

**U.S. Department of Housing and Urban Development**  
**COMMUNITY PLANNING AND DEVELOPMENT**

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Special Attention of:  
All Regional Office Directors  
All Field Office Directors  
All CPD Division Directors

**NOTICE:** CPD-04-12

Issued: October 28, 2004

Expires: October 28, 2005

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**SUBJECT:** Implementing Risk Analyses for Monitoring Community Planning and Development Grant Programs for FY 2005.

### **I. Purpose**

The purpose of this Notice is to provide a consistent methodology for conducting risk analyses for Community Planning and Development (CPD) formula and competitive grantees and establish monitoring priorities within available resources. This risk analysis process has been incorporated into CPD Grants Management System (GMS) and is recorded into the Grants Management Program (GMP), a computer-based information system, to provide a documented record of conclusions and results.

This Notice is intended to augment the Departmental policy contained in Handbook 1840.1, Rev-3, Departmental Management Control Program, which requires the development of risk-based rating systems for all programs. The major steps for implementing risk-based monitoring include:

- Developing risk-based rating systems for program grantees;
- Developing and communicating strategies and plans for oversight of identified risks;
- Identifying program risks and setting monitoring objectives;
- Rating and selecting grantees for monitoring; and
- Documenting the process and recording the rationale for choosing grantees.

Each Field Office will perform the risk analysis using the methodology described in this Notice. Both CPD managers and field staff are assigned distinct responsibilities to complete the risk analysis as outlined further in this Notice.

### **II. Background**

Each CPD Field Office is responsible for developing a monitoring strategy and work plan encompassing CPD grantees and programs to be monitored during the fiscal year. Headquarters establishes the completion date for risk analysis and work plan each fiscal year. The purpose of a monitoring strategy is to facilitate the development of adequate management controls that will

assist in reducing risk to acceptable levels, and establish a framework for determining the appropriate level of monitoring, training, or technical assistance for CPD grantees consistent within available resources. The work plan documents the Field Office decisions regarding where to apply staff, travel, and technical assistance resources.

Risk analysis provides the information needed for CPD to effectively target its resources to grantees that pose the greatest risk to the integrity of CPD programs, including which grantees should be monitored on-site and remotely, the program areas to be covered, and the depth of the review. The selection process should result in identifying those grantees and activities that represent the greatest vulnerability to fraud, waste, and mismanagement.

### **III. Frequency of Risk Analysis**

Starting in Fiscal Year (FY) 2005, a two-year risk analysis process will be implemented. Field Offices in FY 2005 will complete a complete risk analysis of all active grantees. For FY 2006, Field Offices will be required to review and update the risk analysis worksheets from FY 2005 and document any modifications to risk scores for FY 2006. The GMP system has been modified so that the worksheets will be electronically transferred over for use in the next fiscal year. The Evaluator and Management Representative have specific responsibilities for worksheet review and information update for each grantee. New risk analysis worksheets will be created in GMP in FY 2007 and, thereafter every two years.

### **IV. Applicability**

Field Offices will apply the risk analysis process to the formula and competitive grant programs listed below.

#### Formula

- Community Planning and Development Block Grant Program (CDBG)
- Home Investment Partnerships Programs (HOME)
- Emergency Shelter Grant Program (ESG)
- Housing Opportunity for Persons with AIDS (HOPWA)

#### Competitive

- Historically Black Colleges and Universities (HBCU)
- Economic Development Initiatives (EDI)
- Brownfields Economic Development Initiative (BEDI)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Colonias Programs (Colonias)
- Youthbuild Program (Youthbuild)
- Round II Empowerment Zones (EZs)
- Rural Housing and Economic Development (RHED)
- Community Development Block Grant (CDBG) Small Cities Competitive
- Shelter Plus Care (S+C)

- Supportive Housing (SHP)
- Section 8 Single Room Occupancy (SRO) Medium Rehabilitation

## V. Risk Categories and Criteria

All CPD program risk analyses are standardized for formula and competitive grantees and use a five factor quantifiable rating system (with the exception of the Community Development Block Grant (CDBG) Risk Analysis Worksheet which has four factors). Based on a 100-point rating scale, grantees are assigned one of three risk categories: High risk – a total score of 51 or more; Medium risk – a score between 30–50; and Low risk – a score of less than 30. These risk analysis factors are consistent with those described in the HUD Monitoring Desk Guide (Training Edition):

- Financial;
- Physical;
- Management;
- Satisfaction; and
- Services.

These factors are further defined by subfactors and specific criteria identified for each. Rated subfactors such as dollar value, complexity of programs, number of programs administered, and compliance issues are critical in determining those grantees defined as high risk. With minimal variation among the CPD programs, the subfactors used for each risk factor include the areas listed below.

1. Financial
  - a. Size of Grant
  - b. Timeliness
  - c. Timely submission of A-133 audits
  - d. Financial Compliance
  - e. Expenditure Provisions
2. Physical
  - a. Physical Conditions of Projects
  - b. Acquisition, Construction, and Rehabilitation of Assets
3. Management
  - a. Staff Capacity and Oversight
  - b. On-Site Monitoring and Last Monitored
  - c. Program Caps
  - d. Program Complexity
  - e. OIG Audits
  - f. Program Design
  - g. Timely and Accurate Submissions
  - h. Environmental/Relocation

4. Satisfaction
  - a. Citizen Complaints
  - b. Grantee Responsiveness
5. Services
  - a. Meeting Program Objectives
  - b. Carrying Out Program Activities
  - c. Program Progress

## **VI. Analyzing Program Risk**

Risk assessment consists of two steps:

1. Rating:
  - Assessing and recording of risk for each grantee by the Evaluator;
  - Reviewing results by Management; and
2. Ranking:
  - Listing grantees by category of risk, from highest to lowest;
  - Determining exceptions; and
  - Certifying results.

The results of this two-step process provides the basis for the development of the work plan, which specifies grantees to be monitored, method of monitoring (on-site or remote), programs/areas to be monitored, areas of technical assistance, resources needed and projected timeframes.

### **Step 1 – Rating of Grantee**

**Evaluator Analysis:** The Evaluator, which is usually the Community Planning and Development Representative (CPD Rep.) will review and rate each program administered by a grantee against a predetermined set of rating criteria.

**Timing of Risk Analysis Process:** The CPD Director will have the opportunity to choose one of the following options for the timing of the risk analysis rating process.

- A preliminary rating may be performed during a grantee’s scheduled program year performance cycle while reviewing documents such as Consolidated Annual Performance and Evaluation Reports (CAPERs) or Annual Performance Reports (APRs). At the end of the fiscal year, prior to the official ranking process, the preliminary grantee ratings would then require only brief updates to take into consideration any subsequent issues identified for a grantee since the initial performance-rating period. Examples of subsequent issues would include timeliness, audit reports, or the results of monitoring visits not previously incorporated.

- Alternately, the Field Office may choose to perform the entire rating process for all grantees immediately prior to ranking at the end of the federal fiscal year.

The risk analysis process begins with a review of each grantee against a predetermined set of criteria. This review of each grantee's program(s) provides the basic knowledge needed to rank each grantee. In completing this review, various sources of information are used including data obtained from the Integrated Disbursement and Information System (IDIS), APRs, prior monitoring visits, previous audits, and citizen complaints. Special attention should be noted during the risk analysis process regarding recent audits with findings, and compliance with program expenditure requirements established by the Department.

Competitive programs are evaluated using criteria outlined in Attachment A-1. Formula programs are evaluated using criteria outline in Attachments A-2 (for CDBG), A-3 (for HOME), A-4 (for ESG), and A-5 (for HOPWA). A grantee is to be evaluated using such criteria for each program type it administers. For example, if a grantee administers HBCU and Youthbuild programs, the grantee's risk will be evaluated for both programs separately; one analysis for HBCU, and one analysis for Youthbuild.

The risk analysis covers all open grants. An open grant is defined as any grant with a balance in the Line of Credit Control System (LOCCS) at the start of the previous fiscal year. For example, risk assessment for FY 2005 would include all grants with a LOCCS balance as of October 1, 2003. This would allow any grantee that disbursed funds during the period October 1, 2003 to September 30, 2004, to be included, even if the grantee had a zero balance as of September 30, 2004. When evaluating each grantee against program criteria, the results will be recorded and documented in GMP in the Risk Analysis Module.

**Management Review:** After the Evaluator has completed documenting the risk analysis results for each grantee in GMP, a Management Representative, such as the Director, Deputy Director, Program Manager, or designated senior staff person begins the review and certification process. The role of the Management Representative is to provide quality control to ensure validity and consistency through an assessment of each Evaluator's ratings and comments. The Management Representative reviews each risk analysis worksheet and completes the certification process with his/her electronic or manual signature. The results of the worksheets are entered into the Grants Management System (GMP).

## **Step 2 – Grantee Ranking and Selection**

After all worksheet information has been entered into GMP, the automated system provides the results in two composite lists, one for formula and one for competitive grantees (see Attachments C-1 and C-2). The Management Representative will then begin the exception process starting with the Composite Summary Sheet. Grantees on both lists will be ranked in descending order, from highest to lowest risk. The results of the composite scoring for both formula and competitive programs work as discussed below.

- a) Grantees will be selected for monitoring in rank order. Those grantees with total average scores of 51 or higher are to be further reviewed by the Management Representative to determine if an exception applies. For grantees determined to be high risk, but not scheduled for monitoring during the current fiscal year, the Management Representative must annotate them as exceptions on the Composite Summary Worksheet for the applicable program type (on either Attachment C-1 or C-2).
- b) In addition, any grantee with a single program score of 51 or higher must be reviewed and considered for on-site monitoring. Remote monitoring can be used if the grantee and high risk program area has been reviewed on-site in the last two years, and the purpose of remote monitoring is to validate the implementation of corrective actions. The Management Representative must annotate grantees with single program scores of 51 or higher not scheduled for on-site or remote monitoring as exceptions on the Composite Summary Worksheet for applicable program type (on either Attachment C-1 or C-2).
- c) The appropriate Fiscal Year Management Plan national goal must be applied to determine the total number of grantees to be monitored on-site and remotely for the fiscal year.
- d) Remote monitoring, other than as provided in paragraph b (above), should be used to monitor medium and low risk grantees to validate the soundness of the rating criteria as well as possibly obtain early warnings of potentially serious problems.
- e) Although Field Offices use risk analysis as their primary monitoring basis, they may also identify other areas needing special emphasis during monitoring based on national program reviews and evaluations by Congress, the U.S. Office of Management and Budget, or the HUD Office of Inspector General.

## VII. Recordkeeping

All results of the risk analysis process are to be fully documented in GMP, and records maintained in accordance with Departmental policy. Each Field Office must be able to document and justify its rankings and proposed management responses. Documented results are recorded in GMP with any exceptions noted and consist of:

- Grantee Risk Analysis Worksheets (Attachments A-1, A-2, A-3, A-4, and A-5), which provides criteria for evaluation of grantee risk by program area, and electronic certification in GMP.
- Grantee Risk Analysis Worksheets (Attachments B-1, B-2, B-3, B-4, and B-5), which provides grantee's program scoring results by factor and sub-factor with evaluation comments.
- Competitive Composite Summary Worksheet and Formula Composite Summary Worksheet (Attachments C-1 and C-2), which provides composite summary results of all grantees and programs.

- Competitive and Formula Exception Reports (Attachments D-1 and D-2), which provides reports that details exception codes and reasons for any exception(s).
- Field Office Work Plans are recorded in GMP.

### **VIII. Work Plans**

As a result of assessing grantees, determining those that pose the greatest risk, and program areas in need of improvement, a work plan will be developed in accordance with the guidance provided in Section 4 of the “HUD Monitoring Desk Guide (Training Edition).” This work plan will include identification of:

- Grantees scheduled for monitoring, including program area(s);
- Method of monitoring (for example, on-site or remote);
- Scheduled timeframes for monitoring (both on-site or remote); and
- Resources needed, such as staff, travel, etc.

Work plans may also include:

- Technical assistance provided to grantees based on needs identified through risk analysis; and
- Other needs of grantees to be addressed as part of the annual work plan.

