



GENERAL INSTRUCTIONS FOR MONITORING PLANS

The purpose of these instructions is to assist those conducting monitoring reviews and to further explain the Monitoring Plans that will be used in these reviews.

There is a Monitoring Plan for each of the areas that could be reviewed, including the following:

APR and IHP Compliance	Organization and Structure
Environmental Review Compliance	Other Programs (ICDBG, ROSS, RHED/RIF)
Financial and Fiscal Management	Procurement and Contract Administration
Labor Standards	Relocation and Real Property Acquisition
Lead-Based Paint Compliance	Section 504 Accessibility Compliance
Maintenance and Inspection	Self-Monitoring
Admissions and Occupancy	Subrecipient Agreements
Title VI	

When reviewing the Indian Community Development Block Grant (ICDBG), Rural Housing and Economic Development/Rural Innovation Fund (RHED/RIF), and Resident Opportunity and Self-Sufficiency (ROSS) programs, the reviewer will use the Other Programs Monitoring Plan for that part of the review that is specific to the program requirements, as well as, Plans that pertain to applicable review areas, i.e., Procurement and Contract Administration Monitoring Plan, Environmental Monitoring Plan, etc.

OVERVIEW OF THE MONITORING PLANS

The Monitoring Plans are considered “living” documents and may be revised and updated from time to time. It is essential that the reviewer use the current versions of the Plans so that each monitoring review is conducted consistently and reflects the latest approaches to determining a recipient’s capacity, compliance, and performance. Therefore, the reviewer should always use the Monitoring Plans posted on the ONAP’s Code Talk website at: https://www.hud.gov/program_offices/public_indian_housing/ih

The Monitoring Plan table consists of five columns:

- The first column gives direction on how and/or what to review and provides questions that should be asked during the review in order to reach a conclusion whether the recipient is complying with the requirements.
- The second column, entitled “Regulatory/Statutory Citation,” provides the regulatory and/or statutory citation(s) in order to identify the requirements for the program or activity to be reviewed. If the same citation applies to several items in succession, the citation will only be listed for the first item. If there is a violation in this area, the reviewer will use this citation from the Plan as the legal basis (criteria) for a finding.

- The third column, entitled “Other Tools,” lists PIH Notices, Program Guidances, and/or other tools to assist in conducting the review.
- The fourth column, entitled “Workpaper Page,” (abbreviated WP.Pg.) is where the reviewer enters the appropriate page number(s) of documentation that supports the conclusion that the recipient is complying with the requirements or that a finding or concern is warranted. Recording the page reference numbers assists the reviewer in developing a report to a supervisor.
- The reviewer will use the last column, entitled “Remarks,” to enter any notes, comments, or remarks on specific items, again, to assist in developing the monitoring report. Also, the name of the person that reviewed the section should be included in this column if more than one reviewer worked on that particular Monitoring Plan.

Each Monitoring Plan has the same standard sections: Purpose, Pre-Visit Preparation, Review, and Summary, with some standard language in each.

- Purpose. This section summarizes the purpose of the review in that area to be monitored. It may also explain the program requirements.
- Pre-Visit Preparation. This section instructs the reviewer what to examine prior to going on site. The Reviewer will examine documentation contained in ONAP’s records and will also request certain documentation from the recipient in the on-site notification letter. For a list of documentation that should be requested, see the “Pre-Monitoring Visit Document Checklist,” attached to these instructions. The reviewer should request the applicable documents based on the areas that will be monitored. Specific instructions on how to review the documents is covered in the On-Site Review Section of each plan. If the recipient does not submit the requested documentation prior to the on-site review, the reviewer will need to request the documents while on-site.
- On-Site Review. This section instructs the reviewer on what to examine while on-site and how to conduct the review. If a topic or item is not applicable to the recipient (e.g., questions on investments for a recipient that is not approved for investments), the reviewer should so indicate in that section of the plan.
- Other Sections. Some monitoring plans break the review into sub-reviews that the reviewer may perform. For instance, the Procurement and Contract Administration Monitoring Plan has additional sections on the Sealed Bids, Competitive Proposals, Noncompetitive Proposals, and the Small Purchase Methods of Procurement, and the Contract Administration Review.
- Summary. The reviewer should summarize the conclusions of the review, including a summary of the findings, concerns, and/or exemplary practices that pertain to the monitoring area.

