Office of Inspector General

U.S. Department of Housing and Urban Development

Update to the Office of Audit and Evaluation Annual Work Plan for FY 2026

Office of Inspector General | U.S. Department of Housing and Urban Development

OCTOBER 1, 2025 – SEPTEMBER 30, 2026

OFFICE of INSPECTOR GENERAL

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Contents

Message from the Assistant Inspector General for Auditing

The following is a June 1, 2026 update to the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) Annual Work Plan (AWP) for Fiscal Year (FY) 2026. The OIG conducts audits and evaluations to prevent and detect fraud and abuse and promote the economy, efficiency, and effectiveness of HUD's programs and operations.

The AWP highlights audits and evaluations the OIG will initiate in FY 2026, as well as ongoing projects that continue from prior years. The June 1 update to the AWP also captures work product the OIG issued in the relevant period.

All of the projects described in the AWP span HUD programs and operations and take into account HUD's Top Management and Performance Challenges we identified through our past oversight work, HUD's priorities as described in its Annual Performance Plan for FY 2026, and recommendations for action we issued to HUD that remain open. The projects also encompass mandatory audits and evaluations required by laws or regulations.

We organized the AWP by focus areas that correspond to the challenges described in our Top Management and Performance Challenges Report. These focus areas are:

- Improving Business Operations: Modernizing IT Systems and Streamlining Procurement
- Protecting Taxpayer Funds from Fraud, Waste, and Abuse
- Modernizing the Management of Grant Funds
- Ensuring the Availability of and Access to Affordable and Quality Housing

We are committed to providing objective oversight to protect taxpayer funds from fraud and waste and to improve the efficiency and effectiveness of HUD's programs and operations. As with any plan, the AWP is subject to periodic review and revision to address emerging programmatic issues, priorities, and resource changes and to respond to HUD requests or legislative mandates. One area of developing oversight is the OIG's work in support of safer homes and communities and anti-fraud efforts, as mandated by the President's Executive Orders and Presidential Memoranda.

Kilah White
Assistant Inspector General for Auditing

4 PLANNED PROJECTS | **4 ONGOING PROJECTS** | **3 PRODUCTS ISSUED**

Improving Business Operations: Modernizing IT Systems and Streamlining Procurement

Planned Projects

HUD's Security Assessment and Authorization Process

Evaluation of HUD's authorization process for its systems to assess whether all security controls are implemented before going into production.

National Drug Control Policy Authentication of Accounting

Mandatory attestation review of HUD's accounting of all funds spent for the National Drug Control Program activities for the previous fiscal year.

False Claim Certification Statements in HUD Systems

Evaluation of False Claims Act warnings in HUD systems.

IT Security Controls

Evaluation to assess the operational effectiveness of security controls for selected HUD information technology (IT) systems or functions and HUD's processes for detecting and preventing unauthorized devices from connecting to HUD's network and accessing HUD data.

Ongoing Projects

2026 Geospatial Data Act Compliance Audit

Mandatory audit of HUD's efforts to meet requirements for the collection, production, acquisition, maintenance, distribution, use, and preservation of geospatial data.

Fiscal Year 2026 Federal Information Security Modernization Act of 2014 (FISMA) Evaluation

Mandatory annual evaluation of HUD's information security program and practices.

HUD IT Access Controls

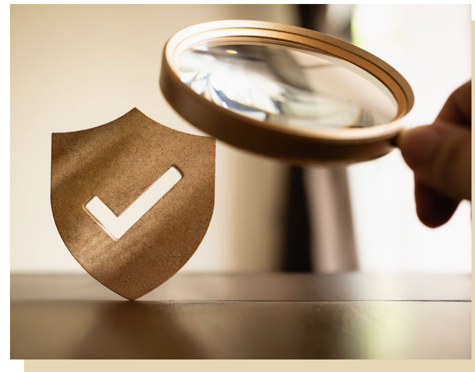
Review of HUD's IT access control policies and procedures to determine whether access to selected systems is properly authorized, maintained, and terminated in accordance with HUD policies, federal guidelines, and least privilege principles.

