ROAD HOME PROGRAM
RESOLUTION PROCESS FOLLOW-UP REPORT

PERFORMANCE AUDIT
ISSUED FEBRUARY 6, 2008

February 6, 2008

Angele Davis
Commissioner of Administration
Division of Administration

Dear Commissioner Davis:

This report provides the results of our performance audit on the Road Home program resolution process. 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 A contains the Office of Community Development's response to the recommendations. I hope this report will benefit you in your decision-making process.

Sincerely,

Steve J. Theriot, CPA
Legislative Auditor

SJT/dl

RHPRPF08

Office of Legislative Auditor

Steve J. Theriot, CPA, Legislative Auditor

Road Home Program
Resolution Process Follow-up Report

February 2008

Audit Control # 40070025

Objectives and Overall Results

We conducted a performance audit of the Office of Community Development's (OCD) July 2007 performance measure relating to ICF, International's (ICF) resolution process. The objective of this audit and a summary of our results are as follows:

Objective: Did ICF meet the July 2007 performance measure related to the closing of issues in resolution?

The data maintained and reported by ICF does not provide evidence that ICF met its July 2007 performance measure related to resolution.

> **Result:** We identified more open issues than ICF identified as of July 6, 2007. We also identified more issues than ICF identified that were aged 120 days or more. We identified two possible reasons for the discrepancy. First, issues can move in and out of the resolution project making it difficult to obtain an accurate count of the number of issues in resolution. Second, ICF did not use the correct status to calculate the performance measure.

> **Result:** ICF did not include all resolution issues in its results for the performance measure. Some other projects, such as constituent services and strike team, also contain resolution issues. However, ICF only included issues in the resolution project.

> **Result:** ICF did not always clearly document how an issue was closed. We could not always determine how an issue was closed because there was not sufficient detail on the resolution.

Audit Initiation, Purpose, Scope and Methodology

This audit is the tenth in a series of reports on the Road Home program. In a performance audit report our office issued on the resolution process on July 25, 2007, we reviewed the resolution data in JIRA as of April 10, 2007, and determined that it was not reliable. To determine whether ICF had improved the data since April, we reviewed the documentation ICF provided to OCD to demonstrate that it met the July performance measure for the resolution process. The performance measure states that:

95 percent 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 percent by which ICF does not meet the performance measure, a performance credit shall be issued at the rate of $5,000 per percentage point. The maximum credit under this performance measure is $250,000.

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.

Our scope for this audit was issues in resolution between July 1, 2007, and October 12, 2007. To answer our objective, we performed the following steps:

- Obtained and reviewed ICF's documentation for the performance measure

- Analyzed data from the JIRA database

- Interviewed resolution management, MIS staff, and an OCD official

Appendix A contains OCD management's response to the recommendations in this report.

Overview of JIRA

JIRA is a tracking system that ICF uses to store and track issues[1] with homeowners' applications. JIRA is comprised of a total of twenty-seven different projects related to the Homeowner Assistance program, one of which is the resolution project. The resolution project was designed to contain homeowner-initiated issues. However, issues from other projects can be moved into resolution and resolution staff can move issues out to any of the other projects in JIRA.

Each issue is assigned a unique identification (ID) number when it is created. When an issue is created, it also receives a created date. The identification number allows you to track individual issues and the created date allows you to age issues.

Each issue also has a status in JIRA, which indicates where the issue is in the process. Exhibit 1 describes each status an issue could have.

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[1]In our July 25, 2007, report, Resolution management told us it was implementing case management, where all the issues associated with an individual applicant would be consolidated into one case. According to current Resolution management, the case management approach was not successful and it is now tracking individual issues.

Exhibit 1 Issue Statuses	
Status	**Description**
Open	The issue is ready to be worked.
In progress	The issue is being worked on.
Resolved	A resolution has been identified or implemented, and the issue is awaiting verification.* The issue can either be reopened or closed.
Reopened	The issue was once resolved or closed but is now being looked at again.
Closed	The issue is completely resolved and verified.
*Team leaders verify that advisors resolved the issue correctly. **Source:** Prepared by legislative auditor's staff using information provided by ICF.	

Objective: Did ICF meet the July 2007 performance measure related to the closing of issues in resolution?

