HUD USER MANUAL

Public and Indian Housing (PIH)

Real Estate Assessment Center (REAC)

Inventory Management System (IMS)

PIH Information Module

Risk Assessment sub Module

U.S. Department of Housing and Urban Development (HUD)

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Shiva Information Technology Services

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1.0 PIH INFORMATION

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The **PIH Information** module allows the user to access the **SEMAP** sub module and the **Risk Assessment** sub module. These sub modules provide the functionality to rate PHA performance from different aspects. These two ratings affect the type and amount of funding that a PHA gets based on its performance, so it is important for PHAs to receive good scores on their performance.

The **DIS** and **KDHAP** sub modules allow the users to access information about disaster affected areas. They monitor household information for households affected by natural disaster.

1.1 RISK ASSESSMENT

The **Risk Assessment** sub module of the IMS System is a powerful tool for both HUD headquarters (HQ) and HUD Field Office personnel. It is used by the Field Office staff to determine which PHAs need increased monitoring or technical assistance based on their performance, amount of funding, and compliance scores.

Risk means the likely need for the Field Office staff intervention and technical assistance to prevent or resolve problems within the Public Housing Agencies (PHAs). A PHA's risk level is dependent on several factors. Deciding which PHA should get what amount of limited resources to manage these risks is a complex endeavor.

There are two factors that can be applied to identify risks for the PHAs:

- **Quantitative Factors**: These are measurable factors that indicate the presence of risk. The necessary factors are based on information from the HUD data systems. Scores are generated by analyzing the factors related to three categories namely **Performance**, **Funding** and **Compliance**. Information is drawn from several HUD sources like Public Housing Assessment System (PHAS), Section Eight Management Assessment Program (SEMAP), Line Of Credit Control System (LOCCS), HUD Central Accounting and Program System (HUDCAPS) and PIC's Form 50058 Module.
- **Qualitative Factors:** These non-measurable factors provide an additional dimension for determining risk by identifying specific situations, events or conditions that are not reflected in the risk data used to calculate the quantitative factor score. Qualitative factors do not change the risk score a PHA receives, but they provide a justification for Field Office decisions to focus monitoring or resources on PHAs that do not score as high on the quantitative score list.

1.1.1 Assessment List

The **Risk Assessment** sub module is an IMS application that allows the User to access the risk assessment process of a PHA. Search can be performed in the **Assessment List** sub tab to locate risk-related information on specific PHAs.

The sub module helps user by:

- Reducing the time spent performing Risk Assessment procedures.
- Viewing the current and historical risk scores of the PHAs.
- Assigning, updating or deleting qualitative factors.
- Selecting, planning for and reviewing office strategies.

1.1.1.1 Searching for Risk Information at PHA level

A PHAs risk is calculated and scores are displayed in the **Assessment List** sub tab of the **Assessment Analysis** tab. A desired Field Office is chosen in the **Select View** section of the **Assessment List** sub tab.

To retrieve the assessment list of a PHA for a desired fiscal year the **Federal Fiscal year** list can be selected in the **Retrieve Assessment List** section. The **Assessment** list of the **Retrieve Assessment List** section allows user to choose the desired quarter available for that fiscal year (See Figure 1).

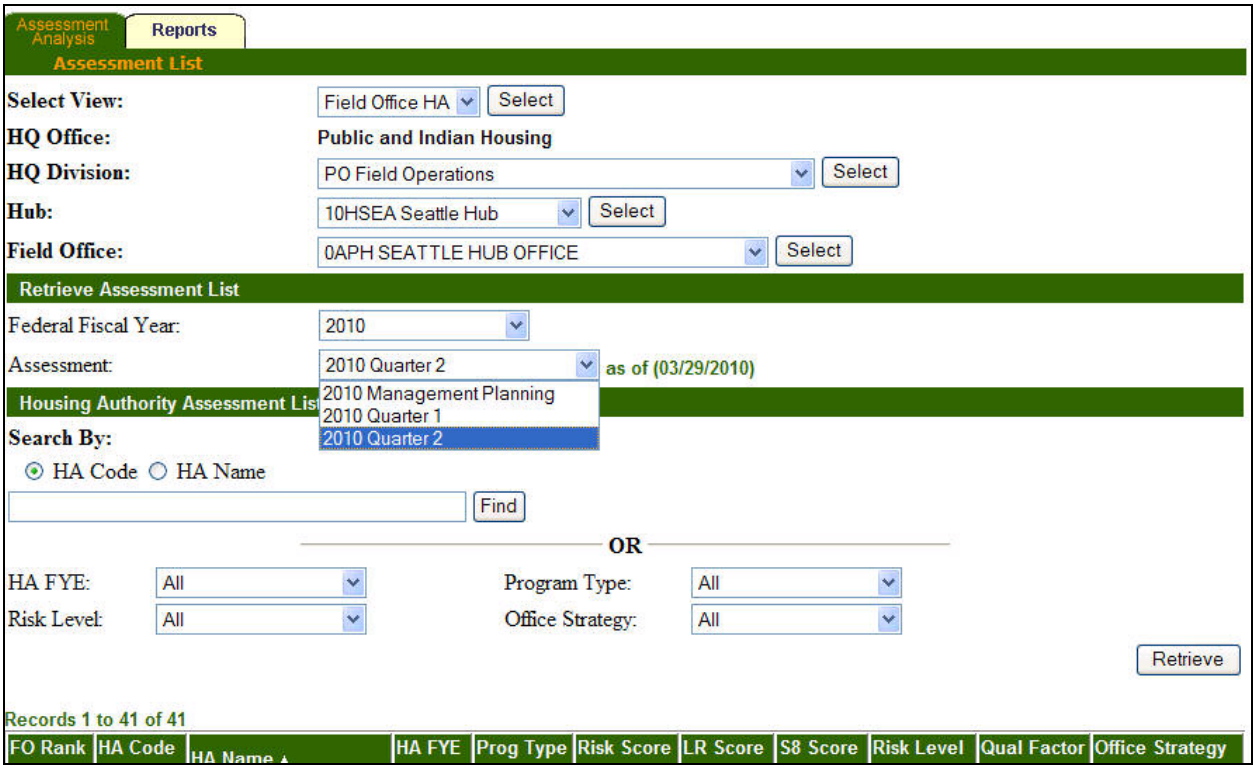


Figure 1: The Assessment List page of the Risk Assessment sub module.

The **Assessment List** sub tab allows user to select the PHAs by **HA Code** or **HA Name** in the **Housing Authority Assessment List**. Users can search by HA Code by entering the PHA code in the **Search By** box and click the **Find** button. To search by HA name, users can enter the PHA name and click on **Find** button.

