

CHAPTER 6 Making Success Measurable Through Quality Control

Section 1 Introduction to Quality Control

How Do You Know?

- How do you know about program quality and error reduction efforts at your PHA?
- Should you:
 - Wait for HUD to let you know?
 - Close your eyes and hope for the best?
 - Assume that good people lead to good outcomes?
 - Wait until the end of the year for your SEMAP scores?
- Or should you implement an effective quality control program that:
 - Enables your PHA to take action in areas where performance is lacking
 - Documents improvements in error reduction
 - Incrementally enhances the overall quality of the services your agency provides

WHAT IS QUALITY CONTROL (QC)?

- Quality control is an important tool used by high-performing organizations for:
 - **Error prevention**—to prevent the most damaging or unrecoverable errors
 - **Compliance documentation**—to document compliance with program requirements and other laws and regulations (e.g., RHIP)
 - **Performance documentation**—to demonstrate performance (e.g., under SEMAP) and show improvement in program operations over time
- An effective quality control program facilitates conversations about:
 - Expectations for staff and the organization as a whole
 - Individual and organizational performance
- An effective quality control program enables managers to be proactive, rather than reactive.
 - Through quality control a manager can identify areas that are not working and take steps toward improvement.
 - Through quality control a manager can identify strengths and reward excellent performance.

THIS CHAPTER

- This chapter is intended to provide guidance on developing an effective PHA quality control program that offers the opportunities described above.
- The chapter:
 - Defines three types of quality control that make up a comprehensive quality control program
 - Illustrates the thought process for developing a quality control program
 - Provides sample tools for conducting quality control file reviews and an analysis of policies, procedures, and tools
 - Provides guidance on communicating with staff about error reduction and quality control issues

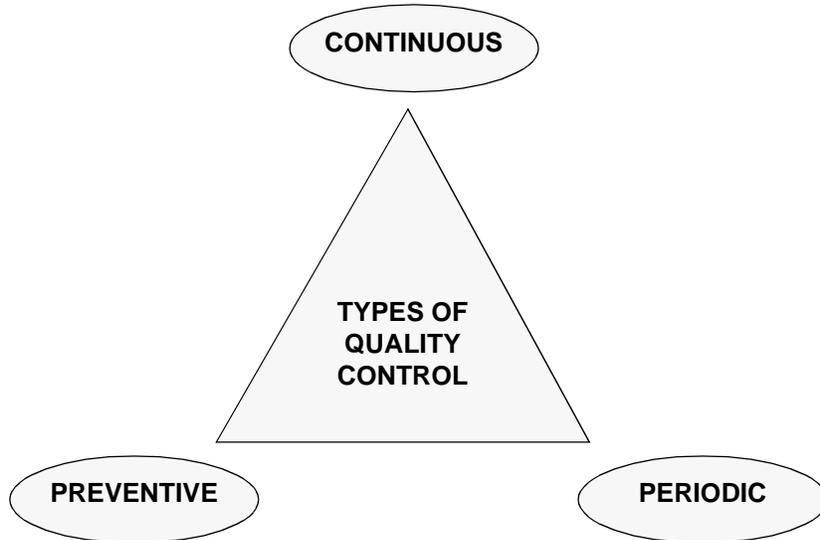
Focusing the Discussion

- This discussion and the examples used relate specifically to income and rent determinations. However, the quality control concepts discussed apply equally well to other parts of a PHA's operations.
- The quality control discussion will focus on HUD's expectations with respect to income and rent determinations as reflected not only in RIM reviews but also in the following SEMAP factors:
 - Determination of Adjusted Income
 - Utility Allowance Schedule
 - Payment Standards
 - Annual Reexaminations
 - Correct Tenant Rent Calculations

WHY QUALITY CONTROL IS HELPFUL

- Sometimes quality control confirms a manager's assumptions. If so, that manager has:
 - Support for recommendations and suggestions
 - Documentation to prove how things are going
 - Information to share within and outside the organization to show performance and progress
- But sometimes quality control results are a surprise. If so, they are even more valuable to a manager! Then the results may highlight:
 - Problems of which the manager is not aware
 - "Good news" in the form of improved performance or excess capacity.
- Take your RIM review, for example: Were there aspects of the RIM review that brought something new to your understanding of the way income and rent determinations are made at your agency?

Section 2 Types of Quality Control



- As the chart above illustrates, there are three types of quality control:
 - **Preventive quality control** stops mistakes before they happen.
 - **Periodic quality control** is a basic checkup on an organization's performance, policies, and procedures that take place periodically (often annually).
 - **Continuous quality control** is the process of regularly collecting and analyzing information about key transactions.
- The important point is not classifying quality control efforts according to these definitions but making sure that your quality control program includes elements of each type.

Section 2: Types of Quality Control

Notes

PREVENTIVE QUALITY CONTROL

- Preventive quality control should be used when:
 - The consequences of errors are high
 - An error is not recoverable (i.e., once made the damage is done)
- Your organization probably does preventive quality control now—even if you call it something else.

Examples of Preventive Quality Control

- Consider these examples of preventive quality control:
 - A PHA requires that supervisors sign termination letters even though specialists sign other kinds of correspondence.
 - An occupancy supervisor decides to review 100 percent of the rent calculations completed by new staff (for the first three months).
 - An intake specialist presents a dry-run briefing to staff before doing the real thing in front of program participants.
- Are there other examples of preventive quality control related to income and rent determinations that occur at your PHA?

- Try to identify at least one additional area in which starting to perform preventive quality control might be helpful for your organization.

