

An Internal Audit of the Low Income Home Energy Assistance Program

Executive Summary

The Texas Department of Housing and Community Affairs (Department) generally ensures that grant funds from the Low Income Home Energy Assistance Program (LIHEAP) are spent as intended by federal, state and program rules. The Department's Community Affairs Division which oversees LIHEAP has processes in place to track the performance of its subrecipients in using LIHEAP funds to provide services to eligible households. In addition, there are processes in place to track subrecipients' progress throughout the contract period, to reconcile subrecipients' reported expenditures with the Department's accounting system and to reallocate funds as needed to ensure that as many households as possible are served.

We tested a judgmentally selected sample of 48 of the Department's administrative expenditures, which included 12 months of payroll reports and 36 non-payroll transactions, paid between January 1, 2011 and December 31, 2013 using LIHEAP funds. Although we did not identify any problems with the payroll costs allocated to LIHEAP, the basis for the allocation of other administrative expenditures to LIHEAP could not always be determined from the supporting documentation available. Eleven (30.56%) of the 36 non-payroll transactions we tested did not indicate on the expenditure documentation how the allocation was determined and calculated. Without adequate documentation for a cost's allocation to LIHEAP funds, the degree to which the allocation is reasonable and allowable cannot be determined.

The LIHEAP funds are allocated to the Department's subrecipients according to a complex formula set out in the Texas Administrative Code. In program years 2011, 2012 and 2013, 50 subrecipients were allocated \$516.6¹ million through a total of 171 contracts. However, over the past three program years, 24 of the 50 subrecipients (48%) did not spend all of their contract funds. All 50 (100%) of the subrecipients were unable to expend at least one contract awarded to them between 2011 and 2013. In 2012, the most recent year for which the Community Affairs Division has completed their contract reconciliations, the Department redistributed \$49,293,721 in unspent LIHEAP funds through CEAP.

The Low-Income Home Energy Assistance Program (LIHEAP)

The Department administers the LIHEAP grant, which is provided by the U.S. Department of Health and Human Services (HHS). The Department uses a subrecipient network of 44 non-profit community action agencies, councils of government and local governments to administer the grant funds.

LIHEAP provides funds for two programs: the Comprehensive Energy Assistance Program (CEAP) and the Weatherization Assistance Program (WAP.) CEAP provides utility assistance to low-income households and WAP provides funds for weatherization-related home improvements and client education.

The Department's 2014 LIHEAP grant is \$128.7 million, of which 10% is reserved for the Department's and the subrecipients' administrative expenditures. The remaining allocation is budgeted as \$96.4 million for CEAP and \$27.1 million for WAP direct services.

¹ This amount includes funds re-allocated from each prior year.

Other Key Points

- Subrecipients are responding to life-threatening crises in accordance with federal, state, and program rules, but do not always document how they are identifying a life-threatening crisis. We visited two subrecipients and tested a judgmentally selected total sample of 137 files for CEAP clients that received crisis and utility assistance during calendar years 2012 and 2013. We found that all of these clients were eligible and we did not identify any ineligible utility payments. However, these subrecipients did not have definitions for a “life-threatening” crisis, nor policies to address these situations. The Department requires that subrecipients define “life-threatening” when considering household crisis factors and develop policies to address life-threatening situations.
- In addition, one of the subrecipients we visited did not have language in its vendor agreements regarding utility payments to vendors that bill for energy and other bundled services on a single bill and require payment for the entire bill in order to avoid disconnection. Eight (5.8%) of the 47 client files we reviewed at this subrecipient included CEAP payments for utility bills that included other costs such as sewer, water and garbage collection. The Department’s CEAP rules require documentation from a vendor when heating and cooling payments are inseparable from other billing items for payment purposes.
- The Community Affairs Division’s policies and procedures do not address the current processes for administering LIHEAP. The Division has not updated its policies and procedures since the monitoring function was moved from the Community Affairs Division to the Compliance Division in June 2012. The Division’s procedures for administering LIHEAP contain responsibilities and positions that are no longer housed within the Community Affairs Division. Without current policies and procedures, the program’s responsibilities may not always be performed as management intends.

Summary of Recommendations

- The rationale for cost allocations should be noted on purchase requests or vouchers in order to document the reasonableness and allowableness of the cost.
- The Community Affairs Division should review LIHEAP expenditure reports on a regular basis in order to detect and correct errors promptly.
- Subrecipients should be provided guidance in defining "life-threatening" crises and developing written policies to address them.
- The Department should emphasize to CEAP subrecipients that they are required to obtain documentation from the utility provider when payments for energy costs are inseparable from payments for other utility costs.
- The Compliance Division should modify their monitoring instrument to include a review of the documentation from the utility provider indicating that payments for energy costs cannot be separated from payments for other utility costs.
- Policies and procedures should be updated to reflect the current roles and responsibilities of the Community Affairs Division staff.