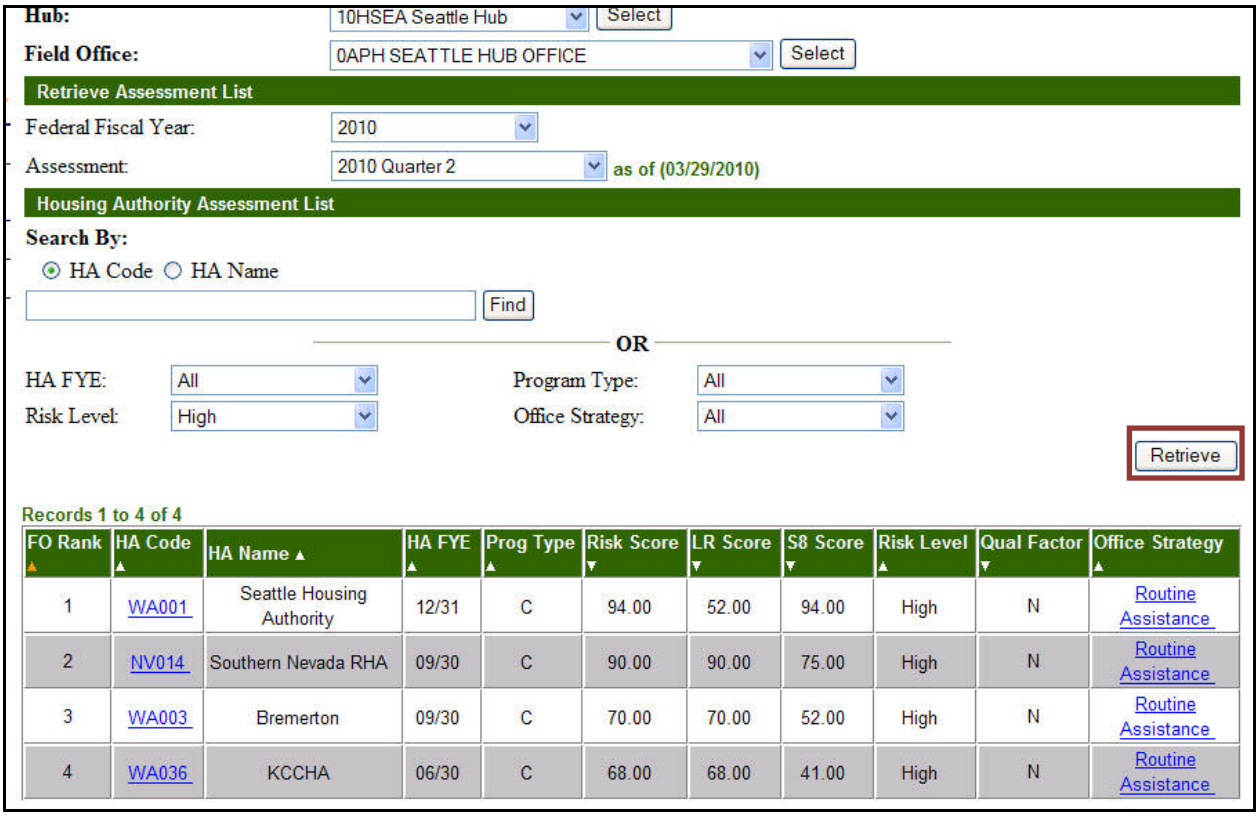
Users can also search by **HA FYE** or **Program Type** or **Risk Level** or **Office Strategy**. The **HA FYE** (**Housing Authority Fiscal Year End**) list allows user to select the appropriate quarter in the fiscal year. Using the **Risk Level** list user can search for the desired PHAs based on their risk level (The available options are **High**, **Low**, **Moderate** or **All**). To display the PHAs based on different program types like **Low Rent**, **Section 8** and both program types combined, the user can use the **Program Type**. The **Office Strategy** list allows a user to search and display PHAs based on the office strategies that are identified and recorded for each PHA in the Field Office. The four types of office strategies and their descriptions are listed below:

- **On-Site Assistance**: HUD staff schedule and perform field visits to provide monitoring and technical assistance. The ultimate purpose of an on-site review is to improve the PHA's overall performance and compliance with requirements of the law, regulations, and other directives. On-site assistance is normally assigned to High Risk PHAs and includes a final report. If the Field Office does not plan to do on-site assistance for a High Risk PHA, the Field Office is required to document its reasons.
- **Routine Assistance**: PHAs that are not designated for on-site or remote assistance continue to receive routine monitoring by the Field Office. This strategy consists of a staff's day-to-day observations of PHA performance, including the regular use of Field Office systems, reports, and

tools that organize information on individual PHAs. Routine assistance is normally assigned to Low Risk PHAs.

- **Memorandum of Agreement (MOA) Monitoring:** An MOA is a legally binding document between a PHA and HUD. The MOA requires the PHA to achieve certain target goals and to achieve these goals within certain time frames. MOAs are created for PHAs designated as troubled. (A low rent PHA is considered troubled if it has an overall score of less than 60% on PHAS or it scores less than 18 points on FASS, PASS, or MASS. A Section 8 PHA is declared troubled by SEMAP).

To display the PHAs with the appropriate search criteria, user must click the **Retrieve** button (See Figure 2).



FO Rank	HA Code	HA Name	HA FYE	Prog Type	Risk Score	LR Score	S8 Score	Risk Level	Qual Factor	Office Strategy
1	WA001	Seattle Housing Authority	12/31	C	94.00	52.00	94.00	High	N	Routine Assistance
2	NV014	Southern Nevada RHA	09/30	C	90.00	90.00	75.00	High	N	Routine Assistance
3	WA003	Bremerton	09/30	C	70.00	70.00	52.00	High	N	Routine Assistance
4	WA036	KCCHA	06/30	C	68.00	68.00	41.00	High	N	Routine Assistance

Figure 2: The Assessment List Page of the Risk Assessment Submodule.

1.1.1.2 Analyzing the PHAs Score Information

Once the desired PHAs are retrieved, several columns are displayed related to risk information for each PHA (See Figure 2). The **FO Rank** column displays the Field Office rank with the search results returned. The **HA Code** displays the PHA code, the **HA Name** displays the name of the PHA. The **Prog Type** column displays the program type of the participating PHA. Description of the **Risk score**, **LR Score** and **S8 Score** calculations can be found in **Appendix A** of the document found in the HUD website.

http://www.nls.gov/offices/pih/systems/pic/training/ra_usermanual_appxa.pdf

1.1.1.3 Displaying Risk Information for each PHA

Once the search criteria are entered in the **Assessment List** page of the **Risk Assessment** sub module, a list of PHAs is displayed at the bottom of the page. The risk information for a PHA can be displayed by clicking the desired PHA code in the **HA Code** column. A new sub tab called **Assessment Summary** is displayed for the selected PHA (See Figure 3).

HQ Division: PO Field Operations
Hub: 10HSEA Seattle Hub
Field Office: 0APH SEATTLE HUB OFFICE

Housing Authority Information

Housing Authority: WA001 Seattle Housing Authority — HA FYE: 12/31
Federal Fiscal Year: 2010
Assessment: 2010 Quarter 2 as of (03/29/2010)
HA Program Type: Combined

Assessment Qualitative Factor And Office Strategy Summary

Selected Qualitative Factors: None Selected

Current Office Strategy: Routine Assistance

Quantitative Category Summary

Category Trending Comparison
View Source Data

National Rank: 3 of 3202
Field Office Rank: 1 of 41 — Low Rent Units: 6,010 — Section 8 Units: 135
Risk Score: 94.00 — Low Rent Score: 52.00 — Section 8 Score: 94.00

Category	Low Rent Risk Score	Low Rent Risk Max Score	Section 8 Risk Score	Section 8 Risk Max Score
Performance	11.00	50.00	50.00	50.00
Funding	21.00	30.00	24.00	30.00
Compliance	20.00	20.00	20.00	20.00
Total	52.00	100	94.00*	100

*Reflects Risk Score

Figure 3: The Assessment Summary Page of the Assessment Analysis tab.