**Attachment A-1****Competitive Grants Risk Analysis Worksheet****Part I – To Be Completed By CPD Evaluator****Name of Grantee:** \_\_\_\_\_**Name of Program:** \_\_\_\_\_**Name of HUD Evaluator:** \_\_\_\_\_**Fiscal Year Review:** \_\_\_\_\_**Total Number of Open Grants Considered:** \_\_\_\_\_**Total Dollar Value of all Open Grants:** \_\_\_\_\_**Date:** \_\_\_\_\_

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

If a grantee has been awarded funds under more than one competitive program, a separate worksheet should be completed for each competitive program carried out by the above named grantee (For example – A grantee has received funds under both, Youthbuild and the Rural Housing and Economic Development Program, or a Continuum of Care (CoC) grantee has received funds under both, the Supportive Housing Program and Shelter Plus Care. If so, two worksheets must be completed (one for each of the programs). This worksheet has been designed for evaluating CPD's competitive programs. Although factors and subfactors are consistent for all competitive programs, rating criteria may differ in some cases for Continuum of Care grantees.

In completing this worksheet, the Evaluator should consider the total number of all open grants for each type of program awarded to a grantee. Open grants are those with a balance as of the beginning of the previous fiscal year (For example, when reviewing FY 05, consider all grants with a balance as of October 1, 2003). The total dollar value of all open grants should be based on the original amount of the grant award/s/ not the current balance. The Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's Comment Box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

**FACTOR 1 - FINANCIAL**

**Factor Definition:** The extent to which a grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

**Rating Considerations:** The basis for the Evaluator's rating under this factor is derived from information that could be obtained from, but not limited to, financial management to applicable NOFAs, approved or amended grant agreements, audit management systems, A-133 audits, assessment of grantee's draw-down history (i.e. LOCCS/PAS), the submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems, grantee performance reports and any on-site or remote monitoring information as available.



The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below

<b><u>FACTOR 1 - FINANCIAL</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Total Grant Award Amount/s/:</u></b> The total amount of all grant awards being considered are:				
<b>i.</b> \$ 1,000,000 or more	High	5		
<b>ii.</b> \$ 400,000 - \$ 999,999	Medium	3		
<b>iii.</b> \$399,000 or less	Low	1		
<b><u>B. Audits</u></b>				
<b>i.</b> An A-133 audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe <b>OR</b> a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
<b>ii.</b> An A-133 audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period as well as all audits within the last three program years have been submitted <b>AND</b> the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Medium	3		
<b>iii.</b> A-133 audits are current as of the date of this review, financial management performance is satisfactory, and any previously agreed upon corrective actions have been completed as of the date of this review <b>OR</b> the grantee's audit reports for the three most recently completed program years have indicated no findings.	Low	1		
<b><u>C. Timely Expenditures.</u></b>				
<b>i.</b> A grantee's performance has been untimely in the expenditure of funds in accordance with program requirements, grant agreements, or any amendments; <b>OR</b> a prior problem of this nature has not been resolved as of the date of this assessment.	High	10		
<b>ii.</b> A grantee is now performing adequately under a HUD requirement to correct an identified problem; <b>OR</b> the matter is minor in nature and it is likely to be corrected following a HUD-request for correction.	Medium	5		
<b>iii.</b> A grantee's performance is satisfactory <b>AND</b> any prior problem was corrected <b>AND</b> there are no known financial problems as of the date of this assessment.	Low	1		
<b><u>D. Financial Compliance</u></b>				
<b>i.</b> During the most recent completed program year, staff has demonstrated an inability to administer the financial management responsibilities for the competitive program as evidenced through one or more violation of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 or such equivalent requirements as set forth by the program <b>OR</b> there are one or more vacancies for key financial management staff of competitive programs that have existed for more than six months (Key financial management staff is defined as staff with direct oversight of financial records and or distribution of	High	5		

program funds).				
<b>ii.</b> Although no substantial violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial vacancies have existed for the past 3 to 6 months <b>OR</b> key financial staff have been hired in the past program year and have not received financial management training in this type of competitive program.	Medium	3		
<b>iii.</b> No financial management deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key financial staff vacancies have existed for less than three months, <b>AND</b> any key staff hired in the past program year have received formal financial management training.	Low	1		
<b>Subtotal for Financial Assessment (Max. 25 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 2 - PHYSICAL**

**Factor Definition:** Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

**Rating Considerations:** The basis of the Evaluator’s rating is derived from HUD’s inspection of records and reports, observations of the grantee’s proper use of established forms and procedures, information received through public comments, A-133 or other audits, press accounts, and other sources of information. The Evaluator should consider any existing or previously identified problems with physical assets and the extent to which problems have been, or, are likely to be corrected; whether HUD funds are used for acquisition, construction or rehabilitation activities; the number of sites at which HUD-funded physical assets are located, and the activities supported by the physical asset; and the extent of any previous on site monitoring.

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 2 – PHYSICAL</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Existing or Previous Physical Assets</u></b>				
<b>i.</b> A problem or finding that has been identified in the acquisition, development, maintenance or operation of a HUD-funded physical asset or with other physical site-related activity that has not been resolved as of the date of this review <b>OR</b> the physical asset has not been monitored within the most recent three program years.	High	5		
<b>ii.</b> A problem or finding identified, with the acquisition, development, maintenance or operation of the physical asset is currently subject to corrective action pursuant to a HUD-approved schedule or plan.	Medium	3		
<b>iii.</b> The acquisition, development, maintenance and operation of the physical asset is satisfactory <b>OR</b> any previously identified problem has been corrected <b>AND</b> no other problems with the physical asset have been identified.	Low	1		
<b>iv.</b> No HUD funds are used in the acquisition, development, maintenance or operation of a physical asset.	None	0		
<b><u>B. Acquisition, Construction and Rehabilitation of Physical Assets</u></b>				
<b>i. If evaluating a CoC grantee –</b> CoC funds are used for the acquisition or	High	5		

<p>construction or rehabilitation of twenty-four or more units of a physical asset.  <b>For all other competitive grantees</b> - HUD funds are used for the acquisition or construction or rehabilitation of twelve or more units of a physical asset <b>OR</b> funds are used at an existing property used for business or in developing economic development opportunities.</p>				
<p><b>ii. If evaluating a CoC grantee</b> – CoC funds are used for the acquisition, construction, or rehabilitation of twelve to twenty-three units of a physical asset <b>OR</b> are used at an existing property currently used for housing or residential programs.  <b>For all other competitive grantees</b> HUD funds are used for the acquisition, construction, or rehabilitation of eleven or less units of a physical asset <b>OR</b> are used at an existing property currently used for housing or residential programs.</p>	Medium	3		
<p><b>iii. If evaluating a CoC grantee</b> – No CoC funds are used for the acquisition, construction or any rehabilitation of a physical asset, excluding maintenance or repairs within the last three years.  <b>For all other competitive grantees</b> - No HUD funds are used for the acquisition, construction or any rehabilitation of a physical asset, excluding maintenance or repairs.</p>	Low	1		
<b>C. Multiple Sites for Physical Assets</b>				
<p><b>i.</b> HUD funds (or CoC funds for homeless grantees) are used for the acquisition, development, maintenance or operation of physical assets at more than 3 facility sites during the grant term.</p>	High	5		
<p><b>ii.</b> HUD funds (or CoC funds for homeless grantees) are used for the acquisition, development, or maintenance or operation of physical assets at 1-3 facility sites or at scattered sites.</p>	Low	1		
<p><b>iii.</b> HUD funds (or CoC funds for homeless grantees) are used exclusively to support activities not related to the acquisition, development, maintenance or operation of a physical asset such as any of the following: supportive services, tenant-based rental assistance, leasing of individual units, counseling, training, organizational capacity building, etc.</p>	None	0		
<b>Subtotal for Physical Assessment (Max. 15 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 3 - Management:**

**Factor Definition:** Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

**Rating Considerations:** The basis for the Evaluator’s rating under this factor is derived from information that could be obtained from, but not limited to, consideration of the knowledge, skills and ability of program staff and the grantee’s administrative capacity to manage the grant, including: the eligibility of activities and recipients; or problems such as the lack of progress in implementing a project; rapid staff and/or board turnover; major changes in the agency's mission or direction; lack of experience with Federal grants or project activities; the frequency and level of technical assistance required by the grantee before and during project. Additionally OIG audits and related reporting system may be considered. Evaluator should also include other functional issues related to

carrying out and impacting on overall program activities, which include; environmental and wage requirements, as well as compliance with Uniform Relocation and Acquisition Act. If problems are identified the appropriate specialist will be consulted.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 3 - MANAGEMENT</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b>A. OIG Audit</b>				
i. An OIG Audit is scheduled or currently underway and a final report has not been issued <b>OR</b> a previous OIG Audit identified one or more recommendations that have not been cleared <b>AND</b> the grantee is not on schedule for carrying out such recommendations as of the date of this review.	High	3		
ii. A previous OIG audit identified one or more recommendations that have not been cleared <b>AND</b> the grantee is on schedule for carrying out such recommendations as of the date of this review.	Medium	2		
iii. An OIG audit is not scheduled or currently underway <b>AND</b> any findings from previous audits have been cleared as of the date of this review.	Low	1		
<b>B. Staff Capacity</b>				
<b>i. If evaluating a CoC grantee</b> – During the most recent program year, staff has demonstrated an inability to administer this program as evidenced through one or more violations of regulations, or monitoring findings related to this homeless program that the grantee has failed to resolve within the last six months <b>OR</b> there are one or more vacancies for key staff that have existed for more than six months <b>OR</b> staff hired within the most recently completed program year or prior years has not received training for this type of homeless program <b>OR</b> based on the Section B of the application (experience narrative) the grantee lacks the requisite experience for the specific activity that is being undertaken.  <b>For all other competitive grantees</b> - During the most recent program year, staff has demonstrated an inability to administer this program as evidenced through one or more violations of regulations or monitoring findings related to this competitive program that the grantee has failed to resolve within the last six months <b>OR</b> there are one or more key staff vacancies that have existed for more than six months (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations).	High	20		
<b>ii. For use in evaluating CoC or other competitive grantees</b> – No violations of regulations have been identified as specified in (i) above <b>AND</b> one or more vacancies for key staff have existed for the past 3 to 6 months <b>OR</b> key staff have been hired in the past program year and have not received training in this program.	Medium	10		

<b>iii. For use in evaluating CoC or other Competitive grantees-</b> No program deficiencies have been identified as evidenced through violations or findings as indicated in (i) above <b>AND</b> any key staff vacancies for the program have existed for less than three months <b>AND</b> any key staff hired in the past program year have received training in this program.	Low	1		
<b><u>C. On Site Monitoring</u></b>				
<b>i.</b> HUD has not conducted an on-site monitoring of the homeless or competitive program (as applicable) for this grantee within the last two program years <b>OR</b> there is one or more overdue open findings.	High	10		
<b>ii.</b> HUD has conducted an on-site monitoring of the homeless or competitive program (as applicable) within the last two program years <b>AND</b> if any findings were identified they were resolved <b>OR</b> there are open findings that are not overdue.	Medium	5		
<b>iii.</b> HUD has conducted an on-site monitoring of the homeless or competitive program (as applicable) within the last two years <b>AND</b> no findings were identified.	Low	1		
<b><u>D. Timely and Accurate Submissions</u></b>				
<b>i.</b> One and/or more of the grantee's required submissions are incomplete <b>OR</b> are received 30 days or more after prescribed timeframes. This includes: annual performance reports, technical submissions as appropriate during the most recent program year.	High	5		
<b>ii.</b> While all documents indicated in i. (above) are current and up-to-date for the most recent program year, in the three most recent program years, at least one of the submissions has not been received within the prescribed timeframe <b>OR</b> was incomplete.	Medium	3		
<b>iii.</b> All grantee's required submissions are complete <b>AND</b> have been received by the Field Office within required timeframes for the three most recent program years.	Low	1		
<b><u>E. Environmental/Relocation</u></b>				
<b>i.</b> The grantee has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 50 or 58), or Uniform Relocation Acquisition Act requirements.	High	2		
<b>ii.</b> The grantee has demonstrated a record of program compliance or has no known compliance problems with either Environmental (Part 50 or 58), or Uniform	Low	1		

Relocation Acquisition Act requirements.				
<b>Subtotal for Management Assessment (Max. 40 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 4 - SATISFACTION**

**Factor Definition:** Extent to which clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

**Rating Considerations:** The basis for the Evaluator’s rating under this factor is derived from correspondence or other communication to HUD, the grantee or other parties with respect to the program; and any written or other responses by the grantee. Consider any recent problems, such as citizen complaints and the grantee/project sponsor 's response/ failure to submit reports or respond to inquiries, and the loss of community support. For homeless grantees also consider, the use of case management intake procedures in providing on-going support, client surveys, resident advisory councils and other means of achieving appropriate support from stakeholders.