The data reported by ICF does not provide evidence that ICF met its July 2007 performance goal related to resolution. We identified more open issues in resolution than ICF identified as of July 6, 2007. We also identified more open issues in resolution than ICF identified that were aged 120 days or more. We identified two possible reasons for the discrepancy. First, issues can move among the different projects in JIRA, making it difficult to obtain an accurate count of the number of issues in resolution. Second, ICF used the wrong status to calculate the performance measure. In addition, ICF did not include issues in other projects that are also used to track resolution issues. Finally, we could not always determine how an issue was closed because there was not sufficient detail on the resolution.

We identified more open issues than ICF identified and more issues older than 120 days. To calculate the results of the performance goal, ICF had to first identify all resolution issues that were open as of July 6, 2007.[2] ICF listed 9,210 open issues in resolution as of July 6, 2007. When we tried to verify ICF's report, we determined that there were actually 10,785 open resolution issues in JIRA as of July 6, 2007. Exhibit 2 describes the totals we calculated compared to ICF's totals.

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[2]According to the performance measure, the data should have been as of July 1, 2007. However, according to an OCD official, OCD allowed ICF to run the report as of July 6, 2007.

Exhibit 2 Comparison of LLA's and ICF's Number of Open Issues as of July 6, 2007	
	Total Number of Issues
LLA	10,785
ICF	9,210
Difference	1,575
Source: Prepared by legislative auditor's staff using information provided by ICF and LLA's calculations.	

As evidence for meeting the performance measure, ICF also reported the number of issues that were open 120 days or longer. According to ICF, 783 of the 9,210 issues were aged 120 days or more as of July 6, 2007. When we tried to verify ICF's report, we determined that there were actually 1,831 issues open 120 days or more as of July 6, 2007. Exhibit 3 describes the totals we calculated compared to ICF's totals.

Exhibit 3 Comparison of LLA's and ICF's Number of Open Issues Aged 120 Days or More as of July 6, 2007	
	Number of Issues Aged 120 Days or Older
LLA	1,831
ICF	783
Difference	1,048
Source: Prepared by legislative auditor's staff using information provided by ICF and LLA's calculations.	

We discussed our analysis with ICF and identified some possible reasons for the discrepancies in the number of open issues and the number of issues aged 120 days or more:

Reason One: ICF advisors can move issues in and out of the resolution project. As mentioned in the background section of this report, there are twenty-seven different projects in JIRA related to the Homeowner Assistance program. Through discussions with ICF and through our own analysis, we found that resolution issues can move among the different projects. As mentioned in the previous section of this report, we found 1,575 more open issues in resolution than ICF reported. We also compared JIRA data as of April 10, 2007, to data as of August 14, 2007.[3] On April 10, 2007, there were 31,957 resolution issues in JIRA. However, 14,745 of the 31,957 (46%) issue IDs that were in the April 10 data were not in the August 14 data. This analysis confirmed that issues were being moved by ICF in and out of the resolution project. Because ICF has moved

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[3]We had pulled data from JIRA as of April 10, 2007, for a previous report our office issued on the Resolution process. We pulled the data again as of August 14, 2007, for this report.

issues in and out of the resolution project, it is difficult to verify the number of resolution issues in JIRA on July 6.

ICF submitted data for the performance goal that showed 783 resolution issues were open over 120 days as of July 6, 2007. ICF later determined that 50 of the 783 cases were not actually resolution issues and should have been in another project. In addition, in response to the 1,831 open issues we determined were aged 120 days or more, ICF agreed that 69 of these issues were moved into the resolution project after it submitted the evidence for the performance measure. Therefore, these issues should have been included in the performance measure.

According to ICF officials, they moved some issues from one project to another because staff determined that the issues were in the wrong project. However, the large number of issues we identified that have moved in and out of the resolution project lead us to question the reliability of the resolution data. There is no way to easily determine if issues that should be in the resolution project are still in other projects or if issues in the resolution project should be in another project. As a result, there is no way to easily determine the number of open resolution issues as of July 6, 2007.

Reason Two: ICF did not use the correct status for the performance measure. In response to the 1,831 issues we found to be open for 120 days or longer, ICF management told us that 362 of these issues were actually closed. According to ICF officials, they considered an issue closed if it has the status of "resolved" or "closed" in JIRA. They consider these two statuses to be the same. OCD agreed that ICF could use "resolved" and "closed" to mean the same for purposes of calculating the performance measure. However, we do not agree. According to the ICF resolution manager and staff we talked to in February and March, resolved issues are not complete because they can be reopened and issues are only complete when they are marked closed. We took a sample of 30 of the 362 issues and found that resolution staff performed additional work on these files after the status was changed to "resolved." The final change to these issues was that the status was changed to "closed."

