



U.S. Department of Housing and Urban Development

COMMUNITY PLANNING AND DEVELOPMENT

Special Attention of:
All Regional Office Directors
All Field Office Directors
All CPD Office Directors

Notice CPD—04-01

Issued: February 2, 2004

Expires: February 2, 2005

Subject: Implementing Risk Analyses for Monitoring Community Planning and Development Grant (CPD) Programs for Fiscal Year (FY) 2004

This Notice extends the provisions of [Notice CPD 02-11](#) and makes the following change. The score for determining a high risk grantee is changed from a score of "65" to a score of "51" in conformity with Departmental policy contained in Handbook 1840.1, Rev-3, Departmental Management Control Program.

Grantees with a total average score of 51 or higher will be designated as high risk;
Grantees with scores between 30-50 will be designated as moderate risk; and
Grantees with scores of less than 30 will be designated as low risk.

Page 5 would read as follows:

- Grantees whose total average scoring equals 51 or higher will be designated as high risk, scores between 30-50 result will be designated as moderate risk and scores of 30 or below will be designated as low risk.

Page 6 would read as follows:

- After scores are established, grantees will be ranked from highest to lowest risk based on total average scoring. (See Attachment C-2). Grantees whose total average scoring equals 51 or higher will be designated as high risk, scores between 30-50 result in a designation of moderate risk and scores of 30 or below result in a designation as low risk.
 - High-risk grantees will be selected for monitoring in rank order. Those grantees whose total average score is 51 or higher are to be further reviewed to determine if an exception applies. The Management Representative(s) must annotate grantees that are determined to be high risk, but will not be scheduled for monitoring this Fiscal Year, as an exception on the Formula Composite Summary Worksheet (See Attachment C-2).
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- After all exceptions are determined then the appropriate Fiscal Year Management Plan national goal must be applied to determine the total number of grantees that must be monitored on-site for the fiscal year. Grantees that have a total average score of less than 51 points may be selected for on-site monitoring in rank order.

Page 7 would read as follows:

- After scores are established, grantees will be ranked from highest to lowest risk based on the total average scoring. (See Attachment C-1). Grantees whose total average scoring equals 51 or higher will be designated as high risk, scores between 30-50 result in a designation of moderate risk and scores of 30 or below result in a designation as low risk.
- High-risk grantees will be selected for monitoring in rank order. Those grantees whose total average score is 51 or higher are to be further reviewed to determine if an exception applies. The Management Representative(s) must annotate grantees that are determined to be high risk, but will not be scheduled for monitoring this Fiscal Year, as an exception on the Competitive Composite Summary Worksheet (See Attachment C-1).
- After all exceptions are determined then the appropriate Fiscal Year Management Plan national goal must be applied to determine the total number of grantees that must be monitored on-site for the fiscal year. Grantees that have a total average score of less than 51 points may be selected for on-site monitoring in rank order. This applies only after all high risk grantees are selected for monitoring or are exempted by exceptions.

Page 66 would read as follows:

High Risk = any grantee whose program score is 51 or more.

Page 67 would read as follows:

High Risk = any grantee whose program score is 51 or more.

These changes resulted from a review of experience with the implementation of risk analysis procedures during FY 2003 that was conducted by the CPD Risk Analysis Task Force.