Public and Indian Housing Information Technology Modernization Resourcing Evaluation

Evaluation of the Office of Public and Indian Housing's (PIH) IT modernization process for the Enterprise Voucher Management System and Housing Information Portal System that support key PIH programs.

Products Issued

Project Title	Project Description	Product Type
Attestation Review of HUD's Compliance with the Office of National Drug Control Policy (ONDCP) for Fiscal Year 2025 Reporting	Mandatory attestation review of HUD's accounting of all funds spent for the National Drug Control Program activities for the previous fiscal year.	Report
The HUDUSER System Had Exploitable IT Security Weaknesses	Evaluation of the operational effectiveness of security controls for selected HUD IT systems or functions.	Report
HUD FY 2025 Federal Information Security Modernization Act (FISMA) Evaluation Report	Mandatory evaluation to assess the overall effectiveness of HUD information security program, assess their compliance with Federal guidance, and respond to OMB reporting questions for the fiscal year 2025 annual assessment.	Report



9 PLANNED PROJECTS | 23 ONGOING PROJECTS | 11 PRODUCTS ISSUED

Protecting Taxpayer Funds from Fraud, Waste, and Abuse

Planned Projects

CDBG-DR Voucher Review

Audit of HUD's review of the Community Development Block Grant (CDBG)-Disaster Recovery (DR) vouchers to ensure that required documentation exists in the system, supports vouchers requests, and evidences HUD's review.

Improper Payments Estimate in HUD's Disaster Recovery Program

Audit to estimate improper payments in HUD's Disaster Recovery program.

HUD Program Offices' and HUD Participants' Fraud Risk Management Practices

Individual audits of HUD program offices' and HUD participants'—including grantees, lenders, and Public Housing Agencies (PHA)—fraud risk management practices such as control activities to prevent, detect, and respond to fraud while administering HUD program funds.

Community Planning and Development Expenditure Reviews

Reviews of grantees' program expenditures to ensure compliance with HUD's Office of Community Planning and Development's (CPD) grant award rules and federal rules, and to identify potential fraud or improper payments.

Continuum of Care Expenditure Reviews

Reviews of Continuum of Care (CoC) grantees' program expenditures to ensure compliance with the grant award rules and federal rules, and to identify potential fraud or improper payments.

Equity Skimming

Individual audits of HUD program participants' oversight of and controls directed at detecting and preventing equity skimming.

Ghost Tenants

Individual audits of HUD program participants' oversight of and controls directed at detecting and preventing ghost tenants.

Single Audit Act Reviews

Individual reviews to determine whether independent auditors are effectively planning, performing, and reporting Single Audits of grantees to ensure proper stewardship of taxpayer funds and to protect against fraud, waste, and abuse within HUD programs.

Assistance to Deceased Tenants

A review of PHAs' compliance with the requirement to monitor the Deceased Tenants Report monthly and ensure deceased tenants are removed from programs.

Ongoing Projects

CDBG-DR Non-Federal Matching Funds

Audit of Colorado, New Jersey, New York, and Puerto Rico's CDBG-DR funds as nonfederal match for the Federal Emergency Management Agency's Public Assistance Program to determine if the grantees made improper match activity payments.

Assessing the Overlap of Project-Based Rental Assistance Payments and FHA-Insured Mortgages

Audit to determine whether individuals improperly received Project-Based Rental Assistance (PBRA) payments while holding a mortgage insured by the Federal Housing Administration (FHA).

Audit of HUD's Compliance with Payment Integrity Information Act (PIIA) for Fiscal Year 2025

Mandatory annual audit of HUD's compliance with the Payment Integrity Information Act of 2019 (PIIA) for FY 2025 to assess whether HUD met all requirements of PIIA and its efforts to prevent and reduce improper payments.

FY26 Annual HUD Financial Statement Audit

Mandatory annual audit of HUD's consolidated financial statements. The OIG has contracted with an Independent Public Accounting (IPA) firm to conduct this audit.

FY26 Annual FHA Financial Statement Audit

Mandatory annual audit of FHA's financial statements. The OIG has contracted with an IPA firm to conduct this audit.

FY26 Annual GNMA Financial Statement Audit

Mandatory annual audit of Ginnie Mae's (GNMA) financial statements. The OIG has contracted with an IPA firm to conduct this audit.

