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
- Jill Albanese, SSVF Regional Coordinator
- Lindsay Hill, SSVF Regional Coordinator
- Rico Aiello, SSVF Compliance Project Coordinator
- Kyia Watkins, SSVF Program Support

Learning Goals

- <u>Learn </u>the purpose of and how to prepare for a monitoring visit.

- <u>Learn </u>common monitoring findings and concerns and FY 15 overall results.

- <u>Learn </u>of the key changes in the FY 15UMP and the monitoring process.

- <u>Understand </u>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

- **<u>Findings</u>**
  - 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
- **<u>Concerns</u>**
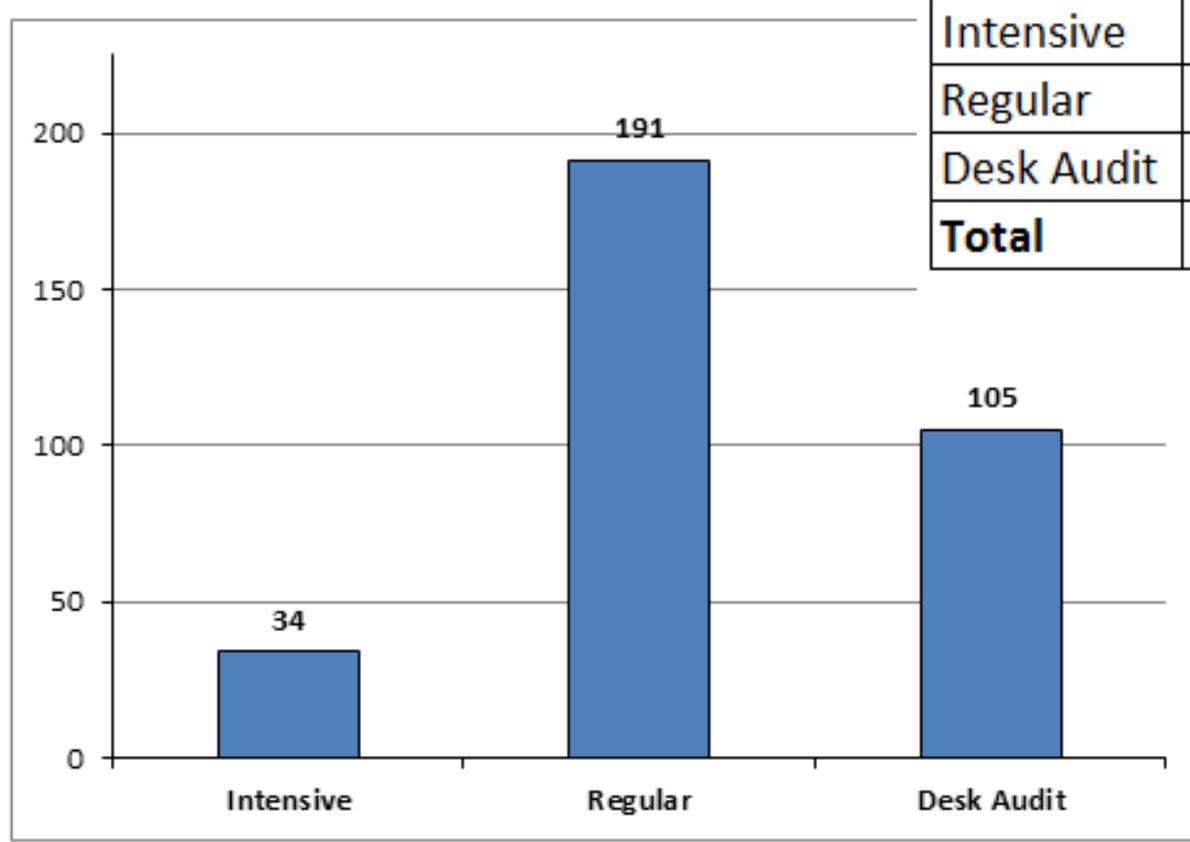 - Will be brought to grantees attention, recommended action discussed