The **Assessment Summary** sub tab displays the Field Office name and the Hub and HQ Division to which it belongs. The program type and the federal fiscal year are displayed in the **Housing Authority Information** section of the page. If the user selected any Qualitative Factor in the **Assessment List** sub tab, it is displayed in the **Assessment Qualitative Factor And Office Strategy Summary**. Qualitative Factors can be selected by clicking the **Select Qualitative Factors** link only if the **Current Office Strategy** is **On-Site** (see Figure 4).

The **Quantitative Category Summary** section displays a table representing the following scores for Performance, Funding and Compliance categories.

- Low Rent Risk Factor Score (if applicable)
- Low Rent Risk Max Score (if applicable)
- Section 8 Risk Score (if applicable)

- Section 8 Risk Max Score (if applicable)

Upon clicking the **Performance** link in the **Category** column of the **Assessment Summary** sub tab, the **Quantitative Details** sub tab of the **Assessment Analysis** tab is displayed (see Figure 4 and Figure 5).

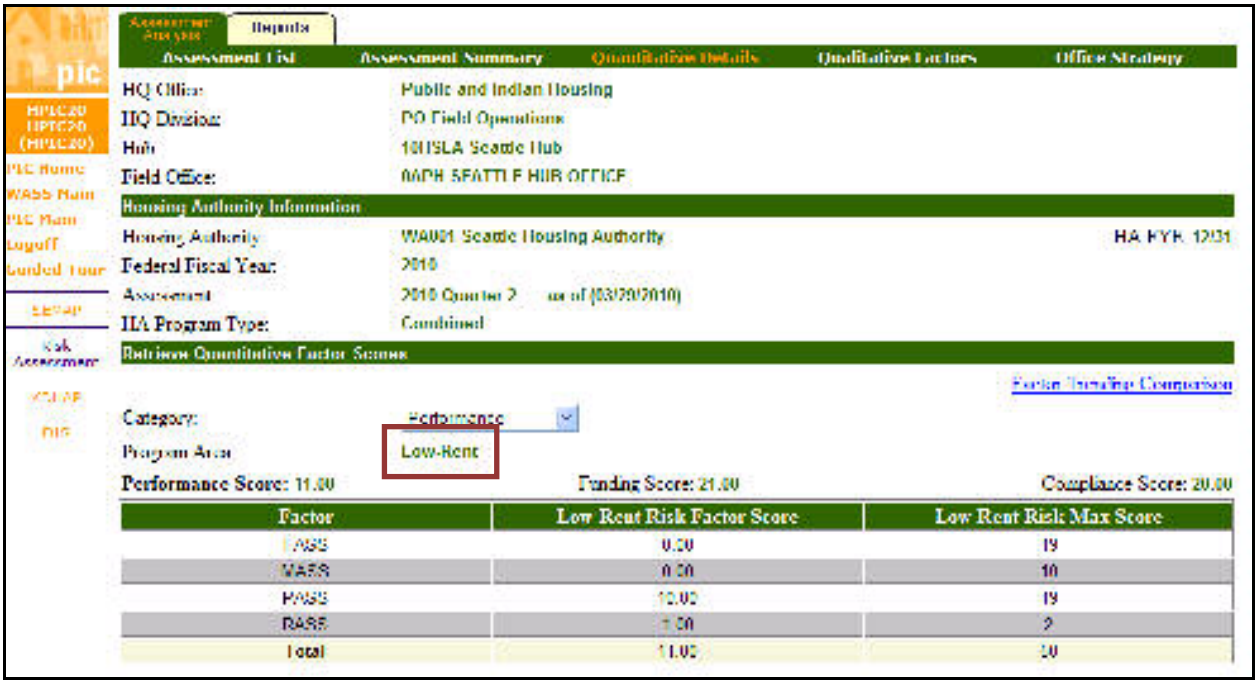


Figure 4: The Performance Score Calculations for category Performance for Low-Rent Program in the Quantitative Details Page of Assessment Analysis.

Hub: 10HSEA Seattle Hub

Field Office: 0APH SEATTLE HUB OFFICE

Housing Authority Information

Housing Authority: WA001 Seattle Housing Authority HA FYE: 12/31

Federal Fiscal Year: 2010

Assessment: 2010 Quarter 2 as of (03/29/2010)

HA Program Type: Combined

Retrieve Quantitative Factor Scores

Factor Trending Comparison

Category: Performance

Program Area: Low-Rent

Performance Score: 11.00 Funding Score: 21.00 Compliance Score: 20.00

Factor	Low-Rent Risk Factor Score	Low-Rent Risk Max Score
FASS	0.00	19
MASS	0.00	10
PASS	10.00	19
RASS	1.00	2
Total	11.00	50

Program Area: Section 8

Performance Score: 50.00 Funding Score: 24.00 Compliance Score: 20.00

Factor	Section 8 Risk Factor Score	Section 8 Risk Max Score
SEMAP Score	50.00	50
Total	50.00	50

Figure 5: The Performance Score Calculations for category Performance for Section 8 Program in the Quantitative Details Page of Assessment Analysis.

Upon selecting the **Funding** category, in the **Quantitative Details** sub tab, or upon clicking the **Funding** link in the **Assessment Summary** sub tab, the corresponding funding scores are displayed for this category (see Figure 6).

Retrieve Quantitative Factor Scores

Factor Trending Comparison

Category: Funding

Program Area: Low-Rent

Performance Score: 11.00 **Funding Score:** 21.00 Compliance Score: 20.00

Factor	Low-Rent Risk Factor Score	Low-Rent Risk Max Score
Complexity of Funds	9.00	10
Average Bedroom Size	5.00	5
Percent Disbursed	2.00	5
Total Authorized Funds	5.00	5
Total Disbursed Funds	0.00	5
Total	21.00	30

Program Area: Section 8

Performance Score: 50.00 **Funding Score:** 24.00 Compliance Score: 20.00

Factor	Section 8 Risk Factor Score	Section 8 Risk Max Score
Complexity of Funds	7.00	10
Average Bedroom Size	5.00	5
Total ABA	12.00	15
Total	24.00	30

Figure 6: The Performance Score Calculations for category Funding for Low-Rent and Section 8 Programs in the Quantitative Details Page of Assessment Analysis.

When user selects the **Compliance** category in the Retrieve **Quantitative Factor Scores** section of the **Quantitative Details** sub tab or when user clicks the **Compliance** link in the **Assessment Summary** tab, the Low-Rent and Section 8 scores are displayed (See Figure 7).