The Evaluator should award point values to subfactor A. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 4 - SATISFACTION</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Citizen Complaints</u></b>				
<b>i.</b> Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and when considering the grantee’s response result in violations of program regulations or findings.	High	5		
<b>ii.</b> Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and considering the grantee’s response have not been found in violations of program regulations but there are concerns that could lead to future violations if not addressed by the grantee.	Medium	3		
<b>iii.</b> No valid citizen complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	1		
<b>Subtotal for Satisfaction Assessment (Max. 5 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 5 - SERVICES**

**Factor Definition:** Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

**Rating Consideration:** The Evaluator should consider the planned program support provided by the grantee and whether it is appropriately being carried out to address the intended range of economic development or housing needs and related supportive services issues, including any specialized efforts for sub-populations (e.g., persons with HIV/AIDS, disadvantaged youth, etc.). Consider also any difficulty in serving the proposed number of program participants and for homeless programs, any difficulty in moving homeless clients to permanent housing. The evaluation for this factor is derived from information that could be

obtained from, but not limited to; Applicable NOFA, approved and amended grant agreements, annual performance plans, correspondence, release of funds requests, local, HQ or grantee generated automated reports or spreadsheets.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 5 - SERVICES</u></b>				
<b>A. Meeting Program Objectives</b>				
<p><b>i. If evaluating a CoC grantee</b> – Proposed activities to be carried out by the grantee or sponsors have not been on schedule during the most recently program year <b>OR</b> the grantee has not submitted a revised timetable to carry out activities <b>OR</b> activities that are being carried out do not address the intended beneficiaries, sub-populations or needs of this homeless program.</p> <p><b>For all other competitive grantees</b> - Proposed activities to be carried out by grantee or subrecipients have not been on schedule during the most recently completed program year; <b>OR</b> activities that are being carried out do not address the intended beneficiaries, sub-populations or needs of this competitive program.</p>	High	10		
<p><b>ii. If evaluating a CoC grantee</b> – Proposed activities to be carried out by the grantee or sponsors are on schedule for the most recently completed program year, however in the three most recently program years, the grantee has not been on schedule at least once <b>AND</b> the grantee has submitted a revised timetable to bring into compliance.</p> <p><b>For all other competitive grantees</b> - Proposed activities to be carried out by grantee or subrecipients are on schedule for the most recently competed program year, however in the three most recent program years the grantee has not been on schedule at least once <b>AND</b> the grantee has submitted a revised timetable to come into compliance.</p>	Medium	5		
<p><b>iii. If evaluating a CoC grantee</b> – Proposed activities to be carried out by grantee or sponsors have been carried out with no known problems, and address the beneficiaries, sub-populations or needs of this homeless program for the three most recent program years or since grant execution if less than three program years.</p> <p><b>For all other competitive grantees</b> - Proposed activities to be carried out by grantee or subrecipients have been carried out with no known problems, have been on schedule and address the beneficiaries, sub-populations or needs of this competitive program for the three most recent program years or since grant execution if less than three program years.</p>	Low	1		

<b>B. Multiple Programs.</b>				
i. The grantee carries out multiple programs using multiple sponsors, which involve one or more funding sources.	High	5		
ii. The grantee carries out only one program, which involves one or more sponsors and one or more funding sources.	Medium	3		
iii. The grantee carries out only one program, which involves no sponsors and one funding source.	Low	1		
<b>Subtotal for Services Assessment (Max. 15 pts.)</b>		<b>SUBTOTAL:</b>		

**Overall Risk Assessment – Total Score**

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	25	
2. Physical	15	
3. Management	40	
4. Satisfaction	5	
5. Services	15	
<b>Total</b>	<b>100</b>	

**Part II To be completed by Management Representative(s):**

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type, A, B, X)	

**Exceptions:**

- A. The Office of Inspector General is currently auditing the grant program or project site.**
- B. The CPD Director determines that monitoring of this program or project site is administratively infeasible in the current year, given other monitoring actions. HUD will make use of technical assistance support, as needed, to mitigate potential problems or already has the grantee working on a schedule for needed corrective actions. Future monitoring will give priority considerations if issues continue or extenuating circumstances or new information increases risk of this grantee.**
- X. Other (explain)**

CPD Management Representative(s) \_\_\_\_\_ Date: \_\_\_\_\_



## Attachment A-2

**CDBG Program  
Formula Risk Analysis Worksheet**

**Part I – To Be Completed By CPD Evaluator**

**Name of Grantee:** \_\_\_\_\_ **Fiscal Year Review:** \_\_\_\_\_

**Name of HUD Evaluator:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing four of the five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include: Financial, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's Comment Box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

**FACTOR I - FINANCIAL:**

**Factor Definition:** The extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

**Rating Considerations:** The basis for Evaluator's rating in this factor is derived from information that could be obtained from but not limited to, financial management and information system such as; IDIS, audit management systems, A-133 audits, assessment of grantee's drawdown history, grantee's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 1 – FINANCIAL</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Grant Amount</u></b>				
i. The community's grant amount for the most recently completed program year falls within the top quartile of all CDBG-funded communities within the Office's jurisdiction for the same program year.	High	5		
ii. The community's grant amount for the most recently completed program year falls within the second quartile of all CDBG grants awarded within the Office's jurisdiction within the same program year.	Medium	3		
iii. The community's grant amount for the most recently completed program year falls within the third or fourth quartile of all CDBG grants awarded within the Office's jurisdiction for the same program year.	Low	1		
<b><u>B. Timeliness</u></b>				
i. <b><u>If evaluating an entitlement grantee</u></b> –The grantee is currently untimely as the amount of CDBG funds available to the grantee 60 days prior to the end of the most recent program year is more than 1.5 times the grant amount for the current program year. <b><u>If evaluating a State grantee</u></b> - The current rate of expenditure for the past 12 months is less than 1.0 and the State has a ratio of greater than 2.5, 60 days prior to the start of the program year or the State has not distributed and announced 100% of its State CDBG grant excluding State Administration and TA within 15 months of the date of its last grant award.	High	10		
ii. <b><u>If evaluating an entitlement grantee</u></b> - The grantee is timely for the most recent program year, however based on the definitions in i. (above) the grantee has not been timely one or more times in the most recently completed three program years. <b><u>If evaluating a State grantee</u></b> – The rate of expenditure for the past 12 months is less than 1.0 and the state has a ratio between 2.0 and 2.49, 60 days prior to the start of the program year.	Medium	5		
iii. <b><u>If evaluating an entitlement grantee</u></b> - Based on the definitions in i. (above), the grantee has been timely within the most recent three program years. <b><u>If evaluating a State grantee</u></b> – The rate of expenditure for the past 12 months is more than 1.0 or the State has a ratio of less than 2.0 sixty days prior to the start of the program year AND the State has distributed 100% of its State CDBG grant excluding 1% TA and State Administration within 15 months of the date of its last grant award.	Low	1		
<b><u>C. Program Income</u></b>				
i. The grantee, State recipient(s) or its sub-recipient(s) received program income over \$100,000 per year directly generated from the use of CDBG funds during the most	High	5		

recently completed program year.				
ii. The grantee, State recipient(s) or its sub-recipient(s) received program income of \$25,000 - \$100,000 <b>OR</b> the grantee or state recipient(s) administered a Revolving Loan Fund during the most recently completed program year.	Medium	3		
iii. The grantee, State recipient(s) or its sub-recipient(s) did not receive program income or received less than \$25,000 per year directly generated from the use of CDBG funds <b>AND</b> the grantee or State recipient did not administer a Revolving Loan Fund for the most recently completed program year.	Low	1		
<b>D. Audits</b>				
i. An A-133 audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe <b>OR</b> a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
ii. An A-133 audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period as well as all audits within the last three program years have been submitted <b>AND</b> the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Medium	3		
iii. A-133 audits are current as of the date of this review, financial management performance is satisfactory <b>AND</b> any previously agreed upon corrective actions have been completed as of the date of this review <b>OR</b> the grantee's audit reports for the three most recently completed program years have indicated no findings.	Low	1		
<b>E. Financial Compliance</b>				
i. During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the CDBG program as evidenced thru one or more violation/s/ of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 or such equivalent requirements as set forth by the State CDBG program <b>OR</b> one or more vacancies for key financial management staff of CDBG programs have existed for more than six months (Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds).	High	5		
ii. Although no substantial violations of regulations have been identified as specified in (i) above one, or more vacancies for key financial staff have existed for the past 3 to 6 months <b>OR</b> key financial staff have been hired in the past program year and have not received CDBG financial management training.	Medium	3		
iii. No financial management deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key financial staff vacancies have existed for less than three months <b>AND</b> any key staff hired in the past program year has received formal CDBG financial management training.	Low	1		

<b>Subtotal for Financial Assessment (Max. 30 Pts.)</b>	<b>Subtotal</b>	
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### **FACTOR 2 - MANAGEMENT**

**Factor Definition:** Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

**Rating Considerations:** The basis for the Evaluator's rating in this factor is derived from information that could be obtained from but not limited to; consideration of the knowledge, skills and ability of program staff and the grantee's administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as; lack of progress in implementing activities, change in staff during the last year, lack of experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee to carry out activities. Additionally, OIG audits and related reporting systems can be considered, including but not limited to: Consolidated Plans, CAPERS, PERs, Technical Assistance Plans, IDIS, and other reporting mechanisms. Environmental Compliance, Uniform Relocation and Acquisition Act Compliance may be considered; If problems are identified the appropriate specialist will be consulted.

The Evaluator should award point values to subfactors A through H. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 2 – MANAGEMENT</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Program Complexity</u></b>				
<b>i.</b> Grantee or State recipients undertakes activities beyond those described in 24 CFR 570.201 and 570.202 <b>AND</b> utilizes Community Based Development Organizations (CBDOs) and/or subrecipients to assist in carrying out such activities	High	5		
<b>ii.</b> Grantee or State recipients undertake activities beyond those described in 570.201 and 570.202 <b>AND</b> does not utilize CBDOs and/or subrecipients to assist in carrying out such activities.	Medium	3		
<b>iii.</b> Grantee or State recipients carries out basic eligible activities as defined by 570.201 and 570.202	Low	1		
<b><u>B. Timely and Accurate Submissions</u></b>				
<b>i.</b> One and/or more of grantee's required submissions are incomplete <b>OR</b> are received 30 days or more after prescribed timeframes. This includes: Consolidated Plans, Annual Action Plans, PERS and CAPERS during the most recent program year.	High	5		
<b>ii.</b> While all documents indicated in i. (above) are current and up-to-date for the most recent program year, in the three most recent program years, at least one of the submissions has not been received within 30 days of the prescribed timeframe <b>OR</b> was incomplete.	Medium	3		
<b>iii.</b> All grantee's required submissions are complete <b>AND</b> have been received by the Field Office within 30 days of the prescribed timeframes for the three most recent program years.	Low	1		

<b>C. Program Administration CAP</b>				
<b>i.</b> The grantee has exceeded the administration CAP for the CDBG program for the most recently completed program year.	High	5		
<b>ii.</b> The grantee has not exceeded the Administration CAP for the most recent program year, however the grantee has exceeded the CAP one or more times for the most recent three program years.	Medium	3		
<b>iii.</b> The grantee has not exceeded the administration CAP during the three most recently completed program years.	Low	1		
<b>D. Staff Capacity</b>				
<b>i.</b> During the most recent program year, staff has demonstrated an inability to administer the CDBG program as evidenced through one or more violations of regulations, or monitoring findings related to the CDBG program that the grantee has failed to resolve within the last six months <b>OR</b> there are one or more vacancies for CDBG key staff that have existed for more than six months ( <b>Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations</b> ).	High	5		
<b>ii.</b> Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key CDBG program staff have existed for the past 3 to 6 months <b>OR</b> key CDBG staff have been hired in the past program year and have not received CDBG program training.	Medium	3		
<b>iii.</b> No CDBG program deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key staff vacancies have existed for less than three months <b>AND</b> any key staff hired in the past program year has received CDBG program training.	Low	1		
<b>E. OIG Audit</b>				
<b>i.</b> An OIG Audit is scheduled or currently underway and a final report has not been issued <b>OR</b> a previous OIG Audit identified one or more recommendations that have not been cleared <b>AND</b> the grantee is not on schedule for carrying out such recommendations as of the date of this review.	High	3		
<b>ii.</b> A previous OIG audit within the past three years identified one or more recommendations that have not been cleared <b>AND</b> the grantee is on schedule for carrying out such recommendations as of the date of this review.	Medium	2		
<b>iii.</b> An OIG audit is not scheduled or currently underway <b>AND</b> any findings from previous audits have been cleared as of the date of this review.	Low	1		

<b>F. On Site Monitoring</b>				
i. HUD has not conducted an on-site monitoring of the CDBG program for this grantee within the last two program years <b>OR</b> there are one or more overdue open findings.	High	15		
ii. HUD has conducted an on-site monitoring of the CDBG program within the last two program years <b>AND</b> if any findings were identified they were resolved or there are open findings that are not overdue.	Medium	10		
iii. HUD has conducted an on-site monitoring of the CDBG program within the last two program years <b>AND</b> no findings were identified.	Low	1		
<b>G. Section 108 Activity</b>				
i. The grantee manages a Section 108 Loan portfolio of more than \$2,000,000 or funds that are the equivalent of 25% or more of the grantee's most recent CDBG grant amount.	High	5		
ii. The grantee manages a Section 108 Loan portfolio of less than \$2,000,000 or funds are equivalent to less than 25% of the grantees most recent CDBG grant amount.	Medium	3		
iii. The grantee does not have an active Section 108 Loan portfolio.	Low	1		
<b>H. Environmental/Relocation</b>				
i. The grantee has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	High	2		
ii. The grantee has demonstrated a record of program compliance or has no known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	Low	1		
<b>Subtotal for Management Assessment (Max. 45 pts.)</b>	Subtotal:			

### **FACTOR 3 - SATISFACTION**

**Factor Definition:** Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

**Rating Considerations:** The basis for Evaluator's rating in this factor is derived from information that could be obtained but not limited to: client or citizen-originated correspondence, grantee responses, Freedom Of Information Act, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Performance Plans, CAPERS, PERS and automated tracking systems.

