Supportive Services for Veteran Families (SSVF) Program

SSVF National Call: Compliance and Monitoring: Lessons Learned and Preparation for FY16

Conference Line Information: 877-273-4202
Conference ID: 5380274
Presenters

- Jeffrey Houser, SSVF Compliance Officer
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- Lindsay Hill, SSVF Regional Coordinator
- Rico Aiello, SSVF Compliance Project Coordinator
- Kyia Watkins, SSVF Program Support
Learning Goals

• **Learn** the purpose of and how to prepare for a monitoring visit.

• **Learn** common monitoring findings and concerns and FY 15 overall results.

• **Learn** of the key changes in the FY 15UMP and the monitoring process.

• **Understand** all of the components of fraud including, prevention, detection and risk mitigation.
Compliance Requirements

Grantees are responsible for operating programs in accordance with their grant agreements, which require compliance with the following:

1. Final Rule
2. Notice of Funding Availability (NOFA)
3. Applicable OMB Circulars
4. Agency application, as approved by SSVF Program Office
Purpose of Monitoring Visit

**Purpose** - determine whether the grantee’s performance meets SSVF program requirements and can improve grantee performance by providing guidance and making recommendations.
Preparing for Monitoring Visit

- Review compliance requirements
- Self-monitor
- Uniform Monitoring Package (UMP) (attached)
- Review most recent UMP report
- Develop your own internal monitoring review process
Monitoring Process

1. Notification Email
2. Entrance Conference
3. Program Review/Documentation Review and Staff Interviews
4. Exit Conference
5. Follow-up Results Letter
Findings and Concerns

• **Findings**
  – Deficiencies are identified and **corrective action** is required
    • Corrective action identifies actions needed to resolve the issue
    • Corrective action will include time frame by which grantee is to respond to finding

• **Concerns**
  – Will be brought to grantees attention, recommended action discussed
Exit Interview

• What did the grantee do well?
• Discuss zero scores (findings and concerns)
• Describe next steps in the process
FY 15 UMP Results

• As of 9/30/2015

<table>
<thead>
<tr>
<th>Visit Type</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intensive</td>
<td>34</td>
<td>10%</td>
</tr>
<tr>
<td>Regular</td>
<td>191</td>
<td>58%</td>
</tr>
<tr>
<td>Desk Audit</td>
<td>105</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>330</td>
<td></td>
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</table>
Highest- and Lowest-Scoring Items

![Bar graph showing highest and lowest scoring items](chart.png)
### Highest Scoring Items (Top 15)

<table>
<thead>
<tr>
<th>Item</th>
<th>%</th>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B12</td>
<td>99%</td>
<td>Data/Security</td>
<td>Obtains written consent from SSVF participants prior to release of confidential information</td>
</tr>
<tr>
<td>B13</td>
<td>99%</td>
<td>Data/Security</td>
<td>Ensure confidential information is secure and protected</td>
</tr>
<tr>
<td>F10</td>
<td>98%</td>
<td>Data/Security</td>
<td>Enters all client information into HMIS on a monthly basis</td>
</tr>
<tr>
<td>E4</td>
<td>98%</td>
<td>Eligibility</td>
<td>Serves Veterans with zero income</td>
</tr>
<tr>
<td>E6</td>
<td>97%</td>
<td>Eligibility</td>
<td>Veterans are not required to participant in supportive services prior to obtaining housing assistance</td>
</tr>
<tr>
<td>G6</td>
<td>100%</td>
<td>Financial</td>
<td>Fiscal records and valuables secured in a limited access area</td>
</tr>
<tr>
<td>G1</td>
<td>98%</td>
<td>Financial</td>
<td>Written procedures for recording financial transactions, and a current accounting manual and a chart of accounts</td>
</tr>
<tr>
<td>B10</td>
<td>98%</td>
<td>Financial</td>
<td>Job descriptions for all staff listed on the approved budget</td>
</tr>
<tr>
<td>G4</td>
<td>98%</td>
<td>Financial</td>
<td>Staff duties are separated so that no one individual has complete authority over an entire financial transaction</td>
</tr>
<tr>
<td>G3</td>
<td>97%</td>
<td>Financial</td>
<td>Maintains a policy manual covering the authority for approving financial transactions</td>
</tr>
<tr>
<td>G7</td>
<td>97%</td>
<td>Financial</td>
<td>Identifies expenditures according to eligible activities identified in the approved budget</td>
</tr>
<tr>
<td>D5</td>
<td>98%</td>
<td>Outreach</td>
<td>Conducts outreach activities with private organizations, State agencies, local government agencies and other community providers</td>
</tr>
<tr>
<td>D1</td>
<td>97%</td>
<td>Outreach</td>
<td>Conduct outreach to all the communities/CoCs listed in their FY15 Resolution</td>
</tr>
<tr>
<td>C3</td>
<td>99%</td>
<td>Subcontractor</td>
<td>Executed written agreements with subcontractors to carry out program activities</td>
</tr>
<tr>
<td>H3</td>
<td>96%</td>
<td>Vehicles</td>
<td>Evidence of valid license for all drivers, insurance, safety equipment, training regarding agency transportation procedures, and cell phone availability</td>
</tr>
</tbody>
</table>
# Lowest Scoring Items (Bottom 15)

