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National Flood Insurance Program (NFIP)

Compliance Audit Program

Interim Guidance

June 2023

FEMA

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1. Introduction

The National Flood Insurance Act of 1968, as amended (42 U.S.C. § 4001 et seq.), prohibits the Federal Emergency Management Agency (FEMA) from providing flood insurance under the National Flood Insurance Program (NFIP) to a community unless the community participates in the NFIP by adopting and enforcing floodplain management regulations that meet minimum NFIP floodplain management criteria. As part of this responsibility, FEMA may identify deficiencies in a community's floodplain management program and identify structures or other development that are in violation of the community's floodplain management regulations. The **NFIP Compliance Audit Program** (formerly known as Community Assistance Visit (CAV)/Community Assistance Contact (CAC)) serves as a vital tool for monitoring compliance of NFIP-participating communities.

Community compliance with minimum NFIP requirements ensures the sound financial framework of the NFIP and minimizes strain on the Disaster Relief Fund—reducing both insured and uninsured flood losses on the order of nearly $2.5 billion annually. Auditing community compliance and providing technical assistance to resolve floodplain management program deficiencies and violations is the core of the FEMA Floodplain Management Program's (FPM's) purpose and mission.

The NFIP Compliance Audit Program
The NFIP Compliance Audit is a three-phase process to 1. **Audit** a community's compliance with NFIP regulations at a point in time, 2. **Follow-up** and provide **technical assistance** to address floodplain management program deficiencies and violations after the audit, and 3. **Enforce** floodplain management requirements when necessary.

1.1 Purpose and Document Use

This interim guidance establishes baseline procedures for conducting the NFIP Compliance Audit Program in communities that participate in the NFIP. At the request of FPM leadership, this document focuses primarily on the auditing phase of the NFIP Compliance Audit process (Phase 1). Audit Follow-up & Technical Assistance (Phase 2) and Enforcement (Phase 3) will be addressed in FY23. This guidance is intended to support FEMA Headquarters (HQ) staff in socializing new elements of the redesigned process with internal stakeholders (e.g., Office of Chief Council, Paperwork Reduction Act officers, etc.) and lays out the vision for the future audit process. The CAV/CAC process is authorized by 44 CFR Section 60.1b and Section 59.2. At present time, the CAC/CAV guidance (FEMA F-776) remains the principal guidance for FEMA and state Auditors conducting compliance audits. *This is a living document and will be updated as FPM progresses with redesigning key elements of the future audit process.*

For any questions, please contact Sarah Owen, NFIP Program Analyst (Sarah.Owen@fema.dhs.gov).

1.2 NFIP Compliance Audit Redesign Background

Structures that are built to meet or exceed NFIP minimum floodplain management standards incur 65% less flood damage on average (FEMA website; Individuals - Floodplain Management Resources | FEMA.gov). This leads the nation to saving approximately $2.4 billion in avoided flood losses each year and $100 billion over the last 40 years. Yet over the last five (5) fiscal years, only 34% of the 22,500+ NFIP-participating communities have been audited for compliance. Furthermore, the risks of non-compliance are increasing each year with the rising frequency and severity of disasters. If communities are not held accountable for compliance with NFIP standards, then FEMA can expect disaster suffering to continue to rise. **In light of these challenges, FEMA recognized the need to improve its NFIP compliance auditing program to increase nationwide transparency, consistency, and accountability in how a community's floodplain management program is evaluated and the ability to track and understand compliance changes over time.**

1.3 Approach

FPM initiated a multi-year effort in FY20 to increase local accountability through a redesign of the CAC and CAV delivery model. During the first year of the NFIP Compliance Audit Redesign, FPM staff from HQ and the Regions, as part of the FPM Compliance Committee, reimagined the CAC/CAV process to identify challenges and needs, explore industry best practices and solutions, and redesign key elements of the process. This effort culminated in development of the new "Progressive Audit Framework" (described in greater detail in Section 2 of this guidance document). In FY21, the Compliance Committee continued its work by developing new Auditor tools to standardize the compliance audit process, including the Community Self Assessment and Full Evaluation tools. In FY22, the Compliance Committee further built out the new process by developing the Diagnostic Assessment Tool and co-created the design and implementation of the NFIP Compliance Audit Pilot in collaboration with select states through the State Support Services Element of the Community Assistance Program. The pilot set out to test a suite of new audit scoring tools and collect feedback. In future years, the Compliance Committee will focus on developing solutions to address key challenges with the Audit Follow-up, Technical Assistance, and Enforcement phases of the new process, as well as creating an Auditor training program and national rollout strategy.

1.3.1 Continuous Feedback and Process Improvements

The redesign of the NFIP Compliance Audit featured an agile innovation approach (see Figure 1). The Compliance Committee engaged regularly in a series of design sprints and meetings that encouraged purposeful thinking on the end customer—local officials and the communities they serve. This method encourages new ideas and collaboration and promotes iterative improvement and feedback. As part of the future rollout of the new audit process, FEMA envisions a similar agile approach. Stakeholder feedback will continually be collected and analyzed to diagnose problems, develop solutions, and implement enhancements to the process to further strengthen the NFIP Compliance Audit.
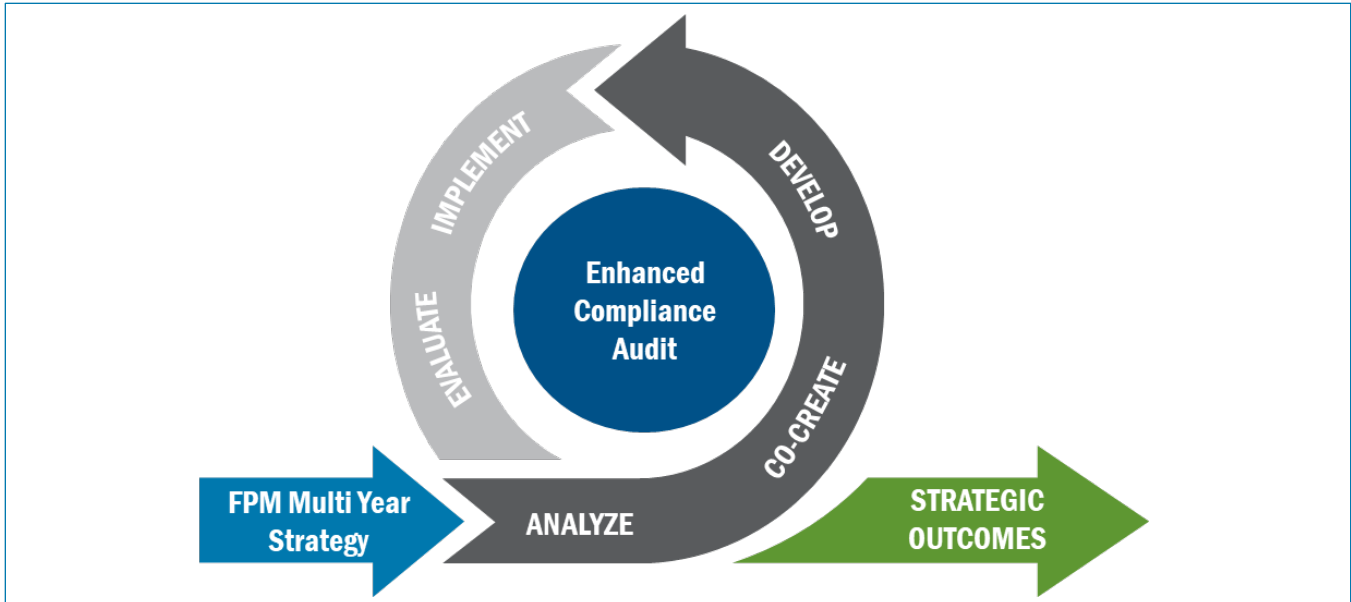
FIGURE 1: AGILE APPROACH TO THE NFIP COMPLIANCE AUDIT REDESIGN

1.4 Objectives and Intended Outcomes

To ensure a clear vision and strategy for addressing the challenges related to the previous CAC/CAV process, the Compliance Committee devised the following objectives and outcomes to guide their effort.

Objective
▪ Improve engagement with communities to ensure they adopt and enforce NFIP minimum standards in the pre- and post-disaster environment (Object 1.1(B) of the 2019 FPM Multi-Year Strategy)

Intended Outcomes
▪ Provide consistent guidance and improved procedures for auditing a community's floodplain management mitigation efforts in alignment with the NFIP
▪ Improve the audit process, provide more actionable guidance to staff executing CAVs, and encourage higher community compliance

1.5 Goals of the NFIP Compliance Audit Redesign

The Compliance Committee has been tasked with reimagining how FPM can increase the number of audits of NFIP communities from 34% to 60% in a 5-year period. Figure 2 shows the goals of this effort.

REAFFIRM FPM AUDIT RESPONSIBILITY
Redesigned CAC/CAV conveys the spirit and intent of a compliance audit

MEASURE COMPLIANCE IMPROVEMENT
New audit process should allow FPM to claim success for helping communities

CAPTURE "POINT IN TIME" ASSESSMENT
Results of the audit should be communicated and completed quickly

LEVERAGE BEST PRACTICES
Informed by industry best practices from other government compliance programs

UNDERSTAND PROGRAM "HEALTH"
New audit process will allow FPM to better understand the compliance "health" of its 22,000+ NFIP communities

FIGURE 2: NFIP COMPLIANCE AUDIT REDESIGN GOALS

1.6 Guiding Principles

Guiding principles are a set of values that establish the framework for decision-making throughout the work effort. They can serve as a rubric to measure the solutions by and represent the culture of the NFIP Compliance Audit. As the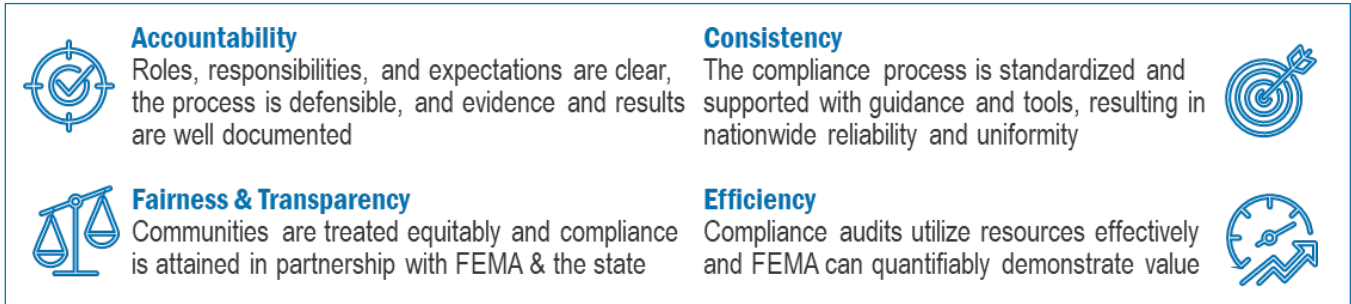 Compliance Committee worked through solutions to redesign the CAC/CAV process, they adhered to the principles shown in Figure 3 in reviewing their recommended approaches.

Accountability
Roles, responsibilities, and expectations are clear, the process is defensible, and evidence and results are well documented

Consistency
The compliance process is standardized and supported with guidance and tools, resulting in nationwide reliability and uniformity

Fairness & Transparency
Communities are treated equitably and compliance is attained in partnership with FEMA & the state

Efficiency
Compliance audits utilize resources effectively and FEMA can quantifiably demonstrate value

FIGURE 3: NFIP COMPLIANCE AUDIT REDESIGN PRINCIPLES

1.7 Challenges of the CAC/CAV Process

Key challenges associated with the previous compliance process served as a major impetus for the overall process redesign. Compliance Committee members were tasked with assessing four key challenges associated with CACs and CAVs as first identified by branch chiefs at Floodplain Management and Insurance:

- CAVs are implemented inconsistently and lack standardization.
- There should be an effective separation between audit and assistance.
- CAVs take a long time to close.
- It is difficult to demonstrate the value of a CAV.

| 168 | For each of these key challenges, the Compliance Committee identified root causes that reflect underlying |
| 169 | pain points and issues associated with the challenge areas. Key root causes are as follows: |

Element	Root Causes for Challenges of the Former CAC/CAV Delivery Model
Process	▪ **Inconsistent Application and Implementation** – HQ, Regions, and states can have different guidance, approaches, and resources to conduct CAC/CAVs. ▪ **Assistance and Auditing Occurs Concurrently** – There is limited distinction between "audit" and "technical assistance," which can lead to lack of clarity and accountability for the auditing function of FPM. ▪ **Lack of Clarity Around Timelines** – Time required to complete compliance actions can vary greatly, and there is no established timeline to manage expectations or force accountability. ▪ **CAV Closure Is Often a Lengthy Process** – There are different rationales and drivers for length of time, which can reduce speed in pursuing enforcement actions.
People	▪ **CAVs Are Resource Intensive** – CAVs require a significant amount of Regional and state staff time and resources. ▪ **Turnover of Auditing Staff Leads to Loss of Knowledge** – Personnel changes at all levels result in knowledge gaps and a loss of momentum. ▪ **Varying Staff Capacity and Capability** – FEMA and state staff have different experience levels and require different approaches for training and capacity building (e.g., mentoring, cross-training, etc.). ▪ **Limited Opportunities for Cross-Sharing of Information about CAC/CAVs** – Floodplain specialists and staff who conduct audits do not have a forum to convene, share information about best practices and lessons learned, or coordinate results of a CAV. ▪ **Incentives, Awards, and Recognition Are Not Used to Promote Success** –There is limited recognition of successes or incentives for good work.
Institutional Support	▪ **Limited State/Community Ownership** – State and local officials do not feel they "own" the process and therefore may not recognize the benefits of understanding the current status or health of their floodplain management program. ▪ **Lack of Political Will** – There is a persistent perception that "FEMA won't do anything" to address noncompliance and mixed levels of support from state or local officials to enforce requirements given political sensitivities or difficulties.