Resolution management stated that as part of an effort to clean up JIRA, it changed the status of some resolved issues to "closed." According to the resolution staff we interviewed, their intent was that closed was the final completion status. Therefore, ICF should not have closed all of these issues because they may not have been complete.

According to ICF officials, resolution staff were told to use the closed and resolved statuses synonymously in July. To determine if resolution advisors are currently using the closed and resolved statuses synonymously, we asked ICF to provide evidence that the definitions were changed and that this change was communicated to staff. However, ICF management could not provide this evidence.

Reason Three: ICF did not have closed dates for some of the issues it said were closed. When we discussed our analysis with ICF management of the 1,831 issues we determined were open 120 days or more, management told us that 631 of the 1,831 open

issues were actually closed before the JIRA system was created. When JIRA was implemented, issues were put into JIRA without a closed date. Since we ran our analysis according to the closed date, we determined that these issues were still open. ICF management further stated that 359 of the issues did not have a valid application ID, which affected its ability to close and correctly report on these issues. We asked ICF to provide evidence of how all of these issues were closed because we could not determine how they were closed by looking in JIRA. ICF provided spreadsheets that contained the issues before JIRA's implementation. However, the spreadsheets did not contain sufficient information to determine how the issues were closed prior to the implementation of JIRA.

Recommendation 1: OCD should work with ICF to ensure all issues are in the correct projects.

Summary of Management's Response: OCD agrees with this recommendation. ICF conducted a review of JIRA issues from June to August in order to ensure that all JIRA issues were in the correct projects. As part of the validation and mediation process, OCD has continued to work with ICF to monitor the tracking of homeowner issues in appropriate JIRA projects.

Recommendation 2: ICF should ensure that the definitions of closed and resolved are clear to OCD and resolution staff and are being utilized correctly in JIRA. Once the definitions are clear, OCD should ensure that ICF is using the correct status for the performance measure.

Summary of Management's Response: OCD agrees with this recommendation. As part of the validation and mediation process, OCD has worked with ICF to agree on definitions. On September, 14, 2007 accepted "resolved" and "closed" as meeting the metric if certain definitions were followed (these definitions are listed in OCD's response in Appendix A of this report).

Legislative Auditor's Additional Comments: We discussed these new definitions with OCD staff and there still seems to be some confusion about what the definitions mean and how they will be applied. OCD should continue to work with ICF to ensure that the concerns listed in our report are addressed.

ICF excluded issues that were in other projects that are also used to track resolution issues. There are projects in JIRA, other than the resolution project, that contain resolution issues. For example, the strike team and constituent services projects also contain resolution issues. ICF only provided issues from the resolution project as evidence for the performance measure. Since resolution issues are in other projects, ICF's report did not provide a complete count of all the issues in resolution.

Recommendation 3: OCD should ensure that ICF includes all resolution issues in the results of the performance measure.

Summary of Management's Response: OCD agrees with this recommendation. Through the validation and mediation process, OCD and ICF are conducting an assessment of each homeowner issues contested in the validation of the metric.

ICF did not always clearly document how an issue was closed. To verify that the issues listed by ICF as closed were actually closed we had to look at the comments in JIRA. It was difficult to determine how an issue was closed because the comments did not always provide a sufficient amount of detail. According to ICF, it closed 777 of the 783, or 99%, of the issues they reported aged 120 days or more. We took a sample of 33, or 4%, of the 777 issues to determine how they were closed. We could not determine how 27 of the 33 (82%) files were closed because the comments did not provide sufficient details.

Recommendation 4: OCD should ensure that ICF clearly states in JIRA how an issue was closed. This includes stating a sufficient amount of detail about the resolution.

Summary of Management's Response: OCD agrees with this recommendation. Both OCD and ICF concur that more detail regarding homeowner issues should be tracked and documented. Increased documentation and direct communication with the homeowners will occur as part of the Homeowner Case Completion Implementation Plan to be implemented by ICF by February, 2008.

Legislative Auditor's Additional Comments: OCD is planning to implement the Homeowner Case Completion plan, which it hopes will help to improve documentation of how an applicant's case was closed. However, this plan will only address applicants who are in resolution as of February 1, 2008. This plan will not address the fact that the documentation for applicants included in the July performance measure, and all past applicants, is not sufficient. Without sufficient documentation of how an applicant's case was closed, OCD cannot determine if ICF met the performance measure for July.