The Evaluator should award a point value to subfactors A through B. Choose only one risk score for this subfactor from the point values listed below.

<b><u>FACTOR 3 – SATISFACTION</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b>A. Citizen Complaints</b>				
i. Citizen complaints have been received during the most recently completed program year through such sources as; citizen letters, phone calls, hot line complaints, newspapers articles, etc., and when considering the grantee's response	High	5		

resulted in violations of CDBG regulations or findings.				
ii. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc. and considering the grantee’s response have not been found to be in violation of CDBG regulations, but are concerns that could lead to possible future statutory or regulatory violations if not addressed by grantee response.	Medium	3		
iii. No citizen complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	1		
<b>B. Responsiveness</b>				
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year.	High	2		
ii. Grantee has responded to complaints and/or citizen inquiries within the prescribed timeframes <b>OR</b> has not received any complaints forwarded through HUD within prescribed timeframes.	Low	1		
<b>Subtotal for Satisfaction Assessment (Max. 7 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 4 - SERVICES**

**Factor Definition:** Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

**Rating Considerations:** The basis for Evaluator’s rating in this factor is derived from information that could be obtained but not limited to: Consolidated Plans, Annual Action Plans, CAPERS, PERS, correspondence, release of funds requests, local, HQ or grantee generated automated reports or spreadsheets, IDIS. The Evaluator should consider the grantee’s overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 4 - SERVICES</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Meeting National Objectives</u></b>				
i. Sanctions have been placed on the grantee for noncompliance with national objectives or eligibility requirements during the most recently completed program year <b>OR</b> the grantee has not taken recommended corrective actions to address outstanding sanctions <b>OR</b> there are known problems identified through review of reports or information received that indicates that the grantee is currently not meeting the national objectives <b>OR</b> is implementing ineligible activities.	High	12		
ii. The grantee has been in noncompliance of program national objectives or eligibility requirements one or more times in the past three years <b>AND</b> the grantee has taken appropriate corrective actions to address any outstanding	Medium	6		

sanctions and/or monitoring audit findings related to eligibility and national objectives.				
iii. Activities carried out by grantee during the three most recent program years are in compliance with national objectives and eligible activity requirements AND there are no known problems.	Low	1		
<b>B. Public Service CAP</b>				
i. Grantee exceeded the public service CAP for the most recently completed program year.	High	6		
ii. Grantee has not exceeded the public service CAP for the most recent program year; however, the grantee has exceeded the CAP one or more times within the last three program years.	Medium	3		
iii. Grantee has not exceeded the public service CAP during the three most recently completed program years.	Low	1		
<b>Subtotal for Services Assessment (Max. 18 pts.)</b>	<b>SUBTOTAL:</b>			

**Overall Risk Assessment - Total Score**

FACTOR	MAXIMUM SCORE	POINTS ASSIGNED
1. Financial	30	
2. Management	45	
3. Satisfaction	7	
4. Services	18	
<b>Total</b>	<b>100</b>	

**Part II To be completed by CPD Management Representative(s):**

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type, A, B, X)	

**Exceptions:**

- A. The Office of Inspector General is currently auditing the grant program or project site.
- B. The CPD Director determines that monitoring of this program or project site is administratively infeasible in the current year, given other monitoring actions. HUD will make use of technical assistance support, as needed, to mitigate potential problems or already has the grantee working on a schedule for needed corrective actions. Future monitoring will give priority considerations if issues continue or extenuating circumstances or new information increases risk of this grantee.
- X. Other (explain)

CPD Management Representative: \_\_\_\_\_ Date: \_\_\_\_\_



## Attachment A-3

**HOME Program  
Formula Risk Analysis Worksheet**

**Part I – To Be Completed By CPD Evaluator**

**Name of Grantee:** \_\_\_\_\_ **Fiscal Year Review:** \_\_\_\_\_

**Name of HUD Evaluator:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk. In instances where a lesser rating is assigned for any subfactor, the Evaluator may use the comment box to support his/her decision. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

**FACTOR 1 - FINANCIAL**

**Factor Definition:** Extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards, and the amount of potential monetary exposure to the Department.

**Rating Considerations:** The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information system such as: IDIS, audit management systems, A-133 audits, assessment of grantee's drawdown history, grantee's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through E. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 1 - FINANCIAL</u></b>	<b>Risk Definition</b>	<b>Risk Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Grant Amount</u></b>				
i. The Participating Jurisdiction's (PJ) grant amount for the most recently completed program year falls within the top quartile of all HOME funded communities within the Office's jurisdiction for the same program year.	High	5		
ii. The PJ's grant amount for the most recently completed program year falls within the second quartile of all HOME grants awarded within the Office's jurisdiction within the same program year.	Medium	3		
iii. The PJ's grant amount for the most recently completed program year falls within the third or fourth quartile of all HOME grants awarded within the Office's jurisdiction for the same program year.	Low	1		
<b><u>B. Commitments, CHDO Reservations, and Expenditures</u></b>				
i. HOME Production Reports indicate that the most recent commitment and expenditure deadlines were not met.	High	5		
ii. HOME Production Reports indicate that the PJ will not meet the deadline requirements for commitments or CHDO reservations for the most current reporting period <b>OR</b> the PJ missed a deadline one or more times within three most recent program years for failure to meet commitment, CHDO reservation or expenditure requirements.	Medium	3		
iii. HOME Production Reports indicate that the commitment and expenditure and CHDO requirements have been met for the three most recent program years.	Low	1		
<b><u>C. Program Income</u></b>				
i. The PR 27 indicates that the PJ is not receipting program income.	High	3		
ii. The PR 27 indicates that program income has not been expended before grants funds.	Medium	2		
iii. Based on the PR 27, the PJ has been receipting and expending program income prior to expending grant funds.	Low	1		
<b><u>D. Audits</u></b>				
i. An A-133 audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe <b>OR</b> a PJ has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
ii. An A-133 audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period as well as all audits within the last three program years have been submitted <b>AND</b> the PJ is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Medium	3		
iii. A-133 audits are current as of the date of this review, financial management performance is satisfactory and any previously agreed upon corrective actions have been completed as of the date of this review <b>OR</b> the PJ's audit reports for the three most	Low	1		

recently completed program years have indicated no findings.				
<b>E. Financial Compliance</b>				
<b>i.</b> During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the HOME program as evidenced through one or more violations of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 <b>OR</b> one or more vacancies for key financial management staff of HOME programs have existed for more than six months (Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds).	High	5		
<b>ii.</b> Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial staff have existed for the past 3 to 6 months <b>AND</b> key financial staff have been hired in the past program year, and have not received HOME financial management training.	Medium	3		
<b>iii.</b> No financial management deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key financial staff vacancies have existed for less than three months <b>AND</b> any key staff hired in the past program year has received HOME financial management training.	Low	1		
<b>Subtotal for Financial Assessment (Max. 23 pts.)</b>			<b>SUBTOTAL:</b>	

**FACTOR 2. PHYSICAL**

**Factor Definition:** Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

**Rating Considerations:** HOME funds are used almost exclusively for physical activity (rehabilitation, new construction). Consequently, the Evaluator needs to assess the quality of physical development activities undertaken with HOME funds.

The Evaluator should award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below.

<b><u>FACTOR 2 – PHYSICAL</u></b>	<b>Risk Definition</b>	<b>Risk Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b>A. Physical Condition of Projects</b>				
<b>i.</b> HUD has not conducted an onsite review of the physical conditions of any HOME units in more than 3 years <b>OR</b> Previous monitoring (on-site or remote) identified findings concerning the physical condition of HOME properties which have not been resolved as of this date <b>OR</b> HOME projects did not meet applicable standards at completion or are not maintained in standard and habitable conditions for the last two most recently completed program years which was determined by such means as the CAPER review or citizen correspondence.	High	12		

<p><b>ii.</b> HUD has not conducted an onsite review of the physical conditions of any HOME units in the past 3 years <b>OR</b> HOME projects did not meet applicable standards at completion <b>OR</b> are not maintained in standard and habitable conditions for the most recently completed program year which was determined by such means as the CAPER review or citizen correspondence.</p>	<p>Medium</p>	<p>6</p>		
<p><b>iii.</b> An onsite review of the physical conditions of HOME units during the last twelve months by HUD, CAPER review or citizen correspondence indicates that HOME projects are meeting applicable standards at completion and are maintained in standard and habitable condition as of the date of this review.</p>	<p>Low</p>	<p>1</p>		
<p><b>Subtotal for Physical Assessment (Max. 12 pts)</b></p>			<p><b>SUBTOTAL:</b></p>	

**FACTOR 3 - MANAGEMENT**

**Factor Definition:** Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

**Rating Considerations:** The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from but not limited to; consideration of the knowledge, skills and ability of program staff and the grantee’s administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as; lack of progress in implementing activities, change in staff during the last year, lack of experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee to carry out activities. Additionally, OIG audits and related reporting systems can be considered, including but not limited to; Con Plans, CAPERS, Technical Assistance Plans, IDIS, and other reporting mechanisms. Environmental Compliance, Uniform Relocation and Acquisition Act Compliance may be considered. If problems are identified the appropriate specialist will be consulted.

The Evaluator should award point values to subfactors A through K. Choose only one risk score for each subfactor from the risk score column listed below.

<b><u>FACTOR 3 - MANAGEMENT</u></b>	<b>Risk Definition</b>	<b>Risk Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<p><b>Program Complexity – The following elements contribute to the overall complexity of the administration of the HOME program by the PJ.</b></p>				
<p><b>A. Multiple Funding Sources</b></p>				
<p><b>i.</b> There are large (25 or more units) rental projects <b>OR</b> other projects with three or more funding sources.</p>	<p>High</p>	<p>2</p>		
<p><b>ii.</b> Not applicable</p>	<p>None</p>	<p>0</p>		
<p><b>B. Program Design</b></p>				
<p><b>i.</b> PJ is administering more than three HOME-funded programs/activities <b>OR</b> since the HOME program was last monitored on-site, the PJ has undertaken new activities or made changes to an existing program.</p>	<p>High</p>	<p>2</p>		
<p><b>ii.</b> Not applicable</p>	<p>None</p>	<p>0</p>		
<p><b>C. CHDO activities</b></p>				
<p><b>i.</b> Based on the PR 25 or SNAPSHOT reports, the PJ’s CHDO activities are not</p>	<p>High</p>	<p>2</p>		