170 1.8 Equity Considerations

171	Ensuring that equitable outcomes are achieved through a redesigned NFIP Compliance Audit is a
172	fundamental condition of success. In FY23, the Compliance Committee held a three-day sprint to diagnose
173	potential inequities that exist in the CAC/CAV process. We are in the early stages of addressing equity in our
174	programs. Figure 4 shows some of the ways we are considering equity in our redesign.

Community Selection — Community selection for audits will include understanding of social vulnerability.

Technical Assistance — Additional resources, time, and/or holistic approach to technical assistance for socially vulnerable communities.

Low population, Low development communities — Simplification of the overall process and more transparency and clearer expectations for meeting floodplain management requirements (e.g., audit questions, etc.).

Simplification and Transparency — Additional outreach and focused engagement to low-population, low-development communities who may not be typically audited given low risk.
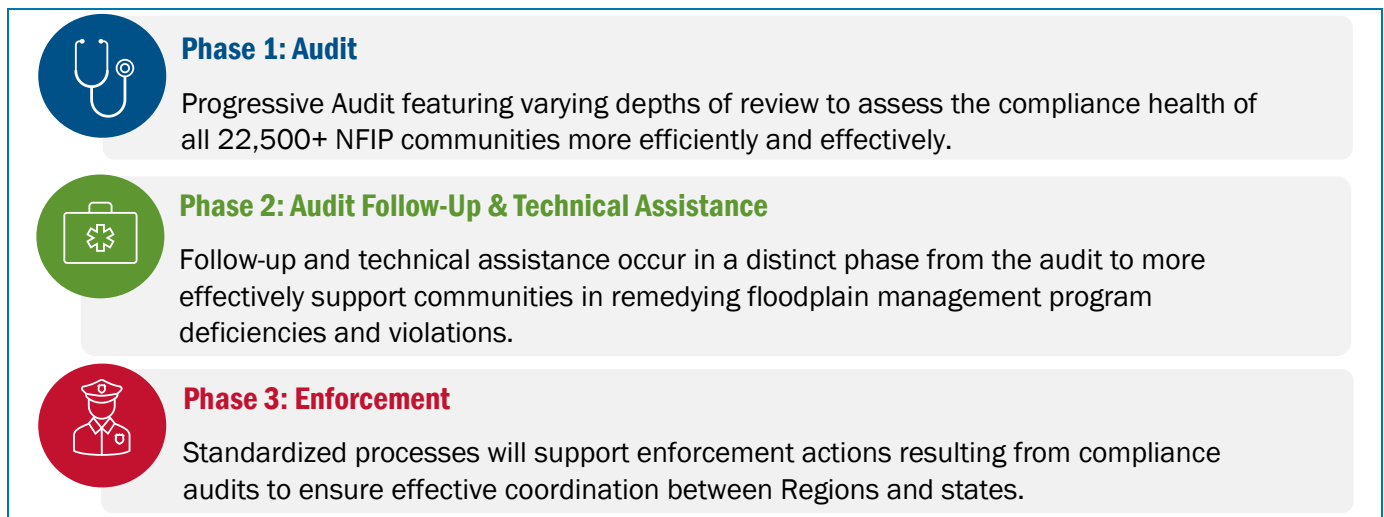
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FIGURE 4: WAYS TO CONSIDER EQUITY IN REDESIGN

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2. The NFIP Compliance Audit Program

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179 The NFIP Compliance Audit aims to review all 22,500+ NFIP communities through a new **Progressive Audit**
180 **Framework**. The target metric for reviews is 60 percent of the portfolio every five years. The Progressive
181 Audit features varying tiers of engagement to ensure the right level of scrutiny is given to a community. This
182 provides the ability to complete the audit or "off-ramp" communities earlier in the audit process. Only
183 communities with the most severe compliance issues, through a series of criteria (and "off-ramps") would
184 experience a full, in-person or virtual audit.

185 The NFIP Compliance Audit takes a wholistic approach to NFIP compliance by integrating key processes that
186 were previously siloed and inconsistently implemented. This multiphase approach for the NFIP Compliance
187 Audit ensures key compliance activities occur in a standardized and streamlined process. The phases of the
188 NFIP Compliance Audit Program are summarized in Figure 5.

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Phase 1: Audit

Progressive Audit featuring varying depths of review to assess the compliance health of all 22,500+ NFIP communities more efficiently and effectively.

Phase 2: Audit Follow-Up & Technical Assistance

Follow-up and technical assistance occur in a distinct phase from the audit to more effectively support communities in remedying floodplain management program deficiencies and violations.

Phase 3: Enforcement

Standardized processes will support enforcement actions resulting from compliance audits to ensure effective coordination between Regions and states.

190 FIGURE 5: THREE (3) STANDARD PHASES OF THE NFIP COMPLIANCE AUDIT

2.1 NFIP Compliance Audit Workflow

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192 The NFIP Compliance Audit process is organized around three major phases: (1) Audit; (2) Audit Follow-Up &
193 Technical Assistance; and (3) Enforcement. The Audit Phase features four stages with varying tiers of
194 scrutiny to assess the community's compliance with NFIP minimum floodplain management standards. This
195 includes Preparation, Community Contact, Enhanced Community Contact, and Full Evaluation. The
196 community's journey through the audit process will vary depending on the nature of the level of floodplain
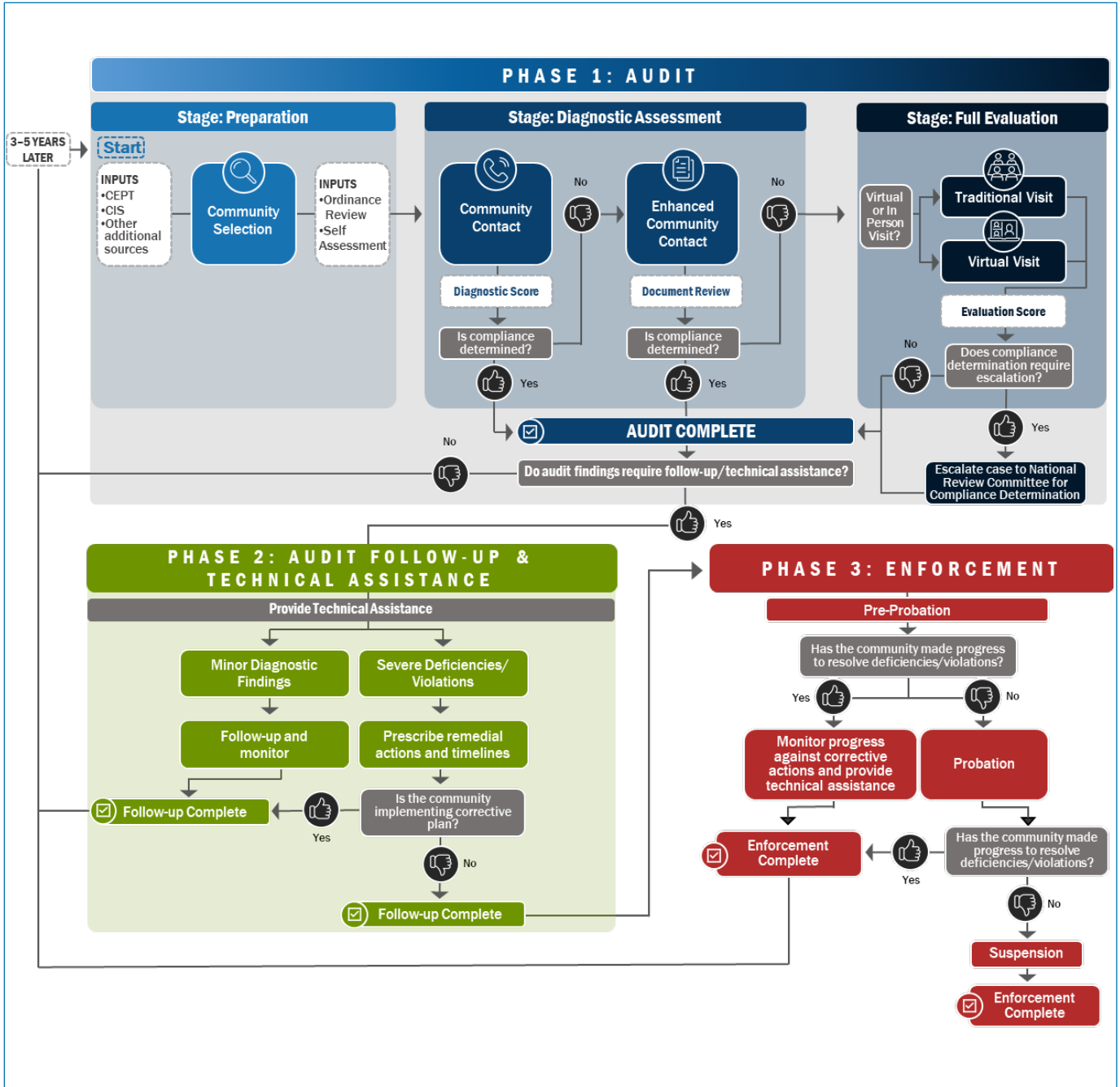197 management program deficiencies and violations. This process is summarized in Figure 6.

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199 FIGURE 6: NFIP COMPLIANCE AUDIT PROCESS WORKFLOW

2.2 What's In and What's Out

201 The new audit process has new terminology and concepts. The following table provides a high-level
202 crosswalk of key changes between the current and future NFIP compliance processes.

Previous Process	Redesigned Process
CAC/CAV Process	**NFIP Compliance Audit** – The redesigned NFIP Compliance Audit process includes three new phases for auditing, assisting, and enforcing NFIP regulations nationwide.
CAC or CAV	**Audit / Progressive Audit** – Audits of communities become progressively more in-depth as risk and development become more of an issue. However, with increased compliance and transparency of requirements, there is greater ability to complete audits or "off ramp" communities earlier in the compliance audit process.
Open or Closed CAVs	**Phase Duration** - Tracking the length of time in the Audit Phase, Follow-up & Assistance phase, and Enforcement phase will provide more granular understanding of where a community lies within the compliance audit process.
CAV Closed	**Audit Complete** – Audit is complete at Diagnostic Assessment or Full Evaluation stages. There is more certainty when the audit of the community's program has ended and when Phase 2 Audit Follow-up & Assistance begin.
Audit and Technical Assistance Occurring Concurrently	**Distinct Audit and Audit Follow-up & Assistance Phases** – Technical Assistance is an essential component to the compliance process; however, this begins after the audit is complete in a new, separate phase of the NFIP Compliance Audit.
Long Narrative Boxes Detailing Compliance in the Community Information System (CIS)	**Audit Score and Metrics** – Auditors will use tools that produce a numeric score of the community's compliance in the Diagnostic Assessment or Full Evaluation phase. There are check boxes and pull downs for determinations of compliance findings and there will be flexibility for narrative descriptions of the findings.
Lack of Standardization in Audit and Data Collection	**Diagnostic Assessment and Full Evaluation tools** – Tools will provide structure and a rubric for evaluating the community with pull-downs of compliance determinations to choose from.
"FEMA Won't Do Anything"	**Clearer, Transparent Enforcement Process** – Additional tools, a defined process, and documentation requirements will allow FEMA and states to better coordinate on compliance cases following the completion of the audit.

2.3 Value of the New NFIP Compliance Audit

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Like an annual check-up, regular compliance audits improve the health of floodplain management programs nationwide by identifying and eliminating behaviors that put lives and property at risk. Without regular and effective monitoring, our ability to ensure local compliance is diminished. The redesigned audit process will enable FEMA to understand the compliance health of all 22,500+ NFIP participating

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208 communities and measure improvement along the way – reinforcing FEMA's audit responsibility as a critical
209 part of the broader NFIP. Figure 7 lists key benefits of the new process.

Measure Compliance Health
The Progressive Audit and its accompanying tools capture compliance health at a point in time, creating ability to measure improvement over time.