Category: Compliance

Program Area: Low-Rent

Performance Score: 11.00 Funding Score: 21.00 **Compliance Score:** 20.00

Factor	Low-Rent Risk Factor Score	Low-Rent Risk Max Score
Days Since Last HA Event.	2.00	2
Last Event Result	2.00	2
MTCS Reporting Rate	6.00	6
No. Open Event Findings	3.00	3
No. Open Audit Findings - IPA & Other Audit	1.00	1
No. Open Findings - OIG	4.00	4
No. Open Sig Findings - IPA & Other Audit	1.00	1
No. Sig Findings - IPA & Other Audit	1.00	1
Total	20.00	20

Program Area: Section 8

Performance Score: 50.00 Funding Score: 24.00 **Compliance Score:** 20.00

Factor	Section 8 Risk Factor Score	Section 8 Risk Max Score
Days Since Last HA Event.	2.00	2
Last Event Result	2.00	2
MTCS Reporting Rate	6.00	6
No. Open Event Findings	3.00	3
No. Open Audit Findings - IPA & Other Audit	1.00	1
No. Open Findings - OIG	4.00	4
No. Open Sig Findings - IPA & Other Audit	1.00	1
No. Sig Findings - IPA & Other Audit	1.00	1
Total	20.00	20

Figure 7: The Low-Rent and Section 8 scores for the Compliance category in the Quantitative Details Page.

The scores are calculated based on scores received by various systems in REAC (FASS, MASS, PASS, RASS). Below is a table depicting the scoring information presented for each category and assessment selected. The default category is **Performance**, which is selected and displayed.

Program/Category	**Factor Scores and Max Scores Displayed**
Program Area: Low Rent	
Performance Category	• FASS Score • MASS Score • PASS Score • RASS Score The **Total Performance Score** is a sum of the **Low-Rent Risk Factor Score** for all the above mentioned systems.
Funding Category	• Complexity Of Funds • Average Bedroom Size • Total Authorized Funds • Total Disbursed Funds • Percent Disbursed

	The Total Funding Score is a sum of the above mentioned factors.
Program Area : Section 8	
Performance Category	• SEMAP Score The Total Performance Score is equal to the SEMAP Score.
Funding Category	• Complexity of Funds • Average Bedroom Size • Total ABA The Total Funding Score is a sum of the above mentioned factors.
Program Area : Low-Rent and Section 8	
Compliance Category	• Days Since Last HA Event • Last Event Result • MTCS Reporting Rate • No. of Open Event Findings • No. of Open Audit Findings - IPA & Other Audit • No. of Open Findings – OIG • No. of Open Significant Findings - IPA & Other Audit • No. of Significant Findings - IPA & Other Audit The Total Compliance Score is a sum of above factors.

When user clicks the **Factor Trending Comparison** link of the **Quantitative Details** sub tab (see Figure 8), the program displays the following page to the user (see Figure 9).

Figure 8: The Factor Trending Comparison link of the Quantitative Details sub tab.

The page enables user to compare factor scores of two different assessments. In this page a PHA's management of risk factors can be monitored over a period of time (See Figure 9).

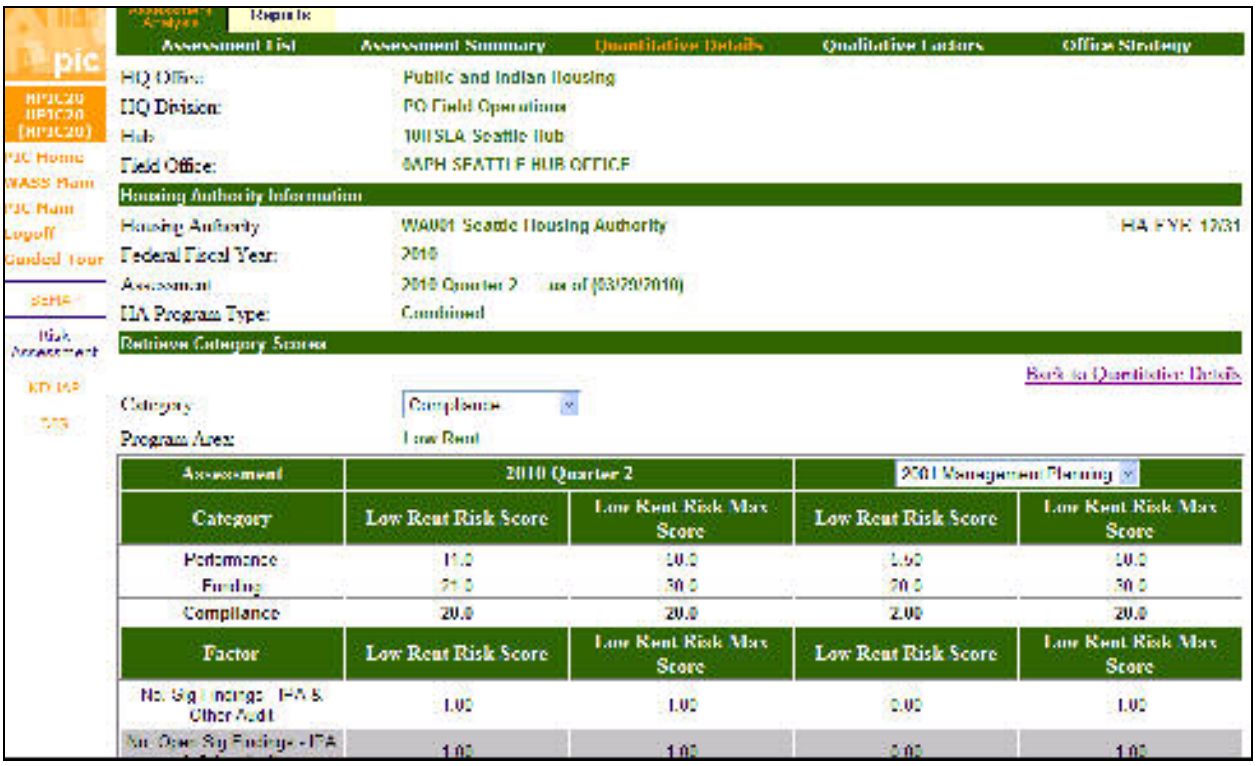


Figure 9: The Factor Trending Comparison page of the Quantitative Details page.

At the bottom of the page, in the **Retrieve Category Scores** section, PIC displays the risk factor scoring for each risk category and assessment selected. To generate a Factor Trending Comparison for a different category or assessment, click the **Category** list and choose the desired one. The assessment can be changed by choosing the **Assessment** list as shown in Figure 10.