Additional Matters for OCD's Consideration

OCD will not be able to adequately or easily review the data for its upcoming performance measures until it addresses the problems with tracking resolution issues. OCD implemented the following performance measures for the upcoming months:

- Ninety-five percent of the files that have been open less than 120 days shall be closed on or before August 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 $25,000 per percentage point. The maximum performance credit under this performance measure is $250,000.[4]

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[4] OCD has not yet determined whether it will assess the penalty for the August performance measure, as it is still reviewing the documentation for the July performance measure.

- Commencing July 1, 2007, each issue presented by an applicant for resolution shall be assigned a separate resolution file for tracking purposes. 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:

  - 61-90 days - $1,500 per applicant resolution issue overdue

  - 91-119 days - $2,000 per applicant resolution issue overdue

  - 120 + days - $5,000 per applicant resolution issue overdue

The performance credit shall be assessed on the last business day of September, October, November, and December 2007. The maximum performance credit to be assessed each month listed above will be $100,000 and the maximum assessment can be $300,000 through December 31, 2007.

In addition, the JIRA database contains issues for multiple processes of the Homeowner Assistance program, such as resolution, appeals, home evaluations, and pre-closing. We did not review the data in the other projects for this report. However, through discussions with ICF and OCD, we determined it is likely that many of the other projects have the same problems. Inconsistency in how JIRA is used (each project may use JIRA differently) and moving issues from project to project could make it difficult to track the issues in all projects.

Recommendation 5: Currently, OCD depends on ICF (and its subcontractor) to explain how issues are closed and tracked. Once ICF's contract is completed, it will be OCD's responsibility to maintain JIRA and understand the data. In anticipation of this event, OCD should address and resolve all of the issues discussed in this report. This should include all of the data that is stored in JIRA, not just the resolution data.

Summary of Management's Response: OCD partially agrees with this recommendation. JIRA training is available and has been provided to OCD as requested. ICF will provide JIRA training as part of the system turnover prior to the completion of ICF's contract.

A.1

APPENDIX A: MANAGEMENT'S RESPONSE

BOBBY JINDAL
GOVERNOR

ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana

Division of Administration
Office of Community Development
Disaster Recovery Unit

January 23, 2008

Mr. David K. Greer, CPA, CFE
Director of Performance Audit Division &
    Assistant Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: OCD Response to the December 2007 *Road Home Program*
Resolution Process Follow-up Report **prepared by the Office of Legislative Auditor**
Audit Control # 40070025

Dear Mr. Greer:

As stated in the report received from your office, the objective of the performance audit of the Road Home Resolution Process was to determine whether or not ICF met the July 2007 performance measure related to the closing of issues in resolution. As you are aware, the Office of Community Development (OCD) has been working in conjunction with ICF and Legislative Auditors in order to develop an accurate methodology to assess and validate the Performance Measure 5. During this process, OCD's effort to validate the metric has yielded results similar to those mentioned in the report completed by your office. As part of this process OCD has also been working with ICF to implement a more effective and efficient way to provide better customer service to the citizens of Louisiana through implementation of a Homeowner Case Completion Implementation Plan.

Prior to addressing the results and recommendations contained in this report, it is important to note that OCD is currently involved in a mediation process with ICF to validate and determine proper assessment of Performance Measurement 5 for July and remaining months. This process was initiated on January 10, 2008 with a day long meeting involving OCD and ICF principals and staff members directly involved with management and validation of the homeowner issue resolution process. The meeting was structured around discussion of eight (8) primary issues and resulted in the development of an Action Plan for the mediation process which was agreed

upon by the principals of ICF and OCD. The Action Plan for this process involves a more detailed comparison of homeowner generated issues/inquiries, issues moved into other projects, and reopened files. Over the next several weeks, OCD and ICF staff will be evaluating homeowner issues on a case by case basis where possible. In some cases, a random number table has been generated to identify homeowner files to be reviewed as part of the process. Each sample size is adjusted in order to achieve a 95% confidence level. The results of this effort will be released as soon as they are available.

With that said, the following paragraphs address the results and recommendations made in the Office of Legislative Auditors December 2007 report and incorporate outcomes or anticipated outcomes of the mediation process.