Phased Duration Tracking
Tracking the duration of each phase helps us clearly define where a community is within the three-phase NFIP Compliance Audit process.

Reduced Complexity
Decoupling the auditing and technical assistance elements of the compliance audit process increases transparency, accountability, and consistency.

Articulate Value of Floodplain Management
Standard scoring tools allow for the ability to capture nationwide data and trends to tell the story of floodplain management's value more easily.

Nationwide Training and Standards
Standardized scoring tools—which aim to integrate seamlessly into CIS—served up by comprehensive trainings will speed the training of new Auditors.

Multiple Paths to Compliance
Scoring tools are flexible to account for the variety of approaches communities may take to achieve NFIP compliance.

Increased Support to Communities
Spend more time focusing on technical assistance to those who need it.

Streamlined Enforcement Procedures
New standardized processes ensure Auditors have the support and resources to enforce regulations when necessary and initiated by the Region.

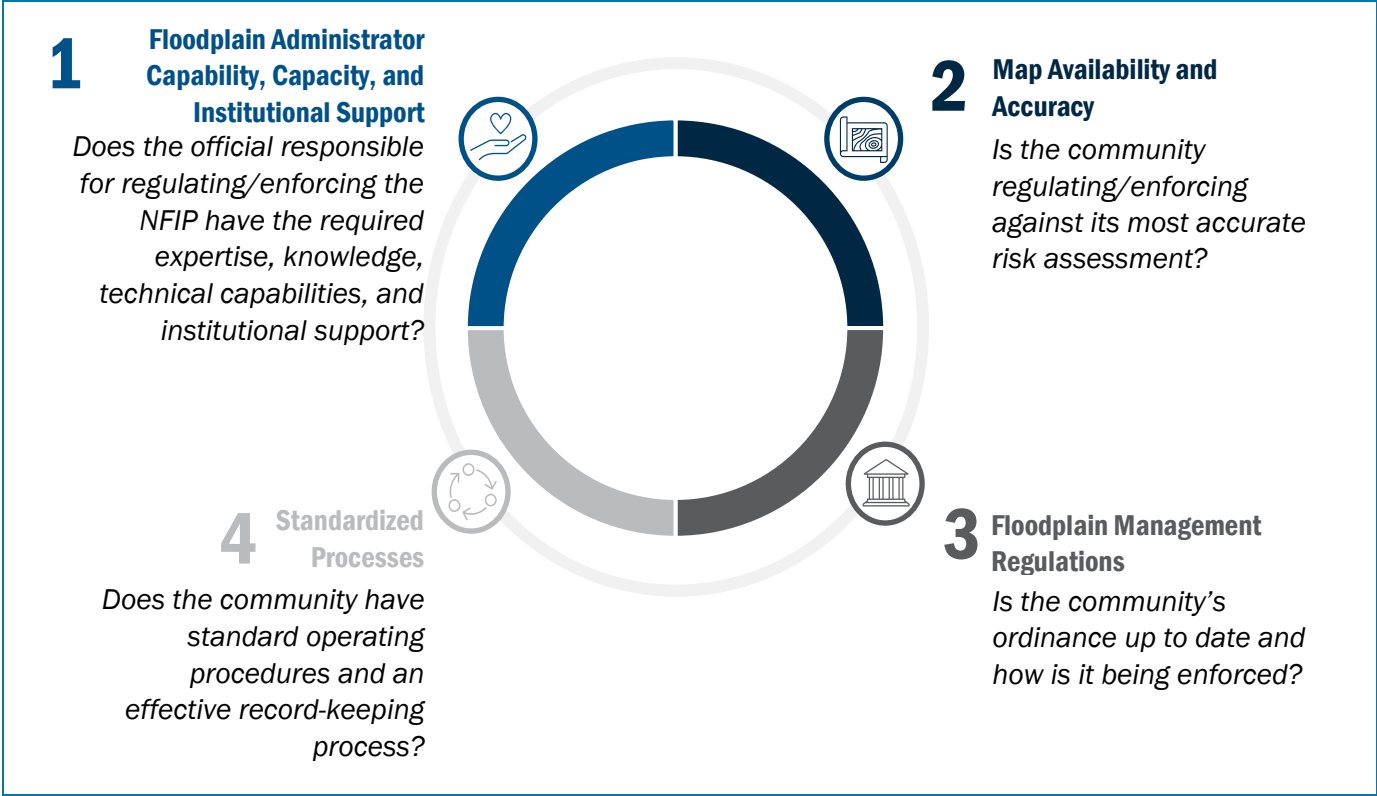210   FIGURE 7 KEY BENEFITS OF THE NEW PROCESS

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3.Phase 1 Audit

Phase 1 of the NFIP Compliance Audit features the **Progressive Audit**, with varying depths of review to capture the compliance health of every community participating in the NFIP. Figure 8 provides a snapshot of the key activities and pathways available to complete the audit. Before the community can begin to receive technical assistance through the compliance audit program, Auditors must first complete the audit and upload the Diagnostic Assessment and/or Full Evaluation report generated by the accompanying tools in the Community Information System (CIS).
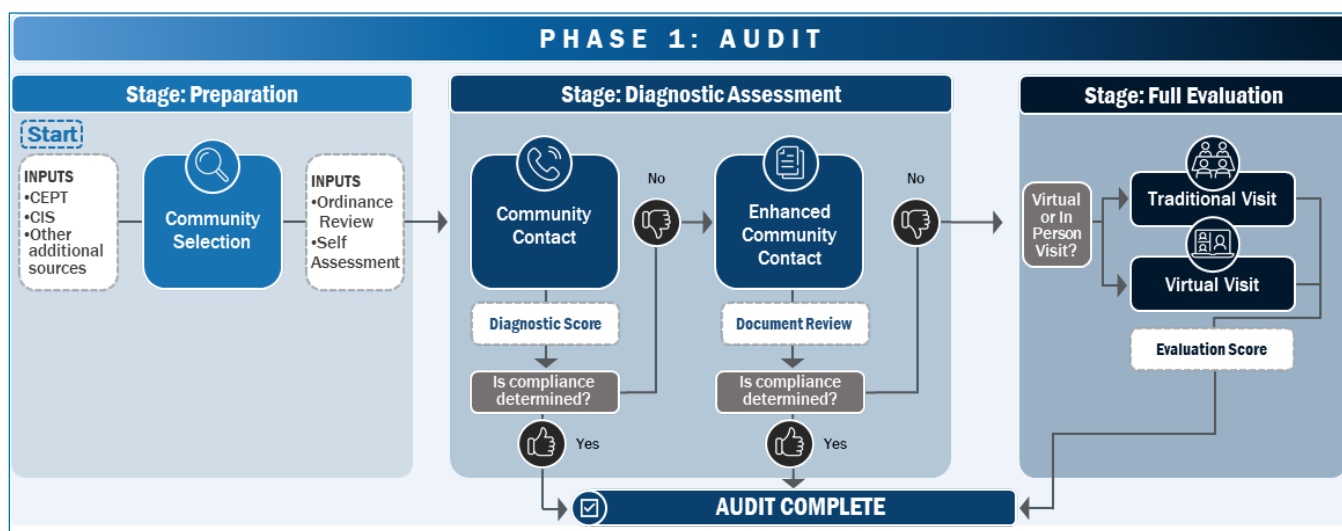
FIGURE 8: PROCESS WORKFLOW OF PHASE 1 AUDIT

3.1 Primary Auditing Themes

As part of the NFIP Compliance Audit process, communities will always be assessed against four auditing themes, as shown in Figure 9. This ensures a consistent approach for assessing NFIP compliance to help communities understand what they are being held accountable to. Every question housed within the suite of standard tools (i.e., Self Assessment, Diagnostic Assessment Tool, Full Evaluation Tool) organize under one of these four themes.

1 Floodplain Administrator Capability, Capacity, and Institutional Support
Does the official responsible for regulating/enforcing the NFIP have the required expertise, knowledge, technical capabilities, and institutional support?

2 Map Availability and Accuracy
Is the community regulating/enforcing against its most accurate risk assessment?

4 Standardized Processes
Does the community have standard operating procedures and an effective record-keeping process?

3 Floodplain Management Regulations
Is the community's ordinance up to date and how is it being enforced?

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FIGURE 9: FOUR AUDITING THEMES

3.2 Phase 1 Audit Overview

230 The Progressive Audit under Phase 1 will consist of defined activities and outcomes under three stages, as
231 shown below.

STAGE:	ACTIVITIES:	OUTCOME:
PREPARATION	**Preparation Stage:** The Preparation stage is the first stage in Phase 1 Audit of the NFIP Compliance Audit process. Key activities include Community Selection, administering the Self Assessment, and conducting the Ordinance Review.	☑ Community and Auditor come prepared to engage in a dialogue around the community's floodplain management program health.
	Community Selection: FEMA Regions and states will be required to use the Community Engagement Prioritization Tool (CEPT) to prioritize communities that are most in need of compliance audits. CEPT is an online application that analyzes, profiles, and maps the nation's 22,500+ land use jurisdictions.	☑ Data-informed decision-making to select communities most in need of compliance audits. ☑ Ability to advance equity goals for community selection.

STAGE:	ACTIVITIES:	OUTCOME:
PREPARATION	**Community Self Assessment:** After a community is selected for audit, the Auditor will disseminate the Self Assessment to the local official charged with administering the community's floodplain management program.	☑ Community afforded opportunity to participate in the auditing process and share their understanding of their floodplain management program's health.
	Ordinance Review: Auditors will conduct ordinance reviews using a standard checklist before the community official is contacted.	☑ Gain understanding of the community's compliance with floodplain management regulations.
	Data Source Review: Auditors should research a wide range of other available data sources (e.g., FEMA's National Risk Index, National Oceanic & Atmospheric Administration Sea Level Rise and Coastal Flooding Impacts, etc.) to inform and prioritize areas for review.	☑ Auditor comes prepared to engage the local official armed with information on the community's current and future flood hazards and risks.
DIAGNOSTIC ASSESSMENT	**Diagnostic Assessment Stage:** The set of activities making up the Community Contact and Enhanced Community Contact. The Diagnostic Assessment and its accompanying tool, the Diagnostic Assessment Tool, include two stages for review (Community Contact and Enhanced Community Contact) and allows for the ability to complete the audit without the need for a virtual or traditional visit/flood tour (Full Evaluation).	☑ Ability to complete the audit after conducting a telephone call and/or reviewing documentation without the need for a full evaluation.
	Community Contact: The Community Contact is a telephone or other virtual conversation with the community. Auditors will use the Diagnostic Assessment Tool to assess the community's floodplain management program and generate a Diagnostic Assessment Score.	☑ Ability to complete the community's audit after a Community Contact. If potential issues or concerns are identified, ability to move community further into the Progressive Audit.
	Enhanced Community Contact: The Enhanced Community Contact is a review of documentation sampled from the community after the Community Contact. Based on the number of permits and variances granted in the community, the Diagnostic Assessment Tool provides a recommended number of documents that should be reviewed for any potential issues.	☑ Ability to complete the community's audit after reviewing documentation.

STAGE:	ACTIVITIES:	OUTCOME:
FULL EVALUATION	**Full Evaluation:** The Full Evaluation Stage is the final stage in the Progressive Audit. If Auditors choose to progress the community to the Full Evaluation Stage, Auditors will be provided with the opportunity to conduct either one in-person, Traditional Visit or one Virtual Visit with community officials. Once the community has been visited either virtually or through the traditional in-person approach, the Phase 1 Audit is complete.	☑ Ability to comprehensively assess the compliance of a community's floodplain management program and report the community's compliance with NFIP regulations.
	Virtual Visit: If the Diagnostic Assessment reveals potential risks or issues that require additional review, the Auditor may have the option to conduct the Full Evaluation virtually. This will involve a comprehensive assessment of the community's floodplain management program through a virtual meeting and floodway tour.	☑ Ability to meet with community officials and conduct a flood tour virtually during the Full Evaluation.
	Traditional Visit: If the Diagnostic Assessment reveals potential risks or issues that require additional review, the Auditor will have the option to conduct the Full Evaluation through a traditional, in-person visit.	☑ Ability to meet with community officials and conduct a flood tour in-person during the Full Evaluation.