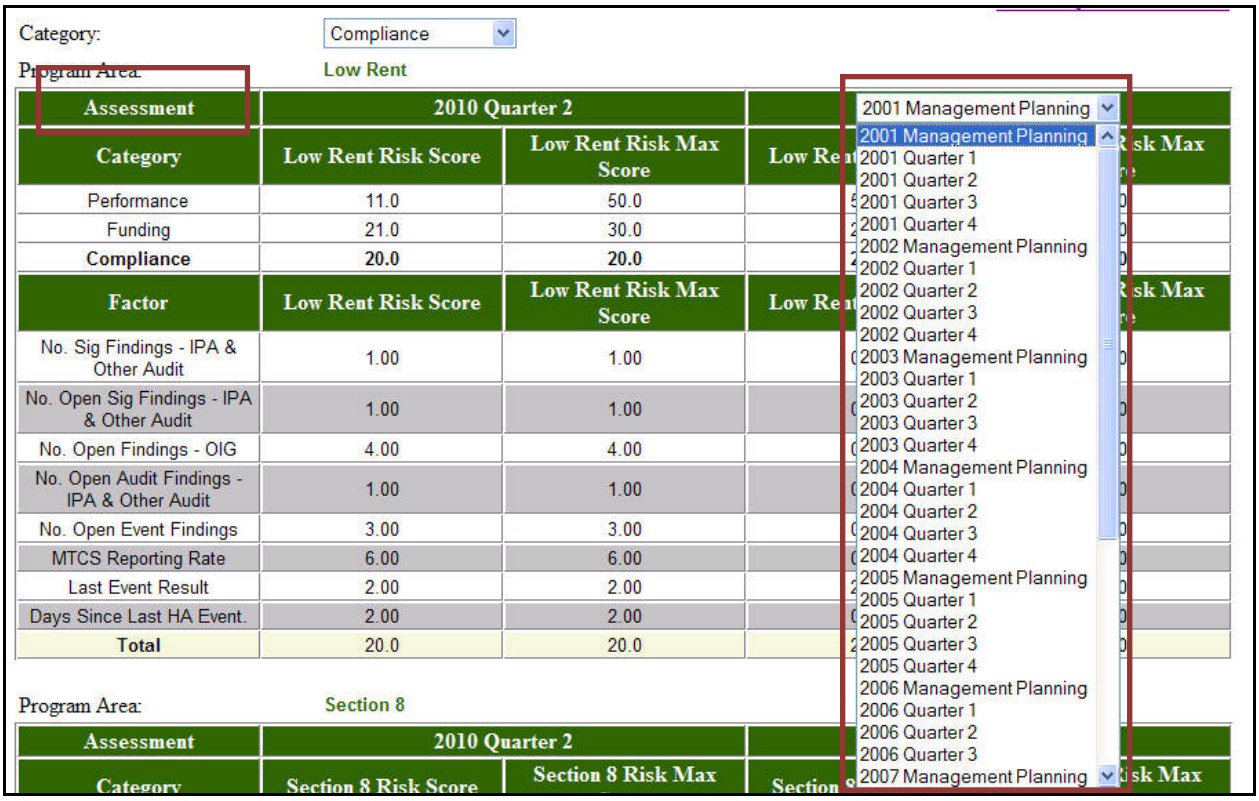


Figure 10: Changing the Assessment in the Quantitative Details page when the Factor Trending Comparison link is clicked.

1.1.1.4 Role of Qualitative Factors in determining Risk

The Qualitative factors provide an additional dimension for determining risk by identifying specific situations/conditions that are not reflected in the risk data used to calculate the Quantitative Factor score. This score does not change the risk score a PHA receives, but provides a justification for Field Office decisions to focus monitoring or resources on PHAs that do not necessarily score as high on the quantitative scoring list. The following table lists each qualitative factor a Field Office may assign.

Qualitative Factor	Description	Example
1. OIG/IPA audits	Significant major audit findings (theft, fraud, etc.) affect PHA	Violation of expenditure thresholds
2. Board/Management issues	Issues within or between the board or management restricting PHA	Chairman runs day-to-day operations of the PHA
3. Local crime rate	Rate for Class I crimes significantly above normal	Local police data and comparisons with similar

	affecting the PHA	communities
4. Cross-functional concerns	Concerns raised by another group or department toward PHA	Inconsistencies with consolidated plans
5. Natural disasters	Fire, flood, tornado, explosion, disease	Flooding not fully reimbursed by insurance
6. Local conditions	Unemployment, influx of people, community antagonism to PHA	Excessive unemployment
7. Litigation	Court actions or situations that restrict PHA management	Contractor disputes
8. Local media reports	News sources indicating significant and credible problems	Reports of drug usage or of gross mismanagement or fraud
9. Major new programs	Number, size, or complexity of new programs in the last 12 months that affect the PHA	HOPE VI
10. Other	No other Qualitative Factor listed applies. Please specify "Other" in Comments	Fair Housing issues **Note:** The selection of this Qualitative Factor category is to be used sparingly and only in those cases where no other identified factor is available. The reason for selection of this factor is to be clearly documented in the comments section of the **Qualitative Factor**page.
11. PHAS appeal	PHAS score is in appeal	PASS, FASS scores
12. Local political actions	Actions by political entity that restrict PHA management	Actions a political entity (such as resident organizations or local politicians) takes that restrict the PHA's management
13. SEMAP appeal	SEMAP score is in appeal	The PHA's SEMAP score is under appeal due to issues with score or

		methodology
14. Staff turnover/training	Staff skills not sufficient to carry out PHA functions	Three executive directors in two years
15. Timeliness of reporting	Significant and repeated delays in submitting required information	Significant and repeated delays in submitting required information
16. Tenant complaints	Reports where tenants claim something was done improperly	Credible reports by tenants in which they claim the PHA acted improperly (for example, elevators repeatedly out of order for extended time)

Factors can be assigned at any time during a quarter to a PHA. However, factors cannot be assigned for previous quarters. For Field Office personnel the completion of quantitative and qualitative analyses leads to the assignment of office strategies.

The **Qualitative Factors** sub tab of the **Assessment Analysis** tab is displayed below (see Figure 11).

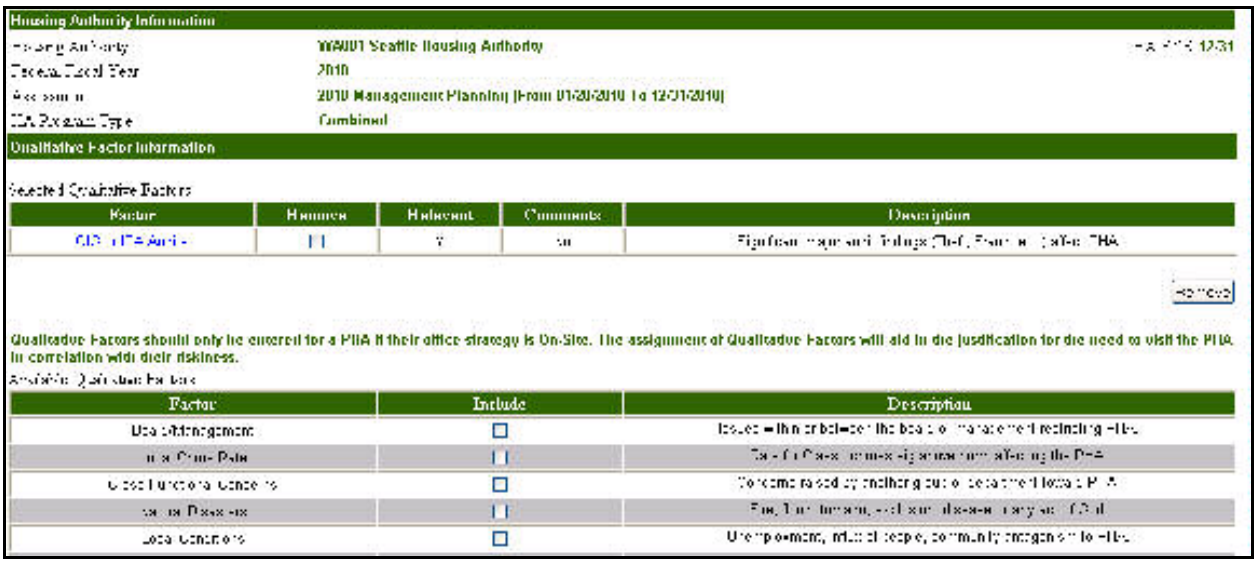


Figure 11: The Qualitative Factors of the Assessment Analysis tab.