<table>
<thead>
<tr>
<th>Item</th>
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<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B3</td>
<td>74%</td>
<td>Admin</td>
<td>Written policies and procedures that describe how admissions will be prioritized and who is responsible for making admission decisions?</td>
</tr>
<tr>
<td>B6</td>
<td>66%</td>
<td>Admin</td>
<td>Obtains input from program participants from completed TruthPoint Surveys?</td>
</tr>
<tr>
<td>E7</td>
<td>65%</td>
<td>Eligibility</td>
<td>Client files include adequate evidence of Veteran status</td>
</tr>
<tr>
<td>E9</td>
<td>61%</td>
<td>Eligibility</td>
<td>Files adequately document annual income is at or below 50% of the area median income</td>
</tr>
<tr>
<td>E8</td>
<td>57%</td>
<td>Eligibility</td>
<td>Files adequately document the participants' housing status as either literally homeless or at-risk of literal homelessness</td>
</tr>
<tr>
<td>E11</td>
<td>55%</td>
<td>Eligibility</td>
<td>Files adequately document the exit criteria for each client</td>
</tr>
<tr>
<td>E10</td>
<td>46%</td>
<td>Eligibility</td>
<td>Files adequately document recertification of eligibility</td>
</tr>
<tr>
<td>A2</td>
<td>53%</td>
<td>Progress</td>
<td>Drawdown rate within 10% or less of the projected point in time expenditures</td>
</tr>
<tr>
<td>F9</td>
<td>61%</td>
<td>Services</td>
<td>Documentation demonstrates TFA payments were necessary for maintaining independent living in permanent housing and housing stability?</td>
</tr>
<tr>
<td>F2</td>
<td>58%</td>
<td>Services</td>
<td>Housing stability plan that is developed with the active involvement participants served</td>
</tr>
<tr>
<td>F8</td>
<td>57%</td>
<td>Services</td>
<td>Files adequately document assessments for rent affordability</td>
</tr>
<tr>
<td>F5</td>
<td>56%</td>
<td>Services</td>
<td>Case files demonstrate that the grantee is providing housing counseling to participants related stabilization in permanent housing</td>
</tr>
<tr>
<td>F4</td>
<td>54%</td>
<td>Services</td>
<td>Files adequately document assistance obtaining and coordinating mainstream benefits</td>
</tr>
<tr>
<td>F3</td>
<td>52%</td>
<td>Services</td>
<td>Files adequately document that participants were linked to VA services</td>
</tr>
<tr>
<td>F6</td>
<td>49%</td>
<td>Services</td>
<td>Ongoing assessments of supportive services needs and housing stability plan with respect to expected outcomes</td>
</tr>
</tbody>
</table>
Average Scores by Visit Categorization

How did Grantees fair in scoring when categorized by visit type?

- **Intensive On-Site Visits**: 84%
  - Out of 66 possible points (including Section G Supplement), the average overall score = 55.60

- **Regular On-Site Visits**: 90%
  - Out of 65 possible points, the average overall score = 58.60

- **Off-Site Visits**: 94%
  - Out of 53 possible points, the average overall score = 49.66
Section G Supplement: Fiscal Administration Review

What percent of Grantees who received Intensive Onsite Visits passed the score items of Section G Supplement?