3.3 NFIP Compliance Audit Toolkit

To power the Progressive Audit, a suite of standard tools ensures a consistent rubric for evaluating the community. The NFIP Compliance Audit Toolkit is a Microsoft Excel-based audit resource with a dynamic set of tabs containing auditing questions, scoring formulas, and data visualizations. Each tool has been developed for a specific stage in the NFIP Compliance Audit process. They were designed with the goal of synchronization with CIS to minimize duplication of effort and to maximize support to NFIP communities. **Auditors assessing a community's floodplain management program will be required to use the tools and upload the accompanying findings into CIS at the completion of the audit.**

> **NOTE: The tools comprising the set of tabs within the Excel-based NFIP Compliance Audit Toolkit serve as the foundation for the data and functionality needs of the Compliance Audit Modules in the Community Information System. The Compliance Committee envisions this toolkit living within a modernized CIS to more efficiently document, extract, and share data generated by the tools. Requirements for this system were provided to the Community Information System Modernization (CIS MOD) team in August FY22.**

The NFIP Compliance Audit Toolkit includes the following tools:

249   •   Administrative Information

250   •   Community Self Assessment

251   •   Ordnance Checklist

252   •   Diagnostic Assessment Tool and Diagnostic Assessment Report

253   •   Full Evaluation Tool and Full Evaluation Report

254 This suite of tools that support the NFIP Compliance Audit process will arm Auditors with a consistent rubric
255 for auditing communities for NFIP compliance. Figure 10 provides a sample image of the toolkit.

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258 FIGURE 10: SAMPLE IMAGE OF COMPLIANCE AUDIT TOOLKIT

3.4 Preparation Stage

3.4.1 Overview

261 The first stage in the Audit Phase is **Preparation**. The primary objective of the Preparation stage is for the
262 Region/state to select which communities will receive a compliance audit and to prepare to engage the
263 community. Preparation stage activities, as shown in Figure 11, serve as the basis for discussion during the
264 Community Contact and subsequent deeper stages of review.
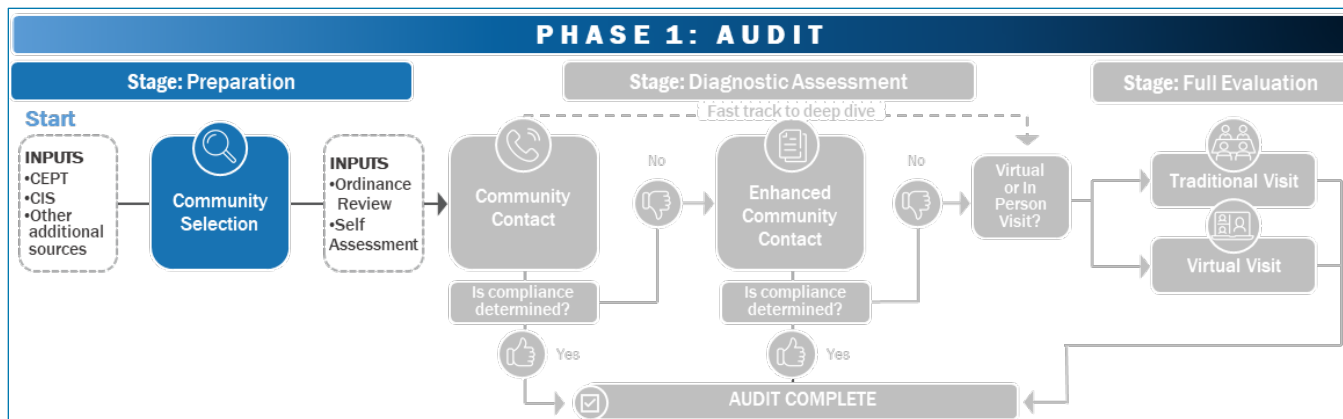
FIGURE 11: PREPARATION STAGE IN PHASE 1 AUDIT

TOOLS: Preparation Stage

- **Community Self Assessment** – The Community Self Assessment is a questionnaire that every community selected for audit will receive and complete before further engagement.
- **Ordinance Review Checklist** – The Ordinance Review checklist captures whether the community's latest adopted floodplain management ordinance meets all of the NFIP minimum requirements and must be conducted before the community is contacted.

Activities

- Community selected for audit based on risk and need
- Auditor disseminates the Community Self Assessment to local floodplain administrator (FPA)
- Auditor reviews data from a variety of sources to prepare for the Community Contact
- Auditor reviews the Community's Self Assessment responses and validates information
- Auditor conducts the Ordinance Review

Intended Outcomes

- Auditor comes prepared to engage community
- Community has a role in the audit process and validates FEMA data

3.4.2 Community Selection

Each fiscal year, FEMA Regions and state NFIP Coordinating Offices through the Community Assistance Program State Support Services Element identify communities that will receive compliance audits. The development of standard community selection criteria for audit candidates is in its early stages. Ultimately, the Compliance Committee proposes the implementation of flexible, standard criteria that each FEMA Region will use to select its portfolio of compliance audits through use of the Community Engagement Prioritization Tool (CEPT). Version 3 of the redesigned CEPT looks at **every community** participating in the NFIP and asks a series of questions to place that community into an audit candidate pool. The CEPT Audit module produces four lists:

- A list of communities that may need Community Rating System audits or that have experienced a recent disaster
- A list of communities that have not been audited in the last five years – meaning, in the old process, that a CAV or CAC has not been opened or closed with findings in the last five years.
- A list of communities that have been audited in the last five years – meaning, in the old process, that a CAV or CAC has been closed with findings in the last five years.
- A list of communities that currently have open audits.

The selection criteria the Compliance Committee is proposing would ensure that Regions and states select a diverse group of NFIP communities based on risk, development, and time since last audit to ensure there is a consistent, transparent, and equitable approach to engaging NFIP communities for compliance audits.

3.4.3 Self Assessment

The **Community Self Assessment** provides an opportunity for floodplain administrators (FPAs) to share their understanding of the community's floodplain management program. It aims to serve as a basis for discussion and community buy-in. The Self Assessment will also illuminate potential issues related to the community's floodplain management practices and will provide a baseline for engaging the community during the Diagnostic Assessment.

The Self Assessment provides an opportunity for the community to participate in the audit process. As some of the local official's responses may conflict with FEMA's data, the results of the assessment do not factor into any scores. As such, the Auditor cannot change any of the community's responses to the Self Assessment once submitted. It only aims to serve as an initial data gathering exercise to inform future discussion with the community. Figure 12 shows an example page of the Self Assessment.

IMPORTANT:
▪ **Paperwork Reduction Act Requirements** – The Community Self Assessment cannot be administered to communities until FPM HQ has completed the Paperwork Reduction Act process.
▪ **CIS Modernization** – The Compliance Committee, as part of its package of requirements to the CIS MOD team, requested the ability to deliver the Self Assessment to the community using a web-based form. In these proposed requirements, the community will complete the Self Assessment form online and the responses would automatically populate in a modernized Audit module for the Auditor to review. In lieu of CIS MOD development, Auditors will manually disseminate the Self Assessment and transcribe and the community's responses.

2. Map Availability and Accuracy

Is the community regulating/enforcing against its most accurate risk assessment?

2.1. What is the date of your community's most recent FEMA Flood Insurance Rate Map (FIRM)?	Date of most recent FEMA FIRM: (MO/DA/YEAR)	
	Date Unknown/Not Available ☐	Click or tap to enter a date.
2.2. What is the date of your community's most recent Flood Insurance Study (FIS)?	Date of most recent FIS: (MO/DA/YEAR)	
	Date Unknown/Not Available ☐	Click or tap to enter a date.
2.3. What initial FIRM date are you using for pre-/post-FIRM determination?	Date of pre-/post-FIRM Determination: (MO/DA/YEAR)	
	Date Unknown/Not Available ☐	Click or tap to enter a date.
2.4. Has there been a change to your community's territorial or extraterritorial boundaries that affected your designated flood hazard areas (this may include recent annexations) since your current FIRMs?	Yes ☐ No ☐	2.4.a If yes, when was the change to community boundaries (MO/DA/YEAR)? — Click or tap to enter a date.
2.5. Has your community experienced an event (e.g., flood, fire, etc.) in the past ten (10) calendar years, resulting in substantially damaged structures?		Yes ☐ No ☐

2.6. Please indicate all of the FEMA flood zones within the community's boundary or jurisdiction:

A ☐	AE ☐	AO ☐	AH ☐
AE-Floodway ☐	V ☐	VE ☐	D ☐
A99 ☐	X-Shaded ☐	X ☐	AR ☐
Do you have any comments or questions for the Auditor?	Click or tap here to enter text.		

Community Self-Assessment DRAFT – PRE-DECISIONAL   4   FEMA

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325   FIGURE 12: COMMUNITY SELF ASSESSMENT, EXAMPLE PAGE

INTERIM NFIP COMPLIANCE AUDIT PROGRAM GUIDANCE • SEPTEMBER 2022   18

	Auditor Instructions

- After communities are selected for audit, Auditors must distribute the Self Assessment to the local official.
- The Self Assessment currently exists as a fillable Microsoft Word form. Auditors should send this Microsoft Word version of the Self Assessment via email to the local official charged with administering the community's floodplain management program.
- **IMPORTANT: Do NOT send the Microsoft Excel version of the Self Assessment, which contains the Diagnostic and Full Evaluation tools, to the community.** There is a separate version of the Self Assessment located in the Microsoft Auditor Toolkit. The Excel version of the Self Assessment is designed for the Auditor to transcribe the answers provided by the community from the Word version of the form. This allows for the community's responses to be uploaded into a database when the future CIS Modernization is complete (if possible).
- Upon receipt of the form, Auditors should review the information provided and transcribe the community's responses into the Microsoft Excel-based version of the tool for data collection.
- After reviewing the information, the Auditor would complete the "Auditor Validation" section of the form, which is not included on the community's form. This section provides an opportunity to review any inaccuracies or areas to discuss during the Community Contact.
- Lastly, Auditors will upload the completed Community Self Assessment and validation questions into CIS. In lieu of CIS Modernization, Auditors should upload the file into the CAC Follow-Up screen once the Self Assessment has been approved for dissemination.

3.4.4 Ordinance Review

Every community that receives an audit as part of the NFIP Compliance Audit will receive an Ordinance Review at the start of the audit process. The ordinance review serves as a basis of discussion with the community and initiates the compliance review.

	Ordinance Review Checklist

- The **Ordinance Review Checklist** is housed within the "Ordinance Checklist" tab in the NFIP Compliance Audit toolkit. The Compliance Redesign team is currently working to clarify the minimum requirements that can be enforced in an ordinance to more effectively standardize how the ordinance is audited for compliance nationwide.
- A sample of the Ordinance Checklist housed within the Auditor toolkit is shown in Figure 13.

FIGURE 13: SAMPLE OF THE ORDINANCE CHECKLIST

3.5 Diagnostic Assessment Stage

3.5.1 Overview

The second stage in the Audit Phase is the **Diagnostic Assessment**. The Diagnostic Assessment allows FEMA to determine the compliance status of all communities audited and provides an opportunity to complete the audit after a Community Contact or Enhanced Community Contact. The **Diagnostic Assessment Tool (DAT)** provides a standard rubric to assess NFIP compliance during the Diagnostic Assessment stage. The tool contains a series of gate criteria, including "red flags," to help Auditors determine whether the community's audit can be completed at the Diagnostic Assessment stage or whether a Full Evaluation is needed. The activities in the Diagnostic Assessment stage include the Community Contact and Enhanced Community Contact. This stage is highlighted in Figure 14. Figure 15 shows tabs located in the NFIP Compliance Audit Toolkit that serve as the foundation of the Diagnostic Assessment.
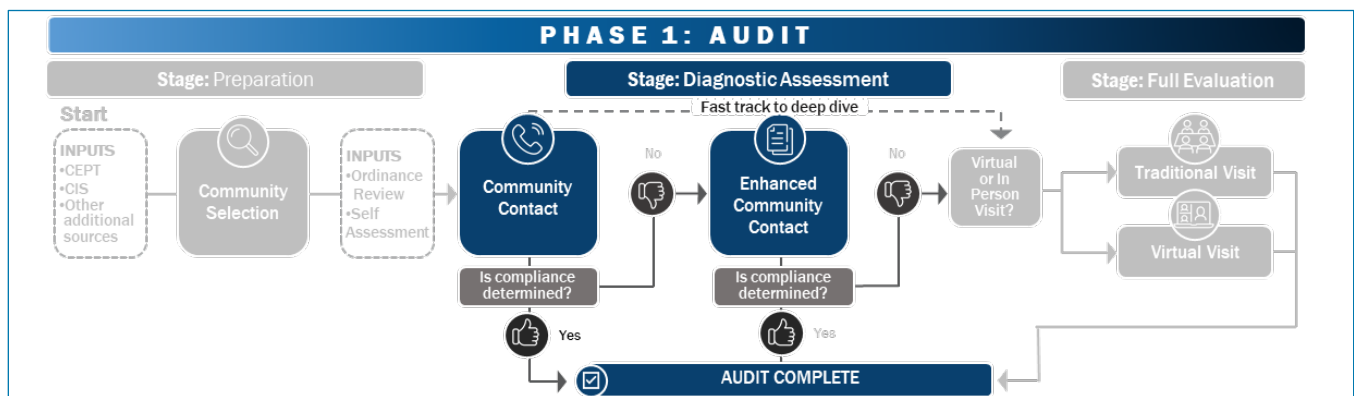
FIGURE 14: DIAGNOSTIC ASSESSMENT STAGE IN PHASE 1 AUDIT

| Diagnostic Assessment | Diagnostic Assmnt Report | Diagnostic Assessment Graphics |

FIGURE 15: TABS IN THE NFIP COMPLIANCE AUDIT TOOLKIT COMPRISING THE DIAGNOSTIC ASSESSMENT

Auditor Instructions

- These tools are meant to standardize the compliance review process. However, it is understood that professional, informed judgments will have to be made during these reviews.
- The DAT is a triage tool to help you determine whether a community needs a full CAV.
- Ask as many questions as needed to gain an understanding of the program to score it accordingly, but know that only the questions in the tool will be scored.
- Use the "auditor data entry" and "findings and notes" fields as needed to elucidate where necessary.
- "Red Flags" are questions that could trigger the need for further review (enhanced CAC, or full elevation), and will appear as a numeric score in the "area of concern" column as Red.
- Evaluations can be done in-person or virtually.

