



Comprehensive Compliance Monitoring Review (CCMR)

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What is a CCMR?

Comprehensive compliance monitoring reviews include reviewing PHA operations, management, financial condition, physical condition, and governance.

These procedures are not considered an audit for expressing an opinion on a financial statement or financial statement reporting; however, this review may be conducted to support audit procedures and objectives and reflect the internal controls of HUD's financial management process.



HUD's Responsibilities

PIH

- Administer grants and guide PHAs
- Provide oversight of program requirements
- Provide data to OFO to rank PHAs by risk and execute reviews each fiscal year

OFO Headquarters

- Set expectations for monitoring and oversight
- Identify decision criteria to identify PHAs each fiscal year
- Rank PHAs based on risk each fiscal year

HUD's Responsibilities

OFO Field Offices

- Identify PHAs for oversight reviews based on provided criteria each fiscal year
- Conduct onsite or remote monitoring reviews
- Identify findings, observations, and recommendations, including corrective actions
- Assist PHAs with identified corrective actions
- Request a Corrective Action Plan (CAP)
- Monitor the CAP for completion and closure

PHA Responsibilities

- Receive grant funding

- Administer PIH programs

- Execute funds and requirements per HUD authority and regulations

- Provide access to its records

- Participate in entrance and exit conferences

- Create and submit a CAP, if applicable

- Resolve any identified corrective actions

How PHA's are selected for a CCMR

Each fiscal year, HUD senior leadership determines the minimum number of PHAs each network will review and any additional decision criteria before the previous fiscal year (FY) ends.



Regional and public housing directors identify the PHAs subject to monitoring reviews based on the following key risk indicators and data analyses:



Risk Ranking

- OFO headquarters will collect data from a PHA's assessments of physical conditions, reserve balances, financial conditions, housing choice voucher (HCV) utilization, public housing occupancy, Section 3 targets, tenant's reasonable accommodations, and governance to determine each PHA's level of risk. Additional risk indicators may be added based on the PHA's programs and services.



How PHA's are selected for a CCMR

The following data sources may be used to determine the risk factor and ranking of PHAs.

Priority Areas of Concern

- Office of Inspector General (OIG) audit findings
- Government Accountability Office audit findings
- Independent public accountant (IPA) audit findings
- Physical, internal control, and governance issues
- “Hotlist” PHAs (i.e., low HCV utilization and public housing occupancy)

Priority Areas of Concerns

- Section 3
- Funding (e.g., Operating Fund, Capital Fund, HCV Housing Assistance Payments contract, and administrative fees, reserves, interfund, and insolvency)
- Project-based vouchers (PBV)
- Tenants’ reasonable accommodations
- Moving to Work (MTW)



How PHA's are selected for a CCMR

The following data sources may be used to determine the risk factor and ranking of PHAs.

Systems

- Portfolio and Risk Management Tool
- Physical Assessment Subsystem
- Financial Data Schedule (FDS)
- Public Housing Assessment System (PHAS)
- Housing Information Portal (HIP, formerly Inventory Management System/PIH Information Center (IMS/PIC))

Systems

- Section 8 Management Assessment Program (SEMAP)
- National Standards for the Physical Inspection of Real Estate
- Voucher Management System (VMS)/Enterprise VM



How PHA's are selected for a CCMR


The following data sources may be used to determine the risk factor and ranking of PHAs.

Tools

- Public Housing Occupancy Action Plan
- HUD Central Accounting Program System
- PIH Quality Assurance Division (QAD), Quality Assurance Subsystem (QASS), and Office of Real Estate Assessment Center (REAC), Quality Assessment Team (QAT) reports

Tools

- IPA reports
- Two-Year Tool (TYT)
- Recovery agreements
- Insolvency mitigation plans
- HCV and public housing shortfall mitigation plans
- Public Housing Authority Recovery and Sustainability Initiative (PHARS)