The Qualitative Factors page displays the Field Office name and the HUB to which it belongs to. The Housing Authority Information is also displayed in the page.

The **Qualitative Factor Information** includes risk criteria not reflected in the quantitative assessment. HUD has defined 16 types of Qualitative Factors (see Figure 12).

Available Qualitative Factors:

Factor	Include
OIG or IPA Audits	☐
Board/Management	☐
Local Crime Rate	☐
Cross Functional Concerns	☐
Natural Disasters	☐
Local Conditions	☐
Litigation	☐
Local Media Reports	☐
Major New Programs	☐
Other	☐
PHAS Appeal	☐
Local Political Act	☐
SEMAP Appeal	☐
Staff Turnover/Training	☐
Timeliness	☐
Tenant Complaints	☐

Figure 12: Different types of Qualitative Factors

To select a qualitative factor for a PHA, the user can click the appropriate check box in the **Include** column (see Figure 13).

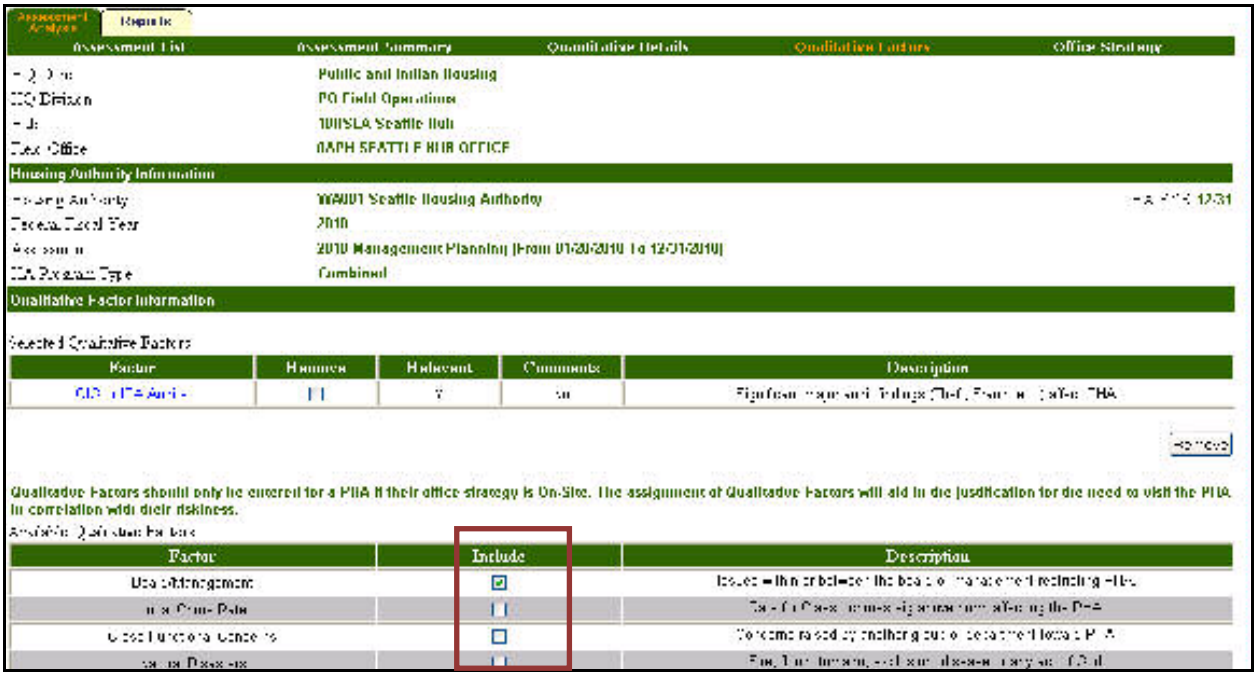


Figure 13: Selecting a qualitative factor in the Qualitative Factors page.

When user clicks the **Add** button at the bottom of the page, a message is displayed to confirm the selection. User can add desired comments when selecting the qualitative factor in this page.

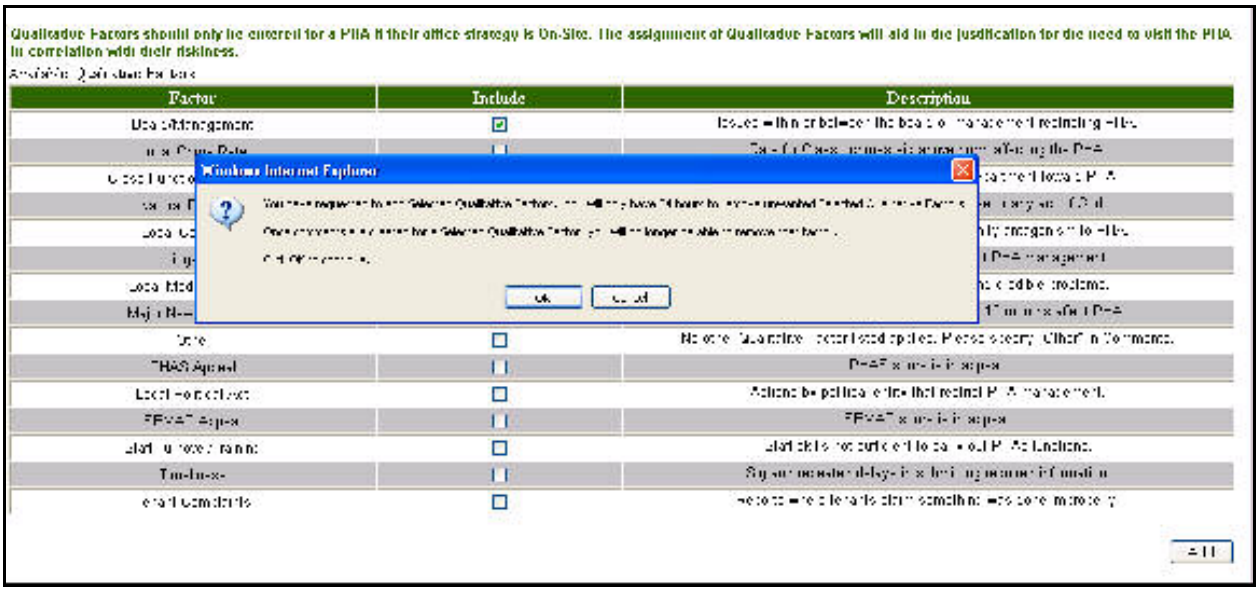


Figure 14 : Confirmation message displayed while adding a qualitative factor.