TOOL: Diagnostic Assessment Stage

- **Diagnostic Assessment Tool** – The DAT is a diagnostic scoring tool developed for the Community Contact and Enhanced Community Contact. The tool is housed within the NFIP Compliance Audit Toolkit. If areas of concern are identified during the initial contact, the tool facilitates a sampling of documentation to review based on the size of the community. If further issues are identified, the community will be moved to a Full Evaluation. Add note about red flags in the DAT.

Activities

- Auditor uses information from Ordinance Review, Self Assessment, and other data sources to assess community compliance using the DAT (Community Contact).
- If answers require further explanation, Auditor reviews a sample of documentation (Enhanced Community Contact).
- If answers to either the Community Contact or Enhanced Community Contact in the Diagnostic Assessment are sufficient, the community's audit is complete.
- Auditor uploads the Diagnostic Assessment Report and accompanying score into CIS.
- If answers signal significant areas of concern, Auditor will determine if a Full Evaluation is needed to comprehensively assess NFIP Compliance.

403	Intended Outcomes

- 404 ▪ Ability to complete Audit for smaller, less risky, and low-development communities with less time
- 405 and resources.

406 3.5.2 Community Contact

407 Upon reviewing the Self Assessment and conducting preliminary research, such as reviewing the
408 community's profile, level of development, and previous reports, the Auditor will engage the community
409 through a telephone contact, or "Community Contact." During the Community Contact, Auditors will ask the
410 series of questions housed within the DAT and capture the output scoring to determine the health of the
411 community's floodplain management program. Based on the DAT scoring, the following thresholds have
412 been established to inform the next steps:

- 413 • Below 60 percent on diagnostic (with or without red flags), go to vCAV or CAV, then close then
- 414 Phase 2.
- 415 • Between 60 and 80 percent on diagnostic (with or without red flags), go to enhanced CAC or vCAV or
- 416 CAV, then close and go to Phase 2.
- 417 • Above 80 percent on diagnostic and no "red flags," close audit and go to phase 2. If red flags, then
- 418 auditor can choose to go to enhanced CAC or vCAV or CAV, then close and go to Phase 2.

419 Please note that these thresholds are subject to change as more data becomes available to inform better
420 decision making.

421 Community Contact and the Diagnostic Assessment Tool

422 Auditors must use the DAT to frame and record the outputs from the discussion with the community using a
423 series of standard questions. The DAT is housed within the Auditor Toolkit as shown in Figure 16. After
424 receiving answers to all of the questions contained in the DAT, the tool will calculate a **Diagnostic**
425 **Assessment Score.** Every community audited as part of the NFIP Compliance Audit will receive a diagnostic
426 assessment score.

FIGURE 16: DIAGNOSTIC ASSESSMENT TOOL

The DAT was designed to provide the following benefits:

- **Quantifiable Assessment** – Enables Auditors to "put numbers to the narrative" and quantifiably assess a community's floodplain management program procedures.
- **Multiple Paths to Compliance** – Reflects a variety of approaches to achieving compliance by NFIP participating communities across the nation.
- **Support for Data Analytics** -- Allows for analysis of trends or common program gaps across communities, states and Regions.
- **Standardized Question Checklist** -- Checklist functionality guides the Community Contact and flags areas for further discussion or review of documentation (e.g., permits).
- **Support for Training and Consistency** – Standard diagnostics ensure NFIP communities nationwide are evaluated across a standard set of floodplain management criteria.

Regulatory and Non-Regulatory Based Questions in the Diagnostic Assessment Tool

The non-required elements of a community's floodplain management program are not scored in the DAT, but they are tracked.

Diagnostic Assessment Scoring Criteria

Figure 17 shows the methodology used to calculate the community's diagnostic assessment score.
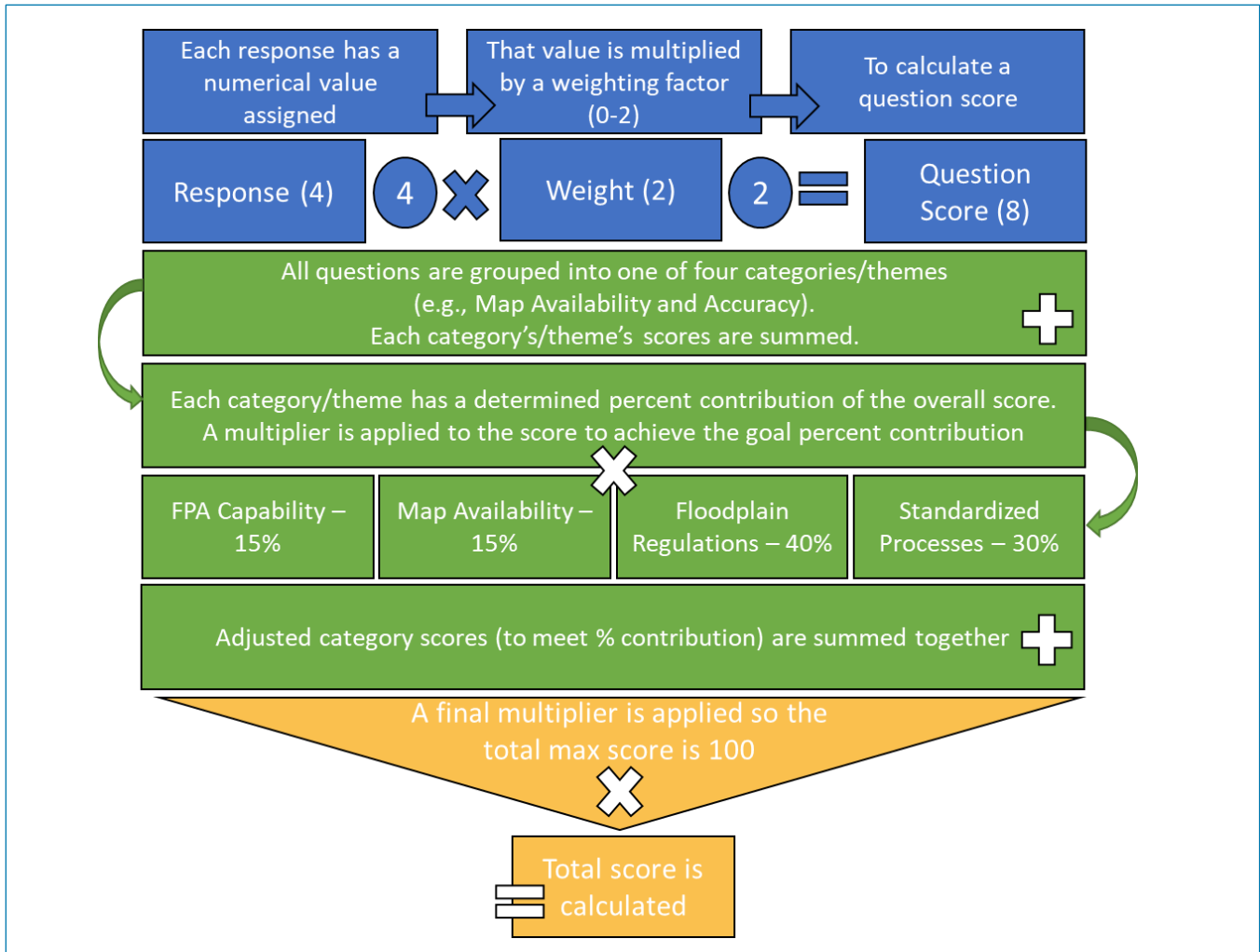
FIGURE 17: DIAGNOSTIC ASSESSMENT SCORING METHODOLOGY

Community Contact Questions in the Diagnostic Assessment Tool

The DAT contains the following questions aligned to the four auditing themes. Every NFIP community must be assessed against these questions as part of the NFIP Compliance Audit Process:

		Question
**Floodplain Administrator Capability, Capacity, and Institutional Support –** *Does the official responsible for regulating/enforcing the NFIP have the required expertise, knowledge, technical capabilities, and institutional support?*
	1.1	Since the last audit (CAV or CAC), has there been any development in the SFHA or is any currently planned?
Floodplain Administrator Capability, Capacity, and Institutional Support	1.2	How does the community accomplish permit development? (Select the response that best fits the community's situation or current practices).
	1.2a	If the community permitting process is through multiple departments or offices, list the departments/offices in the space shaded gold to the right.
	1.2b	If the community contracts out the permitting process, describe your contractor selection criteria.
	1.3	How does the community coordinate permit development? If coordination is through a single department select "Full Coordination."
	1.3a	If the coordination is across departments, does the FPA receive notice of floodplain permit changes by other departments and reviews for compliance?
	1.4	Is the floodplain management program's position in the organization appropriate to ensure effectiveness in carrying out its duties?
	1.5	With regard to enforcement, are stop work orders issued if any significant problems are identified?
	1.6	With regard to enforcement, does the community have and use code enforcement authority?
	1.7	With regard to enforcement, does the FPA review, or is the FPA otherwise involved in, appeals?
	1.8	With regard to enforcement, does the FPA review variance request reviews or approvals?
	1.9	Have there been any variances from local floodplain management ordinances in the SFHA [Special Flood Hazard Area] for new and substantial improvement to structures in the last three (3) years?
	1.9a	If yes to Q 1.8, were the variance issued in compliance with 44 CFR 60.6? (e.g., Historic Structures, Agricultural Structures, Accessory Structures, other). Please list details.
	1.9b	If yes to Q 1.8, if there were variances, indicate the type and approximate number of variances from local floodplain management criteria in the SFHA.
	1.10	How does the community maintain records of floodplain development (Select the response that best fits the community's situation or current practices).
	1.11	How does the community describe the support (direct and indirect) from the CEO [chief executive officer] and officials to enforce its ordinances?
	1.12	Where applicable, does the community use historic FIRM [Flood Insurance Rate Map] and FIS [Flood Insurance Study] for permitting to verify the structure was built in compliance at the time of new construction?
	1.13	Does the community maintain copies of Letters of Map Changes (LOMC)? (Select the response that best fits the community's situation or current practices).

		Question
Map Availability and Accuracy – *Is the community regulating/enforcing against its most accurate risk assessment?*		
Map Availability and Accuracy	2.1	During permitting, how are the flood zone and base flood elevation (BFE), or regulatory flood height determined by the FPA or designee? (Select the response that best fits the community's situation or current practices).
	2.2	In reference to how the BFE and regulatory flood height are checked during plan review: is the BFE determined by the FPA office and provided to the applicant at permit initiation?
	2.3	In reference to how the BFE and regulatory flood height are checked during plan review: is the BFE generated by the applicant/surveyor and verified before the permit is issued?
	2.4	Is there base flood elevation (BFE) in this community (e.g., AE numbered zones, only zone A, etc.)?
	2.4a	If no to Q 2.4, describe how the community assures elevations are appropriate relative to adjacent ground level in the space shaded gold to the right.
	2.5	Are the most recent FIRMs and/or FIS cited in the ordinance (for communities without auto-adopt)? (Select the response that best fits the community's situation or current practices). (in guidance: if 60.3a community where no FEMA maps or data exist, choose N/A)
	2.5a	If the most recent FIRMs are cited, please indicate the date in the space shaded gold to the right.
	2.5b	If the most recent FISs are cited, please indicate the date in the space shaded gold to the right.
	2.6	Does the FPA use the MSC [FEMA Map Service Center] and/or NFHL [National Flood Hazard Layer] when working with flood hazard map products, in addition to digital/paper FIRMs and FIS (where present)?
	2.7	Is the community using other maps or studies for regulating the floodplain?
	2.8	Has the community completed necessary actions (44 CFR 64.4) if there has been a recent change to the community's territorial or extraterritorial boundaries that affected SFHA?
	2.9	Does the community require and initiate Letters of Map Change (LOMC) when appropriate?
	2.9a	If Yes or Sometimes was selected in 2.9, indicate those instances when they are used in the space shaded gold to the right (e.g., If natural LAG [lowest adjacent grade]>BFE, advise LOMA [Letter of Map Amendment]; If floodway impact, CLOMR [Conditional Letter of Map Revision] and LOMR [Letter of Map Revision]; If fill used, LOMR-F [Letter of Map Revision Based on Fill]; If proposal changes BFE/SFHA, require CLOMR and LOMR)

