

## CHAPTER 1. GENERAL INSTRUCTIONS

- 1-1 Field Office Performance Review Format. The review format is to comply with Section III, Standardized Review Report Format for Regional Office and Field Office Reviews, of the Automated Performance Evaluation Review System Guide issued by the Office of the Deputy Under Secretary for Field Coordination.
- 1-2 CPD Review Strategy
- A. A copy of the CPD Regional Review Strategy for each Field Office should be submitted to the Field Coordination Unit, CPD, at the time it is issued.
  - B. At a minimum, the following should be covered in all CPD field reviews:
    - 1. CDBG Entitlement Program
    - 2. State Administered CDBG Program
    - 3. UDAG
    - 4. Environmental Requirements, CPD and Housing
    - 5. Relocation and Acquisition
    - 6. FORMS/CPD
    - 7. Rehabilitation
    - 8. Program Monitoring
    - 9. Overall Management
    - 10. Special Needs Assistance Programs
  - C. If there is good reason for not evaluating one or more of the areas listed in paragraph 1-2B, the reasons should be set forth in the CPD Review Strategy.
- 1-3 Regional Review Team Composition. If the Regional Office does not have the required in-house expertise to review a specific technical or program area, Headquarters assistance or peer reviewers from another field office or Region may be requested.
- 1-4 Evaluation Reports
- A. Reports should be issued as soon as possible so that findings can be cleared within 90 days of the conclusion of the visit.

- B. A copy of the CPD section of the report is to be sent to the Field Coordination Unit, CPD, at the time it is issued. This is to be done whether CPD issues its own report or the CPD report is to be combined into a consolidated Regional report covering all HUD programs.

- C. Reports should include all CPD areas (including each CPD program) that were reviewed and the results of the review. The overview should include a brief positive statement if the office is doing an excellent job in a specific area supported by the facts. An example of a brief statement would be "The Rental Rehabilitation Program is being conducted in an exemplary manner. The Field Office has committed \_\_\_\_% of its funds as of \_\_\_\_\_ and has done a fine job of providing technical assistance to its grantees".
- D. All findings and observations are to comply with Section I, General Instructions, and Section II-17, Evaluation Type, of the Automated Performance Evaluation Review System Guide.

#### 1-5 Field Performance Evaluation Review Techniques

- A. Interview CPD supervisors and selected other CPD staff. Each Regional Specialist should interview selected staff members responsible for implementing their area of expertise.
- B. Interview staff outside of CPD as appropriate (e.g. Manager, Economist, Counsel, FH&EO, Chief Property Officer, etc.).
- C. If time permits, members of the review team should coordinate visits or telephone calls to grantees in their areas of specialty. The purpose of these visits or telephone calls is to ascertain the following:
  - 1. The status of grantee/Field Office relations.
  - 2. The level of service provided to the grantee.
  - 3. The grantee's programmatic and management technical assistance needs and the actions of the Field Office to meet those needs.
  - 4. The grantee's familiarity with program policies and requirements.

- D. Review files in all CPD program categories to ensure completeness and that program requirements are being met.
- E. Compare progress against the Departmental Management Plan (DMP) objectives and goals in the previous and current fiscal year to determine if there are problems in meeting these workload objectives and goals.

- F. Check the findings in the previous performance evaluation review to ensure that the required actions have taken place and that the identified problems have been resolved.

#### 1-6 Management

- A. Determine if the CPD Division has adequate skills and resources to fulfill its responsibilities.
  - 1. Adequate staff and managerial skills to administer and oversee the implementation of all CPD programs by grantees.
  - 2. Adequate clerical and administrative support.
  - 3. Adequate equipment, including computers, for the Division to do its job.
  - 4. Adequate travel funds to perform monitoring, provide technical assistance and meet other Departmental Management Plan requirements. These funds must be obtained early enough in the fiscal year to enable the Division to meet its DMP objectives and goals and the needs of its various grantees.
- B. Determine the specific workload of a representative number of staff to ensure that work is equitably distributed among staff, taking grade differences into account.
- C. Ensure that the organizational unit or staff responsible for the oversight and implementation of the one-for-one replacement housing provisions of Section 104(d) of the HCD Act of 1974, as amended, has been designated.
- D. Check that staff time is being charged appropriately to the ETRS system with data entered in a timely fashion.

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- E. Ensure that staff are aware of current DMP objectives and goals for their area of expertise and that they are taking specific actions to achieve the goals.
  - F. Ensure that the Delegation of Authority is being followed.
  - G. Determine morale of staff. Does staff participate in decisions involving their assigned communities? Does management treat staff in a professional manner? Do employees feel that they are helping to foster community development in their assigned communities?

- H. Ensure that individual staff training plans are adequate and being followed.
- I. Determine adequacy of both programmatic and management training provided to staff in the current and previous fiscal year.
- J. Evaluate the use and maintenance of the FORMS/CPD database.

#### 1-7 Monitoring

- A. Risk Analysis. Review the Field Office's risk analysis documentation to ensure that it complies with the requirements of the CPD Monitoring Handbook, 6509.2 REV-4.
- B. Monitoring Schedule
  - 1. Determine that an annual monitoring schedule has been developed consistent with the annual monitoring strategy, Departmental Management Plan, and the CPD Monitoring Handbook.
  - 2. Ensure that the schedule is updated quarterly.
  - 3. Ensure that the annual monitoring schedule is distributed to, and visits coordinated with, CPD technical staff, FH&EO, Labor Relations, Environment, and other appropriate Field Office staff.
  - 4. Determine if adequate justification is given for not monitoring high risk program/projects that were identified in the risk assessment process.