What HUD Reviews During a CCMR

PHA Governance

- PHA Plans
- Document Retention
- PHA Annual Budgets

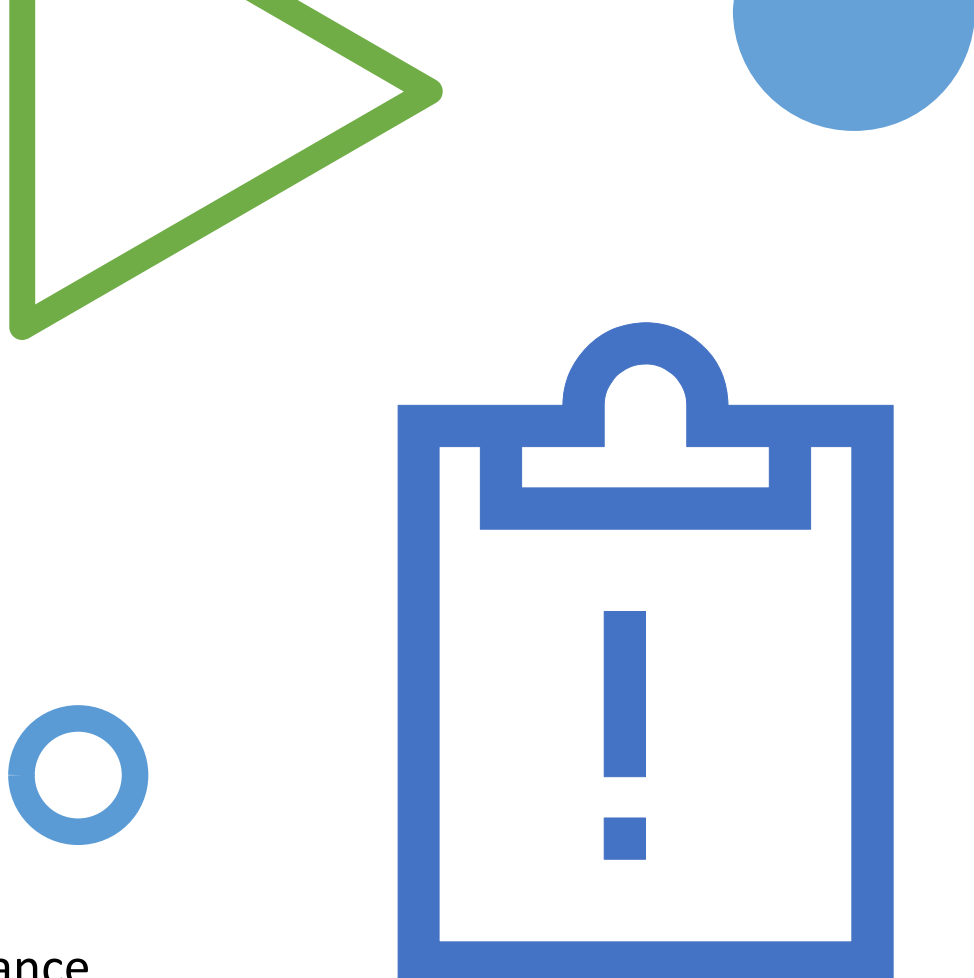
HCV Program

- VMS Reporting
- Rent collections and payments
- VASH Program

Public Housing Program

- How is the PHA maintaining/increasing occupancy?
- Does the PHA have a compliant procurement policy?
- Is the PHA applying HOTMA accurately?

What HUD Reviews During a CCMR




FSS Program Implementation

- Action Plan
- Are you following your Action Plan?
- Are well organized is your plan?

ROSS Implementation

- Is the PHA maintaining community partnerships
- Is PHA documenting Program Successes
- Are grant funds being drawn down and used in accordance with NOFA descriptions

VAWA Implementation

- Is VAWA Accurately mentioned in your lease
 - Are you using accurate forms
 - What is your Emergency Transfer Plan
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What HUD Reviews During a CCMR

Section 3

- When was the last time your Section 3 Policies were updated
- What are your recruiting efforts as it pertains to Section 3
- Is PHA awarding contracts in correct priority order

Project Based Vouchers (If Applicable)

- Are HAP contracts compliant
- How did the PHA handle in-place families during implementation
- Rent calculations

Move to Work (If Applicable)

- Does the PHA have a home ownership program?
- Is the PHA operating according to the current annual MTW Plan?
- MTW PIC data



How HUD Prepares for Monitoring

Certain aspects will vary from review to review (e.g., the size of the review team, cost, duration, and the location as onsite or remote) However, There will be consistency across reviews, networks, and field offices in the following areas.



