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**Sent:** Thursday, October 20, 2022 4:04 PM

**To:** HOPWA-L@HUDLIST.HUD.GOV

**Subject:** HUD Issues Notice CPD-22-11: Final Implementing Risk Analyses Monitoring CPD Grant Programs in FY 2023

**HUD Issues Notice CPD-22-11: Final Implementing Risk Analyses Monitoring CPD Grant Programs in FY 2023**

HUD has released [Notice CPD-22-11: Final Implementing Risk Analyses Monitoring Community Planning and Development \(CPD\) Grant Programs in FY 2023](#).

This Notice provides a consistent methodology for conducting risk analyses for CPD formula and competitive grantees and establish monitoring priorities within available resources. This risk analysis process has been incorporated into CPD's Grants Management Process Reporting (GMP-R) system, a computer-based information system which is used to provide a documented record of conclusions and results.

This Notice reflects a risk analysis methodology that was implemented by [Notice CPD-22-04](#), published February 10, 2022. The methodology was developed by a CPD working group in collaboration with the Office of the Chief Risk Officer, that considered risk factors, subfactors, and symptomatic causes in program performance. The methodology CPD utilizes is designed to best identify risk, utilize a streamlined process, and ensure consistency across reviews through the integration of available performance data from grant reporting systems, and use, to the greatest extent feasible, subfactors which can be auto-populated using data extracted from existing information technology systems available to CPD. This Notice updates the methodology to reflect the full utilization of the GMP-R system for completing Risk Analysis Worksheets (Attachments A-1 through A-10) and documenting Management Representative electronic approval for completing grantee risk ranking and for documenting grantee and program selection for annual CPD monitoring review. Limited substantive changes were made to incorporate additional automation using system performance data, revise factor scoring and questions where needed to best align with risk predictors, and improve language clarity. Additional non-substantive revisions were made to clarify and better organize the language outlining CPD's Risk Analysis process and policies.

This Notice is intended to augment the Departmental policy contained in [Handbook 1840.1, Departmental Management Control Program](#), which requires the development of risk-based rating systems for all programs, and [Handbook 6509.2, Community Planning and Development Monitoring Handbook](#), which establishes standards and provides guidance for monitoring CPD Programs. The major steps for implementing risk-based monitoring include:

- Developing risk-based rating systems to evaluate all program grantees
- Rating and selecting grantees for monitoring
- Identifying program risks and setting monitoring objectives
- Documenting the process and recording the rationale for choosing grantees to be monitored

Each CPD Field Office will perform the risk analysis using the methodology described in this Notice. The Evaluator (e.g., CPD Representative, Financial Analyst, or CPD Specialist) and Management Representative (e.g., CPD Director, Program Manager) have specific responsibilities for risk analysis review and information update for each grantee.




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