progressing from reservations to commitment, from commitments to disbursement or CHDOs are responsible for carrying out activities that are complex (i.e., funding from more than one source, more than 25 units, or new project types) in nature.				
ii. Not Applicable	None	0		
<b>D. Program Delegations</b>				
i. Program functions are being delegated to, and carried out by other entities such as: state recipients, contractors, lenders, and/or real estate professionals.	High	2		
ii. Not applicable	None	0		
<b>E. Affordability Requirements</b>				
i. More than one project in the most recently completed program year has not complied with affordability requirements.	High	2		
ii. Not applicable	None	0		
<b>F. Staff Capacity</b>				
i. During the most recent program year, staff has demonstrated an inability to administer the HOME program as evidenced through one or more violations of regulations or monitoring findings related to the HOME program, that the grantee has failed to resolve within the last six months <b>OR</b> one or more vacancies for HOME key staff have existed for more than six months ( <b>Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations</b> ).	High	9		
ii. Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key HOME program staff have existed for the past 3 to 6 months <b>OR</b> key HOME program staff have been hired in the past program year and have not received HOME program training.	Medium	5		
iii. No HOME program deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key staff vacancies have existed for less than three months. <b>AND</b> any key staff hired in the past program year has received HOME program training.	Low	1		
<b>G. Ongoing Project Monitoring by PJ's</b>				
i. In the most recent program year, monitoring or other information available to the field office (e.g., through sampling, inquiries or complaints) indicated that the PJ was not monitoring or might not be adequately monitoring HOME rents, occupancy requirements, and physical conditions of projects under a period of affordability.	High	5		
ii. Excluding the most recent program year, in the past three program years monitoring or other information available to the field office (e.g., through sampling, inquiries or complaints) indicated that the PJ was not monitoring or might not be adequately monitoring HOME rents, occupancy requirements, and physical conditions of projects under a period of affordability <b>OR</b> the field office has not monitored or otherwise verified ongoing PJ oversight of projects under the periods of affordability in the past three years.	Medium	3		
iii. In the past year, the PJ's ongoing monitoring of HOME projects under affordability	Low	1		

periods has been monitored and was found to be compliant with HOME regulations <b>OR</b> the field office tested compliance with ongoing project monitoring requirements (e.g. through sampling) and the results suggested that the PJ is compliant with HOME requirements for project monitoring.				
<b>H. Subrecipient/Consortia Members/CHDOs/State Recipient Capacity and Oversight</b>				
i. Available information (e.g., internal PJ monitoring reports, monitoring plans, audits, citizen correspondence, previous HUD monitoring audits, etc.) indicate that PJ has not carried out oversight responsibilities in regards to subrecipients/state recipients or has not reviewed performance of subrecipients/state recipients within the last two program years.	High	7		
ii. Available information (as listed in i. above) indicates that subrecipient/state recipient staff lack housing experience <b>OR</b> they have not received HOME training.	Medium	4		
iii. Available information (as listed in i. above) indicates that PJ is overseeing the operations of subrecipients/state recipients and that training is provided when necessary, <b>OR</b> the PJ does not rely on subrecipients/state recipients to administer its program.	Low	1		
<b>I. OIG Audit</b>				
i. An OIG Audit is scheduled or currently underway and a final report has not been issued <b>OR</b> a previous OIG Audit identified one or more recommendations that have not been cleared and the grantee is not on schedule for carrying out such recommendations as of the date of this review.	High	2		
ii. An OIG audit is not scheduled or currently underway <b>AND</b> any findings from previous audits have been cleared as of the date of this review or the grantee is on schedule for implementing the recommendations.	Low	1		
<b>J. On-Site Monitoring</b>				
i. HUD has not conducted an on-site monitoring of the HOME program for this grantee within the last two program years <b>OR</b> there are one or more overdue open findings.	High	15		
ii. HUD has conducted an on-site monitoring of the HOME program within the last two program years <b>AND</b> if any findings were identified they were resolved or there are open findings that are not overdue.	Medium	10		
iii. HUD has conducted an on-site monitoring of the HOME program within the last two years <b>AND</b> no findings were identified.	Low	1		
<b>K. Environmental/Relocation</b>				
i. The grantee has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	High	2		
ii. The grantee has demonstrated a record of program compliance or has no known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	Low	1		

<b>Subtotal for Management Assessment (Max. 50 Pts.)</b>		<b>SUBTOTAL:</b>	
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**FACTOR 4 - SATISFACTION**

**Factor Definition:** Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

**Rating Considerations:** The basis for Evaluator’s rating in this factor is derived from information that could be obtained but not limited to: client or citizen-originated correspondence, grantee responses, FOIA, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, CAPERS, and automated tracking systems.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the risk score column listed below.

<b><u>FACTOR 4 – SATISFACTION</u></b>	<b>Risk Definition</b>	<b>Risk Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Citizen Complaints</u></b>				
<b>i.</b> Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and when considering the PJ’s response resulted in violations of HOME regulations or findings.	High	5		
<b>ii.</b> Citizen complaints have been received during the most recently completed program year through such sources as; citizen letters, phone calls, hot line complaints, newspapers articles, etc. and considering the PJ’s response have not been found to be violations of HOME regulations but are concerns that could lead to possible future violations if not addressed by grantee.	Medium	3		
<b>iii.</b> No valid complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	1		
<b><u>B. Responsiveness</u></b>				
<b>i.</b> Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year..	High	2		
<b>ii.</b> Grantee has responded to complaints and/or citizen inquiries, <b>OR</b> has not received any complaints forwarded through HUD within prescribed timeframes.	Low	1		
<b>Subtotal for Satisfaction Assessment (Max. 7 Pts.)</b>		<b>SUBTOTAL:</b>		

**FACTOR 5 – SERVICES**

**Factor Definition:** Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

**Rating Considerations:** The basis for Evaluator’s rating in this factor is derived from information that could be obtained but not limited to: Consolidated Plans, Annual Performance Plans, CAPERS, correspondence, release of funds requests, local, HQ or grantee generated automated reports or spreadsheets, or IDIS. The Evaluator should consider the grantee’s overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the risk score column listed below.

<b><u>FACTOR 5 – SERVICES</u></b>	<b>Risk Definition</b>	<b>Risk Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Income Targeting</u></b>				
<b>i.</b> Income determinations procedures have not been monitored within the most recent three program years, <b>OR</b> the previous monitoring has found that the PJ did not meet income-targeting requirements or was incorrectly determining income.	High	3		
<b>ii.</b> PJ is meeting income-targeting requirements based on available information (e.g. audits, complaints) <b>OR</b> monitoring of income determination procedures within last 3 years indicates compliance.	Low	1		
<b><u>B. Program Progress</u></b>				
<b>i.</b> PR 22 report (IDIS Report), HOME SNAPSHOT or other information show that more than 20% of PJ projects are not moving from commitment to construction and from construction to completion within prescribed timeframe <b>OR</b> PR 16 and 22 indicate that occupancy data is not being entered for completed projects.	High	5		
<b>ii.</b> PR 22 report, HOME SNAPSHOT or other information show that less than 20% of PJ projects are not moving from commitment to construction and from construction to completion within prescribed timeframes.	Medium	3		
<b>iii.</b> PR 22 report, HOME SNAPSHOT or other information show that PJ projects are moving from commitment to construction and from construction to completion within prescribed timeframe <b>AND</b> PR 16 and 22 indicate that occupancy data is being entered for completed projects.	Low	1		
<b>Subtotal for Services Assessment (Max. 8 pts.)</b>			<b>SUBTOTAL:</b>	

#### Overall Risk Assessment – Total Score

<b>FACTOR</b>	<b>MAXIMUM SCORE</b>	<b>POINTS ASSIGNED</b>
1. Financial	23	
2. Physical	12	
3. Management	50	
4. Satisfaction	7	
5. Services	8	
<b>Total</b>	<b>100</b>	

#### Part II To be completed by Management Representative(s):

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note A, B, X) .	



**Exceptions:**

- A. The Office of Inspector General is currently auditing the grant program or project site.
- B. The CPD Director determines that monitoring of this program or project site is administratively infeasible in the current year, given other monitoring actions. HUD will make use of technical assistance support, as needed, to mitigate potential problems or already has the grantee working on a schedule for needed corrective actions. Future monitoring will give priority considerations if issues continue or extenuating circumstances or new information increases risk of this grantee.
- X. Other (explain)

CPD Management Representative(s): \_\_\_\_\_ Date: \_\_\_\_\_

Attachment A-4

**Emergency Shelter Grants Program  
Formula Risk Analysis Worksheet**

**Part I – To Be Completed By CPD Evaluator**

**Name of Grantee:** \_\_\_\_\_ **Fiscal Year Review:** \_\_\_\_\_

**Name of HUD Evaluator:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator’s Rating Box. The Evaluator’s Comment Box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems or readily available information.

**FACTOR 1 - FINANCIAL:**

**Factor Definition:** Extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

**Rating Considerations:** The basis for Evaluator’s rating in this factor is derived from information that could be obtained from but not limited to, financial management and information system such as: IDIS, audit management systems, A-133 audits, assessment of grantee’s drawdown history, submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below

<b><u>FACTOR 1 - FINANCIAL</u></b>	<b>Risk Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Grant Amount</u></b>				
<b>i. The community’s grant amount for the most recently completed program year falls within the top quartile of all ESG funded communities within the Office’s jurisdiction</b>	High	5		

for the same program year.				
ii. The community's grant amount for the most recently completed program year falls within the second quartile of all ESG grants awarded within the Office's jurisdiction within the same program year.	Medium	3		
iii. The community's grant amount for the most recently completed program year falls within the third or fourth quartile of all ESG grants awarded within the Office's jurisdiction within the same program year.	Low	1		
<b>B. Audits</b>				
i. An A-133 audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe <b>OR</b> a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
ii. An A-133 audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period as well as all audits within the last three program years have been submitted <b>AND</b> the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Medium	3		
iii. A-133 audits are current as of the date of this review, financial management performance is satisfactory <b>AND</b> any previously agreed upon corrective actions have been completed as of the date of this review <b>OR</b> the grantee's audit reports for the three most recently completed program years have indicated no findings.	Low	1		
<b>C. 24 Month Expenditure Provisions</b>				
i. The grantee has failed to carry out activities that would provide for all funds to be expended within the most recent 24-month timeframe as evidenced by the most currently submitted CAPER and other reports as of the date of this review.	High	5		
ii. The grantee has met the most recent 24-month expenditure requirement. However, within the last five years the grantee failed to meet this requirement at least once.	Medium	3		
iii. Over the last five years the grantee has not demonstrated any problem with meeting the 24-month expenditure.	Low	1		
<b>D. Financial Compliance</b>				
i. During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the ESG program as evidenced through one or more violation of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 <b>OR</b> one or more vacancies for key financial management staff of ESG programs have existed for more than six months (Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds).	High	5		

<b>ii.</b> Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial staff have existed for the past 3 to 6 months <b>AND</b> key financial staff have been hired in the past program year and have not received ESG financial management training.	Medium	3		
<b>iii.</b> No financial management deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key financial staff vacancies have existed for less than three months <b>AND</b> any key staff hired in the past program year has received ESG financial management training.	Low	1		
<b>Subtotal for Financial Assessment (Max. 20 pts.)</b>		<b>SUBTOTAL:</b>		

**FACTOR 2. PHYSICAL**

**Factor Definition:** Extent to which HUD funded physical assets are maintained and operated according to established standards.

**Rating Considerations:** The basis of the Evaluator’s rating is derived from HUD’s inspection of records and reports, observations of the grantee’s proper use of established forms and procedures, information received through public comments, A-133 or other audits, press accounts and other sources of information. The Evaluator should consider any existing or previously identified problems with the physical asset and the extent to which problems have been or are likely to be corrected; the number of sites at which HUD-funded physical assets are located and the activities supported by the physical asset; and the extent of any previous on site monitoring.

The Evaluator should award a point value to subfactor A. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 2 - PHYSICAL</u></b>	<b>Risk Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Rehabilitation</u></b>				
<b>i.</b> HUD has not conducted an onsite review of the physical conditions of any ESG rehabilitation project in more than three program years <b>OR</b> previous monitoring (on-site or remote) identifies findings concerning the physical condition of ESG rehabilitated properties <b>OR</b> the grantee has not met its services obligation (either ten or three years as applicable).	High	10		
<b>ii.</b> HUD has not conducted an onsite review of the physical conditions of any ESG rehabilitation in the past three program years <b>OR</b> ESG projects did not meet applicable standards at completion or are not maintained in standard and habitable conditions for the most recently completed program year which was determined by such means as; the CAPER review, citizens correspondence.	Medium	5		
<b>iii.</b> HUD has conducted an onsite review of the physical conditions during the last two program years <b>AND</b> there were no findings relating to rehabilitation <b>OR</b> grantee did not use ESG funds for rehabilitation.	Low	1		
<b>Subtotal for Physical Assessment (Max. 10 pts.)</b>		<b>SUBTOTAL:</b>		

**FACTOR 3. MANAGEMENT**

**Factor Definition:** Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

**Rating Considerations:** The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from but not limited to; consideration of the knowledge, skills and ability of program staff and the grantee’s administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as; lack of progress in implementing activities, change in staff during the last year, lack of experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee to carry out activities. Additionally, OIG audits and related reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Integrated Disbursement and Information System (IDIS), and other reporting mechanisms. Environmental Compliance, Uniform Relocation and Acquisition Act Compliance may be considered. If problems are identified the appropriate Specialist will be consulted.