		Question
Floodplain Management Regulations – *Is the community's ordinance up to date and how is it being enforced?*		
Floodplain Management Regulations	3.1	During inspections, is the community actively ensuring as-built elevations are collected and reviewed?
	3.2	Are other state and federal permits obtained and checked by the FPA office? (e.g., EPA [U.S. Environmental Protection Agency], USACE [U.S. Army Corps of Engineers] 404 Permit, state environmental permits)
	3.3	During permit review, are lowest floor and utilities checked against BFE (or grade) to ensure proper elevation is proposed?
	3.4	An ordinance review was completed and can best be summarized as: (Select the response that best fits the community's situation or current practices).
	3.4a	Briefly summarize ordinance review findings in the space to the right, under your response, if needed.
	3.5	For ordinances, does the state require higher standards than FEMA?
	3.5a	If Yes to 3.5, has the community adopted these higher standards?
	3.6	Are other regulations in the community coordinated with the floodplain ordinance(s)?
	3.7	Are certain classes of development exempt from NFIP regulations (at state/county/local level)?
	3.7a	If yes to 3.7, describe these exemptions in the space shaded gold to the right.
	3.8	Indicate the approximate number of permits granted for development in the SFHA in the last three (3) years in the space to the right. If there were 0, indicate as such.
Standardized Processes – *Does the community have standard operating procedures and an effective record-keeping process?*		
Standardized Processes	4.1	Which option best describes the community's permitting process?
	4.1a	Describe the permitting process narrative and coordination (e.g., through other departments/offices) and identify any gaps (e.g., types of developments that are not reviewed) in the process in the space to the right.
	4.2	With regard to the community permitting process, and if the zones apply to the community, are floodway proposals reviewed and documented correctly?
	4.3	With regard to the community permitting process, and if the zones apply to the community, are coastal high hazard area V zone foundation and design standards met?
	4.3a	If yes to question 4.3, please indicate specifics (e.g., prohibit fill, open foundation or breakaway wall, lowest horizontal structural member (LHSM) above BFE) in the space shaded gold to the right.
	4.4	Which option best describes the community's Substantial Improvement, Substantial Damage (SI/SD) administration?
	4.4a	Describe the community's SI/SD administration if the options in 4.2 are not fully descriptive or if there are gaps identified in the administration of the program (in the space to the right).
	4.5	With regard to the market value source that the community uses or requires from applicant for SI/SD, what source does the community use?

		Question
	4.6	How are the BFE and/or the regulatory flood height checked during plan review?
	4.7	Does the community have engineering staff or similar capacity at the permit review process, including floodway development reviews (H&H [hydrology and hydraulics] study and supporting no-rise documentation) as applicable?
	4.8	When are inspections of floodplain development performed by responsible community officials? (Select the response that best fits the community's situation or current practices).
	4.9	Are as-built elevations for structures collected and reviewed (Evaluation Tool Q3.3)?
	4.10	Are floodproofing certifications collected for non-residential structures?
	4.11	Has the community had any water course alterations that change the BFE and/or location of SFHA within the last five years, or since the last CAV?
	4.12	Has the community had any capital improvement projects (e.g., roads and bridges) that may require review within the last five years or since the last CAV?
	4.13	Has the community had any large construction projects that may require review within the SFHA over the last five years or since the last CAV?
	4.14	Has the community had any projects that involve critical facilities within the SFHA that may require review over the last five years or since the last CAV.
	4.15	With regard to the community permitting process, and if the zones apply to the community, are subdivisions and large developments in Zone A checked for the 50 lots per 5 acres threshold?
	4.16	Has the community had any non-structural development—items not typically covered by a building permit (e.g., fill/grading, storage of equipment/materials, paving)—within the last five years or since the last CAV?
	4.17	If the community has experienced a flood disaster event INSIDE the SFHA in the past five years resulting in damaged structures, did they do substantial damage determinations?
	4.18	If the community has experienced a non-flood disaster (e.g., fire, wind, earthquake) event INSIDE the SFHA in the past five years resulting in damaged structures, did they do substantial damage determinations?
	4.19	If yes to either 4.17 or 4.18, describe the type of event, the impacted area and whether the event received state or federal level disaster declaration in the space shaded gold to the right.
	4.20	Has the community experienced any disaster event OUTSIDE the SFHA in the past five years resulting in flood damaged structures?
	4.21	If yes to 4.20, describe the type of event, the impacted area, summary of flood damage, and possible indicators of map change (or flood study) needs in the space shaded gold to the right.

450

3.5.3 Enhanced Community Contact

If further explanation is needed after the Community Contact (e.g., critical elements of the floodplain management program are missing and/or areas of concern are raised), then the Auditor will move the community to the **Enhanced Community Contact**. The Enhanced Community Contact is a comprehensive desktop review of sampled documentation provided by the community (e.g., elevation certificates, permits, variances, etc.). Following the Enhanced Community Contact, the Auditor will determine whether the audit can be completed. If documentation demonstrates there are deficiencies in the floodplain management program that may lead to violations of NFIP criteria, the community will be moved to the Full Evaluation Stage.

Enhanced Community Contact and the Diagnostic Assessment Tool

To ensure a consistent process for reviewing documentation nationwide, Auditors must use the Enhanced Community Contact module in the DAT. The Enhanced Community Contact module recommends a number of various documents to sample and review based on the nature of the community's development and permitting process. For example, DR.1 in the Enhanced Community Contact module auto-calculates a number of permits to review based on the number of permits the community has granted. This ensures that Auditors are reviewing a representative sample of documentation. **Any documentation that is used to determine whether the community's audit is complete or should be moved to the Full Evaluation must be uploaded into CIS**. The Enhanced Community Contact module in the Diagnostic Assessment tool is shown in Figure 18.

		Enhanced Community Contact Record of Documents Reviewed and Recommend Next Steps	
67	Yes	DR.1 The space to the right indicates the recommended number of permits to review during this assessment based on response to question 3.10	0
68	Yes	DR.1a Indicate number of permits reviewed during this assessment in space to the right.	
69	Yes	DR.1b Of permits reviewed, indicate how many are noncompliant in the space to the right.	

FIGURE 18: ENHANCED COMMUNITY CONTACT MODULE IN THE DIAGNOSTIC ASSESSMENT TOOL

Enhanced Community Contact Questions in the Diagnostic Assessment Tool

The DAT prompts the Auditor to review the following documentation if there are any areas of concern identified during the Community Contact:

| Question		
Document Review and Recommendations – *If there are critical elements missing or areas of concern resulting from the Diagnostic Assessment, what are the outcomes from reviewing documentation?*		
Document Review and Recommendations	5.1	[A recommended number of permits to review will populate, based on the approximate number of permits granted in the community in the last 3 years].
	5.1a	Indicate number of permits reviewed during this assessment.
	5.1b	Indicate the number of permits reviewed with problems.
	5.2	[A recommended number of variances to review will populate based on the approximate number of variances granted in the community in the last 3 years].
	5.2a	Indicate the number of variances reviewed during this assessment.
	5.2b	Indicate the number of variances reviewed with problems.
	5.3	Indicate the approximate percentage of recent development (e.g., relative building pressure) in the SFHA in the last five (5) years.
	5.4	Indicate the number of documents reviewed of this type: Elevation Certificates.
	5.4a	Indicate the number of documents reviewed of this type with issues: Elevation Certificates. (explain in findings and notes if needed).
	5.5	Indicate the number of documents reviewed of this type: Standard Operating Procedures.
	5.5a	Indicate the number of documents reviewed of this type with issues: Standard Operating Procedures. (explain in findings and notes if needed).
	5.6	Indicate the number of documents reviewed of this type: BLE [base-level engineering] Documents.
	5.6a	Indicate the number of documents reviewed of this type with issues: BLE Documents.
	5.7	Indicate the number of documents reviewed of this type: H&H Analysis.
	5.7a	Indicate the number of documents reviewed of this type with issues: H&H Analysis.
	5.8	Indicate the number of documents reviewed of this type: LOMAs/LOMRs.
	5.8a	Indicate the number of documents reviewed of this type with issues: LOMAs/LOMRs. (explain in findings and notes if needed)
	5.9	Indicate the number of documents reviewed of this type: No-Rise Certifications.
	5.9a	Indicate the number of documents reviewed of this type with issues: No-Rise Certifications. (explain in findings and notes if needed).

3.6 Full Evaluation Stage

3.6.1 Overview

The third stage in the Audit Phase is the **Full Evaluation** (see Figure 19). The Full Evaluation is a comprehensive assessment of a community's floodplain management program, which includes a floodplain tour and meeting with local officials (this is typical of the current "CAV" process). This stage allows Auditors

480 to commit greater time and resources with more complex, higher-development communities with greater
481 consistency.
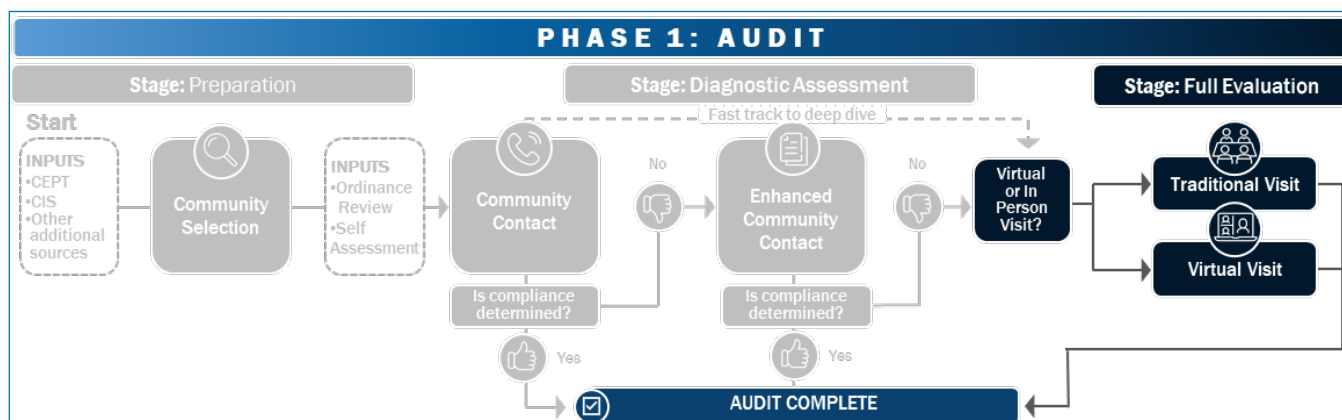
482
483 FIGURE 19: FULL EVALUATION STAGE IN PHASE 1 AUDIT

484 A Full Evaluation in the Phase 1 Audit can be conducted either virtually through a **Virtual Visit** or in-person
485 through a **Traditional Visit**. It is the Auditor's decision which type of visit to conduct. However, regardless of
486 which approach is used, Auditors will be required to use the **Full Evaluation Tool (FET)** to capture the
487 community's compliance with NFIP regulations during the assessment. The focus of the FET is to ascertain
488 (1) whether there are physical, on-the-ground violations of floodplain management regulations and (2) the
489 severity and extent of any floodplain management program deficiencies/violations. **Regardless of the**
490 **outcomes or score of the Full Evaluation, the audit is completed following the Full Evaluation and score**
491 **generated.**

492 | TOOL: Full Evaluation Stage |

493 - **Full Evaluation Tool** – The FET is a comprehensive audit scoring tool used for the Traditional Visit
494   or Virtual Visit in the Full Evaluation Stage. The FET scores a community across four (4) audit
495   themes to produce a Full Evaluation Score. The audit is complete regardless of the outcome of the
496   Traditional Visit or Virtual Visit.

497

498 | Activities |

499 - Findings and score from DAT indicate community requires a Full Evaluation.
500 - Auditor has the option to use a Traditional Visit or Virtual Visit to conduct Full Evaluation.
501 - Auditor uses Full Evaluation Tool to assess compliance.
502 - Auditor uploads the Full Evaluation Report and Full Evaluation Score into CIS.
503 - Community's audit is complete after the Full Evaluation.

504

506   ▪   Ability to complete the Full Evaluation with greater detail required for larger, more complex, higher-
507   development communities with greater consistency and transparency.

508 3.6.2 Key Elements of the Full Evaluation Tool

509   The FET contains three (3) interconnected tabs (i.e., worksheets), as shown in Figure 20:

510   1. **Full Evaluation Tool:** User data entry tab with pull-down menu response fields, data entry fields, and
511   text entry fields for 26 questions under four themes. Calculates a comprehensive audit score (0 to
512   100 points).

513   2. **Full Evaluation Tool Report:** Auto-generated and formatted content from the Evaluation Tool tab for
514   use in generating a Community Audit Report, which can be saved (e.g., as a PDF) or printed.