LLA Result 1: *We identified more issues than ICF identified as of July 6, 2007. We also identified more issues than ICF identified that were aged 120 days or more. We identified two possible reasons for the discrepancy. First resolution issues can move in and out of the resolution project making it difficult to obtain an accurate count of the number of issues in resolution. Second, ICF did not use the correct status to calculate the performance measure.*

OCD Response: As part of the metric validation process and recent mediation efforts, OCD and ICF have identified several reasons for discrepancies in the number of homeowner resolution issues identified in separate reports issued by Office of Legislative Auditors, ICF, and OCD.

The first is related to the method and type of data pulled for the metric. In order to track the metric, ICF pulled data for "Resolution" issues with a status of "Open", "In-Progress" or "Reopened" that were aged 120 or more days prior to July 6th. The methodology utilized by the Office of Legislative Auditors considered homeowner issues aged 120 days prior to July 6th where the "Closed Date" field in JIRA was not populated. In order to independently validate the metric, OCD analyzed the metric using JIRA change history tables. Using the historical tables, OCD pulled the July data capturing all "Open", "Re-opened", and "In-progress" issues aged 120 days prior to July 6, 2007 and then compared this data with issues remaining in the system on August 1, 2007. Initially only homeowner issues contained in the "Resolutions" project were pulled to validate the metric. Table 1 shows a comparison of ICF and Office of Legislative Auditor data using an analysis conducted by ICF.

Table 1
ICF Analysis of Resolution Issues

Category #	ICF Category	# of Resolution Issues Open 120 days as of July 6, 2007	# of Issues Defined in Performance Measure	# Closed by 7/31/07
	Total reported by Auditors	1,831		
1	Same issues as reported by ICF	731	731	
2	Legacy cases loaded from spreadsheets as "Resolved" or "Closed" without a resolution or closed date	659	0	0
3	Legacy cases loaded from spreadsheets as "Open"	10	0	0
4	Difference in Resolution or Closed dates	362	10	0
5	Moved into Resolutions Project during July as part of normal operations	69	0	0
	Total Cases	**1,831**	**741**	**727**
	Total % Closed Part (i)			**98.11%**

The second reason for some data discrepancies are the business decisions used to pull the data. For example, ICF and audit data only consider those homeowner issues that were in the "Resolutions" project on July 6th while OCD's data considers homeowner issues in the "Resolutions", "Strike Team", and "Constituent Services" projects. In addition, ICF and OCD consider homeowners issues listed in both the "Resolved" and "Closed" categories (meeting an agreed upon definition) while the auditor report only considers "Closed" cases as meeting the metric.   In addition, the audit report counts 659 resolution files that were created prior to JIRA as shown in Table 1.   These files were loaded as "Closed" as the homeowner's issues were resolved prior to the implementation of the program. It is important to note that these resolution files were managed on spreadsheets, closed, and loaded into JIRA without populating the JIRA "Closed Date" or "Resolved Date" fields, as JIRA would have automatically filled that field with the current date rather than the actual date the resolution issue was resolved or closed. Only ten (10) of these original files were in an "Open" status at the time they were loaded into the system.

In addition, there were 362 cases in the auditor's list that had a different resolution or closed date than ICF. ICF's analysis of these cases is as follows:

- 175 of the cases were re-opened for new homeowner issues, but closed by 7/31/07
- 79 cases were placed back into the "Resolved" category prior to 7/31/07, but not placed in the "Closed" category until after 7/31/07
- 40 cases were re-opened for a new homeowner issue, and were not closed by 7/31/07
- 58 cases were re-opened for QA/QC activity, and closed with no other case activity
- 10 cases that were closed prior to 7/31/07 were subsequently re-opened for the same issue and should be counted against the performance measure

There were also 69 cases that were identified as moving into the "Resolutions" project during the month of July. ICF did not initially include these in the count as these issues were not resolution files open and pending in JIRA as of July 1, 2007.

As part of the mediation process, OCD and ICF are conducting an in-depth review of files that moved into the "Resolution" project during July as well as issues that were moved from "Resolutions" to other projects. The review also includes an analysis of "Strike Team" issues, and the re-opening of closed resolution files.