1.1.1.5 Removing the Qualitative Factors

The qualitative factors pertaining to a PHA can be removed, if there are no comments associated with them. The **Remove** button in the **Qualitative Factors** sub tab can be clicked to perform the removal operation (see Figure 15).

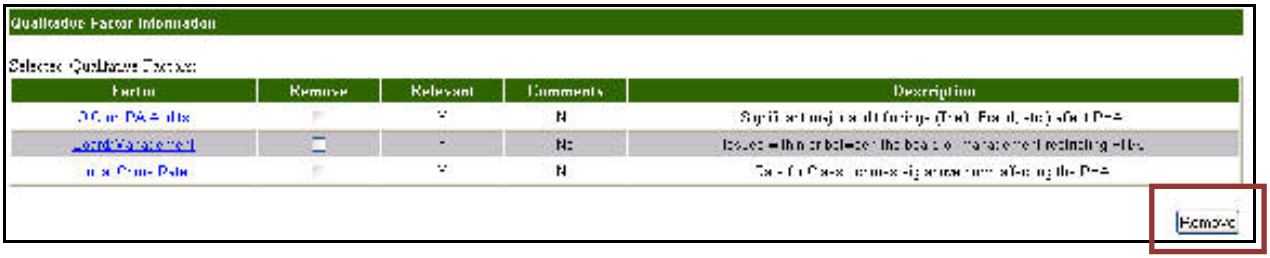


Figure 15 : Removing a Qualitative Factor for an assessment in the Qualitative Factors page

1.1.1.6 Viewing the Office Strategy details for a PHA

Office Strategy is a method adopted by the HUD personnel to decide what action has to be taken on a PHA by taking into account their risk information. The various office strategy categories are described in section 1.1.1.1 of the document. The **Office Strategy** sub tab of the **Assessment Analysis** tab is displayed below (see Figure 16).

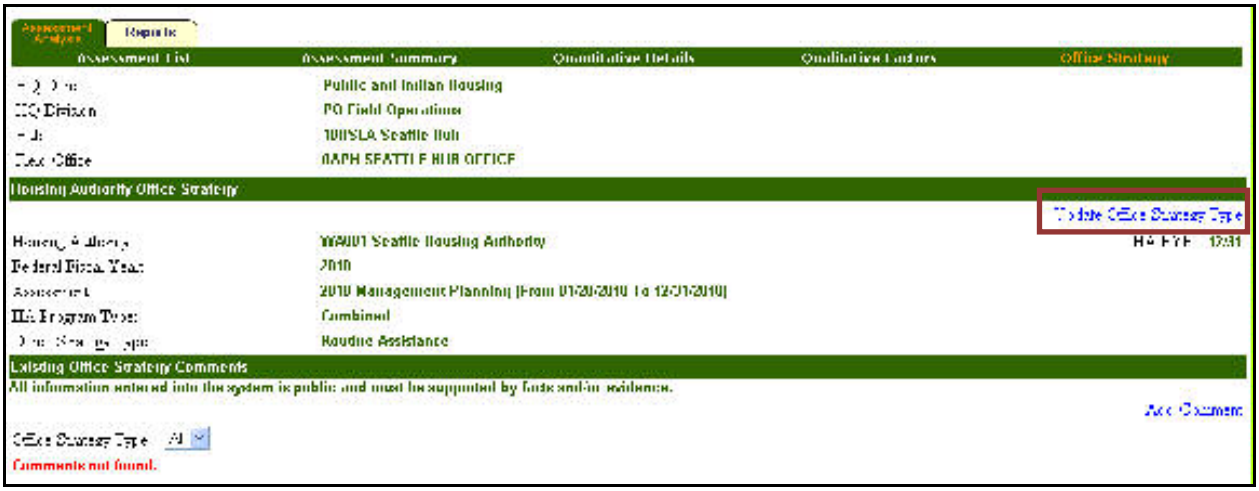


Figure 16: The Office Strategy Page of the Assessment Analysis tab.

This page provides a link for users with Security Administration rights to either update the current office strategy or to add additional comments. The **Housing Authority Office Strategy** section of the **Office Strategy** sub tab displays the program type and the current office strategy type of the selected housing authority. To update the office strategy of the PHA, user must click the **Update Office Strategy Type** link. For example, in Figure 17, if a user decides to change the office strategy type from routine assistance to remote assistance, user can select the desired office strategy in the **Office Strategy Type** list.

The **Update Office Strategy** section of the **Office Strategy** sub tab consists of **New Comments** box where user is required to enter the necessary comments/text for this change. This box is mandatory and is marked by an asterisk (*) symbol (see Figure 17).

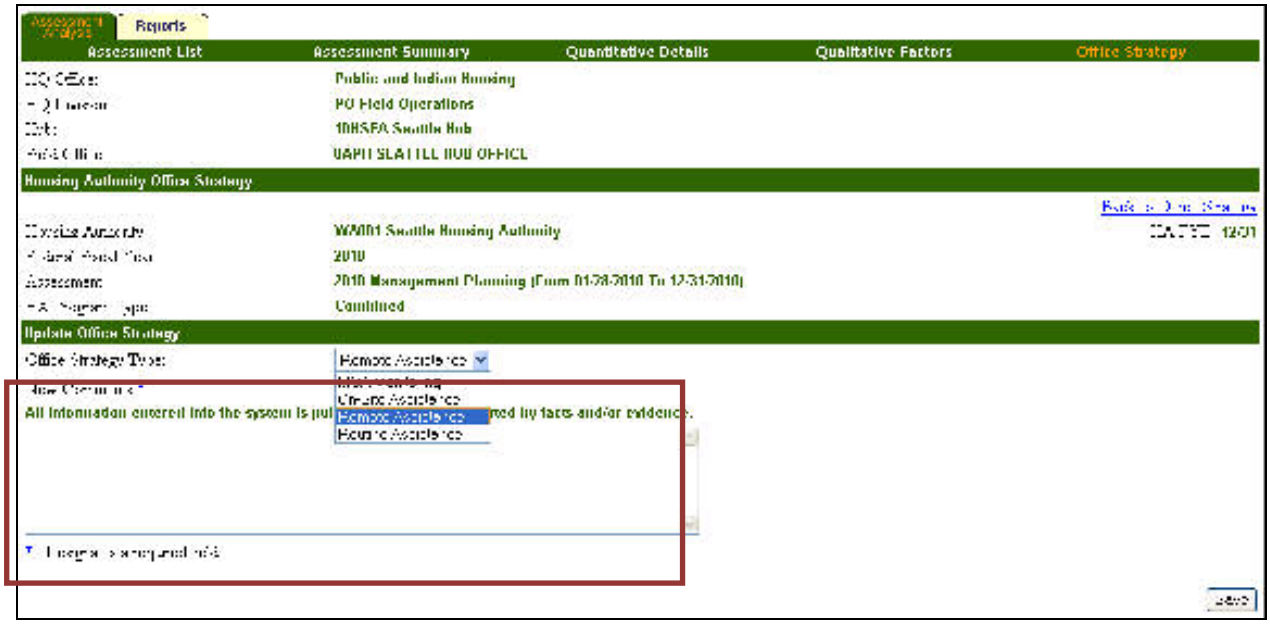


Figure 17 : Updating the Office Strategy for a PHA.