Section 2: Types of Quality Control

Notes

Limits to the Preventive Quality Control Method

- The amount of preventive quality control that can be done is limited by:
 - **Resources:** PHAs don't have the time or staffing to double-, triple-, or quadruple-check every aspect of every transaction.
 - **Common sense:** Not everything requires this level of effort.

PERIODIC QUALITY CONTROL

- Periodic quality control is a picture-in-time assessment of:
 - PHA policies, procedures, and practices
 - Individual files
- Special reviews such as HUD's RIM reviews or the independent audit for SEMAP are good examples of periodic quality control.
- But, you don't need to wait for a RIM review or SEMAP audit to have a periodic quality control assessment program. You can build periodic reviews into your quality control program.

Limits of Periodic Quality Control

- Periodic quality control may be an accurate picture-in-time assessment, but it doesn't help a manager see trends or take corrective actions during the year.
- A periodic review may seem overwhelming because it requires a significant investment of staff time at a single point in time.

Section 2: Types of Quality Control

Notes

CONTINUOUS QUALITY CONTROL

- Continuous quality control involves choosing a limited number of areas for regular (generally monthly) analysis. Continuous quality control enables managers to:
 - Take action on a continuing basis, not just in response to a point-in-time review
 - Look at trends and focus immediately on those areas in which the PHA is most vulnerable
- Continuous quality control is a do-it-yourself project: HUD may perform a periodic review such as RIM, but only a PHA has the ability to implement a continuous quality control program.

Limits of Continuous Quality Control

- To remain manageable, continuous quality control can track only a limited number of issues.
- These few indicators can provide powerful feedback, but as part of its periodic review, a PHA should broaden the scope of the inquiry to cover more transaction types, program types, and household circumstances.

Section 2: Types of Quality Control

Notes

Example of Continuous Quality Control

- Look at the quality control report on page 6-11, which is an analysis of errors.
- Even without knowing the details at this PHA, what issues does the report raise for you?

Section 2: Types of Quality Control

Notes

Error Analysis

	Caseload	Number of Files		Files with Errors		Files with Comments		Verification	Calculation	Data Entry	Policy	Late	Noncritical Mistake	TOTAL ERRORS
		Completed	Reviewed	Number	Percent	Number	Percent							
JAN-MARCH														
George	300	75	6	2	33.33%	1	17%	1	1				1	3
Betty	325	60	6	1	16.67%	0	0%	1	1		1		1	4
Fred	399	90	6	5	83.33%	0	0%	4			5		5	14
Tom	450	105	6	1	16.67%	0	0%				1			1
Tonya	310	60	6	2	33.33%	0	0%				1			1
Michelle	325	75	6	2	33.33%	2	33%		2		1			3
APRIL-JUNE														
George	300	105	6	0	0.00%	0	0%							0
Betty	325	60	6	1	16.67%	2	33%			2		2		4
Fred	399	90	6	4	66.67%	0	0%		2		4	1		7
Tom	450	105	2	1	50.00%	0	0%						1	1
Tonya	310	105	6	0	0.00%	0	0%							0
Michelle	325	75	6	2	33.33%	2	33%	2			2		2	6
JULY-SEPT														
George	300	75	6	0	0	1	17%						1	1
Betty	325	60	6	1	16.67%	0	0%							0
Fred	399	90	6	2	33.33%	2	33%				2		2	4
Tom	450	105	6	1	16.67%	2	33%							0
Tonya	310	60	6	0	0.00%	0	0%							0
Michelle	325	70	6	1	16.67%	6	100%				2		6	8

Continued on next page...

	Caseload	Number of Files		Files with Errors		Files with Comments		Verification	Calculation	Data Entry	Policy	Late	Noncritical Mistake	TOTAL ERRORS	
		Completed	Reviewed	Number	Percent	Number	Percent								
9 months	George	Betty	Fred	Tom	Tonya	Michelle	Total	<p align="center">Error Definitions</p> <p>Verification: missing verification, no third party with explanation, errors in understanding verification data</p> <p>Calculation: math mistake</p> <p>Data Entry: transcription errors on manual forms, data entry errors in automated system</p> <p>Policy: program rules not being followed</p> <p>Late: annual reexaminations not completed at least 30 days in advance</p> <p>Noncritical: missing/incorrect data that doesn't affect rent calculations</p>							
Completed	255	180	270	270	225	205	1405								
Reviewed	18	18	18	14	18	18	104								
Rev. w/ Errors	2	3	11	3	3	3	25								
Error Rate	11.11%	16.67%	61.11%	21.43%	16.67%	16.67%	23.94%								
ERRORS BY TYPE															
Verification	1	1	4	0	0	2	8								
Calculation	1	1	2	0	0	2	6								
Data Entry	0	2	0	0	0	0	2								
Policy	0	1	11	1	1	5	19								
Late	0	2	1	0	0	0	3								
Noncritical	2	1	7	1	0	8	19								
TOTAL ERRORS	4	8	25	2	1	17	57								

Section 3 Designing a Quality Control Program

WHERE TO START

- First focus your quality control program by asking three questions:
 - What are the outcomes you want to achieve?
 - What would success for each outcome look like?
 - What are the possible ways to confirm (measure) performance in this area?
- Then select the measurement methods to be used and determine how the results will be documented and reported.

A Simple Example

- The three questions:
 - What is my desired outcome?
 - A good night's sleep
 - What would success look like?
 - Eight hours of uninterrupted sleep
 - What are possible ways to measure?
 - Have an independent third party observe my sleep habits for a specified period.
 - Track for a specified period the time I go to bed, the time I get up, and the number of interruptions.

