



CAOM/PBCA Conference Call

March 26, 2008

2:00 pm - 3:30 pm

Agenda

OMB MOR Error Data Collection Update

For those individuals that have submitted comments to the mail box, thank you. We have reviewed those recommendations and have addressed questions and implemented applicable recommendations. We have had several internal meetings regarding the data collection, frequency and error resolution parameters. We have negotiated a biannual reporting submission rather than the quarterly submission originally discussed. The next steps will be to address the issue of establishing parameters for how error resolution will be defined which will begin next week. Once finalized, final guidance, instructions and implementation information will be provided.

FY 2008 Quality Management Review (QMR) Schedule

March 24 - 28	Portland, OR
April 14 - 18	San Antonio, TX
	Birmingham, AL
April 21 - 25	St. Louis, MO
	Salt Lake City, UT.
May 12 -16	Forth Worth, TX
	Milwaukee, WI
June 2 - 6	Louisville, KY
June 9 - 13	Boston, MA
	Pittsburgh, PA

What is a Quality Management review and what is the role of the HUD office and PBCA?

- Review and evaluate performance and results of field operations
- Provide on-site technical assistance, as needed
- Establish quality management controls for more effective program operations
- Identify and develop corrective solutions for each field office
- Identify and share exemplary management/operational practices throughout the organization
- Assess customer satisfaction

The QMR program provides HUD management with early warning of issues before they reach a critical stage, so that timely, corrective action can be taken. It also provides Principal Staff with an assessment of how effective the field is administering HUD programs and services. Through the employee assessment component the QMR team will obtain feedback on field office operations. From these assessments QMR teams may be asked to provide technical assistance during the on-site review. An additional result of the QMR program is the recognition of exemplary practices within a field office.

- Principal Staff - provides program direction and leadership for their organizations.
- Program Representatives - develop standards and criteria and coordinate the review process for their Principals.
- QMR Program Leaders - responsible for planning, coordinating, evaluating, and reporting for each review.
- QMR Evaluators - review and evaluate performance and results, provide technical assistance, and recognize exemplary performance and prepare reports.
- Field Executives and Managers - prepare for the review, take necessary corrective actions when issues are noted, and implement management practices.

HUD selects 10 or so offices every year to review. The list of offices are comprised of a mixture of both Hubs and program centers, based on size, type and location. There is a review team for each program area, i.e. multifamily, FHEO, PIH etc. Review teams conduct a review of the program office operation based on established standards, conduct stakeholder interviews, for multifamily the interviews will include owners, agents, CAs, developers just to name a few. At the conclusion of the review, the team will develop a report for the program office. All reviews will be included in the annual report is issued at the end of the review period.

FY08 FHA/Consolidated Audit

- PBCA Selection
- Notification
- Review
- Close out

The FY 2008 scheduling is underway for the Consolidated and FHA financial statement audits. Office directors will be notified once the sites have been confirmed and the dates for the reviews. IG usually selects 4 to 5 PBCAs per annual cycle.

For the PBCA program, at Headquarters, IG will review applicable HUD policies, procedures and handbooks. Conduct interviews with HQ multifamily staff to clarify issues regarding the PBCA program. Select a sample of project files to review while on site at the PBCA.

At the HUD field office, IG will review the day to day assistance, remote monitoring and compliance review of the PBCA and follow up of any ACR issues.

Official announcement letters will be mailed to the Hub Director with copies to the CAOM, PBCA, HUD office directors prior to the visit. IG will schedule both entrance and exit conferences for each site. The letter will provide the timeframe for the review and workspace needs for their staff. A typically the letter will ask for the following:

- 1. Current policies and procedures used to administer the PBCA program**
- 2. Organizational chart**
- 3. Copy of the Annual report submitted to the CAOM**
- 4. Examples of documentation to demonstrate daily activities of the PBCA**
- 5. Examples of documentation submitted to the CAOM**
- 6. Sample files to demonstrate core tasks responsibilities. IG will provide a list of sample files prior to their visit, usually one week.**
- 7. Documentation of the annual audit submitted to the CAOM**
- 8. Other as needed.**

As a result of the IG review, the auditors may issue a Notice of Finding and Recommendation (NFR) to the HUD field office or the appropriate PBCA. The following guidance should be utilized when a NFR is issued:

First: If the NFR shows or indicates documentation or documents themselves could not be found or observed, please make every effort to close the gap and provide the data to the auditor.