Management of a California Federal Housing Administration-Insured Multifamily Property

Audit of an FHA-insured property to determine whether the property owner managed it in accordance with the regulatory agreement.

Management of a Maryland Federal Housing Administration (FHA)-Insured Multifamily Property

Audit of an FHA-insured property to determine whether the property owner managed it in accordance with the regulatory agreement.

Management of a New York Section 8 Project-Based Rental Assisted Multifamily Property

Audit of a Section 8 PBRA property to determine whether the property owner calculated tenant rental subsidies in accordance with applicable HUD requirements.

Review of a Washington State Continuum of Care Grantee's Use of Funds

An evaluation to determine whether a grantee used CoC program funds toward eligible costs.

California-Based Grantee Draws Near Hold in Federal Funding

An audit to determine whether draws of funds made by a grantee near the time of a hold in federal funding were in accordance with requirements of the following programs: CDBG, CDBG-Coronavirus (CV), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grants (ESG).

FHA-Insured Single-Family Loans Issued to Deceased and Incarcerated Individuals

Evaluation to determine whether the approval process for FHA-insured single-family loans resulted in loans to deceased or incarcerated borrowers.

Assessing the Overlap of Housing Choice Voucher Payments and FHA-Insured Mortgages

Audit to determine whether individuals improperly received Housing Choice Voucher (HCV) program rental assistance payments while holding an FHA-insured mortgage.

Improper Payments Estimate for HUD's Multifamily Project Based Rental Assistance Program

Audit to estimate improper payments in HUD's Office of Multifamily Housing PBRA program.

HUD, Ginnie Mae, and FHA Inactive Obligations

Audit of HUD's, Ginnie Mae's, and FHA's inactive obligations to determine if the obligations are still needed for the purposes intended and, if not, assess gaps in controls that prevented earlier deobligation.

Improper Payments Estimate for HUD's Public and Indian Housing Tenant-Based Rental Assistance Program

Audit to estimate improper payments in HUD PIH's Tenant-Based Rental Assistance (TBRA) program.

Review of Residential Care Facility in New York

Audit of a residential care facility to determine if the facility was operated in accordance with its regulatory agreement and HUD requirements.

Audit of the U.S. Virgin Islands Housing Programs

Audit of the U.S. Virgin Islands disaster recovery and mitigation housing program funded transactions to determine if there are potential improper payments.

FHA Borrowers with Delinquent Federal Taxes

Audit to determine whether FHA provided insurance on loans that were made to ineligible delinquent Federal tax debtors.

New York City Department of Social Services ESG CARES Act Improper Payments

Audit of a New York-based grantee's Coronavirus, Aid, Relief, and Economic Security (CARES) Act, Emergency Solutions Grants (ESG-CV) program to determine if improper payments exist.

HOPWA Grantee Draws Near Pause in Federal Funding

Audit of the Housing Opportunities for Persons with AIDS (HOPWA) program to determine whether improper payments occurred near the temporary pause in federal financial assistance on January 28, 2025.

Washington-based Grantee CDBG and CDBG-CV program

Audit of a Washington-based grantee's CDBG and CARES Act CDBG-CV program to determine whether the grantee managed its program in accordance with program requirements.

CDBG Grantee's Use of Funds Review

Evaluation to assess whether a grantee used CDBG funds toward eligible costs.

Products Issued

Project Title	Project Description	Product Type
FHA Single-Family Claims on Indemnified Loans	Audit to determine whether servicers may be filing claims on indemnified loans insured by the FHA without repaying HUD.	Closing memorandum
Delayed Dispositions on HUD Real Estate Owned and Claims Without Conveyance of Title	Audit to assess lenders' timeliness in executing foreclosure requirements and costs to HUD, if any, associated with the delays.	Closing memorandum
Fraud Risk Inventories for the Capital Fund, Disaster Recovery, and Single-Family Housing Programs	Audit of HUD programs to identify and develop inventories of fraud risks related to funds that HUD received for its Capital Fund, Disaster Recovery, and Single-Family Housing programs.	Reports (3)
HUD Did Not Always Address Risks Reported in Borrowers' Audited Financial Statements for Section 232 Residential Care Facility Portfolios	Audit to assess the oversight HUD's Office of Residential Care Facilities conducted over Section 232 residential care facilities mortgage insurance program.	Report
Colorado Reported Other Disaster Recovery Reimbursements as Non-Federal Match Payments	Audit to determine whether Colorado made improper non-Federal match activity payments.	Report