- Sec.G Supp. Item 2 TFA Pmts. Result
- Sec.G Supp. Item 3 G/L Review Results
- Sec.G Supp. Item 4 Payroll Review Results
- Sec.G Supp. Item 5 Admin. Expense Results
- Sec.G Supp. Item 6 Subcontractor Review
UMP FY 16 Changes
Section B: Overall Management

Systems/Structure

• Question B6 - Survey
  • Question has been revised – does grantee obtain input from program participants from VA approved or other internal surveys?
  • Sources – demonstration that feedback is obtained from surveys by grantee
Section B: Overall Management
Systems/Structure

• Question B7 Participation in Community Planning
  – Revised question – Is the grantee working to end veteran homelessness in conjunction with their Continuums of Care?
  – Sources – copies of community plans, attendance sheets, meeting minutes, staff interviews
Section B: Overall Management
Systems/Structure

• Question B8 Critical Incidents
  • Removed “remediating” from question
    • Must have written policy and procedures
    • Procedures should include how to report to VA
    • Staff should be able to describe procedures
    • Sources – P&P Manual, interview, copies of critical incident reports
Section C: Subcontractor Management

• Question C1 Written Policies...Revised
  • Does the grantee have copies of each of the subcontractors SSVF policies and procedures?

• Question C2 – Written Agreements...
  • Does the grantee have executed written agreements with its subcontractors (MOUs/MOAs)

• Question C4 – Agreements... Revised
  • Do the written agreements contain descriptions of type of work to be done by subcontractor
Section E: Participant Eligibility

- Question E1 Determining Eligibility
  - Do front line staff have a clear understanding of the process for determining eligibility?
  Sources: interviews with front line staff

- Questions E3 referring process
  - Do front line staff refer Veteran families to other resources if they are determined to be ineligible for SSVF?
  - Ok to describe process but staff should be consistent
FY16 UMP Focus

1. Visit Types:
   - Regular one day visit
   - Intensive two day visit
   - FSC visit
   - FSC Remote GL (General Ledger) audit
   - Program Office visit

2. Review of FY15 UMP
3. Review of FY15 CAP if applicable
4. Identify Repeat findings
5. Document repeat findings in UMP
6. Review results with grantee
7. Transition to GIFTS
Grantee Resources

• SSVF University
  • Monitoring and Documentation Standards Webinar
  • Uniform Monitoring Procedure (UMP)
  • SSVF Information Security Assessment
  • Audit Guidelines, Fraud Prevention, Reporting and Compliance

• Regional Coordinator
• SSVF Compliance Office
• Other SSVF Grantees
Fraud Awareness for Supportive Services for Veterans and Families
Department of Veterans Affairs (VA)
Financial Services Center (FSC)
Fraud Basics

What:

- In the broadest sense, fraud can encompass any crime for gain that uses deception as its principal modus operandus. More specifically, fraud is defined by Black’s Law Dictionary as:
  
  • A knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment.
  • Consequently, fraud includes any intentional or deliberate act to deprive another of property or money by guile, deception, or other unfair means.

- All multifarious means which human ingenuity can devise, and which are resorted to by one individual to get an advantage over another by false suggestions or suppression of the truth. It includes all surprises, tricks, cunning or dissembling, and any unfair way which another is cheated.
Who:

- Fraud against an organization can be committed either internally by employees, managers, officers, or owners of the company, or externally by customers, vendors, and other parties.

- Fraudsters have also devised schemes to defraud individuals i.e. Identity theft, Ponzi schemes, phishing schemes, and advanced-fee frauds are just a few of the ways criminals have found to steal money from unsuspecting victims.
Fraud Basics: Fraud Triangle = When, Where, and Why
Fraud Detection

- Lack of Proper Internal Controls
  - Segregation of Duties
  - Unsupervised Spending
  - Lack of Internal Policies

- Ineffective Board of Directors
  - Unqualified Board
  - Meets Infrequently
  - Absence of Oversight/Direction
  - Insufficient Documentation of Meeting Minutes
Fraud Detection

- Conflicts of Interest
  - Less than “Arms Length”
  - Personal Benefits
  - Family Members on Board
  - Kick Backs (Contractors/Vendors)

- Payment Requests or Drawdown of Grant Funds
  - Insufficient Justification or Documentation
  - Drawdowns After Award Period Ends
  - Payment Request Exceeds Expenditures
Fraud Prevention