The Evaluator should award point values to subfactors A through H. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 3 - MANAGEMENT</u></b>	<b>Risk Definition</b>	<b>Factor Score</b>	<b>Rater’s Rating</b>	<b>Rater’s Comments</b>
<b><u>A. Program Complexity</u></b>				
<b>i.</b> Grantee undertakes three or more activities provided for at 24 CFR 576.21 <b>OR</b> uses a subrecipient to assist in carrying out such activities; <b>OR</b> activities are being currently undertaken that have not been carried out since the grantee was last monitored on site for the ESG program.	High	5		
<b>ii.</b> Grantee carries out two or fewer eligible activities as defined by 24 CFR 576.21 <b>OR</b> grantee has taken on rehabilitation or homeless prevention as new activities, which the grantee has not previously carried out.	Medium	3		
<b>iii.</b> Grantee has not undertaken any new activities during the current or most recently completed program year <b>AND</b> there are no known problems or findings under the ESG program that exist as of the date of this review.	Low	1		
<b><u>B. Timely and Accurate Submissions</u></b>				
<b>i.</b> One and/or more of grantee’s required submissions are incomplete <b>OR</b> are received 30 days or more after prescribed timeframes. This includes: Consolidated Plans, Annual Actions Plans and CAPERS during the most recent program year.	High	5		
<b>ii.</b> While all documents indicated in i. (above) are current and up-to-date for the most recent program year, in the three most recent program years at least one of the submissions has not been received within the prescribed timeframe <b>OR</b> was incomplete.	Medium	3		
<b>iii.</b> All grantee’s required submissions are complete <b>AND</b> have been received by the Field Office within thirty days of the prescribed timeframes for the three most recent program years.	Low	1		
<b><u>C. Program Administration CAP</u></b>				
<b>i.</b> The grantee has exceeded the administration CAP for the ESG program for the most recently completed program year.	High	5		
<b>ii.</b> The grantee has not exceeded the Administration CAP for the most recent program	Medium	3		

year, however the grantee has exceeded the CAP one or more times within the last three program years.				
<b>iii.</b> The grantee has not exceeded the administration CAP during the three most recently completed program years.	Low	1		
<b>D. Staff Capacity</b>				
<b>i.</b> During the most recent program year, staff has demonstrated an inability to administer the ESG program as evidenced through one or more violations of regulations or monitoring findings related to the ESG program that the grantee has failed to resolve within the last six months <b>OR</b> there are one or more vacancies for ESG key staff have existed for more than six months ( <b>Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations</b> ).	High	5		
<b>ii.</b> Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key ESG program staff have existed for the past 3 to 6 months <b>OR</b> key ESG program staff have been hired in the past program year and have not received ESG program training.	Medium	3		
<b>iii.</b> No ESG program deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key staff vacancies have existed for less than three months <b>AND</b> any key staff hired in the past program year has received ESG program training.	Low	1		
<b>E. OIG Audit</b>				
<b>i.</b> An OIG Audit is scheduled or currently underway and a final report has not been issued <b>OR</b> a previous OIG Audit identified one or more recommendations that have not been cleared <b>AND</b> the grantee is not on schedule for carrying out such recommendations as of the date of this review.	High	3		
<b>ii.</b> A previous OIG audit identified one or more recommendations that have not been cleared <b>AND</b> the grantee is on schedule for carrying out such recommendations as of the date of this review.	Medium	2		
<b>iii.</b> An OIG audit is not scheduled or currently underway <b>AND</b> any findings from previous audits have been cleared as of the date of this review.	Low	1		
<b>F. On-Site Monitoring</b>				
<b>i.</b> HUD has not conducted an on-site monitoring of the ESG program for this grantee within the last two program years <b>OR</b> there are one or more overdue open findings.	High	15		
<b>ii.</b> HUD has conducted an on-site monitoring of the ESG program within the last two program years <b>AND</b> if any findings were identified they were resolved or there are open findings that are not overdue.	Medium	10		
<b>iii.</b> HUD has conducted an on-site monitoring of the ESG program within the last two years <b>AND</b> no findings were identified.	Low	1		

<b>G. Staff Costs</b>				
i. Staff operating costs are classified improperly <b>OR</b> have exceeded ten percent of annual allocation during the most recently completed program year.	High	5		
ii. Staff operating costs were not exceeded or improperly classified during the most recently completed program year, however based on information available through reporting systems grantee staff operating costs exceeded the ten percent limit of the annual allocation or were improperly classified during the three most recent program years.	Medium	3		
iii. Staff operating costs are classified properly <b>AND</b> staff operating costs did not exceed ten percent of annual allocation during the three most recent program years.	Low	1		
<b>H. Environmental/Relocation</b>				
i. The grantee has not demonstrated a record of program compliance or currently has known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	High	2		
ii. The grantee has demonstrated a record of program compliance, or has no known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	Low	1		
<b>Subtotal for Management Assessment (Max. 45 pts.)</b>		<b>SUBTOTAL:</b>		

#### **FACTOR 4. SATISFACTION**

**Factor Definition:** Extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

**Rating Considerations:** The basis for Evaluator's rating in this factor is derived from information that could be obtained but not limited to: client or citizen-originated correspondence, grantee responses, FOIA, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plans, Annual Action, CAPERS, and automated tracking systems.

The Evaluator should award point values to subfactors A through B. Choose only one risk score for each subfactor from the point values listed below

<b><u>FACTOR 4 - SATISFACTION</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b>A. Citizen Complaints</b>				
i. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc., and when considering the grantee's response resulted in violations of ESG regulations or findings.	High	5		
ii. Citizen complaints have been received during the most recently completed program year through such sources as: citizen letters, phone calls, hot line complaints, newspapers articles, etc. and considering the grantee's response have not been found to be violations of ESG regulations, but are concerns that could lead to possible future	Medium	3		

violations if not addressed by grantee.				
iii. No valid complaints have been received during the most recently completed program year as described in (i) or (ii) above.	Low	1		
<b>B. Responsiveness</b>				
i. Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the preceding program year.	High	5		
ii. Grantee has responded to complaints and/or citizen inquiries within prescribed timeframes, <b>OR</b> has not received any complaints forwarded through HUD.	Low	1		
<b>Subtotal for Satisfaction Assessment (Max 10 pts)</b>	<b>SUBTOTAL:</b>			

**FACTOR 5 - SERVICES**

**Factor Definition:** Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

**Rating Considerations:** The basis for Evaluator’s rating in this factor is derived from information that could be obtained but not limited to: Consolidated Plans, Annual Performance Plans, CAPERS, correspondence, release of funds requests, local, HQ or grantee generated automated reports or spreadsheets, IDIS. The Evaluator should consider the grantee’s overall effectiveness in carrying out program activities and delivery to target population.

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below

<b><u>FACTOR 5 - SERVICES</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Meeting Program Objectives</u></b>				
i. Sanctions have been placed on grantee for failing to meet program requirements during the most recently completed program year <b>OR</b> the grantee is not complying with sanctions that were previously placed on them within the three most recent program years <b>OR</b> there are known problems identified through review of reports or information received that indicate grantee is currently not in compliance or is carrying out ineligible activities.	High	5		
ii. The grantee has been in noncompliance for meeting program requirements or carrying out ineligible activities one or more times within the past three years <b>AND</b> the grantee is currently working toward compliance	Medium	3		
iii. Activities carried out by grantee during the three most recent program years are in compliance with meeting program requirements <b>AND</b> there are no known problems.	Low	1		
<b><u>B. Homeless Prevention</u></b>				
i. Homeless prevention activities are classified improperly <b>OR</b> exceed more than 30 percent of the annual allocation during the most recently completed program year.	High	5		
ii. Homeless prevention activities are classified properly and did not exceed more than 30 percent of the annual allocation during the most recent program year; however, during the most recent three program years, homeless prevention activities were	Medium	3		



classified improperly, or exceeded more than 30 percent of the annual allocation.				
iii. Homeless prevention activities are classified properly and limited to no more than 30 percent of annual allocation during the past three program years.	Low	1		
<b>C. Essential Services</b>				
i. Essential services activities are classified improperly <b>OR</b> exceed more than 30 percent during the most recently completed program year and no waiver was granted.	High	5		
ii. Essential services activities were classified properly and the grantee did not exceed 30% of the annual allocation for essential services or a waiver was granted; however, during the three most recent program years, essential services were classified improperly, or the 30 percent annual allocation was exceeded without an approved waiver.	Medium	3		
iii. Essential services activities are classified properly and limited to no more than 30 percent of annual allocation during the three most recently completed program years. In cases where more than 30 percent has been expended, the grantee has requested and was granted a waiver.	Low	1		
<b>Subtotal for Services Assessment (Max. 15 pts.)</b>			<b>SUBTOTAL:</b>	

**Overall Risk Assessment – Total Score**

<b>FACTOR</b>	<b>MAXIMUM SCORE</b>	<b>POINTS ASSIGNED</b>
1. Financial	20	
2. Physical	10	
3. Management	45	
4. Satisfaction	10	
5. Services	15	
<b>Total</b>	<b>100</b>	

**Part II To be completed by Management Representative(s):**

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type, A, B, X)	

**Exceptions:**

- A. The Office of Inspector General is currently auditing the grant program or project site.**
- B. The CPD Director determines that monitoring of this program or project site is administratively infeasible in the current year, given other monitoring actions. HUD will make use of technical assistance support, as needed, to mitigate potential problems or already has the grantee working on a schedule for needed corrective actions. Future monitoring will give priority considerations if issues continue or extenuating circumstances or new information increases risk of this grantee.**
- X. Other (explain)**

**CPD Management Representative(s) \_\_\_\_\_ Date: \_\_\_\_\_**

## Attachment A-5

**HOPWA Program  
Formula Risk Analysis Worksheet**

**Part I – To Be Completed By CPD Evaluator**

**Name of Grantee:** \_\_\_\_\_ **Fiscal Year Review:** \_\_\_\_\_

**Name of HUD Evaluator:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

In completing this worksheet, the Evaluator will provide an assessment of the grantee, utilizing five standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The five factors include: Financial, Physical, Management, Satisfaction and Services. Listed under each factor is a set of one or more subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk. Assessment indicators used in evaluating criteria should be available through current reporting systems, or readily available information.

**FACTOR I - FINANCIAL**

**Factor Definition:** Extent to which grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

**Rating Considerations:** The basis for Evaluator's rating in this factor is derived from information that could be obtained, but not limited to financial management and information system such as: IDIS, audit management systems, A-133 audits assessment of grantee's draw-down history (i.e. IDIS/LOCCS/PAS), submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, HQ reporting systems and grantee performance reports.

The Evaluator should award point values to subfactors A through D. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 1 - FINANCIAL</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Audits.</u></b>				
<b>i.</b> An A-133 audit due for the most recently completed reporting period or any previous reporting period within the three most recent program years has not been submitted to the Federal Audit Clearinghouse within prescribed timeframe <b>OR</b> a grantee has open findings and is overdue in carrying out any agreed upon corrective action.	High	5		
<b>ii.</b> An A-133 audit has been submitted to the Federal Clearinghouse for the most recently completed reporting period, as well as all audits within the last three program years have been submitted <b>AND</b> the grantee is on schedule for carrying out any agreed upon corrective actions identified in current or former audits.	Medium	3		
<b>iii.</b> A-133 audits are current as of the date of this review, financial management performance is satisfactory, and any previously agreed upon corrective actions have been completed as of the date of this review <b>OR</b> the grantee's audit reports for the three most recently completed program years have indicated no findings.	Low	1		
<b><u>B. Timely Expenditures</u></b>				
<b>i.</b> A grantee's performance has been untimely in the expenditure of funds in accordance with program requirements <b>OR</b> a prior problem of this nature was not resolved as of the date of this assessment.	High	10		
<b>ii.</b> Grantee is now performing adequately under a HUD Notice to correct an identified problem <b>OR</b> the matter is minor in nature, which would not result in a sanction, finding or loss of grant award, and it is likely to be corrected following a HUD request for correction of this action.	Medium	5		
<b>iii.</b> The grantee's performance is satisfactory, any prior problem/s/ were corrected <b>AND</b> there are no known financial problems.	Low	1		
<b><u>C. Size of funding</u></b> – The total amount of unexpended balances under the program as of the date of this review:				
<b>i.</b> \$ 2,000,000 or more;	High	5		
<b>ii.</b> \$800,000 to \$1,999,999;	Medium	3		
<b>iii.</b> \$200,000 to \$799,999.	Low	1		

<b>D. Financial Compliance</b>				
<b>i.</b> During the most recent program year, staff has demonstrated an inability to administer the financial management responsibilities for the HOPWA program as evidenced through one or more violation of regulations or deficiencies of Part 85, Part 84, A-87 or A-110 <b>OR</b> one or more vacancies for key financial management staff of HOPWA programs have existed for more than six months (Key financial management staff is defined as staff with direct oversight of financial records and or distribution of program funds).	High	5		
<b>ii.</b> Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key financial staff have existed for the past 3 to 6 months <b>AND</b> key financial staff have been hired in the past program year and have not received HOPWA financial management training.	Medium	3		
<b>iii.</b> No financial management deficiencies have been identified as evidenced through violations or findings <b>AND</b> any key financial vacancies have existed for less than three months <b>AND</b> any key staff hired in the past program year has received HOPWA financial management training.	Low	1		
<b>Subtotal for Financial Assessment (Max. 25 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 2 - PHYSICAL**

**Factor Definition:** Extent to which HUD-funded physical assets are developed, maintained and operated according to established standards.