515   3. **Full Evaluation Tool Graphics:** Auto-generated graphics and tables for use in the Full Evaluation
516   Report, including a table summarizing the community's score by theme and a summary figure.

517

| Evaluation Tool | Evaluation Tool Report | Evaluation Tool Graphics |

518   FIGURE 20: TABS IN THE NFIP COMPLIANCE AUDIT TOOLKIT COMPRISING THE FULL EVALUATION TOOL

519   Potential responses to each question are assigned a point value that is summed by theme, and then the
520   theme scores are summed for an overall/total Full Evaluation score. For each question in the FET, the
521   Auditor will either select one response from the dropdown menu "Your Response (Auditor Data Entry)"
522   column, or where directed by the question, enter a number value in the data entry field. The cells that
523   require a response are shaded light green (see Figure 21). Each question has an assigned weighting based
524   on relative importance of that element to a community's floodplain management program. These weightings
525   cannot be adjusted. The "Raw Score" (unweighted) and "Weighted Score" columns are shown to the right of
526   the "Your Response" column in the Excel version of the tool.

Question	Your Response (Auditor Data Entry)	Raw Score	Weighted Score	Findings (Auditor Data Entry)	Reference(s) (Auditor Data Entry)	Recommendation(s) (Auditor Data Entry)	Estimated Close Out Date (Auditor Data Entry)
1.7: Is the FPM program's position in the organization appropriate to ensure effectiveness in carrying out its duties?	Yes	4	4				
1.8: Does the FPA sufficiently interact/communicate with the mayor/council/CEO to ensure continued community support for the FPM program?	Yes	4	4				

528   FIGURE 21: AUDITOR DATA ENTRY CELLS

529   The following columns in the Evaluation Tool provide space for Auditor text entry for each question, where
530   the Auditor can note details pertinent to the finding and community's score on the question for eventual
531   inclusion in the Full Evaluation Report.

532   •   "Findings" – Describe the compliance issue.

533 • "Reference(s)" — Enter the pertinent 44 CFR reference for the finding, or a reference to a state's
534   model ordinance language, or similar, as support for the regulatory reason for the Auditor's finding.

535 • "Recommendation(s)" — Enter what the needed fix(es) are for compliance, or recommended
536   solution(s).

537 • "Estimated Close Out Date" — Enter the proposed date for achieving compliance on the finding.

538 ### Traditional Visit or Virtual Visit Questions in the Full Evaluation Tool

539 The FET captures and scores the Full Evaluation stage of the community's audit. The FET is housed within
540 the Microsoft Excel-based NFIP Compliance Audit Toolkit and contains a mix of multiple choice, binary
541 (Yes/No) and multi-part questions designed to assess an NFIP community's floodplain management
542 program performance in four "themes":

543   1. Floodplain Administrator Capability, Capacity, and Institutional Support
544   2. Map Availability and Accuracy
545   3. Floodplain Management Regulations
546   4. Standardized Processes

547 The FET helps to facilitate and promote understanding of and compliance with NFIP requirements. The tool
548 captures information on the community's program and enables consistent, defensible, objective, and
549 transparent assessment of NFIP communities nationwide. The following questions are asked during the Full
550 Evaluation:

		Question
**Floodplain Administrator Capability, Capacity, and Institutional Support –** *Does the official responsible for regulating/enforcing the NFIP have the required expertise, knowledge, technical capabilities, and institutional support?*

Floodplain Administrator Capability, Capacity, and Institutional Support	1.1	How many years of floodplain management experience does the Floodplain Administrator have ?
	1.2	Is the Floodplain Administrator a Certified Floodplain Manager (CFM)?
	1.3	What is the Floodplain Administrator's familiarity with FEMA maps and study data? Specifically, what products are being used when reviewing permits? For each type/row in question 1.3.1 – 1.3.5 please select one response.
	1.3.1	Are effective Flood Insurance Rate Maps (digital or paper) used?
	1.3.2	Is the effective Flood Insurance Study (digital or paper) used?
	1.3.3	Are historic FIS or FIRMs used?
	1.3.4	Are Letters of Map Change (digital or paper) used?
	1.3.5	Are other best available data used?
	1.4	What sources does the FPA use when working with FEMA map products and study data?
	1.4.1	FEMA Map Service Center (MSC) and/or National Flood Hazard Layer (NFHL) tool
	1.4.2	Local GIS software
	1.5	Is the floodplain management program adequately staffed?
	1.6	Is the floodplain management program adequately resourced (i.e., has sufficient budget)?
	1.7	Is the floodplain management program's position in the organization appropriate to ensure effectiveness in carrying out its duties?
	1.8	Does the FPA sufficiently interact/communicate with the mayor/council/CEO to ensure continued community support for the floodplain management program?

**Map Availability and Accuracy –** *Is the community regulating/enforcing against its most accurate risk assessment?*
Map Availability and Accuracy	2.1	In the past 3-5 years, has the community experienced significant flooding outside of the mapped SFHA and provided that information to FEMA?
	2.2	Has the community adopted the correct FIRMs and FIS for the entirety of its community boundary (including any recent annexations)?
	2.3	Is the community properly obtaining LOMCs to reflect current or changing flood risk?

		Question
Floodplain Management Regulations – *Is the community's ordinance up to date and how is it being enforced?*		
Floodplain Management Regulations	3.1	Since the last audit (CAV or CAC), has there been any development in the SFHA or is any currently planned?
	3.2	If yes to question 3.1 above, how many permits has the FPA issued for development (both structural and non-structural) in the SFHA since the last audit?
	3.3	How does the community maintain as-built elevation data?
	3.4	Is the community's current floodplain management regulation compliant with NFIP minimum standards? (Auditor to complete Floodplain Management Regulations Review Checklist)
	3.5	How many compliance issues does the community currently have by category? (Multi-part question: enter whole numbers for 3.5.1 – 3.5.14 below; a blank indicates zero/none for that category)
	3.5.1	Floodways (unpermitted encroachments, permitted without no-rise analysis, or no-rise analysis inaccurate/insufficient)
	3.5.2	V Zone standards not met (foundation type, breakaway walls, V Zone certification)
	3.5.3	Basements (new construction or SI)
	3.5.4	Insufficient elevation of residential structures
	3.5.5	Insufficient elevation/floodproofing of non-residential structures
	3.5.6	Insufficient flood openings (all structure types)
	3.5.7	As-built elevation information lacking (all structure types)
	3.5.8	Lacking SI/SD assessments
	3.5.9	Not following Letter of Map Change (LOMC) procedures (changing drainages or streams, undocumented watercourse alterations)
	3.5.10	In Zone A, developments (>50 lots or 5 acres) lacking development of BFEs
	3.5.11	In AO-Zone, developments (>50 lots or 5 acres) lacking development of BFEs
	3.5.12	Unpermitted fill/grading
	3.5.13	Other (non-structural) development (e.g., dredging, storage of materials, insufficient drainage, non-compliant RVs)
	3.5.14	Insufficient elevation or floodproofing of building service machinery in non-residential structures
	3.6	How many variances (that are non-complaint with 44 CFR 60.6) has the community granted to its floodplain management standards?
	3.7	How many of the variances in question 3.6 above are not in accordance with the community's own floodplain management policies/standards?
	3.8	When you encounter conflicting regulations do you always enforce the stricter regulation?

			Question
	Standardized Processes – *Does the community have an effective record-keeping process?*		
Floodplain Management Regulations	4.1		Does the floodplain management program have a permitting process developed and in use for the following options within the SFHA?
		4.1.1	Residential structures (including subdivisions)
		4.1.2	V Zone construction (certification, review)
		4.1.3	Floodway encroachment (no-rise analysis review)
		4.1.4	Commercial/non-residential structures
		4.1.5	Substantial Improvement (SI) of structures
		4.1.6	Substantial Damage (SD) of structures
		4.1.7	Variances
		4.1.8	CLOMR/LOMR (e.g., watercourse alterations, floodway development, culverts)
		4.1.9	Recreational Vehicles
		4.1.10	Accessory structures
		4.1.11	Agricultural structures
		4.1.12	Fill/grading
		4.1.13	Other non-structural development as defined in 59.1
		4.1.14	Other federal/state/local necessary permits
	4.2		Does the community conduct inspections to ensure that every structure is built in accordance with floodplain management regulations?
	4.3		When does the community conduct inspections to ensure that structures are built as required for flood regulations?
	4.4		Are the floodplain management program's SOPs and processes/procedures consistently used to perform the functions of the floodplain management program?
	4.5		Are permit records well organized and easily accessible?
	4.6		Are variance records well organized and easily accessible?
	4.7		Are the floodplain management program's SOPs and processes/procedures reviewed and updated on a regular basis (e.g., every 3 years)?
	4.8		Does the community coordinate with other departments on floodplain management regulations?

551 **Documentation**

552 Auditors must collect and upload into CIS documentation used to validate floodplain management program
553 deficiencies and/or potential violations during the Full Evaluation. For example, images taken from the field,
554 permits, elevation certificates, etc.

3.7 Transition From Phase 1 to Phase 2

The final process step in Phase 1 Audit is for the Auditor to confirm whether the community has completed the NFIP Compliance Audit process (Phases 1 – 3) or whether the community will require Phase 2 Audit Follow-up & Technical Assistance. To ensure that the status of the community is well documented, Auditors **must record this decision output in the tools**. This is necessary for audits completed after the Diagnostic Assessment and those that included a Full Evaluation. Communities without a Special Flood Hazard Area (SFHA), not in the Community Rating System, without pre-FIRM policies, or having little or no development since their last audit are the most likely candidates for not requiring Phase 2. Most communities that progress to the Full Evaluation stage in the Audit Phase will have at least some issues that require remediation.

The process step in the NFIP Compliance Audit in which the Auditor must determine whether the community's journey through the NFIP Compliance Audit process is complete or whether the community will progress to Phase 2 is identified in Figure 22.
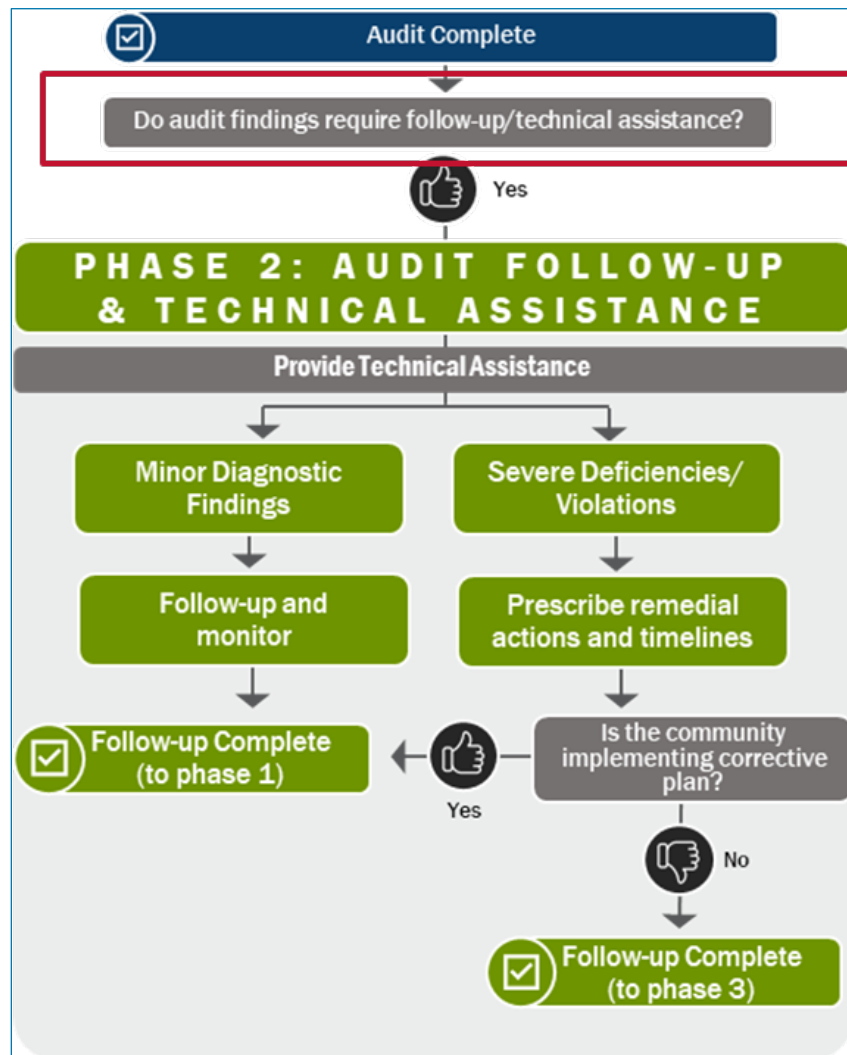
FIGURE 22: TRANSITION TO PHASE 2

570   To ensure that FEMA has accurate and reliable information on the community's status within the NFIP
571   Compliance Audit process, Auditors must capture whether Phase 2 is needed in both the DAT and Full
572   Evaluation Tool, as shown in Figure 23.