- Decisions:
 - Which measurement method would be most useful and feasible?
 - Track for a specified period the time I go to bed, the time I get up, and the number of interruptions.
 - How will I document and report on the results?
 - Excel spreadsheet (daily) and month-by-month graph
 - No need to distribute report

A More Serious Example

- The three questions:
 - What is my desired outcome?
 - Current utility allowances and correct payment standards would always be used.
 - What would success look like?
 - Correct utility allowances are used correctly and documented in 100 percent of the files.
 - What are possible ways to measure/confirm this?
 - Review 100 percent of the files in advance to prevent errors.
 - Review 100 percent of the files after the fact to see whether and how often success is reached.
 - Review a sample of files to see whether and how often success is reached.

- Decisions:
 - Which measurement method would be most useful and feasible?
 - Review a sample of files to see whether and how often success is reached.
 - How will I document and report on results?
 - Generate a report that summarizes error and success rates by employee, by program type, by transaction type.

DESIGNING A QUALITY CONTROL PROGRAM USING “BIG PICTURE” OUTCOMES

- Desired outcomes could be expressed in a variety of ways from very general to very specific.
- For the purpose of illustrating the design process, the following general outcomes will be used.
 - **Consistency** in data collection, documentation, and reporting
 - **Complete and accurate verifications**
 - **Accuracy** in income, rent, and subsidy calculations
 - **Timeliness** in completing initial, interim, and annual (re)examinations
 - **Current** payment standards and utility allowances
 - **Complete, accurate reporting**

Notes

- You may decide to work on even more general outcomes such as those listed below:
 - No findings on the next RIM or other review
 - Informed decision making by applicants, participants, and HCV landlords
 - Fair and consistent treatment of applicants, participants, and HCV landlords
 - Equitable workload that is managed effectively
 - SEMAP high performer
 - Positive perceptions (HUD, program participants, and the public think of the PHA as a good agency.)
- Or you may decide to work on a goal that is very specific, such as reducing your rent calculation error rate by a specified percentage.
- Generally, the more specific the desired outcome the easier it will be to develop a quality control measurement process.

Designing a Quality Control Program to Support Desired Outcomes

- To show you how the process of designing a quality control program works, we'll look at a couple of examples.
- The examples correspond to the first two desired outcomes in the chart "Designing a Quality Control Program: The Thought Process," which begins on page 6-20.

Example 1: Outcome = Consistency

- The desired outcome in this example is consistency in how family data is collected and documented. (See the first item on the "Designing a Quality Control Program: The Thought Process" chart, which begins on page 6-20.)

What Is Success?

- All families would be given the same (appropriate) information.
- The PHA would consistently get the same (appropriate) information from all families.
- Every file would have the correct information on the correct forms.
- There would be relatively few complaints and appeals about consistency.

Possible Ways to Measure

- How to confirm whether families are receiving the same information?
 - Sit in on interviews/briefing sessions.
 - Review brochures and other information given to family for adequacy.
- How to confirm whether the PHA gets good information from each family?
 - Review a sample of files.
- How to confirm whether files have correct information on the correct forms?
 - Review all or a sample of files (before or after the fact).
- How to measure whether there are a reasonable number of complaints and appeals?
 - Analyze the number and nature of complaints and appeals.

Selected Quality Control Approach

- **Decision:** Observe one interview/briefing per person quarterly.
- **Decision:** Review two files per month completed by each specialist.
- **Decision:** Not worth it at this time to do an analysis of complaints.

Example 2: Compliant Verifications

- The desired outcome in this example is a complete and accurate verification process. (See the second item on the “Designing a Quality Control Program: The Thought Process” chart, which begins on page 6-20.)

What Would Success Look Like?

- All required information would be verified using the correct forms.
- The best possible form of verification would consistently be used.
- An explanation would be in the file when the best form of verification was not used.

How to Confirm/Measure

- Look at completed files (all or a sample, in advance or after-the-fact).
- Reverify information that has been collected with the original sources (all or a sample, in advance or after the fact).

Selected Quality Control Approach

- Look at a sample of completed files that includes:
 - Three for each person who does verifications
 - Each type of transaction

Designing a Quality Control Program: The Thought Process

What is the desired outcome?	What would success look like?	What's the best way to measure (confirm) this?	QC Approach		
			Preventive (1)	Periodic (2)	Continuous (3)
1. Consistency in how family data is collected and documented	<ul style="list-style-type: none"> • All families would be given the same basic information. • All families would be asked the same basic questions and be asked to elaborate on the same details based upon circumstances. • Every file would have correct information recorded on the correct forms. • There would be a reasonable number of complaints and appeals. 	<ul style="list-style-type: none"> • Sit in on briefings/interviews. • Review standard brochures, letters, handouts. • Review applications and other forms used to collect information. • Review files to see if files are complete. 	No	No	Yes
			No	Yes*	No
			No	Yes	Yes
			No	Yes	Yes
Comments: * Reviewing standard brochures, letters and handouts is a good activity for a periodic review but is not something that needs to be repeated each month.			(1) 100% review in advance (2) Checkup once in a while (3) Ongoing sample check		