**Rating Consideration:** The basis for Evaluator’s rating is derived from HUD’s inspection of records and reports, observation of the grantee’s proper use of established forms and procedures, information received through public comments, A-133 or other audits and other sources of information. The Evaluator should consider any existing or previously identified problems with the physical assets and the extent to which problems have been, or are likely to be corrected; whether HUD funds are used for acquisition, construction or rehabilitation activities; the number of sites at which HUD funded physical assets are located and the activities supported by the physical asset and the extent of any previous on site monitoring.

The Evaluator should award point values to subfactors A through C. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 2 - PHYSICAL</u></b>	<b>Risk Definition</b>	<b>Factor Score</b>	<b>Evaluator’s Rating</b>	<b>Evaluator’s Comments</b>
<b><u>A. Existing or Previous Physical Asset Problems</u></b>				
<b>i.</b> A problem or finding has been identified in the development, maintenance or operation of a HOPWA-funded physical asset or other physical site-related activity; and has not been resolved as of the date of this review <b>OR</b> the physical asset has not been monitored within the most recent three program years.	High	5		
<b>ii.</b> An identified problem or finding with the development, maintenance or operation of the physical asset is currently subject to corrective action pursuant to a HUD-approved schedule or plan; and is on schedule.	Medium	3		

iii. The development, maintenance and operation of the physical asset are satisfactory <b>OR</b> any previously identified problem has been corrected <b>AND</b> no known problems exist.	Low	1		
<b>B. Acquisition, Construction and Rehabilitation of Physical Assets</b>				
i. HOPWA funds were used for the acquisition or construction or rehabilitation of twenty-four or more units of a physical asset within the most recent three program years.	High	5		
ii. HOPWA funds are used for the rehabilitation of less than twenty-four units of a physical asset <b>OR</b> are used at an existing property currently used for housing or residential programs within the most recent three program years.	Medium	3		
iii. No HOPWA funds are used for the acquisition, construction or any rehabilitation of a physical asset, excluding minor maintenance or repairs within the most recent three program years.	Low	1		
<b>C. Multiple Sites for Physical Assets</b>				
i. HOPWA funds are used for the development, or maintenance or operation of physical assets at more than 7 current facility sites within the most recent three program years.	High	5		
ii. HOPWA funds are used for the development, or maintenance or operation of physical assets at 1-6 current facility sites at scattered sites within the most recent three program years.	Medium	3		
iii. HOPWA funds are used only to support activities not directly related to the development, or maintenance or operation of a physical asset such as any of the following: supportive services, tenant-based rental assistance, leasing of individual units, counseling, training, organizational capacity building, etc. during the most recent three program years.	Low	1		
<b>Subtotal for Physical Assessment (Max. 15 pts.)</b>	<b>SUBTOTAL:</b>			

### **FACTOR 3 - MANAGEMENT**

**Factor Definition:** Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

**Rating Considerations:** The basis for Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to; consideration of the knowledge, skills and ability of program staff and the grantee's administrative capacity to manage the grant, including: eligibility of activities and recipients; or problems such as the lack of progress in implementing a project, changes in staff during the last year, major changes in the agency's mission or direction, lack of experience with Federal grants or project activities, frequency and level of technical assistance required by the grantee before and during project. Additionally OIG audits and related reporting systems can be considered, including but not limited to; Con Plans, CAPERS, Technical Assistance Plans, IDIS, and other reporting mechanisms. Environmental Compliance, Uniform Relocation and Acquisition Act Compliance may be considered. If problems are identified the appropriate specialist will be consulted.

The Evaluator should award point values to subfactors A through F. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 3 - MANAGEMENT</u></b>	<b>Risk Definition</b>	<b>Risk Factor</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. OIG Audit</u></b>				
<b>i.</b> An OIG Audit is scheduled, or is currently underway and a final report has not been issued. OR a previous OIG Audit identified one or more recommendations that have not been cleared, and the grantee is not on schedule for carrying out such recommendations as of the date of this review.	High	3		
<b>ii.</b> A previous OIG audit within the past three years identified one or more recommendations that have not been cleared and the grantee is on schedule for carrying out such recommendations as of the date of this review.	Medium	2		
<b>iii.</b> An OIG audit is not scheduled or currently underway, and any findings from previous audits have been cleared as of the date of this review.	Low	1		
<b><u>B. Staff Capacity</u></b>				
<b>i.</b> During the most recent program year, staff has demonstrated an inability to administer the HOPWA program as evidenced through one or more violations of regulations, or monitoring findings related to the HOPWA program that the grantee has failed to resolve within the last six months <b>OR</b> there are one or more vacancies for HOPWA key staff have existed for more than six months (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations).	High	10		
<b>ii.</b> Although no violations of regulations have been identified as specified in (i) above, one or more vacancies for key HOPWA program staff have existed for the past 3 to 6 months <b>OR</b> key HOPWA program staff have been hired in the past program year and have not received HOPWA program training.	Medium	5		
<b>iii.</b> No HOPWA program deficiencies have been identified as evidenced through violations or findings <b>AND</b> any current staff vacancies that have existed for less than three months <b>AND</b> any key staff hired in the past program year has received HOPWA program training.	Low	1		

<b>C. On-Site Monitoring</b>				
<b>i.</b> HUD has not conducted an on-site monitoring of the HOPWA program for this grantee within the last three program years <b>OR</b> there are one or more overdue open findings.	High	15		
<b>ii.</b> HUD has conducted an on-site monitoring of the HOPWA program within the last two program years, and if any findings were identified they were resolved, or there are open findings that are not overdue.	Medium	10		
<b>iii.</b> HUD has conducted an on-site monitoring of the HOPWA program within the last two years, and no findings were identified.	Low	1		
<b>D. Timely and Accurate Submissions</b>				
<b>i.</b> One and/or more of grantee's required submissions are incomplete <b>OR</b> are received 30 days or more after prescribed timeframes. This includes: Consolidated Plans, Annual Action Plans, PERS and CAPERS during the most recent program year.	High	5		
<b>ii.</b> While all documents indicated in i. (above) are current and up-to-date in the most recent program year, in the three most recent program years, at least one of the submissions has not been received within the prescribed timeframe <b>OR</b> was incomplete.	Medium	3		
<b>iii.</b> All grantee's required submission are complete <b>AND</b> been received by the Field Office within required timeframes for the three most recent program years.	Low	1		
<b>E. Program Administration CAP</b>				
<b>i.</b> The grantee has exceeded the administration CAP for the HOPWA program for the most recently completed program year.	High	5		
<b>ii.</b> The grantee has not exceeded the administration CAP for the most recent program year, however the grantee has exceeded the CAP one or more times within the last three program years.	Medium	3		
<b>iii.</b> The grantee has not exceeded the administration CAP during the three most recently completed program years.	Low	1		
<b>F. Environmental/Relocation</b>				
<b>i.</b> The grantee has not demonstrated a record of program compliance, or currently has known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	High	2		
<b>ii.</b> The grantee has demonstrated a record of program compliance, or has no known compliance problems with either Environmental (Part 50 or 58) or Uniform Relocation Acquisition Act requirements.	Low	1		



<b>Subtotal for Management Assessment (Max. 40 pts.)</b>	<b>SUBTOTAL:</b>	
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**FACTOR 4 - SATISFACTION**

**Factor Definition:** Extent to which clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

**Rating Considerations:** The basis for the Evaluator's rating under this factor is derived from correspondence, or other communication to HUD, the grantee or other parties with respect to the project; and any written or other responses by the grantee. The Evaluator should consider any recent problems, such as citizen complaints and the grantee/project sponsor's response/failure to submit reports or respond to inquiries, and the loss of community support.

The Evaluator's should award point values to subfactors A through B. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 4 - SATISFACTION</u></b>	<b>Factor Definition</b>	<b>Factor Score</b>	<b>Evaluator's Rating</b>	<b>Evaluator's Comments</b>
<b><u>A. Citizen Complaints</u></b>				
<b>i.</b> Citizen complaints have been received during the most recently completed program year through such sources as; citizen letters, phone calls, hot line complaints, newspapers articles, etc., and when considering the grantee's response resulted in violations of HOPWA regulations or findings.	High	5		
<b>ii.</b> Citizen complaints have been received during the most recently completed program year through such sources as; citizen letters, phone calls, hot line complaints, newspapers articles, etc. and considering the grantee's response have not been found to be violations of HOPWA regulations but are concerns that could lead to possible future violations if not addressed by grantee.	Medium	3		
<b>iii.</b> No valid complaints have been received during the most recent program year as described in (i) or (ii) above.	Low	1		
<b><u>B. Responsiveness</u></b>				
<b>i.</b> Grantee has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes during the most recent program year.	High	5		
<b>ii.</b> Grantee has responded to complaints and/or citizen inquiries within prescribed timeframes <b>OR</b> has not received any complaints forwarded through HUD.	Low	1		
<b>Subtotal for Satisfaction Assessment (Max. 10 pts.)</b>	<b>SUBTOTAL:</b>			

**FACTOR 5 - SERVICES**

**Factor Definition:** Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele.

**Rating Consideration:** The Evaluator should consider the planned program support and how it is appropriately being carried out to address intended range of housing needs and related supportive service issues, including any specialized efforts for sub-populations of homeless clients (or persons with HIV/AIDS for HOPWA) or difficulty in serving the proposed number of participants or moving homeless clients to permanent housing. The Evaluator rater in this factor is derived from information that could be obtained from but not limited to: Consolidated Plans, Annual Performance Plans, CAPERS, correspondence, release of funds requests, local, HQ or grantee generated automated reports or spreadsheets.

The Evaluator should award point values to subfactors A and B. Choose only one risk score for each subfactor from the point values listed below.

<b><u>FACTOR 5 - SERVICES</u></b>	<b>Risk Definition</b>	<b>Risk Score</b>	<b>Evaluator Rating</b>	<b>Evaluator's Comments</b>
<b>A. Meeting Program Objectives</b>				
i. Sanctions have been placed on grantee for failing to meet program requirements during the most recently completed program year <b>OR</b> the grantee has not taken corrective actions to address outstanding sanctions that were previously placed on them within the three most recent program years <b>OR</b> there are known problems identified through review of reports or information received that indicate grantee is currently not in compliance, or is carrying out ineligible activities.	High	5		
ii. The grantee has been in compliance for meeting program requirements and has carried out eligible activities during the most recent program year; however, the grantee has not been in compliance one or more times for meeting program requirements or carrying out eligible activities within the three most recent program years.	Medium	3		
iii. Activities carried out by grantee during the three most recent program years are in compliance with meeting program requirements <b>AND</b> there are no known problems.	Low	1		
<b>B. Multiple Sponsors</b>				
i. A grantee carries out a program with five or more sponsors <b>AND/OR</b> the grantee or sponsor receives funding from more than two additional entities (e.g., HHS, State, City, Foundation, etc.) within the most recent three program years	High	5		
ii. A grantee carries out a program with less than five sponsors <b>AND/OR</b> the grantee or sponsor receives funding from no more than two funding sources within the most recent three program years.	Low	1		
<b>Subtotal for Services Assessment (Max. 10 pts. )</b>	<b>SUBTOTAL:</b>			

**Overall Risk Assessment – Total Score**

<b>FACTOR</b>	<b>MAXIMUM SCORE</b>	<b>POINTS ASSIGNED</b>
1. Financial	25	
2. Physical	15	
3. Management	40	
4. Satisfaction	10	
5. Services	10	
<b>Total</b>	<b>100</b>	

**Part II To be completed by Management Representative(s):**

Subtotal from Part I Risk Assessment	
Adjustment by Exception (note type, <b>A, B, X</b> )	

