LIHEAP Program Risk Management
Meeting Assurance 10 & Related Regulations

Division of Energy Assistance (DEA)

Office of Community Services (OCS)

Administration for Children & Families (ACF)

U.S. Department of Health and Human Services (HHS)

Agenda

- Discuss the Law/ Regulations
- What is Risk?
- OIG/ OAS Presentation
- Transition Points
- OIG/ OI Presentation
- Wrap Up

Activities:
- Project Risk Management
- Questions and Answers

Assurance 10

Section 2605(b)(10) of the LIHEAP statute [42 U.S.C. § 8624(b)(10)] – Assurance 10— requires that grantees:

[P]rovide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act").

Federal Block Grant Regulations

45 C.F.R. § 96.30(a) requires:

(a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

45 C.F.R. § 96.84(c) requires:

(c) Prevention of waste, fraud, and abuse. Grantees must establish appropriate systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under the low-income home energy assistance program. The systems and procedures are to address possible waste, fraud, and abuse by clients, vendors, and administering agencies.

What is Risk?

Risk is the effect of uncertainty on achieving objectives.

Risk may be caused by an event or series of events

Preparing for the future is about looking at multiple views of how risk may unfold; risk management is planning for uncertainty.

Should I do it or not?

How to Assess Risk?

- Step 1: Identify potential **risks**. Sit down and create a list of every possible **risk** and opportunity you can think of.

- Step 2: Determine probability. What are the odds a certain **risk** will occur?

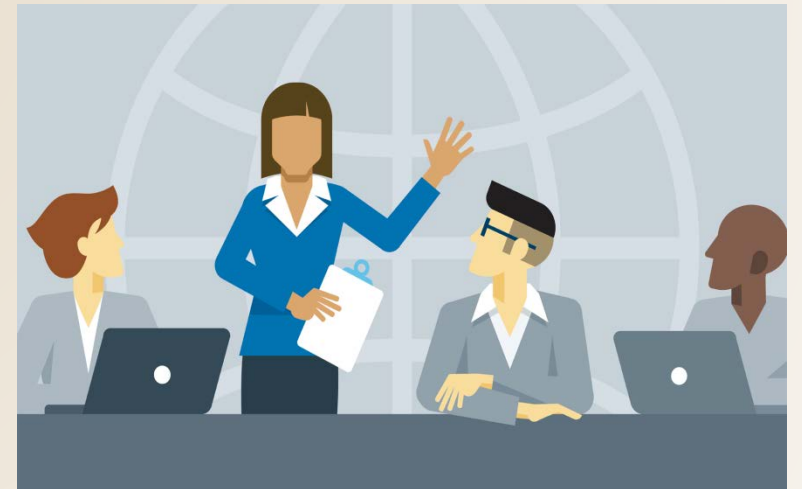- Step 3: Determine Impact. What would happen if each **risk** occurred

OIG/ OA Presenter

- **Mae Santos**

Identifying Areas for Self-Monitoring

❖ compliance with LIHEAP Plan

❖ household eligibility

❖ service standards

❖ fiscal requirements

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Single Audit for Beginners: 10 FAQs

1. What is a single audit?

2. Which government office is responsible for setting the rules and regulations for federal audits?

3. Do all recipients of federal grants get audited?

4. Do only high risk programs get audited?

5. What other considerations besides financial elements do auditors consider?

6. Are the results of the audit made public?

7. What are some consequences of an unsuccessful audit?

OIG/ OI Presenter

- **Cory Rumple**

Timely Reporting

- Submission of all required reports

- Work with your fiscal team
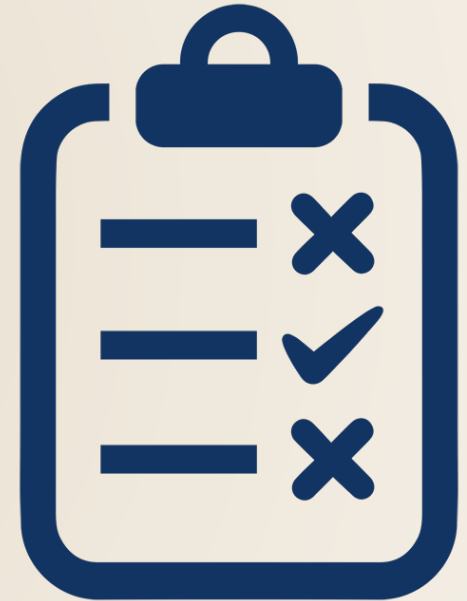
- Potential risks

Beneficiary Complaints

> Is there a process in place to receive complaints?

> What type of complaints are received?

> How are they addressed?

> Why is there potential risk to your program here?

Program Policy and Procedures

❖ LIHEAP Policy or Procedures Manuals ?

❖ How are they used?

❖ How often are they revisited?

LIHEAP Program Risk Management Wrap Up

➤ Risk management is a continual process. If accessed properly, it can be a powerful tool enabling grantees to operate at an optimal risk level.

➤ It is important to remember energy providers and sub recipients should be considered an extension of your organization.

Group Exercise

Take some time to identify potential risks in your LIHEAP program.

Three Simple, Fun and Effective Tools
to Help Manage Risk, by Will Gadd

https://youtu.be/MTdFkPTTnsA

1. Hazard recognition

2. Anticipating Change

3. Identify Competency Gaps (Confidence v. Competence)

Resources

- LIHEAP Reports Schedule, LIHEAP Statute: https://www.acf.hhs.gov/ocs/resource/liheap-statute-and-regulations

- LIHEAP Assurances: https://liheapch.acf.hhs.gov/Tribes/assurances.htm

- CFR 2, Part 200 - https://www.govinfo.gov/content/pkg/CFR-2018-title2-vol1/xml/CFR-2018-title2-vol1-part200.xml;

- Video share: Three Simple, Fun and Effective tools to Help Manage Risk - (1) Assess Risk, (2) Anticipate Change, (3) Know You Limitations – Create a plan! (12 minutes, 52 seconds) https://youtu.be/MTdFkPTTnsA

- LIHEAP Grantee Resource Guide, Section H - Monitoring https://liheapch.acf.hhs.gov/tribal-manual

Resources

- Risk Assessment & Mitigation NASCSP 2018 Winter Conference
  https://nascsp.org/wp-content/uploads/2018/06/Risk-Assessment-2-14-18.pdf
- LIHEAP Reports Schedule, LIHEAP Statute:
  https://www.acf.hhs.gov/ocs/resource/liheap-statute-and-regulations
- LIHEAP Assurances: https://liheapch.acf.hhs.gov/Tribes/assurances.htm
- CFR 2, Part 200 - https://www.govinfo.gov/content/pkg/CFR-2018-title2-vol1/xml/CFR-2018-title2-vol1-part200.xml;
- Video share: Three Simple, Fun and Effective tools to Help Manage Risk - (1) Assess Risk, (2) Anticipate Change, (3) Know You Limitations – Create a plan! (12 minutes, 52 seconds) https://youtu.be/MTdFkPTTnsA
- LIHEAP Grantee Resource Guide, Section H - Monitoring
  https://liheapch.acf.hhs.gov/tribal-manual
- Audits for Beginners - 10 Frequently Asked Questions
  https://blog.ecivis.com/single-audit-for-beginners-10-faqs

Comments / Q and A

Evaluation Form

Please complete and turn in your evaluation form for this session.

Thank you!