- **PHA notification:** Field offices will notify PHAs of the upcoming monitoring review no less than 30 days' notice



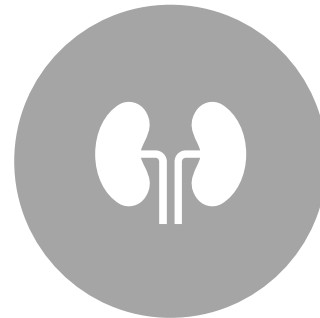
- **Sampling from tenant file, procurement file, and payment voucher:** Field monitoring review teams will use limited random sampling and may ask for some documents before arriving on-site

PHA Monitoring

Hud may request some documentation prior to an onsite assessment. It is the PHA's responsibility to provide requested documents.



As stated in **24 CFR 990.325**,
“The PHA shall retain all documents related to all financial management and activities funded under the Operating Fund for five fiscal years after the fiscal year in which the funds were received.”



24 CFR 982.158, “The PHA must maintain complete and accurate accounts and other records per HUD requirements, in a manner that permits a speedy and effective audit.”

Additionally, “the PHA must furnish to HUD accounts and other records, reports, documentation and other information as required by HUD.”

PHA Monitoring

Upon review of the documentation provided, members of the review team will rely on their professional judgment and experience in determining the following:

- Is the evidence provided related to the area under review?
- Does the evidence provide sufficient information on the amounts and eligible use(s) of the funding disbursement?
- Does the evidence provide adequate information on the timing of the funding disbursement?
- Does the evidence show any indication of tampering or modification?

Onsite Monitoring



ENTRANCE CONFERENCE:

THE MONITORING REVIEW TEAM
WILL CONDUCT AN ENTRANCE
CONFERENCE WITH THE PHA STAFF
AND BOARD MEMBERS



REVIEW FILES



INTERVIEW EMPLOYEES

Onsite Monitoring – Final Day & Follow Up



- **Exit conference:** At the review's conclusion, review teams will conduct a closeout meeting with PHA leadership, including the executive director and board



- **Post-review report and corrective actions:** Within 30 days of the last day, field offices will notify PHAs of the results of the monitoring review including any applicable corrective actions



Post-review reports will include findings, observations, recommendations, and best practices as applicable.

Findings, Observations, Recommendations, and Best Practices

Comprehensive compliance monitoring may result in findings, observations, and recommendations as defined below.



- **Finding:** noncompliance with HUD's statutory, regulatory, or program requirement, resolution of these deficiencies is addressed in a Corrective Action Plan



- **Observation:** noncompliance with non-statutory, regulatory or program requirement



- **Recommendation:** in compliance but an opportunity for improvement



- **Best practice:** implementation known to improve outcomes

Reporting

Upon completion of the review PHAs will receive a post-review report at the exit conference.

Next, the review team will follow up with the Compliance Monitoring Review Report within 45 business days to document the review and request the Corrective Action Plan (if applicable).

The PHA should provide an acceptable Corrective Action Plan within 30 to 60 business days, depending on the risk level of the finding(s).

Corrective Action Plan (CAP)

HUD has the authority to request the submission of corrective actions. Each Corrective Action Plan should include the following:

- The PHA's analysis of the root causes led to the finding.
- The actions that were taken to prevent the recurrence of the finding.
- The methods by which the PHA will monitor their corrective action to ensure the finding is remediated fully

If a PHA fails to respond, the team lead will follow up to determine why the report was not submitted. The team lead will elevate the response to the public housing director, who will decide if an extension or if the PHA should be deemed as noncompliant.

After an acceptable Corrective Action Plan has been received, the field office will continue to work with the PHA until each identified action item is implemented. Upon completion, the public housing director will send a Corrective Action Plan Closure letter within 10 business days.

Questions?