**Exceptions:**

- A. The Office of Inspector General is currently auditing the grant program or project site.**
- B. The CPD Director determines that monitoring of this program or project site is administratively infeasible in the current year, given other monitoring actions. HUD will make use of technical assistance support, as needed, to mitigate potential problems or already has the grantee working on a schedule for needed corrective actions. Future monitoring will give priority considerations if issues continue or extenuating circumstances or new information increases risk of this grantee.**
- X. Other (explain)**

CPD Management Representative: \_\_\_\_\_ Date: \_\_\_\_\_

**Attachment B-1****Competitive Grants Programs Risk Analysis Worksheet  
Including Homeless Programs**

Grantee: \_\_\_\_\_ Fiscal Year Review: \_\_\_\_\_

Name of Program: \_\_\_\_\_

Name of Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_

Total Dollar Value of Grant(s): \_\_\_\_\_ Number of Grants: \_\_\_\_\_

<b>Description: To Be Completed By Evaluator</b>	<b>Evaluator's Rating</b>
<b>Factor 1 – Financial</b>	
A. Total Grant Award/s/ Amount (5/3/1)	
B. Audits (5/3/1)	
C. Timely Expenditures (10/5/1)	
D. Financial Compliance (5/3/1)	
<b>Subtotal for Financial (Max. 25 pts.)</b>	
<b>Factor 2 - Physical</b>	
A. Existing or Previous Physical Assets (5/3/1/0)	
B. Acquisition, Construction and Rehabilitation of Physical Assets (5/3/1)	
C. Multiple Sites for Physical Assets (5/1/0)	
<b>Subtotal for Physical (Max. 15 pts.)</b>	
<b>Factor 3 - Management</b>	
A. OIG Audit (3/2/1)	
B. Staff Capacity (20/10/1)	
C. On-Site Monitoring (10/5/1)	
D. Timely and Accurate Submissions (5/3/1)	
E. Environmental/Relocation (2/1)	
<b>Subtotal for Management (Max. 40 pts.)</b>	
<b>Factor 4 - Satisfaction</b>	
A. Citizen Complaints (5/3/1)	
<b>Subtotal for Satisfaction (Max. 5 pts.)</b>	
<b>Factor 5 - Services</b>	
A. Meeting Program Objectives (10/5/1)	
B. Multiple Programs (5/3/1)	
<b>Subtotal for Services (Max. 15 pts.)</b>	
<b>Total Overall Competitive Risk Score (Max. 100 pts.)</b>	

**Attachment B-2****CDBG Risk Analysis Worksheet**

Grantee: \_\_\_\_\_ Fiscal Year Review: \_\_\_\_\_

Name of Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Description: To Be Completed By Evaluator</b>	<b>Evaluator's Rating</b>
<b>Factor 1 – Financial</b>	
A. Grant Amount (5/3/1)	
B. Timeliness (10/5/1)	
C. Program Income (5/3/1)	
D. Audits (5/3/1)	
E. Financial Compliance (5/3/1)	
<b>Subtotal for Financial (Max. 30 pts.)</b>	
<b>Factor 2 - Management</b>	
A. Program Complexity (5/3/1)	
B. Timely and Accurate Submissions (5/3/1)	
C. Program Administration CAP (5/3/1)	
D. Staff Capacity (5/3/1)	
E. OIG Audit (3/2/1)	
F. On-Site Monitoring (15/10/1)	
G. Section 108 Activity (5/3/1)	
H. Environmental/Relocation (2/1)	
<b>Subtotal for Management (Max. 45 pts.)</b>	
<b>Factor 3 – Satisfaction</b>	
A. Citizen Complaints (5/3/1)	
B. Responsiveness (2/1)	
<b>Subtotal for Satisfaction (Max. 7 pts.)</b>	
<b>Factor 4 - Services</b>	
A. Meeting National Objectives (12/6/1)	
B. Public Service CAP (6/3/1)	
<b>Subtotal for Services (Max. 18 pts.)</b>	
<b>Total Overall CDBG Risk Score (Max. 100 pts.)</b>	

**Attachment B-3****HOME Risk Analysis Worksheet**

Grantee: \_\_\_\_\_ Fiscal Year Review: \_\_\_\_\_

Name of Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Description: To Be Completed By Evaluator</b>	<b>Evaluator's Rating</b>
<b>Factor 1 – Financial</b>	
A. Grant Amount (5/3/1)	
B. Commitments, CHDO Reservations and Expenditures (5/3/1)	
C. Program Income (3/2/1)	
D. Audits (5/3/1)	
E. Financial Compliance (5/3/1)	
<b>Subtotal for Financial (Max. 23 pts.)</b>	
<b>Factor 2 – Physical</b>	
A. Physical Condition of Projects (12/6/1)	
<b>Subtotal for Physical (Max. 12 pts.)</b>	
<b>Factor 3 - Management</b>	
A. Multiple Funding Sources (2/0)	
B. Program Design (2/0)	
C. CHDO Activities (2/0)	
D. Program Delegations (2/0)	
E. Affordability Requirements (2/0)	
F. Staff Capacity (9/5/1)	
G. On Going Project Monitoring by PJ (5/3/1)	
H. Sub-recipient/Consortia Members/CHDOs/State Recipient Capacity & Oversight (7/4/1)	
I. OIG Audit (2/1)	
J. On site Monitoring (15/10/1)	
K. Environmental/Relocation (2/1)	
<b>Subtotal for Management (Max. 50 pts.)</b>	
<b>Factor 4 – Satisfaction</b>	
A. Citizen Complaints (5/3/1)	
B. Responsiveness (2/1/)	
<b>Subtotal for Satisfaction (Max. 7 pts.)</b>	
<b>Factor 5 - Services</b>	
A. Income Targeting (3/1)	
B. Program Progress (5/3/1)	
<b>Subtotal for Services (Max. 8 pts.)</b>	
<b>Total Overall HOME Score (Max. 100 pts.)</b>	

**Attachment B-4****ESG Risk Analysis Worksheet**

Grantee: \_\_\_\_\_ Fiscal Year Review: \_\_\_\_\_

Name of Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Description: To Be Completed By Evaluator</b>	<b>Evaluator's Rating</b>
<b>Factor 1 – Financial</b>	
A. Grant Amount (5/3/1)	
B. Audits (5/3/1)	
C. 24 Month Expenditure Provisions (5/3/1)	
D. Financial Compliance (5/3/1)	
<b>Subtotal for Financial (Max. 20 pts.)</b>	
<b>Factor 2 – Physical</b>	
A. Rehabilitation (10/5/1)	
<b>Subtotal for Physical (Max. 10 pts.)</b>	
<b>Factor 3 – Management</b>	
A. Program Complexity (5/3/1)	
B. Timely and Accurate Submissions (5/3/1)	
C. Program Administration CAP (5/3/1)	
D. Staff Capacity (5/3/1)	
E. OIG Audit (3/2/1)	
F. On-Site Monitoring (15/10/1)	
G. Staff Costs (5/3/1)	
H. Environmental/Relocation (2/1)	
<b>Subtotal for Management (Max. 45 pts.)</b>	
<b>Factor 4- Satisfaction</b>	
A. Citizen Complaints (5/3/1)	
B. Responsiveness (5/1)	
<b>Subtotal for Satisfaction (Max. 10 pts.)</b>	
<b>Factor 5 - Services</b>	
A. Meeting Program Objectives (5/3/1)	
B. Homeless Prevention (5/3/1)	
C. Essential Services (5/3/1)	
<b>Subtotal for Services (Max. 15 pts.)</b>	
<b>Total Overall ESG Risk Score (Max. 100 pts.)</b>	

Attachment B-5HOPWA Risk Analysis Worksheet

Grantee: \_\_\_\_\_ Fiscal Year Review: \_\_\_\_\_

Name of Evaluator: \_\_\_\_\_ Date: \_\_\_\_\_

Description: To Be Completed By Evaluator	Evaluator's Rating
<b>Factor 1 – Financial</b>	
A. Audits (5/3/1)	
B. Timely Expenditures (10/5/1)	
C. Size of Funding (5/3/1)	
D. Financial Compliance (5/3/1)	
<b>Subtotal for Financial (Max. 25 pts.)</b>	
<b>Factor 2 – Physical</b>	
A. Existing or Previous Physical Asset Problems (5/3/1)	
B. Acquisition, Construction and Rehabilitation of Physical Assets (5/3/1)	
C. Multiple Sites for Physical Assets (5/3/1)	
<b>Subtotal for Physical (Max. 15 pts.)</b>	
<b>Factor 3 - Management</b>	
A. OIG Audit (3/2/1)	
B. Staff Capacity (10/5/1)	
C. On-Site Monitoring (15/10/1)	
D. Timely and Accurate Submissions (5/3/1)	
E. Program Administration CAP (5/3/1)	
F. Environmental/Relocation (2/1)	
<b>Subtotal for Management (Max. 40 pts.)</b>	
<b>Factor 4 – Satisfaction</b>	
A. Citizen Complaints (5/3/1)	
B. Responsiveness (5/1)	
<b>Subtotal for Satisfaction (Max. 10 pts.)</b>	
<b>Factor 5 - Services</b>	
A. Meeting Program Objectives (5/3/1)	
B. Multiple Sponsors (5/1)	
<b>Subtotal for Services (Max. 10 pts.)</b>	
<b>Total Overall HOPWA Risk Score (Max. 100 pts.)</b>	



Attachment C-1Competitive Composite Summary Worksheet

Grantee	BEDI	Colonias	EDI	HBCU	HOPWA comp.	RHED	Round II EZs	Sec. 8 SRO Mod. Rehab.	S+ C	SHP	Small Cities Comp.	Youthbuild	Total	Average Score	Rank	Exception Code	Exception Comments	Management Representative Initials

High Risk = any grantee whose program score is 51 or more.

KEY to Competitive Programs

Acronyms	Program
<b>BEDI</b>	<b>Brownfields Economic Development Initiative</b>
<b>Colonias</b>	<b>Colonias Programs</b>
<b>EDI</b>	<b>Economic Development Initiative</b>
<b>HBCU</b>	<b>Historic Black Colleges and Universities</b>
<b>HOPWA competitive</b>	<b>Housing Opportunities for Persons with AIDS</b>
<b>RHED</b>	<b>Rural Housing and Economic Development</b>
<b>Round II EZs</b>	<b>Round II Empowerment Zones</b>
<b>Sec. 8 SRO Mod. Rehab.</b>	<b>Section 8 Single Room Occupancy Medium Rehabilitation</b>
<b>S + C</b>	<b>Shelter Plus Care</b>
<b>SHP</b>	<b>Supportive Housing Program</b>
<b>Small Cities Comp.</b>	<b>Small Cities Competitive</b>
<b>Youthbuild</b>	<b>Youthbuild</b>

**Attachment C-2**

**Formula Composite Summary Worksheet**

<b>Grantee</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>	<b>Total Score</b>	<b>Average Score</b>	<b>Rank</b>	<b>Exception Code</b>	<b>Exception Comments</b>	<b>Management Representative Initials</b>

High Risk = any grantee whose program score is 51 or more.

**Key to Formula Programs**

<b>Acronym</b>	<b>Program</b>
<b>CDBG</b>	<b>Community Planning and Development Program</b>
<b>HOME</b>	<b>Home Investment Partnerships Programs</b>
<b>ESG</b>	<b>Emergency Shelter Grant Programs</b>
<b>HOPWA</b>	<b>Housing Opportunity for Persons with AIDS</b>

**Attachment D-1**

**Competitive Exception Report**

(Use codes A, B, or X as appropriate, justification for code X must be provided.)

<b>Grantee Name</b>	<b>Risk Ranking</b>	<b>Exception Code</b>	<b>Reason for Exception</b>
<b>Grantee X</b>	<b>2</b>	<b>A</b>	
<b>Grantee Y</b>	<b>6</b>	<b>X</b>	<b>Grantee monitored during FY 2004 with no significant findings, however, is in need of TA to improve performance.</b>
<b>Grantee C</b>	<b>4</b>	<b>B</b>	

**Attachment D-2**

**Formula Exception Report**

(Use codes A, B, C, or X as appropriate, justification for code X must be provided.)

<b>Grantee Name</b>	<b>Risk Ranking</b>	<b>Exception Code</b>	<b>Reason for Exception</b>
<b>Grantee T</b>	<b>2</b>	<b>A</b>	
<b>Grantee U</b>	<b>6</b>	<b>X</b>	<b>Grantee monitored during FY 2004 with no significant findings, however, is in need of TA to improve performance.</b>
<b>Grantee C</b>	<b>4</b>	<b>B</b>	