What is the desired outcome?	What would success look like?	What's the best way to measure (confirm) this?	QC Approach		
			Preventive (1)	Periodic (2)	Continuous (3)
2. Complete and accurate verification process	<ul style="list-style-type: none"> All required information would be verified using the correct forms. The best possible form of verification would consistently be used. An explanation would be in the file when the best form of verification is not used. 	<ul style="list-style-type: none"> Look at completed files. Reverify some information that has been collected. 	No No	Maybe* Maybe**	Yes No
3. Accurate and compliant income, rent, and subsidy determinations	<ul style="list-style-type: none"> People in the same circumstances would receive the same allowances no matter who does the calculations. Income and rent determinations would be made in accordance with HUD rules. Automated 50058 system would consistently generate correct answers. 	<ul style="list-style-type: none"> Review files for all three points. Review 50058 data for trends. Double-check automated calculations for a sample of files. 	No No No	Yes Yes Yes	Yes Yes Yes
<p>Comments:</p> <p>* Some PHAs might elect to do a random-sample file review annually, but this may be more burdensome at one time than it would be doing a smaller sample monthly. In addition, if checks are done only annually, managers do not have timely information to correct the process.</p> <p>** Recontacting a verification source is time-consuming, and getting a comparable answer is difficult because of the time that has passed. However, it may be necessary in some cases.</p>			<p>(1) 100% review in advance (2) Checkup once in a while (3) Ongoing sample check</p>		

What is the desired outcome?	What would success look like?	What's the best way to measure (confirm) this?	QC Approach		
			Preventive (1)	Periodic (2)	Continuous (3)
4. Timeliness in completing initial, interim and annual reexaminations	<ul style="list-style-type: none"> • Initials would be completed within x days of interview. • All annual reexaminations would be completed at least 30 days in advance of effective date. • All interim reexaminations would be completed within 30 days of receipt of request. • 50058s would be forwarded to PIC no later than 15 days before effective date. • Number of retroactive adjustments to HCV landlords would be reduced. 	<ul style="list-style-type: none"> • Analyze report from PHA automated system and/or PIC reports. • Periodically track manually any transactions that are not reported via the automated systems. 	No	Maybe*	Yes*
			No	Yes	Yes*
5. Correct use of current payment standards and utility allowances	<ul style="list-style-type: none"> • New payment standards and utility allowances would be implemented on time by all specialists. • Correct payment standards and utility allowances would be used and documented in every file. 	<ul style="list-style-type: none"> • Review reports from PHA software or PIC. • Check a sample of files. 	No	Maybe**	Yes
			No	Yes	Yes
<p>Comments:</p> <p>* Although it may be sufficient to look at this periodically, it may be more useful to collect data on a continuous basis and look for trends as time goes by.</p> <p>** On this issue it seems that continuous QC would provide the needed data and that a larger sample is unlikely to show new results. But, of course, checking PS and UA are a part of checking rent calculations anyway.</p>			<p>(1) 100% review in advance (2) Checkup once in a while (3) Ongoing sample check</p>		

THE END RESULT—A QUALITY CONTROL PLAN

- Once the appropriate measures have been identified, the next step is developing a quality control plan.
- The plan is developed based upon:
 - Initial analysis of outcomes and possible measures
 - Resources available to conduct the review
 - Priorities for quality control based upon management experience
- The format of the plan is not as important as the decisions made and actually implementing the plan.

Plan for Efficiency

- A common measurement method for several outcomes in the chart “Designing a Quality Control Program: The Thought Process” is file review.
 - Do each of these reviews have to be independent?
No. Instead, create a file review protocol that will help assess all factors within the same sample files.
- The key is to plan for efficiency by asking questions like these.
 - Can data and reports generated for other purposes support the quality control process?
 - Can reports generated during the quality control process be used for other purposes?

The Quality Control Plan in Summary

- See the following page for a simple example of a quality control plan.
- Remember:
 - Think through the process before you begin any data collection or analysis.
 - Track the elements that have the most effect on error reduction and program quality.
 - Be realistic in your data collection efforts.

WHAT NEXT?

- The remainder of this chapter discusses five important “how to” aspects of quality control including:
 - Conducting file reviews
 - Conducting the “general” aspects of a periodic review
 - Using reports to track quality
 - Addressing staff skills
 - Communicating about error reduction and quality control

Designing an Effective Quality Control Program: The End Result
Income, Rents, and Subsidy Quality Control Plan

QC Actions (Responsible Party)	Frequency			Selection Plan/Comments	Result Reports/Communication
	Each Month	Each Quarter	Each Year		
1. Review files (QC specialist)	(a)		(b)	(a) Review x files for each specialist monthly; compare with 50058 submission. Identify number and types of errors. (b) Review random sample of intake and occupancy files each year. Identify number and types of errors.	Reports posted monthly by team Supervisor report by individual; department head report by supervisor “Most common errors” report published for all staff
2. Observe briefings and interviews (Occupancy manager and supervisors per schedule)			x	Review one briefing or interview for each specialist annually.	Debriefing with employee and supervisor (if other than supervisor observes)
3. Monitor 50058 submissions (Occupancy manager)	(a)	(b)		(a) Check 50058 report rate and transmission error reports monthly. (b) Look at trends for further analysis quarterly.	Debriefings with employees
4. Review PIC and PHA software reports	x			Analyze the timeliness of transactions by transaction type and individual.	Reports posted monthly by team Supervisor report by individual; department head report by supervisor
5. Double-check automated system calculations (QC specialist)	–	–	–	Double-check calculations for each type of transaction, each calculation rule. Repeat whenever automated systems are updated.	Report to software vendor (external) or IT department (internal) when errors occur

Notes

Section 4 “How-to” Aspects of Quality Control

CONDUCTING TENANT FILE REVIEWS

- The purposes of file reviews are to:
 - Determine the accuracy and completeness of files
 - Identify broader policy and management issues by looking at sample files.
- *Files* for this purpose include not only paper files but also automated 50058 records.
- A file review can tell what happened, but not necessarily why.