LLA Result 2: *ICF did not include all resolution issues in its results for the performance measure. Some other projects, such as constituent services, and strike team also contain resolution issues. However, ICF only includes the resolution project.*

OCD Response: ICF's initial data pull only included those issues in the "Resolution" project. Upon further review, OCD determined that homeowner issues had moved into other JIRA projects. After sampling the issues moved into different projects, it was determined that some issues were moved out of resolutions because they were not homeowner issues or were action related items. In August, OCD and ICF agreed that homeowner issues that were being managed and tracked within the "Strike Team" and "Constituent Services" projects should also be included. OCD has pulled data for July and all remaining months in all three projects. As part of the mediation process, a team of OCD and ICF staff are currently reviewing homeowner's issues on a case by case basis to validate this metric and ensure that all homeowner issues are included in the metric calculation.

LLA Result 3: *ICF did not always clearly document how an issue was closed. We could not always determine how an issue was closed because there was not sufficient detail on the resolution.*

OCD Response: Both OCD and ICF concur that documentation regarding the resolution or closure of homeowner issues has not been consistent. It is anticipated that implementation of the Homeowner Case Completion Implementation Plan will eliminate these inconsistencies and provide more detail on an individual homeowner's case. Upon implementation of this plan, ICF will institute a template of required elements to be included in JIRA in order to provide detailed documentation of a homeowners resolution issue. At a minimum the template will include any homeowner communication, action, and disposition of the actions. Separately, OCD will monitor implementation of Change Policy 189A, which requires ICF to provide written documentation to the homeowner regarding changes in status and issue resolution. This documentation will be tracked in JIRA and a copy uploaded in eGrants.

LLA Recommendation 1: *OCD should work with ICF to ensure that all issues are in the correct projects.*

OCD Response: ICF conducted a review of JIRA issues from June to August in order to ensure that all JIRA issues were in the correct projects. As part of the validation and mediation process, OCD has continued to work with ICF to monitor the tracking of homeowner issues in appropriate JIRA projects. In addition, implementation of the Homeowner Case Completion Plan will further streamline the resolution process and provide better documentation of homeowner issues.

LLA Recommendation 2: *ICF should ensure that the definitions of closed and resolved are clear to OCD and resolution staff and are being utilized correctly in JIRA. Once definitions are clear, OCD should ensure that ICF is using the correct status for the measure.*

OCD Response: As part of the validation and mediation process, OCD has worked with ICF to agree on definitions. On September 14, 2007, OCD accepted the "Resolved" and "Closed" as meeting the metric if the following definitions were followed:

Resolved- The applicant question, concern, or dispute has been researched and has reached final disposition to the extent possible within program policy. The final disposition has been communicated to the applicant, documented in the JIRA issue tracker, and updates have been made to eGrants if applicable.

Closed- This status has the same definition as the resolved status above. Some teams use the close status as an additional indication that the file has been released to a title company for closing. However, this process is not consistent across all teams.

It is important to note that OCD and ICF are evaluating the proper implementation of these protocols during the mediation process. Any homeowner issues that were prematurely listed as "Closed" or "Resolved" will not be counted as meeting the metric.

LLA Recommendation 3: *OCD should ensure that ICF includes all resolution issues in the results of the performance measure.*

OCD Response: Through the validation and mediation process, OCD and ICF are conducting an assessment of each homeowner issue contested in the validation of the metric. Where sample sizes are too large to validate on a case by case basis, a random number table has been generated to identify homeowner files to be reviewed as part of the process. Each sample size is adjusted in order to achieve a 95% confidence level.

LLA Recommendation 4: *OCD should ensure that ICF clearly states in JIRA how an issue was closed. This includes stating a sufficient amount of detail about the resolution. .*

OCD Response: Both OCD and ICF concur that more detail regarding homeowner issues should be tracked and documented. Increased documentation and direct communication with the homeowners will occur as part of the Homeowner Case Completion Implementation Plan to be implemented by ICF by February 1, 2008.

LLA Recommendation 5: *Currently, OCD depends on ICF (and its subcontractor) to explain how issues are closed and tracked. Once ICF's contract is completed, it will be OCD's responsibility to maintain JIRA and understand the data. In anticipation of this event, OCD should address and resolve all of the issues discussed in this report. This should include all of the data that is stored in JIRA, not just resolution data.*

OCD Response: JIRA training is available and has been provided to OCD as requested. In addition, OCD currently has two staff members who generate reports and pull data from the system on a regular basis, and another staff member (former Strike Team member) who is experienced in entering and tracking information in the JIRA database. However, ICF will provide JIRA training as part of the system turnover prior to completion of ICF's contract.