- Proper Internal Controls
  - Approval Chain
  - Bonded Cash Handlers
  - Create Internal Policies

- Board of Directors
  - Qualified Board
  - Meets Timely
  - Oversight/Direction
  - Sufficient Documentation of Meeting Minutes
Fraud Prevention

- Avoid The Appearance of Conflicts of Interest
  - Disclose Relationships with Families or Friends
  - Avoiding Personally Beneficial Relationships
  - Bid for Contracts/MOU’s (Debarred and Suspended)
  - Decline Kick Backs and Gifts

- Payment Requests or Drawdown of Grant Funds
  - All Justification or Documentation
  - Recording in Proper Period
Risk Mitigation

1. Read & Understand the Grant Agreement; Know the rules: Agency Guidance; CFR’s; Mandatory Disclosure, etc…

2. Examine your programs to identify fraud vulnerabilities: time & effort records; indirect and per diem rates; consultants; control of “cash”

3. Consider developing a compliance plan.

4. Implement specific fraud prevention strategies including educating others about the risks— the more people are aware of the issues, the more they can help prevent problems or detect them as early as possible.

5. Maintain a well designed and tested system of internal controls.
Risk Mitigation

6. Ensure all financial or other certifications and progress reports are adequately supported with appropriate documentation and evidence.

7. Identify any potential conflicts of interest issues and disclose them to the appropriate officials for specific guidance and advice. Ensure everyone involved in the grant process understands the conflict of interest prohibitions.

8. Ensure there is a fair, transparent and fully-documented procurement process especially when utilizing consultants. Ensure the rate of pay is reasonable and justifiable and that the work product is well-defined and documented.
Conflicts of Interest and Procurement Process Issues

- Grantees are required to use federal funds in the best interest of their program and these decisions must be free of undisclosed personal or organizational conflicts of interest—both in appearance and fact.

The typical issues in this area include:

- Less than Arms-Length Transactions: purchasing goods or services or hiring an individual from a related party such as a family member or a business associated with an employee of a grantee.

- Sub grant award decisions and vendor selections must be accomplished using a fair and transparent process free of undue influence. Most procurements require full & open competition.

- Consultants can play an important role in programs, however, their use requires a fair selection process, reasonable pay rates, and specific verifiable work product.
“Lying” or Failing to Properly Support

- A grant agreement is essentially a legally binding contract and grantees are obligated to use their grant funds as outlined in the agreement and to act with integrity when applying for and reporting their actual use of funds. Grantees are also obligated to properly track the use of funds and maintain adequate supporting documentation.

The typical issues in this area include:

- Unilaterally redirecting the use of funds in a manner different than outlined in the grant agreement.
- Failing to adequately account for, track or support transactions such as personnel costs, contracts, indirect cost rates, matching funds, program income, or other sources of revenue.
- Grantee’s must accurately represent their eligibility for funding and cannot provide false or misleading information in their application or subsequent narrative progress or financial status reports.
Theft

- Theft is the most common issue in almost all organizations—including those that receive federal grant funding.
- People that embezzle funds can be extremely creative and appear very trustworthy—precisely why they can do so much damage to an organization and remain undetected for extended periods of time.
- Poor or no internal controls equals virtually inevitable theft. A lack of appropriate separation of duties is one of the most common weaknesses.
- Checks routinely written to employees as “reimbursement” of expenses and the use of ATM / Debit / Gift / Credit Cards must be carefully controlled and require robust oversight.
VA Office of Inspector General

• Contact the VA OIG Hotline for matters concerning fraud, waste & abuse, employee misconduct or other wrongdoing.

• Hotline- 800-488-8244
• www.va.gov/oig/hotline
Contact Information

Financial Service Center

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
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SSVF Program Office

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jeffrey Houser</td>
<td>Compliance Officer</td>
<td>215-823-6304</td>
<td><a href="mailto:Jeffrey.Houser@va.gov">Jeffrey.Houser@va.gov</a></td>
</tr>
<tr>
<td>Riccardo Aiello</td>
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<td>215-284-8896</td>
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<td><a href="mailto:VHAPHI.SSVF_Compliance@va.gov">VHAPHI.SSVF_Compliance@va.gov</a></td>
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</table>
Thank you!