Exit Interview

- What did the grantee do well?
- Discuss zero scores (findings and concerns)
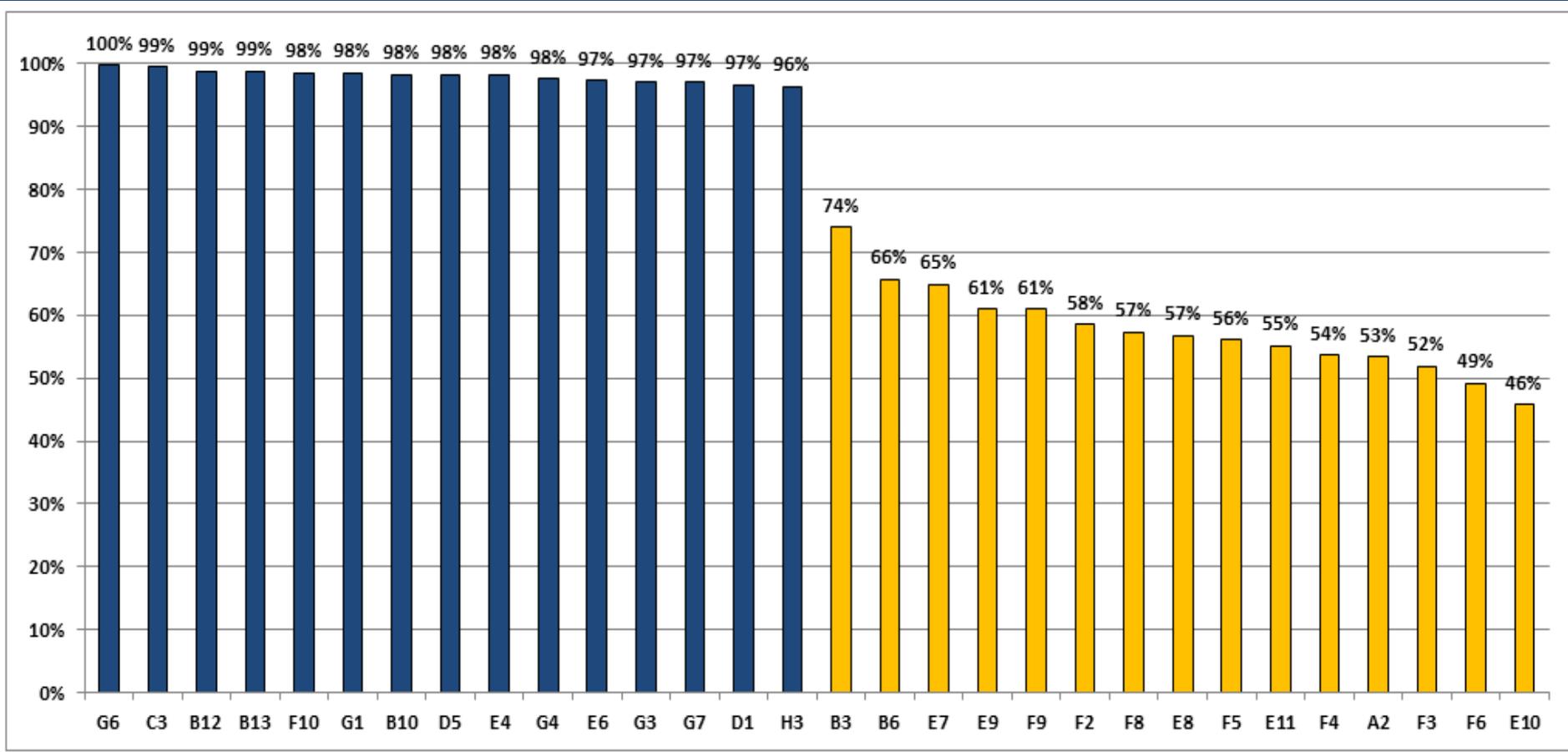- Describe next steps in the process

