



NATIONAL CENTER ON
Subsidy Innovation and Accountability



An Introduction to CCDF Program Integrity

Tribal Subsidy Series Webinar 3

June 16, 2020 – 2 p.m. EST

Call Logistics

- Welcome ...
- Interactive session with breaks for dialogue.
- If you're using audio only, the slides are available for download in the Adobe pod labeled "Program Integrity Downloads."
- If you called in, or the Adobe room called you, please mute your phone.
- If you would like to ask a question, "raise your hand" or type in questions and comments using the "Chat" boxes within the Adobe room.
- For Adobe Connect or registration issues please contact Jessica or Dee.



Introductions

National Center on Subsidy Innovation and Accountability



Ann Renaud
Fiscal Management
SME



Jenna Broadway
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Leigh Ann Bryan
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Introductions

National Center on Tribal Early Childhood Development



Dee Fragua
TA Specialist for Region V



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TA Specialist for Region X

Agenda



- CCDF Program Integrity – What is it?
- Federal Requirements & Program Integrity Strategies
- Fiscal Management Strategies
- Presentation from Bonita Rhymer, Ho-Chunk Nation
- Program Integrity Resources
- Questions & Open Discussion
- Closeout & Next Steps



CCDF Program Integrity

Types of Tribal CCDF Administration

Tribal CCDF administration (standard)

- Funding comes straight from the U.S. Department of Health and Human Services (HHS) and is funneled to Tribal grantees through the Administration for Children and Families (ACF)
- Reporting is submitted to ACF

Public Law 102–477

- Funding comes from HHS but is funneled to Tribal grantees through the U.S. Department of the Interior
- Funding is consolidated with other funds
- Reporting is submitted to U.S. Department of the Interior

Note: Both types are required to operate comprehensive CCDF programs under 45 C.F.R. §§ 98–99.

Source: Office of Child Care, Administration for Children and Families, U.S. Department of Health and Human Services. (2016). Procedures to consolidate the CCDF program with other employment and training funding sources under a P.L. 102-477 plan (Program instruction: CCDF-ACF-PI-2016-04). Retrieved from https://www.acf.hhs.gov/sites/default/files/occ/ccdf_acf_pi_2016_04.pdf.

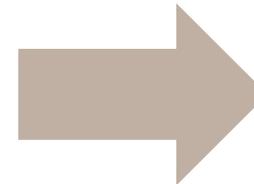
What is CCDF Program Integrity?

A plan or system under which action may be taken toward a goal*

Firm adherence to a code of especially moral or artistic values; incorruptibility*

Program Integrity

is the system or processes put in place to ensure a firm adherence to regulatory requirements of the CCDF program.



Doing the right thing even when no one is looking!

*Merriam-Webster Dictionary

Why is program integrity important in CCDF?

- **E**nsure program and provider quality
- **T**axpayer dollars are spent appropriately
- **H**elp families to sustain employment and education to become self-sufficient
- **I**ncorporate internal controls that prevent fraud, waste, and abuse
- **C**onserve financial accountability
- **S**afeguard funds to maximize benefits for eligible children and families



Program Integrity Benefits



Correct eligibility determinations



Eligible children and families receive CCDF benefits



Providers meet federal and state CCDF participation requirements



Timely and accurate child care payments



Reduced improper payments



Deterrence tools for program fraud, waste, and abuse

Let's Talk About It

- What does program integrity mean to you?
- How does your Tribal Lead Agency enforce program integrity?





CCDF Federal Requirements and Program Integrity Strategies

CCDF Program Integrity Requirements

45 CFR 98.68(a) Program Integrity

Lead Agencies are required to describe in their Plan effective internal controls that are in place to ensure integrity and accountability, while maintaining continuity of services, in the CCDF program.

Sound fiscal management

Identify areas of risk

Train providers and staff about program requirements and integrity

Regular evaluation of internal control activities

Sound Fiscal Management

Effective strategies can include:

Conducting contract monitoring and budgetary/expenditure reviews of contractors, as well as sub-recipients, to ensure compliance with CCDF rule.

Conducting annual audits and financial reviews of contractors, as well as sub-recipients, to ensure proper fiscal controls are in place.

Developing a system to ensure payments and invoices are routinely reviewed to determine whether costs are reasonable and allowable.

