



# CITIZENS SUMMARY

## Findings in the audit of the Neighborhood Assistance Program Tax Credit

### Program Administration

The audit identified several opportunities to improve the administration of the Neighborhood Assistance Program (NAP) tax credit. The Department of Economic Development does not provide all appropriate information to allow the General Assembly to properly review and determine the effectiveness of the NAP. Without accurate information, legislators cannot determine if the program should continue, be modified or terminated. The project selection scoring system used to rate potential projects appears well-designed, however, it may not ensure the most effective use of program resources. Program policy guidelines provide per project funding limits that do not vary based on the rating issued. Amending program guidelines to allow additional funding that reflects the results of the scoring system would help maximize the effectiveness of the program and take full advantage of the scoring system in place. Currently, DED does not always follow program guidelines and justification for exceptions to guidelines is not adequately documented. Decisions to award additional funding to specific projects should be made in accordance with policy guidelines, using consistent and objective criteria, and the justification should be well documented.

In the areas audited, the overall performance of this program was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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