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Report Highlights

Louisiana Housing Corporation

Audit Control # 40210020

Performance Audit Services • February 2022

Why We Conducted This Audit

On July 28, 2021, the Chairman of the Board of Directors of the Louisiana Housing Corporation (LHC) requested a performance audit to evaluate LHC's operational policies and procedures and compare them to relevant best practices in light of allegations of sexual harassment against the previous two executive directors. During the background phase of our audit, we identified other areas of risk that are included in our review, including evaluating Board practices and conducting a survey to obtain employee perspectives on the organizational culture at LHC. Based on the survey results and other risks identified during this audit, we plan to conduct a subsequent audit to more comprehensively evaluate the organizational culture at LHC, determine whether LHC is complying with certain policies and procedures, and make further recommendations for improvement.

What We Found

Overall, we found the following:

- **While LHC's sexual harassment policy generally complies with state law and recommendations from the Equal Employment Opportunity Commission (EEOC), developing a policy that either prohibits or requires disclosure of relationships between supervisors and staff would help better guard against sexual harassment.** In addition, although LHC employees are statutorily required to complete sexual harassment training like other state employees, LHC should consider providing more comprehensive in-person and interactive training that is tailored to its specific workplace. According to our survey of LHC employees, most respondents stated that they have not experienced or witnessed unwanted sexual advances or comments that were sexual in nature. Specifically, within the last year, two (2.0%) of the 99 employees who responded to our survey stated they experienced unwanted sexual advances, and nine (9.3%) either experienced or witnessed comments that were sexual in nature.
- **Developing a formal code of conduct as part of its operational policies would allow LHC to define and communicate its values, principles, and acceptable behavior for its employees and Board members.** LHC's code of conduct should also include a clear definition of what constitutes a conflict of interest and what information should be held confidential. It is important that LHC define acceptable behavior, as employees who responded to our survey stated that they have been subjected to or witnessed unprofessional behavior. The most common unprofessional behaviors included yelling, demeaning comments, or intimidation, which 53 (54.6%) of the 97 respondents stated they either experienced or witnessed.

The mission of LHC is to ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing.

Source: <https://www.lhc.la.gov/>

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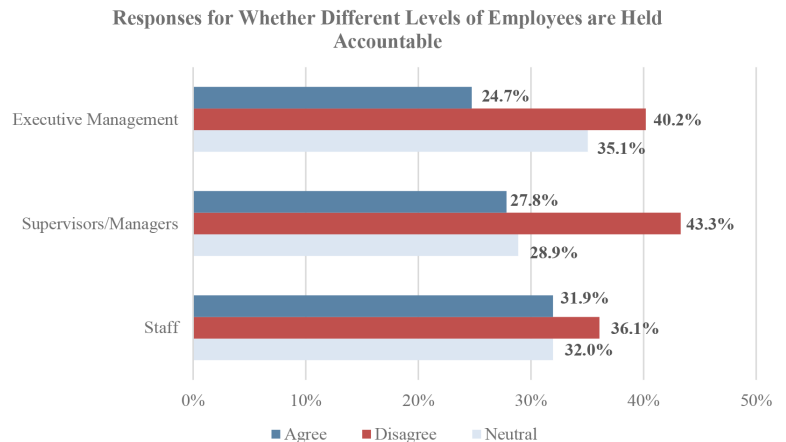
What We Found (Cont.)

- **While LHC has developed a grievance policy as required by State Civil Service rules, this policy does not include all Civil Service recommendations. In addition, lack of trust in how grievances will be handled may deter employees from filing grievances.** According to our survey, 31.5% of respondents felt that LHC would not handle their grievance fairly, and 28.2% indicated that they did not feel comfortable bringing up issues to their supervisor, which is the first step of LHC’s grievance policy. One way that LHC may be able to increase reporting of grievances is to offer an anonymous employee hotline for reporting unethical behavior, such as bullying, harassment, and other safety and health violations.
- **Providing Board members with a timely orientation and ongoing training on their roles and responsibilities, meeting procedures and etiquette, and LHC’s programs could help Board members better fulfill their roles.** In addition, the Board could improve its evaluation of the executive director by seeking input from staff and other stakeholders, providing timely and ongoing feedback, and ensuring each Board member provides feedback.
- **Survey results indicate that most employees at LHC are passionate about the work they do, but LHC needs to address other ongoing issues with the organizational culture, including restoring trust in leadership, improving employee morale, and enhancing communication and accountability.** Since its creation in 2011, LHC has had five executive directors. These changes have resulted in instability and uncertainty for LHC employees, which in turn affects employee morale and other aspects of workplace culture. According to our survey of LHC employees, 89 (89.9%) of 99 respondents stated that they were passionate about the work they do at LHC. However, when asked whether they believed that agency leadership fosters an agency culture that emphasizes the importance of integrity and ethical values, and demonstrates that staff wellbeing is a priority, only 35 (35.3%) of 99 stated that they did. Survey results also indicated that:

“The sweeping changes in LHC's leadership are unsettling, but they're also an opportunity for the agency to take the good things from the previous leadership, combine them with some new ideas, and develop a plan for an agency and a culture known for integrity, fairness, and valuing and developing its employees. Policies and procedures need to be applied consistently, instead of according to how well-connected a person is. LHC programs are aimed at doing good in our communities; why not do good to its employees, too?”

Source: November 2021 LLA Survey of LHC Employees

- 44.4% of respondents agreed that morale was high in their individual program, but only 18.2% stated that it was high in the agency as a whole.
- Only 24.7% agreed that information and data are shared across different programs within the agency.
- Only 28.8% agreed that they receive information about why decisions are made when management makes a decision that affects their work.
- 56.7% disagreed that they received clear information about changes made within the agency.



Source: November 2021 LLA Survey of LHC Employees