

ParagraphPage

TABLE OF CONTENTS

PART I. MANAGEMENT CONTROL PROGRAMCHAPTER 1. MANAGEMENT CONTROL PROGRAM OVERVIEW

1-1.	Purpose	1-1	
1-2.	Policy		1-1
1-3.	Management Control Program		1-1
1-4.	Applicability		1-3
Exhibit 1-1	Management Control Program's Primary Organization Heads	1-4	
Exhibit 1-2	Management Control Program Annual Schedule		1-5

CHAPTER 2. RISK ASSESSMENT

2-1.	Purpose	2-1	
2-2.	Policy		2-1
2-3.	Risk Identification		2-1
2-4.	Risk Analysis		2-2
2-5.	Managing Risk During Change		2-2
2-6.	Assigning Risk Ratings		2-3
Exhibit 2-1	HUD Risk Assessment Worksheet		2-6

CHAPTER 3. EVALUATING MANAGEMENT CONTROLS

3-1.	Purpose	3-1	
3-2.	Policy		3-1
3-3.	Types of Management Control Evaluations		3-1
3-4.	MCR Requirements		3-1
3-5.	AMCR Requirements		3-2
3-6.	Documentation and Testing		3-3
3-7.	Reporting on Results		3-4
3-8.	Early Warning Reporting		3-4
3-9.	Responsibilities		3-4
Exhibit 3-1	Material Weaknesses		3-6

CHAPTER 4. IMPLEMENTING CORRECTIVE ACTIONS

4-1.	Purpose	4-1	
4-2.	Policy		4-1
4-3.	Identifying Corrective Actions		4-1

Paragraph
Page

4-4.	Planning Corrective Actions	4-1
4-5.	Reporting on Progress	4-2
4-6.	Responsibilities	4-2

CHAPTER 5. REPORTING ON THE ADEQUACY OF MANAGEMENT CONTROLS

5-1.	Purpose	5-1
5-2.	Policy	5-1
5-3.	General Reporting Requirements	5-1
5-4.	POH Reports	5-2
5-5.	CFO's Report	5-2
5-6.	Secretary's Annual FMFIA Statement	5-2
5-7.	Responsibilities	5-3

CHAPTER 6. VERIFICATION REVIEWS

6-1.	Purpose	6-1
6-2.	Policy	6-1
6-3.	Scope	6-1
6-4.	Scheduling	6-1
6-5.	Review and Approval	6-1
6-6.	Responsibilities	6-2

CHAPTER 7. RISK-BASED MONITORING

7-1	Purpose	7-1
7-2	Policy	7-1
7-3	Overview of Risk-Based Monitoring	7-1
7-4	Responsibilities	7-2
7-5	Identifying Program Risks and Setting Monitoring Objectives	7-3
7-6	Developing Risk-Based Rating Systems for Program Participants	7-4
7-7	Developing and Communicating Strategies and Plans	7-6
7-8	Rating and Selecting Participants for Monitoring	7-7
7-9	Conducting Monitoring Activities	7-8
7-10	Documenting Risk-Based Monitoring Process	7-10
7-11	Reporting Deficiencies	7-11

ParagraphPagePART II. FRONT-END RISK ASSESSMENTSCHAPTER 8. FRONT-END RISK ANALYSIS OF NEW OR SUBSTANTIALLY
REVISED PROGRAMS OR ADMINISTRATIVE FUNCTIONS

8-1.	Purpose	8-1
8-2.	Policy	8-1
8-3.	Implementation	8-2
8-4.	FERA Review	8-2
8-5.	Process	8-2
8-6.	Reporting	8-11
Exhibit 8-1	Analysis of General Control Environment	8-13
Exhibit 8-2	Analysis of Inherent Risk	8-14
Exhibit 8-3	Review of Control Objectives and Control Techniques	8-16
Exhibit 8-4	Schedule for Planned Actions	8-17
Exhibit 8-5	Certification of the Completion of FERA Process	8-18

APPENDICES

1.	Glossary	A-1
2.	Federal Managers' Financial Integrity Act of 1982	A-2
3.	OMB Circular A-123	A-3
4.	OMB Circular A-127	A-4

ABBREVIATIONS

ADP	Automated Data Processing
AMCR	Alternative Management Control Review
CFO	Chief Financial Officer
EPAS	Executive Performance Appraisal System
EPPEP	Employee Performance Planning and Evaluation System
FERA	Front-End Risk Assessment
FMFIA	Federal Managers' Financial Integrity Act
FTE	Full Time Equivalent
GAO	General Accounting Office
GTM	Government Technical Monitor
GTR	Government Technical Representative
HUD	Department of Housing and Urban Development
IG	Inspector General
IRM	Information Resources Management
MCC	Management Control Coordinator
MCR	Management Control Review
OIG	Office of Inspector General
OMB	Office of Management and Budget
POH	Primary Organization Head
SGL	Standard General Ledger