To save the changes made, user must click the **Save** button at the bottom of the page. The **Back To Office Strategy** link allows user to navigate back to the Office Strategy page.

Once changes are made to the office strategy type, the **Office Strategy** sub tab is refreshed (see Figure 18).

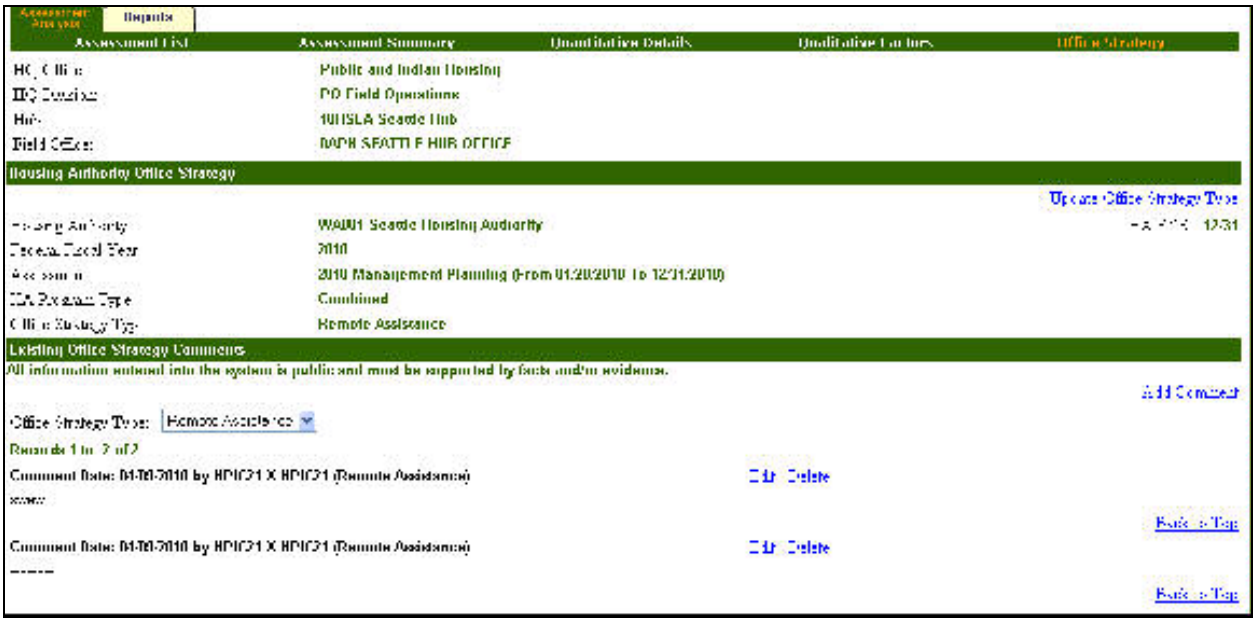


Figure 18 : The refreshed Office Strategy page after modifying the office strategy type.

The **Add Comment** link in the **Existing Office Strategy Comments** section allows a user to add a comment to existing office strategy type for a PHA. The **Edit** and **Delete** links of this section allow a user to edit or delete the comments for a PHA respectively.

1.1.2 Reports

The **Risk Assessment Report** can be generated at a HUB level for a Field Office (See Figure 19). To generate such report, user can click on the **Generate Report** button of the **Reports** tab of the **Risk Assessment** sub module.

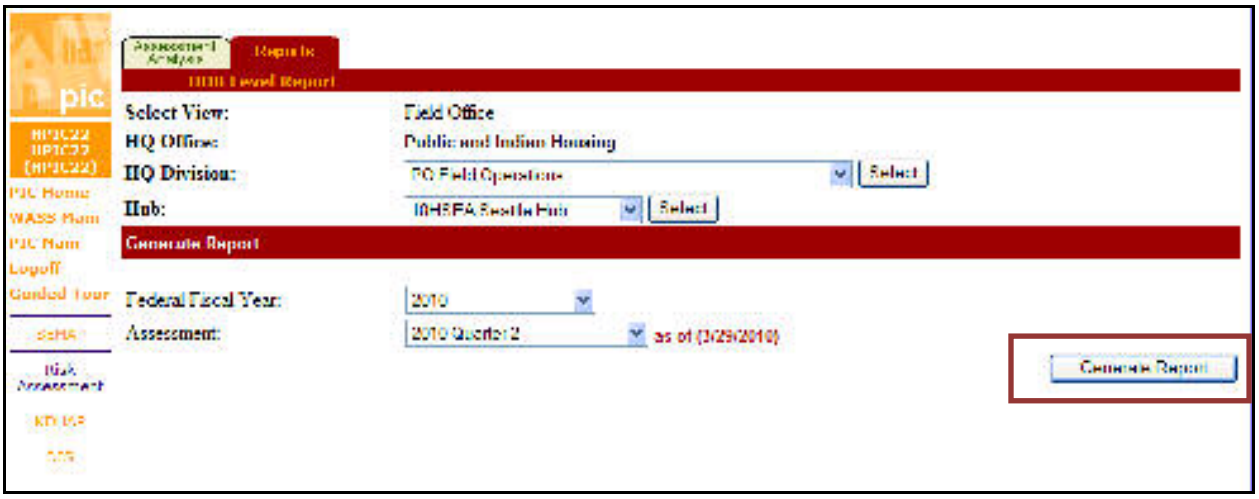


Figure 19: The Reports page of the Risk Assessment sub module.

Risk Assessment Report (HUB Level)

HQ Division: Public and Indian Housing
HQ Office: PO Field Operations
Hub: 10HSEA Seattle Hub
Federal Fiscal Year: 2010
Assessment: 2010 Quarter 2 as of (3/29/2010)

Risk Assessment Report

Records 1 to 50 of 61

HUB Rank	Field Office (Rank)	HA Code	HA Name	HA FYE	Program Type	Risk Score	LR Score	S8 Score	Risk Level	Office Strategy
1	OREGON STATE OFFICE (1)	OR002	Portland	03/31	C	94.00	62.00	94.00	High	Routine Assistance
2	WASHINGTON STATE OFFICE (1)	WA001	Seattle Housing Authority	12/31	C	94.00	52.00	94.00	High	Routine Assistance
3	WASHINGTON STATE OFFICE (2)	NV014	Southern Nevada RHA	09/30	C	90.00	90.00	75.00	High	Routine Assistance
4	OREGON STATE OFFICE (2)	WA008	Vancouver	12/31	C	85.00	52.00	85.00	High	Routine Assistance

Figure 20: A sample Risk Assessment Report.

The Risk Assessment Report displays the Score details, Risk Level, Office Strategy for a fiscal year and assessment for a Field Office at HUB level (see Figure 20).