Project Title	Project Description	Product Type
The U.S. Virgin Islands Housing Finance Authority's Fraud Risk Management Practices are At or Below The Lowest Desired Level	Audit to assess the U.S. Virgin Islands Housing Finance Authority’s fraud risk management practices for preventing, detecting, and responding to fraud when administering programs funded by HUD grants addressing the 2017 disasters.	Report
HUD Did Not Pursue Repayment for Improper Payments on Claims Without Conveyance of Title	Audit to assess whether HUD is appropriately demanding and collecting improper payments identified for Claims Without Conveyance of Title (CWCOT) loans by its Mortgagee Compliance Manager.	Report
California Department of Housing and Community Development Needed Stronger Controls to Prevent Improper Payments in Its ESG CARES Act Program	Audit to determine whether improper payments existed.	Report
The City and County of Honolulu Made Some Improper Payments in its ESG CARES Act Program	Audit to determine whether improper payments existed.	Report

6 PLANNED PROJECTS | **7 ONGOING PROJECTS** | **3 PRODUCTS ISSUED**

Modernizing the Management of Grant Funds

Planned Projects

Louisiana Homeowner Assistance Program

Audit to assess the effectiveness of the State of Louisiana's oversight of subrecipients involved in the Homeowner Assistance program.

CDBG-Mitigation Infrastructure

Audit to assess whether grantees' and subgrantees' activities related to CDBG-Mitigation (MIT) funding met applicable requirements.

Home Repair, Reconstruction, or Relocation Program

Audit of the Home Repair, Reconstruction, or Relocation program to assess overall progress and outcomes across grantees related to single-family homes damaged by hurricanes Irma and/or Maria.

Puerto Rico Small Business Financing Program

Audit of the Puerto Rico Small Business Financing program to assess progress and outcomes, including whether the funding was awarded to ineligible recipients.

Emergency Housing Voucher Program Funding

Individual audits of PHAs' transition plans to prevent the recurrence of homelessness for individuals who had been housed with depleted Emergency Housing Voucher (EHV) funds.

Effect of the Housing Trust Fund on Affordability

Audit of HUD's monitoring of the Housing Trust Fund (HTF) recipients and their compliance with program requirements to spend HTF funds on affordable housing activities with a primary focus on the production, preservation, and rehabilitation of rental housing for extremely low-income households.

Ongoing Projects

Grantee's Reporting and Use of CDBG Program Income

Audit of the CDBG program income management, tracking, and spending to assess compliance with program rules, including income being used for eligible activities.

Assessment of HUD's processes related to the Buy America Preference of the Build America, Buy America Act

Evaluation of the Build America, Buy America program to assess how HUD is implementing its requirements and monitoring grantees' compliance with those requirements.

Status of USVI CDBG-DR and CDBG-MIT Programs

Audit of the U.S. Virgin Islands' CDBG-DR and CDBG-MIT programs to assess status and to identify any potential factors that may be affecting program progress.

Grantees' Use of the Urgent Need National Objective

Audit to determine whether disaster recovery grantees properly use the urgent need national objective in executing their disaster recovery grants.

Requirements for Program Eligibility by Individuals with a Criminal History and a Non-Citizen Status

Analysis of the requirements for HUD's rental assistance programs as they apply to individuals (1) with a criminal history or who engage in criminal activity, and (2) who are non-citizens.

Audit of HOME and HOME ARP Grantee Draws Near Pause in Federal Funding

Audit of the HOME Investments Partnerships (HOME) and HOME American Rescue Plan (ARP) programs to identify if HOME and HOME ARP draws made by grantees near the time of a hold in federal funding were in accordance with program requirements.