Selecting a File Review Sample

- File review samples may differ depending on how they will be used.
 - Samples for continuous reviews are limited, focusing on key transactions and staff performance.
 - Samples for periodic reviews should be more comprehensive and include as many different types of transactions as possible.

Using a “Directed” Sample

- In most instances, PHAs use a “directed” sample.
- This means that a PHA develops a framework for selecting files based upon the purpose of the file review and then selects files randomly within that framework.
- The chart on the following page itemizes the numerous variations in programs and families that should be considered when developing a sample.

Selecting Sample Files for Review

Housing Choice Voucher Program

The methodology for selecting sample files may vary depending upon the purpose of the review. Continuous QC samples tend to be limited; periodic reviews and audits tend to be more comprehensive. This chart shows examples of the various types of programs, circumstances, and transactions from which a cross section could be selected depending on the review purpose.

<p style="text-align: center;">Cross Section of Household Characteristics</p> <ul style="list-style-type: none"> • Elderly, persons with disabilities, other families • Income sources and ranges (including zero income) • Ranges of rents paid • Types of deductions • FSS participation • Geographic distribution 	<p style="text-align: center;">Cross Section of Administrative Characteristics</p> <ul style="list-style-type: none"> • Staff person who completed the review • Supervisor • Department (e.g., intake, occupancy) • Time period when calculations were completed (e.g., from different weeks, before/after payment standard changes, etc.) • 50058 error reports
<p style="text-align: center;">Cross Section of Transactions</p> <ul style="list-style-type: none"> • New admissions • Annual reexaminations with and without moves • Interim reexaminations • Portability move-ins • Portability move-outs • Voucher issuances • Applicant rejections 	<p style="text-align: center;">Cross Section of Housing Types</p> <ul style="list-style-type: none"> • Housing with and without utility allowances • Single-room occupancy (SRO) • Congregate housing • Group homes • Shared housing • Cooperative housing • Manufactured home space rental
<p style="text-align: center;">Cross Section of Targeted Funding Programs</p> <ul style="list-style-type: none"> • Family Unification Program • Welfare-to-Work Program • Mainstream Housing Opportunities for Persons with Disabilities • Homeownership • Public Housing Demolition / Disposition / Vacancy Consolidation Vouchers • Moderate Rehabilitation Contract Expiration Vouchers • Project-Based Housing Assisted Housing Conversion Vouchers 	

Continuous Quality Control File Samples

- The focus of the continuous quality control process is timely, manageable feedback to the manager.
- Therefore, the priorities for a continuous quality control file sample designed to monitor income and rent determination would generally be files representing:
 - Each specialist
 - A range over a specified period of time (monthly, quarterly)
 - An array of basic transaction types (initials, interims, annuals)

Periodic Quality Control Samples

- The focus of a periodic review is more comprehensive.
- Therefore, the priorities for a periodic review would be expanded, generally including files representing:
 - Each specialist
 - A broader array of transaction types (e.g., adding portability, retroactive adjustments, corrections, etc.)
 - A broader array of program types
 - A cross section of income sources and household types

Tools for Selecting File Samples

- PIC reports can generate lists based upon various criteria. See Appendix A, page A-25, for guidance on accessing PIC and for sample ad hoc reports.
- PHA/vendor software may be able to generate reports listing files by designated categories.

Logistics

- How many files do I need to review?
 - Quality control samples should be sufficient to meet SEMAP requirements (see 24 CFR Part 985).
 - Depending upon the complexity of your program, more file reviews may be needed to be comprehensive.
- Use a file checklist or protocol. (HUD's RIM forms are an excellent start.)
- Complete 50058 calculations without looking at the completed calculations in the files.
- Remember to consider 50058 data as part of the file.
 - Look for consistency between the paper and electronic files.
 - Check for errors in your PHA or vendor software.

What Your File Reviews May Reveal

- HUD's RIM findings suggest the following common problems:
 - Earned income/pension/public assistance miscalculations
 - Incomplete/outdated PHA policies
 - Data not being transferred to PIC
 - Lack of verification of income/deductions
 - Documentation in file not matching data used to determine income and rent
 - Improper calculation of utility allowances
- HUD's RIM activities have also identified a number of errors related to automation of 50058 data.
 - In some cases, programming errors are the culprit.
 - In others, the way staff use the system has been problematic.
 - See the next page for a summary of these issues.

Summary of System-Related Problems That Contribute to Errors

HUD's inquiries to date suggest that problems with automated HUD-50058 systems have contributed to errors. The most common problems are listed below.

1. Programming errors in some vendor and PHA systems. Not surprisingly there have been difficulties programming the more complex rules and also in staying current with changes to the rules. For example:

- *Imputed income from assets.* Some systems have not correctly provided for calculating imputed income from assets when net family assets are greater than \$5,000.
- *Payment standards vs. gross rent.* Some systems did not use the lesser of the PHA's applicable payment standard and the gross rent for the family's unit.
- *Medical and disability assistance expenses.* Most systems correctly calculate the deductions when only one is allowed but some systems do not correctly calculate allowances when a family is eligible for both deductions.
- *Compliance with citizenship requirements.* Some systems are not able to prorate rents/subsidies for mixed families.
- *Codes.* Some systems do not provide all needed codes for income inclusions or fail to include the requirement to calculate 10 percent of gross (unadjusted monthly income);
- *Transitioning systems.* Some PHAs have had difficulty (losing data, data errors) when transitioning from one automated system to another.
- *Incomplete programming.* Some PHAs have tried to design their own automated systems, but the systems are not complete enough to comply with HUD requirements.
- *Utility allowance inconsistencies.* Data sources for selecting the correct utility allowance cause differences between data in the file and utility allowances used by the system.

