudden illness, one year before TDHCA announced the new statewide housing program created in part from recommendations she had pushed for as part of an advocacy policy workgroup. Amy not only gave shape to the much-needed program, she also urged the Department to offer the program through its state funded Housing Trust Fund (HTF), which provided greater flexibility and fewer regulatory restrictions than federally funded programs, making it an ideal vehicle for this initiative.

The Amy Young Barrier Removal Program, previously known as the Home Free Barrier Removal and Rehabilitation Program, helps finance home modifications that include the addition of handrails and ramps, widening of doors, adjusting countertops and cabinets to appropriate heights, installation of buzzing or flashing devices for persons with visual or hearing impairments, and installation of accessible showers, toilets, and sinks.

A Person with Disability is defined in *Rule §20.3(47)* as:

Any person who has a physical or mental impairment that substantially limits one or more major life activities; or has a record of such an impairment; or is being regarded as having such impairment. Included in this meaning is the term handicap as defined in the Fair Housing Act, and disability as defined by other applicable federal or state law.

C. Scope and Methodology

Our scope included a review of the applicable Texas Administrative Codes, program manual and SOPs, and internal controls related specifically to the AYBR program. We also conducted interviews with several key program staff and performed testing and analysis of the operation of the program, from the approval process of the Administrators to approval and funding of individual projects.

D. Roles and Responsibilities

Administrators

According to *Rule §20.3(2)* “Administrator is a unit of local government, nonprofit organization, or other entity acting as a subrecipient, developer, or similar organization that has an executed written agreement with the Department”. Administrators are responsible for gathering necessary information and documentation from applicants and determining their eligibility for AYBR program prior to submitting the said applications to the Department for approval and funding. Administrators also remain the point of contact for the applicants and the program staff throughout the project.

To become an administrator of the AYBR program an entity must go through an approval process that includes, among other requirements, verification of the entity’s status with Secretary of State and Texas Comptroller’s office, Previous Participation Review, and meeting Department’s requirements related to Information Security and Privacy. An administrator is compensated with Administrative Fees that equals to 10% of each activity’s (project) combined Hard and Soft cost upon completion of each activity. Texas Government Code Chapter 783 identifies the eligible expenses that the administrator can be compensated for.

Administrators can apply for program funds on first-come, first-served basis through the Online Reservation System. The dispersion of fund is subject to regional set-asides for 60days after the initial release of funds or the “Reservation Start Date”. For the first 30 days the funding for each region will be divided into urban and rural sub region set-asides. After 30 days of the initial release of funds any remaining funds collapsed into a single statewide pool and will be made available on a first-come, first served basis.

Applicants (Person with Disability)

A household that includes a Person with Disability, as defined by *Rule §20.3(47)*, and meets the income limit requirements is eligible to apply for a one-time grant of up to \$22,500. To be eligible to AYBR grant a household income can not exceed the greater of 80% of the Area Median Family Income (AMFI), adjusted for Household size. In addition, an applicant is required to provide other documentations, such as Certificate of Disability and current property tax status, to support their eligibility for the grant. Applicants who are tenants and not homeowners are subject to the same eligibility requirements mentioned above, plus requiring to provide a letter from the property owner that authorizes the proposed modification to the property.

Compliance Division

Compliance Monitoring section of Compliance division is tasked with routing monitoring of the Administrators to ensure their compliance with applicable rules and regulation. All Administrators are subject to a monitoring review at any time. Some of the factors considered prior to selecting an Administrator for monitoring are the risk assessment performed internally by the Department, a citizen complaint, and findings from a previous monitoring review. The monitoring efforts are guided by the following objectives: Performance, Expenditure of HTF monies, Compliance, Prevention of Fraud and Abuse, and Quality Workmanship.

Monitoring reviews includes verification of Administrator's fiscal controls in place that adheres to Chapter 2306 of the Texas Government Code, Administrative Rules, Department policies, Administrator's financial integrity, and their record keeping system to maintain activity files.

E. Testing and Recommendations

As part of our review for this audit we randomly selected six Administrators files from a total of 54 active administrators who serve different counties in Texas, and eight Applicants' files from a total of 73 applications that were approved and / or funded during fiscal year 2024. The selected samples were reviewed and tested for accuracy, completeness, and compliance with all the applicable rules.

Administrators' testing included the review of the administrator's application, Previous Participation Review of the applicant, verification of the registration and current status with Office of Secretary of States, Information Security and Privacy Agreement (ISPA), and other requirements. The household files review and testing included review of the intake applications, certificate of disability, household income certificate, and inspection report. We found that the files were generally accurate and complete, and included all the necessary documents are required by the applicable rules.

We conducted this performance audit in accordance with applicable auditing standards. We provided our observation and recommendation based on evidence obtained through our reviews and based on our audit objectives.

We extend our appreciation to Amy Young Barrier Removal Program and Compliance Monitoring management and staff for their cooperation and assistance during the course of this audit.

Sincerely,

Mark Scott

Mark Scott, CPA, CIA, CISA, CFE, MBA
Internal Audit Director

MS/NS