MONITORING OVERVIEW

Findings: A finding is a statement, supported by documented evidence, of recipient noncompliance with any statutory or regulatory requirement and occurred during the records retention period, as described at 24 CFR 1000.552. All findings require corrective actions designed to bring the recipient into compliance.

If it is unclear whether a deficiency is a finding, the reviewer should discuss it with the GE Director. The reviewer should not be making these judgment calls alone because they can result in inconsistent, incorrect, or inappropriate conclusions and/or recommendations.

In some cases, there may be a minimal number of instances where the recipient has not complied with the program requirements and the instances have a negligible impact that does not rise to the level of a finding. It might only be a finding if there were several instances of noncompliance which would indicate a problem with the system in question.

High-risk recipients or those where enforcement has been started. If HUD determines a recipient to be “high risk” and imposed special conditions, in accordance with 2 CFR § 200.207, the reviewer should verify whether the recipient is meeting those provisions identified in the grant agreement. Similarly, if HUD has entered into a Voluntary Agreement, Voluntary Compliance Agreement, Settlement Agreement, or Tri-Party Agreement with the recipient (once the enforcement process has started), the reviewer should verify whether the recipient is meeting the conditions in the agreement. If remedies have been imposed, the reviewer will determine whether the noncompliance issues that justified the remedies have been adequately resolved.

Scope of review. In accordance with 24 CFR 1000.503, the reviewer will normally review no more than the recipient’s current program year and the two prior program years. Therefore, transactions that occurred during this period should be the focus of sampling or examination. Be aware that transactions occurring during the scope may arise from activities that are outside of the scope. For example, if construction is occurring on land that was included in an environmental review completed five years ago, the examination of the environmental review record itself would typically be outside the scope. The reviewer can request to expand the scope of the review if there is credible evidence suggesting noncompliance.

Sampling techniques. In accordance with 24 CFR 1000.503, the reviewer will review **no more than** ten client files or **no more than** 10 percent of the client files, whichever is greater. This is the maximum size of the sample. For example, if ten percent of the client files represents 200 files, the greater sample of 200 client files should be used instead of 10 client files. The reviewer should consider the entire universe of potential sampling before determining sample size. If there are fewer than 10 total transactions, the reviewer should examine all of the files. If there are complaints in a specific area, the reviewer should examine those complaints. Also, the reviewer should focus on those types of transactions that have a higher level of risk. For instance, the sealed bid method

of procurement would have a higher level of risk than the small purchase method. The sample for Occupancy reviews should focus on those families that moved in during the scope of the review.

The on-site inspection of dwelling units shall consist of **no more than** ten dwelling units or **no more than** ten percent of total dwelling units, whichever is greater. If feasible, the reviewer should attempt to inspect the same units as reviewed for client files. If the reviewer uses a percentage to determine the sample size and the result is not a whole number, the number should be rounded up or down. In other words, a .5 or higher is rounded up to the next whole number.

There are different methods or tools the reviewer can use when determining a sampling of projects, transactions, or files to review. Other than simply picking a sample, there are two tools the reviewer could select that would provide a random way of sampling. One of these tools is called EZ Quant, which can be downloaded at www.dcaa.mil. EZ Quant is a statistical analysis tool used by Defense Contract Audit Agency auditors to conduct regression analysis, improvement curve projections, and statistical sampling.

The reviewer could also use the sampling method contained in the PIH Occupancy Audit Handbook, located at www.hud.gov/offices/adm/hudclips/handbooks/pihh/74652/index.cfm. While this Handbook does not pertain to NAHASDA, the sampling method contained in Section 2-9 of Chapter 2 is another method that can be used when determining the sample size.

Random sampling is not a requirement. Instead, selective sampling may be more appropriate in order to focus the sample on higher risk activities, such as procurement and contract administration.

Interviewing recipient staff. The reviewer should interview appropriate recipient staff when conducting the review to verify that recipient policies and practices are actually being followed. Even though a recipient's policy may be in compliance with the requirements, the reviewer should verify with the appropriate staff that the practices they are actually following are also in compliance. While interviewing staff, the reviewer may also find problems and/or exemplary practices that may not have been discovered by reviewing the documentation.

Workpapers. The reviewer will obtain documentation, such as workpapers, to support conclusions reach regarding compliance or noncompliance. The workpapers should have a cover page that contains the following sections:

Purpose: The purpose of the review.

Scope: What was reviewed.

Source: Who provided the documentation and who was interviewed.

Conclusion: A summary of the review results.

Reviewer(s): A list of all persons involved in the review.