§ 1000.503

(c) HUD is responsible for reviewing the recipient as set forth in §1000.520.
(d) HUD monitoring will consist of on-site as well as off-site review of records, reports and audits. To the extent funding is available, HUD or its designee will provide technical assistance and training, or funds to the recipient to obtain technical assistance and training. In the absence of funds, HUD shall make best efforts to provide technical assistance and training.

§ 1000.503 What is an appropriate extent of HUD monitoring?

(a) Subject to any conflicting or supplementary requirement of specific legislation, and upon the effective date of this regulation, the frequency of HUD monitoring of a particular recipient will be determined by application of the HUD standard risk assessment factors, provided that when a recipient requests to be monitored, HUD shall conduct such monitoring as soon as practicable. The HUD standard risk assessment factors may be but are not limited to the following:
   (1) Annual grant amount;
   (2) Disbursed amounts—all open grants;
   (3) Months since last on-site monitoring;
   (4) Delinquent Office of Management and Budget (OMB) Circular A–133 audits;
   (5) Open OMB Circular A–133 or Inspector General audit findings;
   (6) Conclusions of OMB Circular A–133 auditor;
   (7) Open monitoring findings;
   (8) Delinquent Annual Performance Reports or Annual Status and Evaluation Reports;
   (9) Status of Corrective Action Plan (CAP) or Performance Agreement (PA);
   (10) Recipient Self-Monitoring;
   (11) Inspection of 1937 Act units;
   (12) Preservation of 1937 Act units; and
   (13) Any other additional factors that may be determined by HUD, consistent with HUD’s Tribal Consultation Policy, by which HUD will send written notification and provide a comment period. Such additional factors shall be provided by program guidance.

(b) If monitoring indicates noncompliance, HUD may undertake additional sampling and review to determine the extent of such noncompliance. The level of HUD monitoring of a recipient once that recipient has been selected for HUD monitoring is as follows:
   (1) Review recipient program compliance for the current program year and the 2 prior program years;
   (2) On-site inspection of no more than 10 dwelling units or no more than 10 percent of total dwelling units, whichever is greater;
   (3) Review of no more than 10 client files or no more than 10 percent of client files, whichever is greater.

(c) Notwithstanding paragraph (b) of this section, HUD may at any time undertake additional sampling and review of prior program years, subject to the records retention limitations of §1000.552, if HUD has credible information suggesting noncompliance. HUD will share this information with the recipient as appropriate.

(d) A recipient may request ONAP to enter into Self-Monitoring Mutual Agreements or other self-monitoring arrangements with recipients. ONAP will monitor the recipient only in accordance with such agreement or arrangement, unless ONAP finds reasonable evidence of fraud, a pattern of noncompliance, or the significant unlawful expenditure of IHBG funds.

[77 FR 71528, Dec. 3, 2012]

§ 1000.506 If the TDHE is the recipient, must it submit its monitoring evaluation/results to the Indian tribe?

Yes. The Indian tribe as the grant beneficiary must receive a copy of the monitoring evaluation/results so that it can fully carry out its oversight responsibilities under NAHASDA.

§ 1000.508 If the recipient monitoring identifies programmatic concerns, what happens?

If the recipient’s monitoring activities identify areas of concern, the recipient will take corrective actions which may include but are not limited to one or more of the following actions:

(a) Depending upon the nature of the concern, the recipient may obtain additional training or technical assistance from HUD, other Indian tribes or TDHEs, or other entities.