Second: The Hub Director or their designee (the PC Director or Operations Officer) should assure that replies to NFRs are provided to the auditors. Commentary should be related to the facts as expressed in the NFR. Policy discussions or commentary should be reserved for HQ.

All CAOMS must instruct the PBCA's to forward all NFR's to the CAOM. The PBCA should not reply directly to OIG or any audit contractors without the concurrence of the CAOM and Hub Director. Replies to NFR's on PBCA issues will come from the Hub Director or their designee. The CAOM will ask the PBCA to attest to the accuracy of the facts as presented in the NFR. If the facts are

inaccurate or not clear, the CAOM should inform the Hub Director or designee and provide a more accurate or clearer representation of the facts as understood by the PBCA and CAOM (the PBCA should concur with correction of facts as needed). The Hub Director or designee will provide the feedback to the auditors after HQ has an opportunity to review the feedback.

All non PBCA NFRs will be addressed by the Hub Director (designee). Again commentary should be focused on assuring clarity and accuracy of facts in the NFR and reviewed prior to issue back to the auditor.

PBCA policy discussions should be referred to Deborah Lear, regarding the PBCA program with any remarks or comments deemed necessary by the Hub Director. HQ will work to summarize issues and policy concerns raised in the NFRs and prepare a reply to the NFR policy questions. These audits are nation-wide and until the MFH DAS briefing from the completion of the field visits occurs (sometime in August), it is not known what conclusions the auditors will be drawing from their visits. As needed HQ will address systemic policy/procedure issues after the briefing.

Third: CAOM should provide Deborah Lear with copies of all responses prepared to the NFRs prior to issuing to the IG.

April 1, 2008 PBCA Contract Assignment

- **HUD Administered – assignment process remains the same, owners will continue to submit their vouchers for payment while the PBCA has three months to establish tenant baseline. The effective cutover date for HUD administered contracts is July 1, 2008.**
- **TCA Administered**
 - **Owners notification letter requests submission of the Direct Deposit Form – 1199A to the PBCA, this needs to occur as soon as possible**
 - **Assignment information has been uploaded to HUD systems and PBCAs have access in REMS, TRACS and LOCCS**
 - **PBCA should enter the April 1, 2008 cutover date. This cutover date is only applicable to the TCA administered contracts due to be transferred to the PBCA.**
 - **When submitting the April voucher and all following vouchers, the PBCA TRACS Mail ID should be used.**
 - **If a voucher is rejected due to role assignment and or cutover dates, the original voucher needs to be corrected and resubmitted.**

- **PBCA will be responsible for submitting the vouchers for the months of April, May, June 2008 and will be held harmless for verifying and certifying to the information contained on the voucher.**
- **PBCAs will have up to three months to collect tenant baseline information.**
- **The voucher submitted in June 2008 for the month of July 2008 will be the PBCA's responsibility to verify and certify the accuracy of the submission.**

We have been asked in the past to define which TCA administered contracts have been approved for PBCA assignment as part of the quarterly assignment process. To that end we have posted the TCA assignments to the PBCA effective 4/1/08 on our contract administration website.

What's next, in order to provide sufficient time for the next quarterly assignment in August, we have pulled a list of contracts that can be transferred and considered "eligible TCA contracts" We will begin the two tiered verification process by 1st sending the TCA listing to the applicable field offices for confirmation that the contracts on the list have been or will be renewed under MAHRA and therefore are technically eligible to be transferred to the PBCA. At that time confirmation will also be asked whether the administrative fee is paid as an override fee. The next level of verification of eligibility will require confirmation of any contracts that may have a conflict of interest if transferred to the PBCA. Contracts with a conflict of interest will be removed from the transfer list all other contracts will be maintained on the transfer list and the PBCA will be asked to complete the conflict of interest certification once the finalized list is provided.