Identify Areas of Risk

Effective risk strategies include:

Conducting analysis of errors and improper payments utilizing risk analysis tools (i.e. Pareto Diagram).

Reviewing program requirements, implementation, and compliance.

Developing guidelines to monitor program performance, mission, objectives, and subsidy-related goals.

Brainstorming program operations and administration policies and procedures (i.e., internal town halls, management meeting with leadership or selected program staff).

Reviewing job duties and staffing structure to ensure proper oversight.

Use of the *Grantee Internal Controls Self-Assessment Instrument*.

Train Providers and Staff about Requirements

Effective state strategies include:



Trainings on policy manuals and policy changes.

Providing staff and providers with forums to discuss program requirements or policy changes.



Ongoing monitoring and assessment of policy implementation.

Making online content on program requirements and policies available to staff and providers for ongoing learning opportunities.

Regular Evaluation of Internal Controls

Strategies to evaluate internal controls include those that identify program risk and prevent errors associated with recipient eligibility and CCDF payments such as:

Monitoring checks and balances to ensure accuracy and adherence to procedures.

Data mining for automated checks of red flags or warning signs and real-time system alerts.

Reviewing established protocols and procedures to ensure consistency and accountability.

Quarterly and/or annual assessment of administrative errors and improper payments.

CCDF Program Integrity Requirement

45 CFR 98.68(b) Program Integrity

Lead Agencies are required to describe in their Plan the processes that are in place to:

- 1. Identify fraud or other program violations, and*
- 2. Investigate and recover fraudulent payments and to impose sanctions on clients or providers in response to fraud.*

Record matching and database linkages.

Review of attendance and billing records.

Quality control or quality assurance reviews.

Staff training on monitoring and audit processes.

Fraud Identification

Effective strategies to identify fraud include:

Clearly defining fraud and/or intentional program violations

Review of attendance and billing records

Quality control and quality assurance reviews

Data analytics to identify potential risk

Use of the Fraud Toolkit

Red Flag Reports

Fraud Investigations

Strategies for Investigating Fraud:

- Review of provider billing
- Case reviews
- Collaboration with other subsidy programs
- Fraud desk guides
- Fraud awareness
- On-site visits
- Surveillance



Improper Payments Recovery

While Tribal Lead Agencies are required to recover payments resulting from fraud, they have discretion regarding recovery of other improper payments and to develop the specific processes that will be used.



Lead Agencies utilize various strategies to recover fraudulent payments from providers and participants, including:

- Repayment agreements
- IRS tax offset
- Recoupment or reduction in future provider payments
- Lien and levy actions

Eligibility Requirements

§ 98.68(c) Program Integrity

Lead Agencies must describe in their Plan the procedures that are in place for documenting and verifying that children receiving assistance under this part meet eligibility criteria at the time of eligibility determination and re-determination.



Lead Agencies should, at a minimum, verify or maintain documentation of the child's age, family income, and require proof that parents are engaged in eligible activities.

Let's Talk About It

- Are you conducting regular reviews of cases to ensure eligibility is determined correctly? What does that look like?
- What eligibility processes do you have in place to detect or prevent fraud?
- Tell us about the types of front-end prevention strategies that are used by your eligibility staff.





CCDF Fiscal Management Strategies

Fiscal Management and Accountability

§ 98.67 Fiscal Requirements

(a) Lead Agencies shall expend and account for CCDF funds in accordance with their own laws and procedures ...

(b) ... Contracts that entail the expenditure of CCDF funds shall comply with the laws and procedures generally applicable to expenditures by the contracting agency ...

(c) Fiscal control and accounting procedures shall be sufficient to permit:

- 1) Preparation of reports required by the Secretary ...*
- 2) The tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of this part.*

Fiscal Management and Accountability

§ 98.65 Audits and financial reporting

*Lead Agencies are required to have an independent audit conducted at the close of each program period to verify that CCDF funds have been expended in accordance with the statutory and regulatory requirements of the program and with the State Plan.

*Lead Agencies are required to submit a copy of their audit report to the legislature of the state or, if applicable, to the Tribal Council(s), to the HHS Inspector General for Audit Services, as well as to their cognizant agency, if applicable.