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Detailed Results

Chapter 1

Document the Methodology Used to Allocate Non-Payroll Expenditures

The Texas Department of Housing and Community Affairs' (Department's) Low Income Home Energy Assistance Program grant (LIHEAP) provides not only funding to assist low-income homeowners with their utility bills and with making their homes more energy efficient, but also provides administrative funds to manage the program. The U.S. Department of Health and Human Services (HHS), which oversees the LIHEAP funding, allows up to 10% of the available LIHEAP funds to be used for program administration. The Department reserves 4% of this 10% for its own administrative costs, and the remaining 6% is reserved for subrecipients' administrative costs.

In fiscal year 2013, the LIHEAP grant was \$127,134,103, and of this, \$12,713,410 (10%) could be allocated for the Department's and the subrecipients' administrative expenditures. The Department retained \$4,146,798 (3.3%) of the allowable administrative funds and provided \$7,709,518 (6.1%) to the subrecipients.

However, the Department reportedly only spent \$1,073,888 (25.9%) of the administrative funds it retained; the rest of the Department's portion of these administrative funds was re-allocated to subrecipients in order to provide additional utility assistance to eligible households.

Federal Fiscal Year	Total HHS Allocation	Department's Administrative Funds Expended	Program Funds Expended
2011	\$184,201,437	\$1,046,437	\$183,155,000
2012	\$129,832,868	\$1,091,415	\$128,741,453
2013	\$127,134,103	\$1,073,888	Contract Closeout in Progress
2014	\$128,686,252	Current Year	Current Year

Source: Unaudited data from the Community Affairs Division's closeout spreadsheets.

The Department's LIHEAP administrative funds are generally allocated in accordance with federal, state and program rules. However, the basis for the allocation of some administrative expenditures to LIHEAP could not always be determined from the available supporting documentation.

We tested a judgmentally selected sample of 48 of the Department's administrative expenditures paid between January 1, 2011 and December 31, 2013 using LIHEAP funds. The 48 administrative expenditure items we tested represent \$470,618.70 in LIHEAP funds. Twelve of the 48 administrative expenditure items were for monthly payroll reports and these were adequately supported. However, 11 of the remaining 36 non-payroll items (30.6%) did not indicate on the expenditure documentation how the allocation was determined and calculated. These transactions included purchases, travel vouchers, expenditure transfer vouchers, and payment cancellations.

Chapter 1-A

Payroll Transactions Funded with LIHEAP are Adequately Supported

For the 12 monthly payroll reports we tested, we verified that the employees paid with LIHEAP funds actually worked in positions that support the LIHEAP program, were budgeted using LIHEAP funds, and that their timesheets were reconciled to adjust the estimated amounts to the actual proportion of time spent working on LIHEAP.

We did not identify any issues with the payroll transactions in our sample. The Department reconciles salary payments with timesheets, and adjusts the LIHEAP grant according to the actual hours recorded for work on the LIHEAP programs. In addition, all employees that charged time to the LIHEAP grant in the sample we tested were related to the Community Affairs Division, the Compliance Division or the Program Planning Policy and Metrics Division, all of which administer or support the LIHEAP programs.

Chapter 1-B

Provide Additional Support for Expenditures Paid with LIHEAP Funds

For the 36 non-payroll items we tested, we evaluated whether the transaction was for the planning or administration of LIHEAP, whether the available documentation supported the transaction, and we calculated the portion of expenditures allocated to LIHEAP. We also reviewed the Department's allocation tables for agency-wide administrative expenditures to determine if a transaction was allocated to LIHEAP according to the allocation tables or another methodology used by the Financial Services Division.

Eleven (30.6%) of the 36 judgmentally selected non-payroll administrative expenditure items we tested did not indicate on the expenditure documentation how the allocation was determined and calculated.

For example:

- \$2,528.00 (20%) of a \$12,460.00 expenditure for weatherization-related software was charged to LIHEAP,
- \$532.51 (88.90%) of a \$599.00 expenditure for an online planning tool used in the LIHEAP and Community Services Block Grant (CSBG) programs was charged to LIHEAP, and
- \$178.89 (48.41%) of a \$369.30 expenditure for the purchase of Six Sigma publications for the Deputy Executive Director of Community Based Programs was charged to LIHEAP.