Florida Home Rehabilitation & Reconstruction Program

Audit of the State of Florida's home rehabilitation and reconstruction program to assess (1) the State's overall program progress and outcomes including the status of the funding, the number of homes assisted, and the cost of assistance; and (2) the workmanship quality of a sample of completed homes.

Products Issued

Project Title	Project Description	Product Type
Spending by Subrecipients of the Texas General Land Office	Audit to assess whether subrecipients who received Texas Land Office disaster funds met applicable requirements and achieved desired results.	Closing memorandum
Puerto Rico Community Energy and Water Resilience Installations Program	Audit of Puerto Rico's Community Energy and Water Resilience Installations program to determine the extent to which it has addressed the energy and water system vulnerabilities of its low-and-moderate-income participants.	Report

Project Title	Project Description	Product Type
HUD Oversight of Lead Grants	Audit of HUD's oversight of Lead-Based Paint Hazard Control (LBPHC) and Lead Hazard Reduction Demonstration (LHRD) grant programs to assess (1) HUD's evaluation of grantees' capacity to manage grant funds, and (2) HUD's tracking and monitoring of grants performance goals for the LBPHC and LHRD grants.	Report

12 PLANNED PROJECTS | **18 ONGOING PROJECTS** | **5 PRODUCTS ISSUED**

Ensuring the Availability of and Access to Affordable and Quality Housing

Planned Projects

FHA Loan Originations by Loan Officers

Audit of loan officers and underwriters who were previously referred to HUD's Quality Assurance Division and/or terminated by mortgage companies.

PHAs' Financial Management Practices

Individual audits of PHAs' financial management practices and oversight of financial conditions.

Multifamily Unit Condition Corrections

Audit to assess whether owners are addressing health and safety violations at HUD assisted properties by accurately certifying the completion of repairs and the performance of surveys covering their entire properties.

Troubled PHAs

Individual audits of troubled PHAs that are contract administrators for rental assistance demonstration project-based voucher projects.

Shortfall Funding Program

Individual audits of PHAs that received HCV shortfall funding to assess their management and use of program funding.

Lender Origination Practices

Individual audits of lenders' origination practices to assess whether they followed FHA rules and regulations for assets, income, liabilities, and credit when originating and underwriting single-family FHA loans.

Lender Servicing

Audit of lenders' servicing practices to assess whether they are using all available tools to assist borrowers with loss mitigation.

Assessment of Opportunities to Streamline FHA Processes

Audit of FHA processes and requirements to assess whether opportunities exist to reduce or eliminate burdensome or unnecessary barriers.

Nursing Homes Asset Sales Program

Audit of HUD's Nursing Homes Asset Sales program to assess the extent to which it maximizes recoveries from the sales.

Physical Inspections of Units

Individual evaluations and audits of units to assess compliance with HUD's quality standards for housing.

Home Equity Conversion Mortgages

Audit to assess potential risks to FHA's Home Equity Conversion Mortgages (HECM) program.

Integrity of REAC Inspections

Review of completed Real Estate Assessment Center (REAC) inspections to identify potential fraudulent activity or other issues that impact the quality of HUD assisted housing.

Ongoing Projects

An Oklahoma PHA's Role As a RAD PBV Contract Administrator

Audit of an Oklahoma PHA's role as a Rental Assistance Demonstration (RAD) project-based voucher (PBV) contract administrator to determine whether the PHA fulfilled its responsibilities.

FHA Single Family Early Payment Default Oversight

Audit of lenders' origination practices to assess their quality controls and the controls' impact on early payment defaults.

Ohio Lender Loan Origination and Underwriting Audit

An audit of an Ohio nationwide lender to determine whether the lender followed FHA rules and regulations for assets, income, liabilities, and credit when originating and underwriting over 3,500 single-family FHA loans totaling approximately $970 million.

External Single-Family Origination and Underwriting

An audit of a nationwide lender headquartered in Wisconsin to determine whether the lender followed FHA rules and regulations for assets, income, liabilities, and credit when originating and underwriting over 3,700 single-family FHA loans totaling approximately $1 billion.

Inspection of HUD-Assisted Housing Conditions at an Oregon based Public Housing Authority

Evaluation of housing conditions at an Oregan based PHA to determine whether it provided decent, safe, and sanitary housing at its developments.