FY 15 UMP Results

- As of 9/30/2015

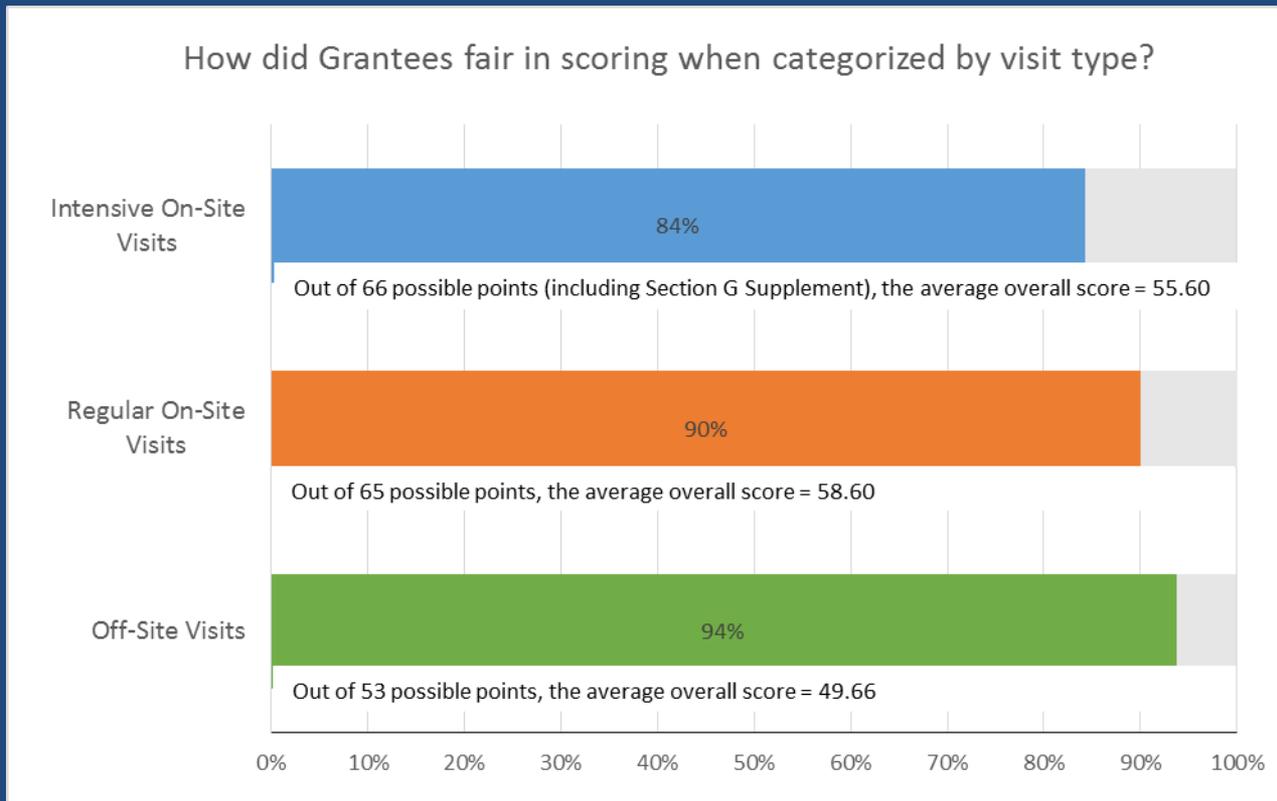| Visit Type	N	%
Intensive	34	10%
Regular	191	58%
Desk Audit	105	32%
Total	**330**	

Highest- and Lowest-Scoring Items

Highest Scoring Items (Top 15)