*Summary of § 98.65(a), (c), (e), and (f)

Fiscal Management and Accountability

§ 98.60 Availability of funds

(g) Funds that are returned (e.g., loan repayments, funds deobligated by cancellation of a child care certificate, unused subgrantee funds) as well as program income (e.g., contributions made by families directly to the Lead Agency or subgrantee of care where the Lead Agency or subgrantee has made a full payment to the child care provider) shall,

*(1) if received by the Lead Agency **during** the applicable obligation period ... be **used** for activities specified in the Lead Agency's approved plan and must be obligated by the end of the obligation period; or*

*(2) if received **after** the applicable obligation period ... be **returned** to the Federal government.*

Let's Talk About It

- What fiscal management strategies are used in your tribe?
- Do you have tips to share related to preparing for an independent audit?





**TLA
Presenter:
Bonita
Rhymmer,
Ho-Chunk
Nation
Administrator**

Let's Talk About It

- Any questions regarding Ho-Chunk's process for maintaining program integrity?





Program Integrity Resources

Program Integrity Resources

Program Integrity Resources Landing Page:

<https://childcareta.acf.hhs.gov/resource/ncsia-program-integrity-resources>

CCDF Fraud
Toolkit

Program
Integrity
Webinars

Regional
Presentations

TLA Fiscal Risk
Assessment

Grantee Internal
Controls Self-
Assessment
Instrument

CCDF Fiscal
Fundamentals

Succession
Planning
Contact List

Error Rate TA
Landing Page

Overview – CCDF Fraud Toolkit

The CCDF Fraud Toolkit is a resource designed to assist Lead Agencies in increasing program integrity and accountability and decreasing fraud within the child care program.



The toolkit encompasses five separate evaluation sections:

- Fraud Risk Assessment
- Prevention Assessment
- Detection Assessment
- Enforcement & Recovery Assessment
- Monitoring (Coming Soon!)



A Lead Agency may request any one or all sections of the CCDF Fraud Toolkit by emailing ncsia@ecetta.info.

Overview – CCDF Fraud Toolkit

Each assessment section of the toolkit is divided into categories.

The categories in each section of the toolkit were selected based on established areas of risk in administration of CCDF.

For each category within a section, questions were developed to highlight potential risk with focus on:

- Federal regulatory compliance areas.
- General program integrity, accountability, and fraud areas.

The toolkit will continue to evolve and become more robust, providing links to resources to help with fraud prevention, detection, enforcement, and recovery.

Benefits of Using the CCDF Fraud Toolkit



The CCDF Fraud Toolkit is designed to be utilized by Lead Agencies for self-evaluation of internal controls and program integrity strategies.



The toolkit highlights important program integrity and fraud-fighting strategies and requirements within CCDF.



By utilizing the toolkit, Lead Agencies have an opportunity to identify and mitigate potential gaps in subsidy administration prior to monitoring or performance audits.

How does the CCDF Fraud Toolkit work?



Once the agency receives the toolkit, a designated individual or group will answer questions listed within the toolkit on the tab titled *“Questions.”*



When a question is answered, an automated response text is displayed, which may include recommended next steps.



After answering all questions appropriately, the tool will automatically provide a summary of risk levels on the tab titled *“Results Summary.”*



The Lead Agency should pay close attention to medium- and high-risk areas of the results and begin exploring ways to reduce risk and seek technical assistance.

FTK - Enforcement and Recovery Demo

Fraud ENFORCEMENT and RECOVERY Risk Assessment Summary

Category Based Risk Summary



OVERALL RISK COUNT BY RISK LEVEL

RISK LEVEL	COUNT
High	4
Medium	7
Low	10

Regulations, Procedures, and Coordination

RISK LEVEL	COUNT
High	1
Medium	3
Low	4

Appeals/Adjudicating

RISK LEVEL	COUNT
High	0
Medium	0
Low	0

Improper Payments

RISK LEVEL	COUNT
High	1
Medium	1
Low	2

Sanctions and Penalties

RISK LEVEL	COUNT
High	1
Medium	1
Low	2

Recovery

RISK LEVEL	COUNT
High	1
Medium	2
Low	2

Questions and Open Discussion



What's Next?

- Q&A on June 23 at 2:00 ET
- Please complete the evaluation form. Your feedback is important to us!

<https://www.surveymonkey.com/r/Q3Z5BRD>





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The National Center on Subsidy Innovation and Accountability is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care.

Thank you!