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Virgin Islands Housing Authority praised for clean financial audit
Agency's rating is the highest an entity can receive, auditor says

WHAT: The Virgin Islands Housing Authority (VIHA) submitted a clean audit of its programs and finances last week to the U. S. Department of Housing and Urban Development; the first such audit since back-to-back hurricanes hobbled its buildings and operations in 2017.

The annual audit, which provides opinions that the agency presents its finances fairly and has complied with the requirements of its major federal programs, is required by law.

The FY2018 audit received an 'unmodified opinion with no findings,' the highest level of assurance an auditor can provide, according to Novogradac & Company CPA Rich Larsen, who oversaw the effort.

"This was a large audit requiring a tremendous amount of information, and VIHA's staff was able to provide an accurate audit trail despite having many of their buildings and documents destroyed by the hurricanes," said Larsen, who audits 60 other housing authorities across the country. "If they can't provide the information, I can't give a clean opinion, regardless of the circumstances."

The FY2018 compliance audit focused on the Public Housing and Capital Fund programs, testing their compliance with federal rules and regulations. With public housing, for example, the CPA selected 35 tenant files and tested 10 controls, making sure people who were given admission to the program were pulled in the correct order off the waiting list; that their incomes qualified for the program; and that the tenants provided all the required documentation for admittance.

VIHA has had clean audits in prior years, but having no findings in its financial statements or federal programs is significant, Larsen said.





“For a large agency, a ‘no findings’ audit is not routine” the CPA explained. “VIHA has dozens of buildings across the Territory where they maintain bank accounts and tenant accounts receivable. We were testing hundreds of details, and they passed all of them. It is a tremendous accomplishment.”

Findings of noncompliance can cause a housing authority to lose funding and have increased oversight from HUD.

Finances were one of the major reasons the agency came under federal control in 2003, according to VIHA Board Chairwoman Dr. Noreen Michael.

“We did a lot of work to put our financial house in order, to the point where I will say the authority is now exemplary in that respect,” Michael said. “We are at the point where we can take on partnerships with private developers and use low income housing tax credits to revamp some of our aging communities.”

Most recently, the housing authority announced the June 23rd. grand opening of the third and final phase of Louis E. Brown Villas on St. Croix with its development partner McCormack Baron Salazar; a total transformation of the old public housing complex built there in 1970.

“This is the kind of housing – attractive, amenity-rich, energy-efficient and hurricane-safe – that every resident deserves,” VIHA Executive Director Robert Graham said. “We have a lot more development planned in 2020 and 2021. A positive financial audit gives our partners confidence that the funds will be handled transparently and responsibly.”

The audit will be posted on VIHA’s website following HUD approval.

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Novogradac CPA Rich Larsen is available to discuss the audit at (732) 644-4927.

About the Virgin Islands Housing Authority

The Virgin Islands Housing Authority is an independent, federally funded agency with a mission to improve lives through housing that’s inviting, safe and affordable. The agency provides housing assistance to over 4,000 low and moderate-income households across the Territory and offers programs that help them build self-sufficiency. An active board and far-sighted local government support the agency as it delivers on a 10-year plan to revitalize all of its public housing on St. Croix. For more information visit www.vihousing.org.