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#### C. Monitoring Strategies

- 1. Determine that individual monitoring strategies are developed in accordance with the Departmental Management Plan and the CPD Monitoring Handbook.
- 2. Check that strategies are comprehensive and follow the guidance in the Monitoring Handbook. Technical reviewers should be consulted prior to strategy development.
- 3. Determine whether the amount of time proposed for the on-site visit is reasonable.
- 4. Ensure that strategies and amended strategies for

State Administered CDBG are negotiated with the State and confirmed in writing.

D. Monitoring Preparation

1. Is appropriate background material reviewed in accordance with the Monitoring Handbook and other programmatic guidance?
2. Are appropriate internal and external staff contacted to provide insight and input?
3. Is an appropriate of time budgeted in relation to the scope and complexity of the visit?
4. Are previous findings and concerns factored into the pre-visit preparation?

E. Communication

1. Ensure that appropriate Field Office staff is routinely informed of grantee visits by CPD Representatives and technical staff as well as non-CPD technical specialists.
2. Ensure that CPD Representatives routinely sign-off on technical specialists' monitoring letters if sent directly to grantees; otherwise, technical review comments should normally be incorporated into the CPD monitoring letter.

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F. Monitoring Visits

1. Are team visits scheduled where appropriate?
2. Ensure that programs and projects to be reviewed are chosen appropriately.
3. Determine if monitoring review(s) are sufficient in scope and number.
4. Determine if sample size is appropriate for testing systems.
5. Ensure that grantees are reviewed for compliance with regulatory and statutory requirements.
6. Review the use of monitoring checklists.
7. Ensure that background documentation of the on-site visit correlates with monitoring findings and concerns.

G. Monitoring Letters

1. Determine if monitoring letters demonstrate the following:
  - a. Follow the format set forth in the Monitoring Handbook and other programmatic guidance.
  - b. Are dispatched within 30 calendar days from the last date of the visit with copies to affected divisions, the Regional Office and Headquarters.
  - c. Include clear identification of the projects and program areas monitored.
  - d. Contain conclusions that are clear and documented by facts stated in the monitoring letter.

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- e. Distinguish clearly between concerns and findings and for the State CDBG program, questions of performance. Findings are violations of statutory and regulatory requirements. Concerns involve only non-regulatory and non-statutory issues. Questions of performance are raised when the review is inconclusive and it cannot be determined whether the grantee is in compliance.
  - f. Include corrective actions, as appropriate, with due dates established. The cause of findings should be included in the narrative. States should be requested to inform the Field Office of their proposed plan for corrective action.
  - g. Contain an appropriate business tone throughout.
  - h. Are routinely concurred in by other Field Office Divisions affected by conclusions contained in the letter.
2. Do affected divisions, Headquarters and the Regional Office receive a copy of each monitoring letter?
3. Are delinquent grantee responses to findings followed-up by CPD Representatives with additional

actions being taken as required?

4. Are follow-up letters sent out on a timely basis after receipt of the grantee's response? Copies of letters should be sent to the Regional Office and to Headquarters.
  5. Are findings cleared only when there is acceptable assurance that grantee action has taken place or will be accomplished in a reasonable period of time?
- H. Depth of Review. Ensure that the Field Office has undertaken the level of on-site monitoring necessary to identify and respond to program issues, especially those relating to program progress for slow implementing grantees.

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I. FORMS/CPD Tracking System

1. Compare a sample number of monitoring letters for each program area to the FORMS Monitoring Tracking Report to ensure the following:
  - a. Necessary entries have been made for the initial letter to the grantee.
  - b. Follow-up entries are current and complete.
2. Determine if the CPD Representative is familiar with the current status of the findings.
3. Assess the degree that the FORMS report is used as a management tool within the Division. The reports should be checked for grantee status and accuracy at least once a month by both supervisors and CPD Representatives.

J. Monitoring Files

1. Determine if the files are current and maintained in a systematic and orderly manner.
2. Ensure that adequate documentation exists in the file to support the conclusions reached as a result of the site visit.

K. Annual In-House Review. Determine the following:

1. All the required program areas are covered in the review.

2. All conclusions and recommendations resulting from the review are documented.
3. Project files contain records of all complaints.
4. All required program checklists are completed as part of the in-house review.

#### 1-8 Communication

- A. Ensure that each CPD Representative and Technical Specialist has a complete set of regulations and directives that are necessary to do the job.

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- B. Determine that copies of applicable CPD handbooks, regulations, and program materials are available for distribution to the general public as needed.
- C. Ensure that the Field Office responds, in a timely manner, to written and telephonic requests by grantees, members of the general public, the Regional and Headquarters Offices and Members of Congress.
- D. Determine the CPD staff involvement in outside activities (e.g. ground breakings, ribbon cuttings, or conferences), held by its grantees.

#### 1-9 Training and Technical Assistance

- A. Determine if the technical assistance needs of grantees and other clients have been identified and appropriately met. This includes providing adequate staff time and travel money for technical assistance.
- B. Determine the adequacy of programmatic training for grantees and other clients conducted by the Field Office during the previous and current fiscal year.
- C. Ensure that the Field Office is recommending appropriate outside training and technical assistance to grantees and other clients (e.g. NDC, CRTC, or private developers and lenders).

#### 1-10 Closeouts

- A. Ensure grantees are notified of closeout requirements in a timely fashion.
- B. Determine if grantees are notified of steps necessary to clear audit findings and the consequences of non-cooperation.

- C. Determine if grantees are notified that projects can be closed utilizing a closeout agreement prior to completion of audit.
- D. Review the Field Office's system for tracking the progress of potential project closeouts throughout the fiscal year. At a minimum, this system should include regular telephone contact with the grantee to ensure that acceptable progress is being made to achieve project closeout.