

Report in Brief

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Report No. A-07-17-04105

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why **OIG** Did This Review

Previous **OIG** reviews of three Tribal grantees revealed that they did not administer Low-Income Home Energy Assistance Program (LIHEAP) grant funds in accordance with Federal laws, regulations, and guidance. This report summarizes the results of our reviews and our review of the Administration for Children and Families' (ACF's) policies and procedures in overseeing grant funds awarded to Tribal grantees.

Our objectives were to determine whether ACF's oversight of the LIHEAP ensured that grant funds were (1) used to provide the maximum available LIHEAP benefits to eligible households and (2) consistently administered in accordance with Federal laws, regulations, and guidance.

How **OIG** Did This Review

We previously reviewed the combined \$19.8 million in LIHEAP grant funds that the three Tribal grantees received in various periods ranging from fiscal years (FYs) 2010 through 2015, with respect to four areas: (1) required reports submitted to ACF, (2) grant funds held as credit balances at home energy suppliers, (3) refunds of unused grant funds made by energy suppliers to the relevant Tribal grantees, and (4) prepayments made to energy suppliers. We also reviewed selected beneficiaries enrolled in two Tribal grantees' LIHEAPs who received royalty payments.

The Administration for Children and Families Should Improve the Oversight of Tribal Grantees' Low-Income Home Energy Assistance Programs

What **OIG** Found

ACF's oversight of the LIHEAP did not ensure that grant funds were (1) used to provide the maximum available LIHEAP benefits to eligible households and (2) consistently administered in accordance with Federal laws, regulations, and guidance. ACF's oversight of Tribal grantees focused on the reporting of obligated funds and not on whether the grantees had adequate policies and procedures to ensure that they used obligated funds to provide the maximum available LIHEAP benefits to eligible households. Furthermore, ACF selected only a limited number of Tribal grantees for onsite compliance reviews each year. These reviews did not ensure that grantees complied with Federal regulations. ACF did not have adequate policies and procedures to effectively oversee the Tribal grantees' LIHEAP grants.

What **OIG** Recommends and ACF's Comments

We made procedural recommendations to ACF to revise its policies and procedures to improve the information that it has to oversee the Tribal grantees. We recommended that ACF enhance its policies and procedures for the Tribal grantees' use of obligated funds, for its reviews of the grantees' reports and their policies and procedures, and for the continued expansion of its program monitoring activities.

ACF concurred with most of our recommendations. It did not concur with our recommendation to ensure that energy suppliers return to the Tribal grantees all unused grant funds at the *end* of each FY. ACF did not concur with our recommendation to continue to expand its program monitoring activities because, it said, it cannot support an increased monitoring workload with its current resources.

After reviewing ACF's comments, we revised part of one recommendation to include that energy suppliers should return all unused grant funds *prior to* the end of the FY rather than *at the end* of the FY. In addition, we revised our recommendation regarding the expansion of ACF's program monitoring activities to state that ACF should incorporate the findings from previous monitoring reviews into the monitoring prioritization assessment tool to help evaluate the optimal composition of State, Territory, and Tribal grantees selected for annual onsite monitoring reviews.