One (2.78%) of the 36 LIHEAP non-payroll administrative expenditure items tested was a \$62.53 charge allocated for HAPPY software, software that is only used by the Community Affairs Division's Housing Choice Voucher (Section 8) Program. This particular allocation was initiated and approved by the Accounting Operations section of the Financial Administration Division to allocate the software costs agency-wide.

According to the Office of Management and Budget (OMB) circular A-87² on cost allocation, allocable costs must be adequately documented and assignable to a cost objective in accordance with relative

² OMB Circular A-87 was the guidance in effect for the period of time which covered the transactions we tested. The OMB Super Circular is now used as guidance for federally-funded programs such as LIHEAP.

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benefits received. In each of the examples above, the supporting documentation does not indicate how the amount allocated to LIHEAP was determined.

In addition, the Community Affairs Division allocates direct costs based on the purpose of the expenditure and the benefit to the respective program(s). If the allocation cannot be obviously determined based on the purpose of the transaction, it is discussed with division staff or management to determine the program(s) that benefit from the expenditure. However, the basis for the decision is not included on the purchase request. Without adequate documentation for a cost's allocation to LIHEAP funds, the degree to which the allocation is reasonable and allowable cannot be determined.

The risk of an incorrect cost allocation is further increased because no one in the Community Affairs Division or the Compliance Division reviews the LIHEAP expenditure reports in order to ensure that only LIHEAP related expenditures are charged to the program. As a result, errors or irregularities could occur that may not be detected nor corrected.

Recommendation

The Community Affairs Division should:

- note the rationale for cost allocations on their purchase requests or vouchers in order to document the reasonableness and allowableness of the cost, and
- review the LIHEAP expenditure reports on a regular basis in order to detect and correct errors promptly.

Management's Response

Management concurs with the recommendations and will further document the rationale for the allocations on PRs and vouchers. In the past management has utilized an internal system for allocation of costs based on the staff time utilized or content of the voucher/PR. The Community Affairs manager of Fiscal and Reporting will further document the rationale on the voucher or the PR prior to processing.

Staff Person Responsible: Michael De Young

Target Date for Implementation: 5/15/2014

Management has already commenced tracking of the Community Affairs Division programs on a monthly basis in order to detect and correct errors during the charging of the grants by Financial Administration. Each of the contract specialists is responsible for their individual grant and the timely review of the monthly reported expenditures as charged by the financial administration group. The system for tracking expenditures has not been fully developed; however, it is anticipated that this system will be fully implemented by October 1, 2014, including the reconciling/ review of all expenditures through the beginning of the calendar year.

Staff Person Responsible: Michael De Young

Target Date for Implementation: 10/1/2014

Chapter 2

Provide Subrecipients with Guidance in Defining Life-Threatening Crises and Documenting Bundled Utility Costs

The LIHEAP grant allows for utility payments to be made for clients experiencing a household crisis or life-threatening household crisis. We visited two subrecipients and tested a total of 137 judgmentally selected client files for clients who received crisis and utility assistance during calendar years 2012 and 2013. We evaluated whether subrecipients are expending CEAP funds for crisis and utility assistance on eligible clients and according to program rules. Specifically, we reviewed the supporting documentation in the client files to determine if clients met the income eligibility threshold, subrecipients used allowable income sources for income determinations, and the number and amount of assistance payments did not exceed the maximums for the CEAP program.

For the 137 files we tested, we did not identify any problems with client eligibility nor did we identify any ineligible utility payments. However, we noted that the subrecipients we visited do not document the difference between a household crisis and a life-threatening crisis. The Department requires that subrecipients define “life-threatening” when considering household crisis factors and develop policies to address life-threatening situations. However, neither the Department’s program rules nor the federal LIHEAP statutes provide guidance for determining what factors may be considered life-threatening.

In addition, one subrecipient did not have language in its vendor agreements regarding utility payments to vendors that bill for energy and other bundled services on a single bill and require payment for the entire bill in order for the account to be current. Eight (5.8%) of the 47 utility assistance client files we reviewed at one of these subrecipients included CEAP payments for utility bills that included other costs such as sewer, water and garbage collection. The Department’s CEAP rules require documentation from a vendor when heating and cooling payments are inseparable from other billing items for payment purposes.

Chapter 2-A

Subrecipients Need Guidance Regarding Crisis Designations

Subrecipients do not have specific documented definitions or policies for determining what constitutes a life-threatening household crisis in the crisis assistance component of CEAP. Despite lacking a formal definition or a method for identifying and responding to life-threatening crises, the subrecipients we visited still complied with the federal LIHEAP statutes and CEAP rules by pledging crisis funds on behalf of the client within 18 hours for all of the 137 crisis payments we tested.