2. Nonprogramming Errors Related to 50058 System Errors

- *Manual calculations and data entry errors.* Even though a PHA has automated major components of the 50058 process, errors often result from manual calculations required of staff before entering the data into the automated system as well as from data entry errors.
- *Following up on error reports.* Some PHAs have failed to review and resolve errors reports and consequently do not discover weaknesses in their systems.
- *Inadequate staff training.* Some errors resulted from inadequate training on transaction definitions and the information that is required in each 50058 field.
- *Using the full power of automated systems.* In some cases, vendor software includes reports or flags that indicate when errors have occurred, but these tools are not adequately used by PHAs.

CONDUCTING THE "GENERAL" PORTION OF A PERIODIC REVIEW

Agenda for a Periodic Review

- A periodic review is an opportunity to:
 - Look at policy and procedure documents that are not routinely part of the continuous quality control process
 - Conduct an expanded file review
- The checklists in Part VI of HUD's *RIM Guide* (see Appendix C) are an excellent start for reviewing general policies, processes, and procedures. The following sections of Part VI apply to the HCV program:
 - C. Administrative Plan Review
 - D. Payment Standards
 - E. Accepting and Processing Applications
 - F. Income
 - H. Rent and HAP
 - I. Reexaminations
 - J. HUD 50058 and Multifamily Tenant Characteristics System (MTCS) (which has been superseded by the PIC 50058 submodule)
- In addition to the RIM checklists, you may also need:
 - Supplemental checklists related to PHA-established policies and/or performance standards
 - Protocols for checking how PHA-specific software handles and documents income, rent, and subsidy determinations.
 - A somewhat different sample of files than that used for continuous quality control—one with an expanded focus

USING REPORTS TO TRACK QUALITY

The Value of Perspective

- Although identifying individual errors is an important element of quality control, it's not the only aspect.
- Looking at performance and production over time (trends) can provide important insights that lead to error reduction.
- Looking at performance over time can also provide data for benchmarking—the process of establishing performance standards.

What Data Should Be Tracked?

- The most useful information to track depends upon the circumstances at each agency.
- Generally tracking is valuable to look for variations in:
 - How often things happen (certain transactions)
 - How long things take (reexamination timeliness)
 - Whether improvement is being made (error rates)

Analyzing Data

- **Caution!** Tracking information can raise flags but may not answer the question Why?
- Study the three reports in the data analysis exercise on the following pages. What flags does each report raise?

Data Analysis Exercise

I. PERCENT ON-TIME REEXAMINATIONS

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
Employee A	100	100	100	100	98	99	100	99	100	97	100	95	99
Employee B	63	74	85	96	100	100	99	98	100	98	100	80	91
Employee C	99	100	98	100	85	55	56	55	85	95	95	90	84

- What flags does this report raise for you?

II. NUMBER OF COMPLETED TRANSACTIONS BY TYPE

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Tot
Annuals	75	100	100	98	98	150	178	188	48	53	75	89	1252
Interims	25	10	8	9	8	15	48	34	18	22	19	23	239
Total	100	110	108	107	106	165	226	222	66	75	94	112	1491

- What flags does this report raise for you?

III. ERROR RATE TRENDS (IN PERCENTAGES)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
Employee A	0	0	0	1	5	0	0	10	0	0	0	5	2
Employee B	0	0	0	0	0	0	0	0	0	0	0	3	0
Employee C	10	10	10	10	15	15	10	16	17	15	16	11	13

- What flags does this report raise for you?

ADDRESSING STAFF CAPACITY ISSUES

Assessing Staff Skills and Performance

- Even with the best policies, procedures, tools, and supervision, error reduction will not occur unless there is staff capacity.
- A comprehensive quality control/error reduction program will include:
 - A comparison of required knowledge, skills, and abilities (skill sets) of staff with actual skill sets
 - A strategy for addressing gaps in knowledge, skills, or abilities (skill sets)
 - A method for establishing and monitoring specific performance improvement goals for employees

Defining Skill Sets

- The responsibilities of staff that perform income and rent determinations are diverse, ranging from very technical knowledge to important interpersonal skills.
- The chart on the following page provides the skill sets generally required of staff that perform income and rent determinations.

Required Skills Sets for Income and Rent Determination Staff—HCV

Program-Related Skill Set

1. Knowledge of Housing Choice Voucher (HCV) program requirements and guidance as reflected in HUD regulations, handbooks, notices, forms, and guides.
2. Knowledge of PHA-established policies and procedures.
3. The ability to apply HUD and PHA-established policies and procedures to consistently produce on-time and accurate income, rent and subsidy calculations.
 - Understanding of the definition of *annual income* and the ability to recognize sources of income that should and should not be included in annual income. Sufficient knowledge of various types of assets to determine income from assets.
 - Knowledge of the required and permitted deductions from annual income used to compute adjusted income and the ability to recognize family circumstances that qualify families for the deductions.
 - Knowledge of the definitions of household types and the effect that household type has on rent determinations. The ability to analyze household composition sufficiently to apply these definitions.
 - Knowledge of how payment standards are established and used in rent determinations and the ability to select the correct payment standard to use in each rent calculation.
 - Knowledge of how utility allowances are established and used in rent calculations and the ability to select the appropriate utility allowance for each HCV family.
 - Knowledge of the formula for determining total tenant payment (TTP) and HCV subsidy and the ability to correctly use the formula in rent calculations.
 - Knowledge of verification requirements and the ability to determine which verifications are required. Sufficient judgment to determine when alternative sources of verification are appropriate.
 - Knowledge of HUD and PHA requirements regarding when interim reexaminations are required and permitted.
 - Ability to complete HUD-50058 entries correctly, including identifying and correctly using transaction codes.
 - The ability to consistently produce on-time and error-free rent and subsidy calculations.
4. Knowledge of non-HCV federal requirements that affect income and rent determinations, including fair housing and equal opportunity, fraud and program abuse, personnel and employment practices.
5. Knowledge of HUD-established performance standards (SEMAP indicators) and PHA-established performance standards as they relate to income and rent determinations.

