OFFICE OF THE

INSPECTOR GENERAL

DISTRICT OF COLUMBIA GOVERNMENT

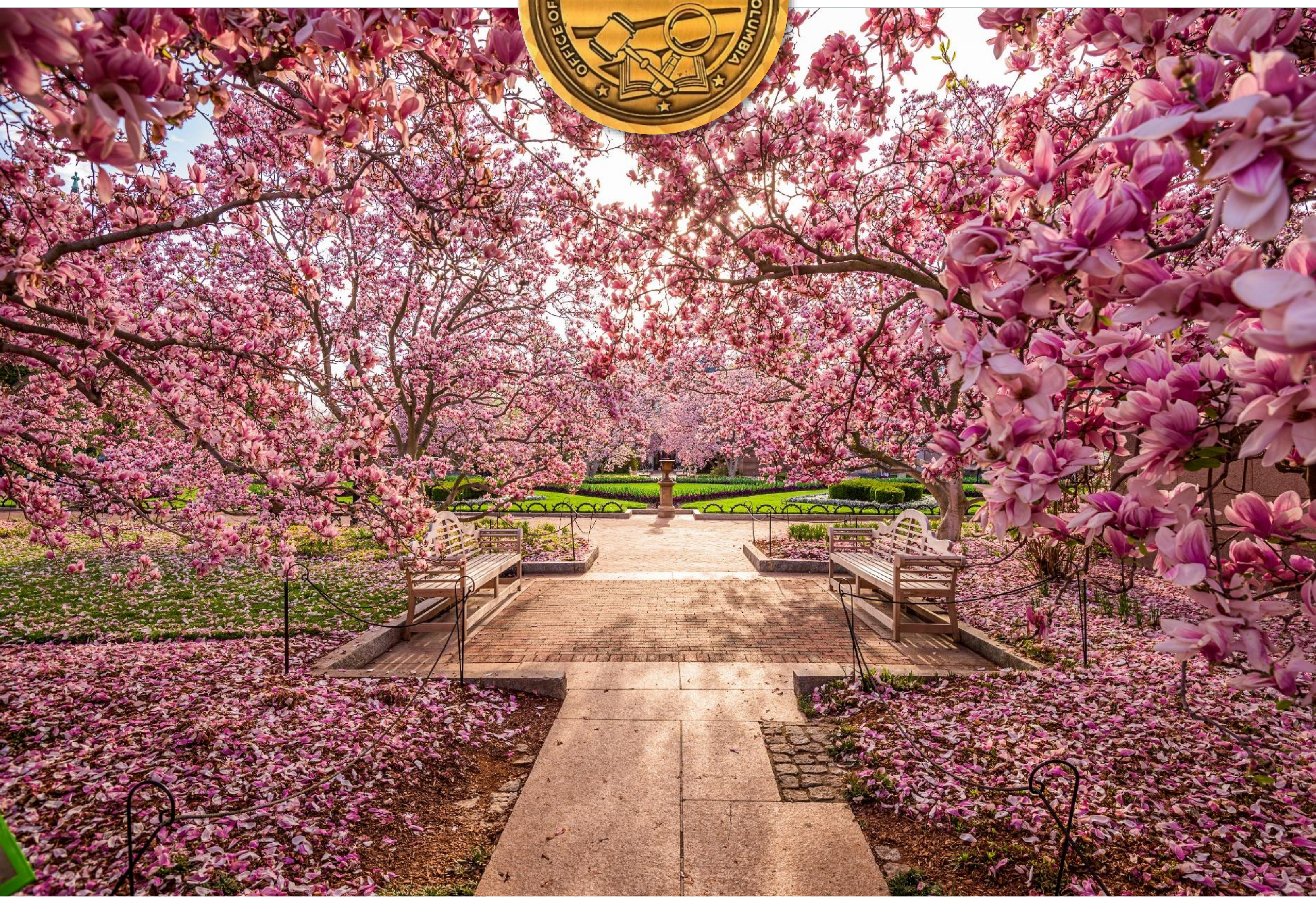
AUDIT REPORT

District of Columbia Housing Authority

Management Recommendations for FY 2025

OIG No. 25-1-12HY(a)

July 15, 2026



MATTHEW WILCOXSON

INTERIM INSPECTOR GENERAL

OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

OUR VISION

We strive to be a world-class Office of the Inspector General that is customer focused and sets the standard for oversight excellence!

OUR VALUES

Accountability: We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

Continuous Improvement: We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

Excellence: Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

Integrity: Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

Professionalism: As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

Transparency: Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.

MEMORANDUM

To: Nicole Wickliffe, Interim Executive Director
District of Columbia Housing Authority

Isra A. Elkhazeen, Interim Chief Financial Officer
District of Columbia Housing Authority

Raymond Skinner, Board Chair
Stabilization and Reform Board of Commissioners

From: Matthew Wilcoxson *Matthew Wilcoxson*
Interim Inspector General

Date: July 15, 2026

Subject: **District of Columbia Housing Authority Management Recommendations | OIG No. 25-1-12HY(a)**

This memorandum transmits the final *District of Columbia Housing Authority Management Recommendations* for fiscal year 2025. CliftonLarsenAllen, LLP (CLA) provided the Office of the Inspector General this report as part of the annual audit of the District of Columbia's general-purpose financial statements for fiscal year 2025.

CLA issued four recommendations to improve the effectiveness of operational and programmatic internal controls.

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.

CliftonLarsonAllen LLP
CLAconnect.com

Mayor, Members of the Council of the Government of the District of Columbia,
the Inspector General of the Government of the District of Columbia, and the Board of Commissioners of the District of Columbia Housing Authority
District of Columbia Housing Authority
Washington, D.C.