Homeowner Case Completion Plan
It is important to note that OCD fully understands that JIRA is a limited tool to manage applicant issues. Although the system is not designed with a reporting function that can easily validate the performance measure, the timeframe to move applicants to closing make it prohibitive to develop another tracking system. Therefore, OCD in conjunction with ICF has initiated a Homeowner Case Completion Plan in order to improve direct communication with homeowners, resolve applicant issues, and expedite homeowner closings. To accommodate this effort, ICF's closing

team will be expanded to incorporate case management teams that are experienced in solving homeowner issues and preparing an applicant's file for closing. The team structure will integrate Personal Application Liaisons (the applicant point of contact), Intake Specialists, and Preclosing advisors. PAL's will assist homeowners with the processing of their application through to closing. PAL responsibilities include researching each file to determine existing deficiencies, clearing obstacles, and contacting applicants with updates regarding the status of their grant throughout the duration of the application process.

All remaining applicants will be assigned to a dedicated PAL. Each applicant will receive a letter informing them of their PAL and providing contact information. This letter will also explain that the assigned PAL will be the point of contact for the program. Once files are assigned to a team, each file will be assigned to a PAL. The PAL will be required to research each file assigned and inform the applicant of item missing from their file as well as the current status of their grant. ICF has spent the month of January assigning and training the teams. It is estimated that PAL letters will be mailed this week with case management activities beginning by February 1, 2008.

While the Homeowner Case Completion Plan will greatly enhance the existing program, it should be noted that ICF has made a tremendous effort over the past two months to resolve homeowner issues in order to get them to closing. This effort is evidenced by the number of closings for those applicants who have been in the system over 120 days. In the months of November and December, approximately 22,000 homeowners who were aged in the system over 120 days went to closing. Of that number, almost 11,000 of those applicants had been in the system over 300 days. This substantial progress has occurred as a result of the program's commitment to continually improving assistance to the homeowner.

In closing, please know that OCD has frequently benefited from interaction with the Office of Legislative Auditor staff members regarding the JIRA system and homeowner resolution issues. OCD staff members sincerely appreciate the professional courtesy extended to us during this process and will release final metric results when available. Please let me know if you have any questions or need additional information. Thank you.
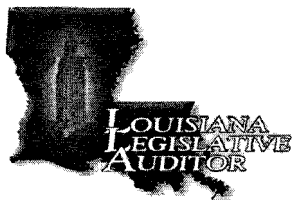
Sincerely,

Susan Elkins, Executive Director
Office of Community Development/DRU

SE/lbr

c: Ms. Angele Davis, Commissioner of Administration
        Mr. Steve Upton, DRU Internal Auditor

Checklist for Audit Recommendations

Instructions to Audited Agency: Please check the appropriate box below for each recommendation. A summary of your response for each recommendation will be included in the body of the report. The entire text of your response will be included as an appendix to the audit report.

RECOMMENDATION(S)	AGREE	PARTIALLY AGREE	DISAGREE
Recommendation 1: OCD should work with ICF to ensure all issues are in the correct projects. **(p. 6 of the report)**	X OCD has been working with ICF since August to accomplish this goal.		
Recommendation 2: ICF should ensure that the definitions of closed and resolved are clear to OCD and resolution staff and are being utilized correctly in JIRA. Once the definitions are clear, OCD should ensure that ICF is using the correct status for the performance measure. **(p. 6 of the report)**	X OCD and ICF agreed upon "Resolved" and "Closed" definitions on 9/14/07. The mediation process will enable OCD to review files on a case by case basis.		
Recommendation 3: OCD should ensure that ICF includes all resolution issues in the results of the performance measure. **(p. 6 of the report)**	X The mediation process will ensure that all resolution issues are counted as part of the metric.		

Recommendation 4: OCD should ensure that ICF clearly states in JIRA how an issue was resolved. This includes stating a sufficient amount of detail about the resolution. **(p. 6 of the report)**	X OCD will ensure that a more consistent case management process will be implemented through the new Homeowner Case Completion Implementation Plan.		
Recommendation 5: Currently, OCD depends on ICF (and its subcontractor) to explain how issues are closed and tracked. Once ICF's contract is completed, it will be OCD's responsibility to maintain JIRA and understand the data. In anticipation of this event, OCD should address and resolve all of the issues discussed in this report. This should include all of the data that is stored in JIRA, not just the resolution data. **(p. 7 of the report)**		X JIRA training has been provided to OCD. In addition, OCD has three staff members familiar with the JIRA system. Additional training will be provided on an as needed basis and prior to completion of ICF's contract.	