The LIHEAP grant allows for utility payments for households experiencing a household crisis or life-threatening household crisis. A household crisis is defined in the Texas Administrative Code (TAC) Chapter 5, Subchapter D, Rule 5.423(a) as “extraordinary events or situations resulting from extreme weather conditions and /or fuel supply shortages... [that] have created problems meeting basic Household expenses, particularly bills for energy so as to constitute a threat to the well-being of the Household.” The TAC also states that a utility disconnection notice received within the last 60 days may constitute a household crisis.

The federal LIHEAP statute requires a crisis resolution within 48 hours after a household applies for crisis benefits, or within 18 hours if the household applying for crisis benefits is in a life-threatening situation. The Department requires that subrecipients define “life-threatening” and that they develop policies to address life-threatening situations. The U.S. Department of Health and Human Services recommends that

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grantees have written procedures that address the time limits for crisis response, including a clear definition of “life-threatening household crisis” that is in accordance with the LIHEAP statute.

However, neither the Department’s CEAP program rules nor the LIHEAP statutes provide guidance for determining what factors may be considered life threatening during a household crisis. The distinction of a household crisis as life threatening is important because of the difference in the statutorily required response times, which is 48 hours for a household crisis versus 18 hours for a life-threatening household crisis.

Recommendation

The Community Affairs Division should provide guidance to subrecipients in defining "life-threatening" crises and in developing written policies to address them.

Management’s Response

Management concurs with the recommendation and will require subrecipients to define life-threatening crisis for their clients through a clear definition or policy. The Department is aware of the demographic and geographic considerations that relate to delegating the definition of “Life Threatening Crisis” to the local providers. The requirement will be in place for the PY 2015 contracts and the Compliance Division will verify that the local definition of life threatening crisis is being correctly interpreted and implemented at the local level.

Staff Person Responsible: Michael De Young

Target Date for Implementation: 1/1/2015

Chapter 2-B

Subrecipients Should Obtain Support for the Inseparability of Utility Bills

The CEAP rules (Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter D, §5.422(h)(4)) state that payment of other utility charges such as wastewater and trash removal are allowable only if these charges are an inseparable part of a utility bill, and requires documentation from the utility provider if they are unable to separate the energy portion of the bill. However, one of the two subrecipients we visited did not have this supporting documentation on file.

We tested a judgmentally selected sample of 79 CEAP client files at this subrecipient, of which 47 client files were utility assistance files and 32 were crisis assistance files. Eight (17.0%) of the 47 CEAP utility assistance client files reviewed included CEAP payments for utility bills with city services that included sewer, water and garbage collection as well as energy costs. Although the services are itemized on the utility bill, they are inseparable for payment purposes, meaning the service will be terminated if the entire bill is not paid.

All of this subrecipient’s vendor agreements use the same language, but the vendor agreements do not include provisions or additional attachments from the vendor stating that energy costs are inseparable from the other utility charges in the bill. The Department’s Compliance Division reviews subrecipients’ vendor agreements as part of their monitoring process, but their monitoring instrument does not specify which provisions must be included in the review.

Recommendation

- The Community Affairs Division should emphasize to their subrecipients the requirement that the subrecipient must obtain documentation from the utility provider when energy costs are inseparable from other utility costs for payment purposes, and
- The Compliance Division should modify its monitoring instrument to include a review of the documentation obtained from the utility provider indicating that the other utility costs cannot be separated from the energy costs.

Management's Response

Program Staff concurs with the recommendation and will propose a rule to require that subrecipients obtain a letter from the utility provider which documents the inseparability of the bundled utility costs and present the letter at the time of the monitoring to cover any clients files that receive utility services that are billed in a bundled invoice. The program staff will propose the rule language such that the letter will need to be updated at the same time that the vendor agreement is renewed.

Staff Person Responsible: Michael De Young Target Date for Implementation: 1/1/2015

The Compliance Division will modify their monitoring instrument to include the review of the letter documenting the inability to separate bundled utility bills.

Staff Person Responsible: Patricia Murphy Target Date for Implementation: 1/1/2015

Chapter 3

The Community Affairs Division has Processes to Track, Reconcile, and Distribute CEAP Funds

We examined data provided by the Community Affairs Division to determine if there were processes in place to track and re-allocate unspent funds. The Department tracks subrecipient expenditure performance, redistributes unspent CEAP funds, and reconciles subrecipients' reported expenditures with actual expenditures to ensure that funds are spent as required by the program rules.

The Department's program rules require that CEAP funds be allocated according to the allocation formula prescribed in the Texas Administrative Code and approved by the U.S. Department of Health and Human Services. In total, 50 subrecipients collectively received 171 CEAP contracts between 2011 and 2013 – 45 contracts in 2011, 43 original contracts plus 40 second-round contracts in 2012, and 43 contracts in 2013.