In planning and performing our audit of the financial statements of District of Columbia Housing Authority (the Authority), as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

However, during our audit we became aware of other matters that are opportunities to strengthen and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated July 2, 2026, contains our written communication of significant deficiencies and material weaknesses in the entity's internal control. This letter does not affect our report on the financial statements dated July 2, 2026.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Management's written response to findings have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not provide any assurance on the responses.

This communication is intended solely for the information and use of management, the Mayor, Members of the Council, Inspector General, and Board of Commissioners of the District of Columbia Housing Authority, and others within the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
July 2, 2026

2025-001 - Document Retention

Management was unable to provide timely supporting documentation for several significant accounts or transactions selected for testing during the audit. This resulted in incomplete or missing documentation which does not allow for the review of accuracy of balances and transactions. This increases the risk of undetected fraud or inaccurate financial reporting.

Management is responsible under the COSO Internal Control—Integrated Framework for establishing and maintaining effective internal controls over financial reporting. These controls provide reasonable assurance that transactions are appropriately authorized, recorded, and reported, enabling the preparation of reliable financial statements in accordance with U.S. GAAP and demonstrating compliance with applicable laws and regulations. In accordance with HUD reporting requirements, public housing authorities must submit timely and reliable financial information within prescribed deadlines.

The Authority lacked adequate internal controls over the financial statement close and verification process over account balances.

This resulted in incomplete or missing documentation which does not allow for review of accuracy of balances and transactions and increases the risk of undeterred fraud or inaccurate financial reporting.

Recommendation
We recommend that management review its document retention policy and implement controls to ensure all supporting documentation is properly filed and stored. Management should explore the cost and benefits of implementing an electronic documentation system to ensure documents are properly stored and can be easily retrieved.

Management's Response
Management acknowledges the audit recommendation. Document retention is a historical issue that has compounded in recent years by staff turnover and leadership changes. Management had identified this issue in the prior fiscal year and is working on implementing a series of document archiving systems and plan the ongoing process of digitizing year-old hardcopy materials. In FY2025, DCHA has a plan to create a new staff position whose primary responsibility is to ensure proper document retention, including creation and enforcement of policies regarding the same. The position was not created in FY2025 due to other priorities. For purposes of this audit, staff was not able to quickly find historical documents from the past.

2025-002 - Vulnerability Management

We noted there was no vulnerability assessment performed during the audit period (October 1, 2024 to September 30, 2025). However, the Authority is currently in the vendor procurement stage for an assessment.

HUD IT Security Policy (DC Code 6-202)- The HUD IT Security Policy outlines the requirement for annual vulnerability scanning. NIST SP 800-53 RA-5 outlines the need to monitor and scan for vulnerabilities in the system and hosted applications and when new vulnerabilities potentially affecting the system are identified and reported at least annually.

Without annually performing vulnerability assessments, vulnerabilities within the IT environment may be undetected.

Recommendation
We recommend that the Authority perform a vulnerability assessment at least annually to prevent vulnerabilities within the IT environment.

Management's Response
Completion was originally planned for FY25, but vendor assessment and staffing challenges caused delays. The assessment entered procurement near the end of the fiscal year, with a projected completion window of December 2025 to January 2026. With the Network and Infrastructure Team fully staffed, the item was completed in January 2026 (FY26).

2025-003 - Access Review

We noted Network User Access Reviews occurred, but not for the Yardi application.

HUD IT Security Policy (DC Code 6-202) - The HUD IT Security Policy outlines the requirement for annual user access reviews. NIST SP 800-53 AC-2, AC-6 -NIST outlines the need for annual reviews of user access.

Without periodically reviewing and recertifying system access, the Authority is at risk of allowing excessive, unneeded, or unauthorized privileges to persist on user accounts.

Management indicated that the user accounts were reviewed periodically as updates were made in access such as adding access, removing access. changing access, but a formal documented review of all existing user access was not provided.

Recommendation
We recommend that the Authority performs user access reviews at least annually for the network and Yardi system to ensure that roles are appropriate and that terminated users are properly removed from the system.

Management's Response
A formal, documented review of network and Yardi accounts is required under IT policy. This review was not conducted during the audit period, as vacancies in key staff positions, pending leadership approval for hiring of approved and budgeted roles, prevented the department from fulfilling this requirement.

2025-004 - Journal Entry Configurations

There was no dollar amount threshold in place for journal entries that would require additional approval. CLA requested evidence of journal entry system thresholds within Yardi, which control the accounts or transaction amounts users are authorized to post. However, CLA was unable to obtain evidence of this configuration.

NIST SP 800-53 SI-10 outlines the requirements for information system checks for the validity of organization-defined information inputs such as character length, numerical range, and acceptable values.

Without configuring thresholds for journal entries, high dollar amount transactions may not be flagged or undergo additional approval. Management should determine what this threshold amount is for additional approval.

Management indicated a management decision was made not to configure thresholds for additional approval.

Recommendation
We recommend setting defined approval amount thresholds for journal entries that would require additional approval.

Management's Response
The current setup in Yardi was established based on the current system workflow, which has been determined by finance and industry experts. It has been determined that it would not be practical to put further thresholds in place for journal entries beyond those already in place.

Listed below is the current process for journal entries:

• Journal entries are prepared by accountant/financial specialist and reviewed and posted by Managers.

• When a Manager prepares journal entries, then the CFO or Deputy CFO reviews and posts journal entries regardless of the dollar amounts.

• When the Deputy CFO prepares journal entries, then the CFO reviews and posts the journal entries.

REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT

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