Specialized Workplace Skill Set

1. Interviewing: The ability to follow a protocol for collecting technical and highly personal information and to ask probing and clarifying questions as needed.
2. Public speaking (if the employee handles briefings and/or group interviews): The ability to express complex ideas concisely and effectively and to respond accurately and clearly to questions and comments.
3. Communications: The ability to explain complex concepts and calculations simply and clearly to program applicants, participants, and HCV landlords.
4. Analysis: The ability to understand and evaluate verification documents (e.g., pay stubs, insurance contracts, banking and investment documents) in order to apply program rules correctly.
5. Judgment: The ability to make sound judgments when required by program rules (e.g., reasonableness determinations for child care and feasibility determinations for getting third-party verifications).

Basic Workplace Skill Set

1. Computer literacy, including personal computing, accuracy in data entry, and knowledge of program-related software.
2. Communication, including basic reading, writing, listening, and speaking skills.
3. Basic arithmetic skills, including addition, subtraction, multiplication, division, proration, estimation, and percentages.
4. Analysis and problem solving: The ability to recognize problems, analyze causes, and propose solutions.
5. Personal management, including time management, interpersonal skills, integrity, ethics.
6. Knowledge of workplace rules and requirements (e.g., worker safety, sexual harassment).

Supervisory Skill Set (Supervisors and Managers of the Income and Rent Function)

Note: Front-line supervisors require the skills sets identified above for rent specialists as well as the following skill sets.

1. Planning/workload management: The ability to evaluate workloads, project resource requirements, set priorities, and develop realistic implementation plans.
2. Conflict resolution: Knowledge of conflict resolution principles and the ability to apply them in the workplace.
3. Human resource management: Knowledge of federal, state, local, and PHA practices related to employment and human resource management.
4. Program development: The ability to participate in the development of program policies and procedures and to assess their effectiveness.

Using Skill Sets

- Skill sets should be considered when:
 - Recruiting and making hiring decisions
 - Considering a realignment of staff responsibilities or positions
 - Diagnosing performance problems
 - Identifying options for employee training and development activities (Don't send staff to another training session on program rules if computer literacy is the problem.)
 - Developing organizationwide or individual training and development plans (For a sample individual development plan, see page 6-49.)

COMMUNICATING ABOUT ERROR REDUCTION AND QUALITY CONTROL

The Challenge

- No matter what policies and tools are developed, errors will not be reduced and quality cannot be improved unless staff are committed to the process.
- Communicating effectively about the need for error reduction and the purpose of a quality control program is a priority.
- An integral part of the quality control system should be:
 - Setting expectations for outcomes and performance
 - Sharing information about actual performance in comparison to goals
 - Remembering to acknowledge and reward good performers as well as working with those who need improvement

Setting Expectations

- In order to do reduce errors, staff need to know what good performance looks like.
- Establish both organization and individual expectations, or benchmarks, for:
 - Quality
 - Quantity
 - Timeliness
 - Customer service
- Explain how success in each area will be measured.

Sharing the Results

- Despite the large number of reports that are generated, many organizations fail to share the information they contain with staff in a way that enables them to keep focused on what needs to be done and take pride in work that has been completed.

Consider Using Scorecards

- Consider using scorecards or similar communication methods that provide staff with perspective about the agency's accomplishments and their own.
- Key items to include on an organization scorecard (like the example on the following page) are:
 - *A comparison of goals vs. progress*
 - *Information that makes paperwork real* (e.g., How many elderly/nonelderly families have been assisted? What neighborhoods have been touched? What are the demographic characteristics of families that have been served?)
 - *Performance measures* that suggest quality and quantity of work
 - *Progress over time* (e.g., accomplishments tracked and displayed by month)
 - *Measures that provide bragging opportunities* for the organization and for individuals
- Personal scorecards are helpful to reinforce expectations and give feedback to staff. Consider including:
 - Program-related performance (goals vs. actual)
 - Important staff development or improvement goals such as on-time attendance, no-accidents, participation in training, etc.
- Personal scorecards should remain confidential between supervisor and employee.

Sample Housing Choice Voucher Scorecard

PROGRAM STATS	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOT
Families Assisted													
Search in Progress													
Lease-Up Rate													
FSS Participation													
PRODUCTION													
Applications Taken													
Vouchers Issued													
Lease Approval Requests Processed													
Inspections Completed													
Recertifications Completed													
On Time													
Leases Executed													
PROGRAM PARTICIPANTS	Nonelderly:		White:		African American:		Asian:		Hispanic:		Other:		
Bedrooms	1BR:		2BR:		3BR:		4BR:		5+BR:				
Average Assistance													
Neighborhoods	Northeast:			Northwest:			Southeast:			Southwest:			

Notes

Section 5 Recap: What Makes a Good Quality Control Program?