573

574   FIGURE 23: EXAMPLE OF ELEMENT TO CAPTURE TRANSITION TO PHASE 2

575

4. Phase 2 Audit Follow-Up & Technical Assistance

4.1 Overview

If potential issues and violations are identified through the audit, the community is moved to Phase 2: **Audit Follow-Up & Technical Assistance**. In Phase 2, the Auditor tracks the status of the community's progress in resolving any deficiencies or violations found during the audit, as well as technical assistance provided in support of remedying issues to the maximum extent practicable. Completion of Phase 2 occurs upon any of the following scenarios:

- The community successfully resolves all issues and violations to the maximum extent practicable

- While working with FEMA or the state to resolve issues, the duration of time since the last audit reaches 5 years, triggering a new compliance audit

- Following repeated attempts to resolve issues through technical assistance, the community no longer demonstrates willingness to enter into compliance with NFIP regulations, whereby, at the Region's discretion, the community is moved to Phase 3 Enforcement.

In Phase 2 of the NFIP Compliance Audit, Auditors work closely with communities to resolve their floodplain management program deficiencies and violations discovered during the audit. In the redesigned audit process, communities do not receive follow-up and assistance until **after the audit has been completed.** This is critical to ensuring FEMA captures a snapshot of the community's floodplain management program health at a point in time. *This is a living document and will be updated as FPM progresses with redesigning key elements of the future audit process.*

TOOLS: Phase 2 Audit Follow-Up & Technical Assistance

- **Deficiencies and Violations Tracker** – A tracking tool for recording and monitoring deficiencies and/or potential violations stemming from Phase 1 Audit.
- **Audit Follow-Up & Assistance Chronology Tracker** – A new tracking tool for documenting technical assistance provided to communities in an effort to help resolve deficiencies and/or potential violations stemming from Phase 1 Audit.

	Features and Tools

- A Violations and Deficiencies Data Dictionary
- A future state Violations Tracker to monitor program deficiencies & violations, including type, description, status, and timeframes to resolve
- Follow-Up & Technical Assistance Chronology Tracker to document the Auditor's efforts in helping communities to resolve their floodplain management program deficiencies and violations, with ability to generate a report for Probation Justification if needed

	Activities

- Findings from Phase 1 indicate whether community requires **Audit Follow-Up and Technical Assistance.**
- Auditor uses the **Violations and Deficiencies Data Dictionary** to tailor assistance provided to the community to help resolve discovered issues.
- Auditor monitors community progress in remedying issues found.
- Auditor tracks technical assistance provided to the community.
- Phase 2 complete after either: (1) the community has remedied issues; (2) a new audit is triggered; or (3) enforcement is initiated.

	Intended Outcomes

- Ability to document, track, and classify deficiencies and violations with greater consistency and efficiency, including how long it takes a community to resolve these issues, plus the work it takes FEMA and states.

> One of the Compliance Committee's key objectives in FY23 is to refine the guidance and processes for (1) providing support to communities in resolving floodplain management program deficiencies and violations; and (2) transferring over compliance cases from the states to Regions for enforcement action.

4.2 Deficiencies and the National Violations Tracker (Future)

The current CIS has a National Violations Tracker. In the future, as part of the NFIP Compliance Audit Redesign, the FPM Compliance Committee proposes the development of a new module in CIS to capture and document additional issues resulting from the audit. These data needs—notably, floodplain management program deficiencies—are not currently being tracked within CIS. Proposed data fields to track in a future Deficiencies and Violations tracker include:

637   •   **CID** – the community's Community ID number

638   •   **County** – the community's county

639   •   **Category** – the category of the issue (deficiency or violation)

640   •   **Type** – the type of deficiency or violation (e.g., structure below BFE)

641   •   **Address** – the address of the structural violation (if applicable)

642   •   **Latitude** – the latitude of the structural violation (if applicable)

643   •   **Longitude** – the longitude of the structural violation (if applicable)

644   •   **Zip** – the Zip Code of the structural violation (if applicable)

645   •   **Zone** – the SFHA zone of the structural violation (if applicable)

646   •   **Remedial Action** – the action required to remedy the issue prescribed by the Auditor

647   •   **Timeframe** – the length of time the Auditor identified for the community to resolve the issue

648   •   **Status** – the current status of the issue (open or closed)

649   •   **Status Update** – the Auditor should be able to enter multiple status updates to document the
650   community's progress in resolving issues recorded, including if any timeframes required extension

651   •   **Auditor Actions** – the Auditor may choose to enter and track any actions required on their behalf
652   (e.g., sending a document or file to the community)

653   •   **Auditor Action Deadline** – if the Auditor chooses to enter and track any actions required on their
654   behalf, they should enter a date here

655   •   **Date Resolved/Closed** – date the community resolved the issue to maximum extent practicable

656 Where possible, these data elements should auto-populate (e.g., County, etc.) into the Deficiencies and
657 Violations Tracker. Furthermore, these data entries must be associated with the specific compliance audit
658 case the Auditor recently completed (e.g., a user should be able to identify in CIS that these issues were
659 discovered from a particular audit).

4.3 Audit Follow-Up & Assistance Chronology
660

661 The Compliance Committee also proposes having the ability to track technical assistance provided to
662 communities in support of resolving any issues from the audit. Some communities may have hundreds of
663 structural violations entered into the Deficiencies and Violations Tracker following an audit. Additionally,
664 underserved/under-resourced communities may need more time to resolve issues or need more technical
665 assistance from evaluators.

4.4 Carry Over of Violations/Deficiencies
666

667 In cases where there are severe floodplain management program deficiencies and violations, it may take the
668 community some time to resolve issues found during the audit, especially in underserved or under-resourced
669 communities. As part of the new NFIP Compliance Audit, Regional and state Auditors will have discretion in
670 working with the community to develop a remedial action plan tailored to the capability, capacity, and
671 training needs of the specific community. The goal of this effort is to assist the community in resolving
672 program deficiencies and violations to the maximum extent practicable. However, if the parties cannot agree

673 on a remedial plan, FEMA has the discretion to impose a remedial plan on the community, consistent with its
674 enforcement powers under 44 CFR § 59.24.

675 If a community is still working with the FEMA Region or state to meet the milestones agreed upon in its
676 remedial action plan after five (5) years, the need for a new compliance audit will be triggered in the CEPT.
677 Another audit is necessary to ensure FEMA has accurate and reliable data on every community's compliance
678 with NFIP regulations. Any remaining violations or deficiencies open in the Deficiencies and Violations
679 Tracker could "port over" to the Phase 2 module for review by the Auditor in charge of the next compliance
680 audit (who may or may not be different from the previous Auditor).

4.5 Information Requests

681

682 Due to the "quantitative "nature of this proposed compliance audit program, it is likely that local
683 communities will want to request information from FEMA on the scoring and evaluation findings from a
684 completed audit. In cases where the local community requests information following its audit, the following
685 procedures should be applied. A requestor may also submit a Freedom of Information Act (FOIA) request for
686 this information by visiting https://www.fema.gov/about/offices/administrative/foia.

4.5.1 Community Request Procedures

687

688 A community that is requesting information on its audit score shall provide the following to the Auditor:

689 • A written statement that identifies the information that is being requested from FEMA that includes
690   the date of the request.

691 • The name, mailing address, telephone number, email address (if applicable), and organizational
692   affiliation (if any) of the individual making the information request.

693 • The requestor should use the subject line "Request for Information submitted under FEMA
694   Community Audit Program," and include the name and community identification number for the
695   community making the request.

696 • If the requested information contains Personal Identifying Information (PII), the requesting
697   jurisdiction will be required to have an Information Sharing Access Agreement (ISAA) in place. To
698   complete this request, please visit the following link to complete this form:
699   https://www.fema.gov/sites/default/files/documents/fema_ISAA-CTPs_06302022.docx

4.5.2 Response

700

701 Within 10 business days, FEMA will notify the requestor of receipt of the information request. The
702 appropriate office will evaluate the request and prepare a response. If FEMA determines that the information
703 request has merit, the information will be provided to the requestor within 45 calendar days of the request.

4.5.3 Request for Reconsideration

704

705 If the community believes that something was missed or misinterpreted during the community audit process,
706 or if a community believes that there is an error in the audit findings, it may request a reconsideration of
707 audit findings. A request for reconsideration must be submitted to the FEMA Regional Office, Attn: Director,
708 Mitigation Division, within 30 days of receipt of the closure of the audit.

709　A request for reconsideration must be based on the program components reviewed during the community
710　audit process. The request must include a description of how the community thinks its program differs from
711　that observed by the Auditor, describe the error or misrepresentation, and include supporting documentation
712　to validate its case. FEMA will review requests for reconsideration. A meeting may be held, depending upon
713　the need for additional communication, with the Auditor, the local community, and other interested parties.
714　FEMA will provide a written response to the community's request for reconsideration. If FEMA determines
715　that the request for reconsideration is without merit, the requestor will be so notified.

716

5. Phase 3 Enforcement

The exploration of Phase 3 Enforcement is in its infancy stages in the NFIP Compliance Audit Redesign. FPM's Probation Standard Operating Procedure (SOP) stands as a successful first step in developing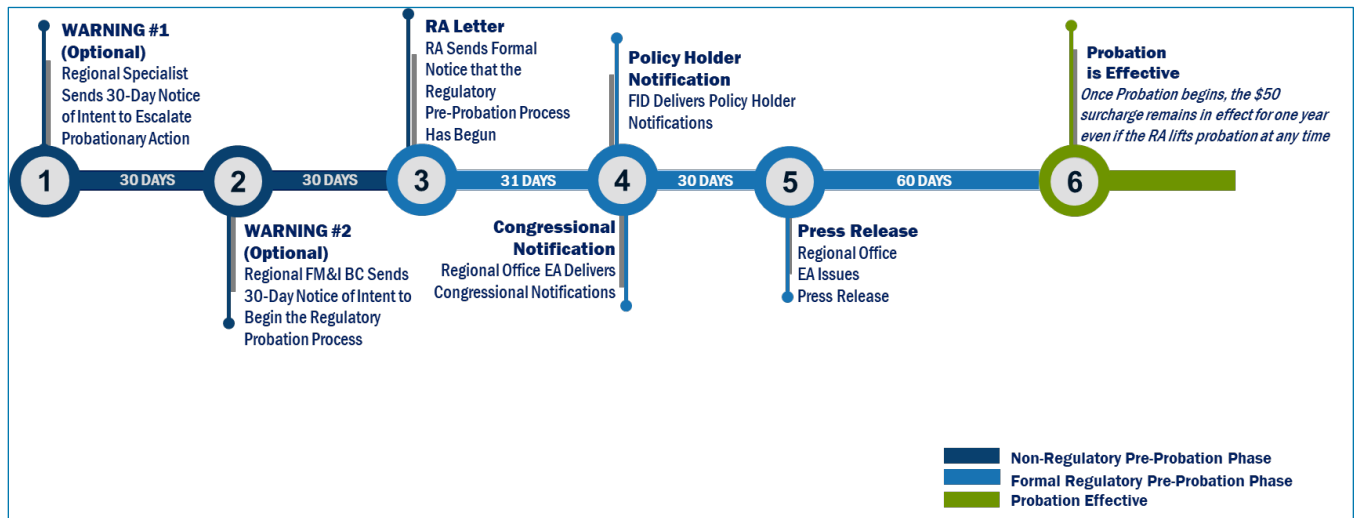 enhanced guidance between key stakeholders to support enforcement actions when necessary. A series of non-regulatory best practices for initiating probation, referred to as "Non-regulatory Pre-Probation" is shown in Figure 24.

FIGURE 24: FEMA FPM PROBATION STANDARD OPERATING PROCEDURES

Appendix A: Acronyms

BFE	Base Flood Elevation
BLE	Base-Level Engineering
CAC	Community Assistance Contact
CAV	Community Assistance Visit
CEO	Chief Executive Officer
CEPT	Community Engagement Prioritization Tool
CIS	Community Information System
CIS MOD	Community Information System Modernization
CLOMR	Conditional Letter of Map Revision
DAT	Diagnostic Assessment Tool
FEMA	Federal Emergency Management Agency
FET	Full Evaluation Tool
FIRM	Flood Insurance Rate Map
FIS	Flood Insurance Study
FPA	Floodplain Administrator (community official)
FPM	FEMA Floodplain Management Program
GIS	Geographic Information Systems
H&H	Hydrology and Hydraulics
LOMA	Letter of Map Amendment
LOMC	Letter of Map Changes
LOMR	Letter of Map Revision
LOMR-F	Letter of Map Revision Based on Fill
MSC	FEMA Map Service Center
NFHL	National Flood Hazard Layer
NFIP	National Flood Insurance Program
POC	Point of Contact
SD	Substantial Damage
SFHA	Special Flood Hazard Area
SI	Substantial Improvement

726