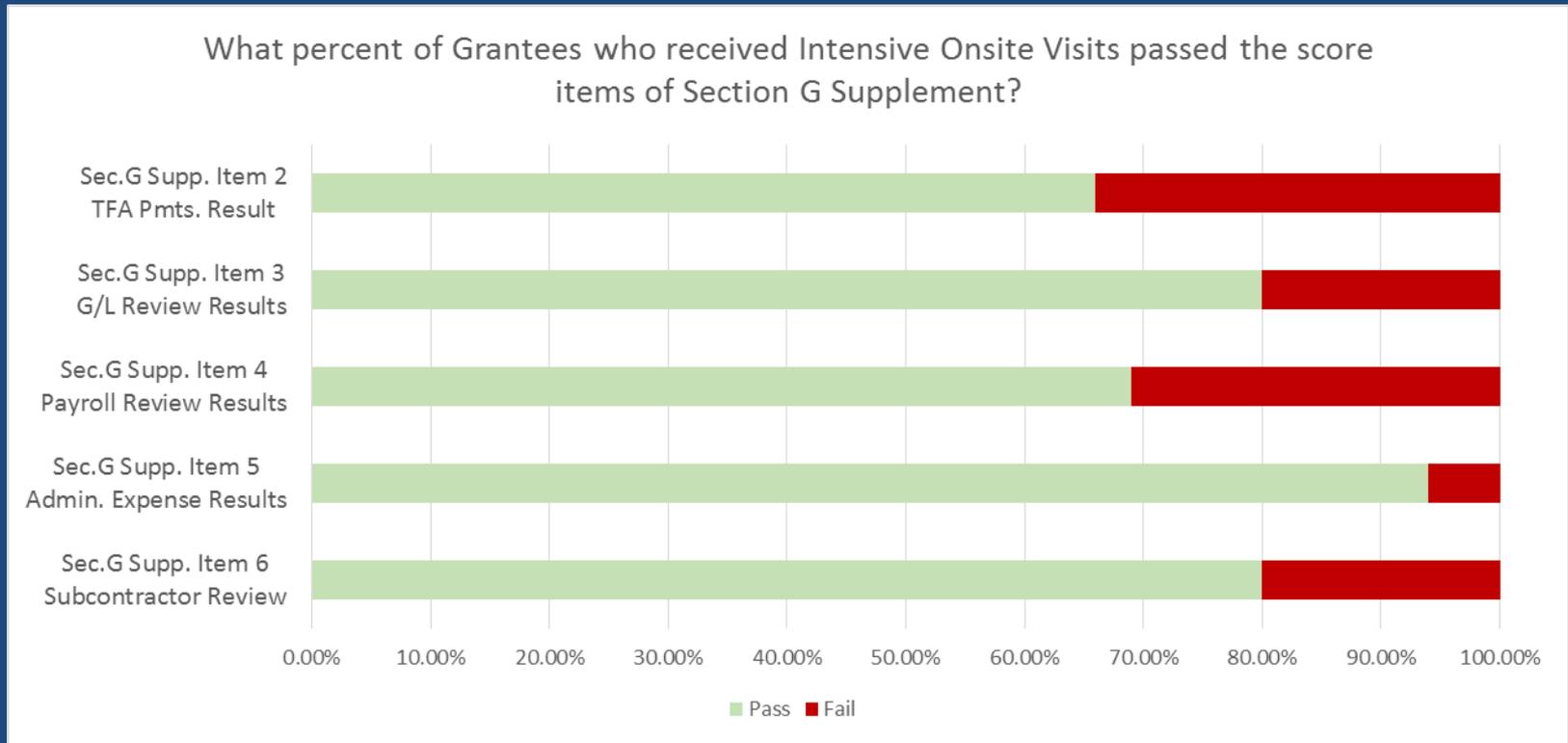| Item	%	Category	Description
B12	99%	Data/Security	Obtains written consent from SSVF participants prior to release of confidential information
B13	99%	Data/Security	Ensure confidential information is secure and protected
F10	98%	Data/Security	Enters all client information into HMIS on a monthly basis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

Lowest Scoring Items (Bottom15)

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

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

14

Section G Supplement: Fiscal Administration Review

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

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 <u>written</u> 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
http://www.va.gov/homeless/ssvf/index.asp?page=/official_guide/reporting_and_monitoring_requirements
  - 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.

Fraud Basics

Who:

- Fraud against a 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

Sonya Etheridge	Senior Auditor	512.460.5682	sonya.etheridge@va.gov
Christina Singleton	Senior Auditor	512.460.5713	christina.singleton@va.gov
Tony Huff	Grant Auditor	512.460.5345	tony.huff@va.gov
Jay Baldwin	Chief, OOD	512.460.5292	joseph.baldwin@va.gov

SSVF Program Office

Jeffrey Houser	Compliance Officer	215-823-6304	Jeffrey.Houser@va.gov
Riccardo Aiello	Compliance	215-284-8896	Riccardo.Aiello@va.gov
SSVF Compliance Office			VHAPHI.SSVF_Compliance@va.gov

Thank you!