- A good quality control system should:
 - Be comprehensive but not burdensome
 - Cover key performance areas
 - Fairly and accurately measure performance
 - Be perceived as being fair and useful by staff and managers
- Most importantly, a good quality control system must be used to:
 - Continually reduce errors and improve program operations
 - Give feedback to staff
- In the beginning, a quality control program will most certainly identify problems: few organizations are perfect.
- However, a good quality control program also will provide indicators of the path to corrective action.
- Chapter 7, “What’s My Strategy,” discusses how quality control data—whether from HUD’s RIM review or the agency’s own quality control process—can be used to understand and solve performance problems and reduce errors.

Notes

SAMPLE INDIVIDUAL DEVELOPMENT PLAN (IDP)

Rent Calculation Specialist

Note: An IDP is the end result of the performance management process, which involves:

- Identifying the skills sets applicable to an employee's job role
- Assessing the employee's performance with respect to those skill sets
- Identifying gaps in knowledge, skills, and abilities

An IDP establishes expectations for an employee's performance and identifies development activities that will assist the employee in improving performance. Development activities should tie into specific goals and time frames.

Name: Susie Smith, Rent Calculation Specialist (New Employee)

IDP Period: March 1, 2003–August 31, 2003

Goal #1: Complete employee orientation program within 30 days.

Development Activities

1. Attend briefing for new employees and discuss any questions with supervisor.
2. Become familiar with PHA administrative practices by reviewing and discussing with supervisor the following documents: PHA organization chart, job description, personnel and ethics policy, and administrative handbook (by 3/15/03).

GOAL #2: Become proficient in HUD's certification/reexamination requirements (within 6 months have the ability to complete initial certifications and annual reexaminations independently).

Development Activities

1. Read Housing Choice Voucher (HCV) program regulations and guidebook and PHA administrative plan (by 3/31/03).
2. Assist experienced rent calculation specialists with verification process (ongoing).
3. Attend 3-day occupancy training program (as scheduled by 4/15/03).
4. Attend one-day training on PHA's 50058 software (as scheduled by 3/31/03).
5. Assume responsibility for a reduced caseload (by 6/1/03).
6. Develop one case study for presentation at staff meetings (by 8/31/03).
7. Pass occupancy certification examination (by 8/31/03).

Sample IDP (continued)

Goal #3: Develop necessary business knowledge and skills.

Development Activities

1. *Telephone and computer literacy:* Attend two half-day training sessions on basic telephone protocols and computer functions, including e-mail, word processing, spreadsheets, and accessing the Internet (by 3/10/03).
2. *Customer service:* Take half-day on-line customer service course. For the first two months (through 4/30/03) maintain a journal of contacts with applicants and program participants. Discuss any difficult situations with supervisor.
3. *Time management:* Take half-day on-line course in time management (by 3/31/03). Meet with supervisor to discuss workload and priorities (weekly through 8/31/03).

Note: The IDP above is for a new employee. Goals for an existing employee would be based on the employee's performance. For example:

- Goal #1: Increase on-time completion of annual reexaminations to 100 percent.
- Goal #2: Reduce rent calculation error rate to less than 2 percent.
- Goal #3: Be prepared to assume responsibility for applicant briefing sessions.

Data Analysis Exercise Results

Flags and Observations

I. PERCENT ON-TIME REEXAMINATIONS

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
Employee A	100	100	100	100	98	99	100	99	100	97	100	90	99
Employee B	63	74	85	96	100	100	99	98	100	98	100	80	91
Employee C	99	100	98	100	85	55	56	55	85	95	95	90	84

What flags does this report raise for you?

- Employee B had a really difficult start to the year but then recovered. Was this a new person? Is the lesson that this person should have been provided more training/support in the beginning? Or, since performance improved radically in April, is recognition in order for those who contributed to the improvement?
- Employee C had something go amiss in the summer months. Was it a one-time occurrence, or is it something likely to be repeated next summer unless steps are taken? Is it possible that caseload assignments have gotten uneven and Employee C is overloaded?
- Everyone had lower performance in December. What's that about?
- Employee A had consistently high performance. How can this be recognized?

II. NUMBER OF COMPLETED TRANSACTIONS BY TYPE

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Tot
Annuals	75	100	100	98	98	150	178	188	48	53	75	89	1252
Interims	25	10	8	9	8	15	48	34	18	22	19	23	239
Total	100	110	108	107	106	165	226	222	66	75	94	112	1491

What flags does this report raise for you?

- Annual reexamination workload had peaks in the summer months; interims have peaks in July and August. Why? How might that be affecting performance?
- Approximately 19 percent of this PHA's caseload had interims during the year. Is this high, low, or about right? Would changes in our procedures reduce the number of interims? Would it be worth benchmarking this by finding out the percentage of the caseload that has interims here in previous years and/or what percentage has them at other PHAs?

III. ERROR RATE TRENDS (IN PERCENTAGES)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Avg
Employee A	0	0	0	1	5	0	0	10	0	0	0	5	2
Employee B	0	0	0	0	0	0	0	0	0	0	0	3	0
Employee C	10	10	10	10	15	15	10	16	17	15	16	11	13

What flags does this report raise for you?

- Why are errors higher in August and December?
- What's up with Employee C, whose error rate is high month after month?
- Employee B had consistently high performance. How can this be recognized?

PUTTING IT ALL TOGETHER

- December is not a good month for production or accuracy (too much leave? too many distractions?). What can we do about that?
- More errors occur during the months that the workload exceeds the monthly average. Are caseloads too large in some months? Are we processing in the most efficient way? Are there different approaches we could take for processing in the high-volume months?
- Do the peaks coincide with employee leave time, overburdening those who remain on the job?
- It appears that an intervention of some kind (training, performance conversation, additional supervision, etc.) is needed with Employee C.