Inspection of HUD-Assisted Housing Conditions at a Michigan based Public Housing Authority

Evaluation of housing conditions at a Michigan based PHA to determine whether it provided decent, safe, and sanitary housing at its developments.

Management of Lead-Based Paint in a Maryland Public Housing Agency

Review of a Maryland housing authority to determine whether it adequately managed lead-based paint hazards in its public housing.

A California Public Housing Agency’s Crime Prevention and Tenant Eligibility Determination

Audit of a California PHA to (1) determine whether the Authority complied with HUD’s and its own requirements for verifying individuals’ eligibility for HUD-assisted housing based on criminal activity, citizenship, and immigration status; and (2) assess the Authority’s practices for preventing and addressing criminal activity.

A District of Columbia Public Housing Authority's Crime Prevention and Tenant Eligibility Determination

Audit of a DC PHA to (1) determine whether the Authority complied with HUD’s and its own requirements for verifying individuals’ eligibility for HUD-assisted housing based on criminal activity, citizenship, and immigration status; and (2) assess the Authority’s practices for preventing and addressing criminal activity.

An Illinois Public Housing Agency’s Crime Prevention and Tenant Eligibility Determination

Audit of an Illinois PHA to (1) determine whether the Authority complied with HUD’s and its own requirements for verifying individuals’ eligibility for HUD-assisted housing based on criminal activity, citizenship, and immigration status; and (2) assess the PHA’s practices for preventing and addressing criminal activity.

Monitoring of EBLLs by Property Owners in HUD-Assisted MF Properties Receiving Section 8 PBRA

Evaluation of the monitoring of elevated blood lead levels (EBLL) by property owners in Multifamily properties receiving Section 8 PBRA fundings.

HUD's Inventory Management System/PIH Information Center Fatal Errors - HCV Program

Audit to determine the extent and impact of the fatal errors in HUD’s Inventory Management System/PIH Information Center (IMS/PIC) on PHAs HCV programs.

Assessing the Occupancy of Public Housing Units

Audit to assess the occupancy of public housing units.

Physical Condition of HCV Units at a Public Housing Agency in Louisiana

Audit to determine whether the physical conditions of a PHA’s HCV program units comply with HUD’s and the PHA’s requirements.

Audit of NSC Partial Claims Tracking and Collection

Audit of the National Servicing Center’s (NSC) partial claims tracking and collection to determine whether the NSC serviced all due and payable partial claims in accordance with HUD rules and regulations.

HUD’s Implementation of the Timing of Inspections Under NSPIRE

Audit to determine whether HUD has effectively implemented the requirements for the timing of property inspections under the National Standards for the Physical Inspection of Real Estate (NSPIRE).

Management of Lead-Based Paint in a New York Public Housing Agency

Review of a New York PHA to determine whether the PHA adequately managed lead-based paint and lead-based paint hazards in its public housing.

Evaluation of REAC Inspections

An evaluation of inspection results for HUD-assisted properties for the Office of Multifamily Housing Programs and the Office of Public and Indian Housing.

Products Issued

Project Title	Project Description	Product Type
Duplicate Property Inspections	Evaluation to assess the extent to which HUD monitors, detects, and takes steps to prevent duplicate inspections of properties that are also inspected by the U.S. Department of Agriculture and the U.S. Department of Veterans Affairs.	Closing memorandum
Assessment of PHAs' Compliance with MTW Statutory Requirements	Audit of PHAs' compliance with HUD's Moving to Work (MTW) Demonstration program statutory requirements.	Report
HUD's Office of Single Family Housing's Efforts to Increase the Supply of Affordable Housing Had Minimal Effect	Audit of HUD's Single Family Housing's efforts to increase the supply of affordable housing.	Report
HUD Underestimated Rising Property Charges for an Estimated 1,237 HECM Borrowers	Audit on the effectiveness of HUD's Home Equity Conversion Mortgage (HECM) program's Life Expectancy Set Asides.	Report
Ginnie Mae Did Not Formally Assess Rising Nonbank Concentration Risk	Audit to assess Ginnie Mae's evaluation of nonbank issuer concentration risk.	Report