The Community Affairs Division tracks subrecipients' expenditure progress throughout the contracts. However, encouraging subrecipients to spend down balances can be difficult as client demand for CEAP assistance is seasonal, depending largely on weather conditions that cause increases to clients' utility bills.

Subrecipients may request funds in advance to cover 30 days of costs each month. Community Affairs Division staff checks these requests to see if the amount requested is in line with the subrecipient's recent reported activity. They may contact the subrecipients whose expenditures are not keeping pace with the contract period. Documentation to support the anticipated costs is generally not available because the requests are based on subrecipients' monthly projections. The Community Affairs Division relies on the Compliance Division to review the support for the actual expenditures during their periodic monitoring visits.

The Community Affairs Division reconciles the contracts at the end of the contract term to the Department's PeopleSoft accounting system to identify any payments owed as well as any remaining unspent balances. Unspent balances are then redistributed by the Department in accordance with the allocation formula. In 2012 (the most recent year for which Community Affairs has completed contract reconciliations), the Department redistributed \$49,293,721 in unspent LIHEAP funds to subrecipients for providing services to their clients. Over the past three program years, 24 of the 50 subrecipients (48%) did not spend all of their allocated funds. All 50 (100%) of the subrecipients were unable to expend at least one contract awarded to them between 2011 and 2013.

Chapter 4

Community Affairs Should Update the LIHEAP Policies and Procedures

Community Affairs Division's policies and procedures do not address the current processes for administering LIHEAP. The Community Affairs Division has not updated its policies and procedures since the monitoring function was moved from the Community Affairs Division to the Compliance Division in June 2012. The Division's procedures for administering LIHEAP contain responsibilities and positions that are no longer housed within the Community Affairs Division. Without current policies and procedures, the program's responsibilities may not always be performed as management intends.

Recommendation

The Community Affairs Division should finish updating its policies and procedures to reflect the roles and responsibilities of its staff in the current organization structure.

Management's Response

The Community Affairs Division concurs and will begin to consolidate and update the existing policies and procedures to reflect the current organizational structure.

Staff Person Responsible: Michael De Young

Target Date for Implementation: 10/1/2014

Appendix A

Objectives

The objectives of the audit were to determine whether:

- a) the Department is ensuring that LIHEAP funds are expended as intended by federal, state, and program rules, and
- b) if subrecipients are identifying and responding to life-threatening crises in accordance with federal, state, and program rules.

Scope

The scope of this audit was the Low Income Home Energy Assistance Program from January 1, 2011 through December 31, 2013.

Methodology

The following methodology was used to answer the audit objectives:

- Interviewed staff in the Community Affairs Division, the Compliance Division, the Financial Services Division, Accounting Operations, and Payroll.
- Reviewed:
 - the LIHEAP federal regulations,
 - the Texas Administrative Code,
 - the LIHEAP State Plan,
 - the LIHEAP-WAP and CEAP monitoring tools and checklists,
 - the CEAP subrecipient contracts for program years 2012 and 2013.
- Visited two subrecipients (Hill Country Community Action Agency and Travis County Health and Human Services).
 - Tested a sample of these subrecipients' client files to determine if the clients awarded CEAP funds met the eligibility requirements in:
 - a) the LIHEAP 2012 State Plan
 - b) the LIHEAP 2013 State Plan
 - c) Texas Administrative Code, Chapter 10, Subsections 5.19 to 5.23 and 5.407 to 5.424.
 - Interviewed subrecipient staff to determine how they define a life-threatening crisis situation as required by 10 TAC 5.423, and their process for identifying life-threatening crisis situations.
- Analyzed the awards, expended balances, and unexpended balances of CEAP contracts awarded in FY 2011, FY 2012, and FY 2013 using contract closeout data for 2011 and 2012 and the current reported expenditure data for 2013 provided by the Community Affairs Division.
- Selected a judgmental sample of the Department's LIHEAP-funded administrative expenditures and tested this sample for ineligible costs.
 - Tested expenditure transactions to determine if the expenditure was reasonable, allowable, and allocable.

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- Reviewed purchase requests, purchase vouchers, supporting invoices and other supporting information.
 - a) Interviewed Financial Administration and Community Affairs Division staff to gain an understanding of how allocations were determined and applied.
- Reviewed payroll reports and payroll adjusting entries and support.
 - a) We identified LIHEAP index funds used to pay salaries and reconciled the adjusting entries to the indexes for actual hours entered in timesheets.
- Verified the cost allocation rates applied to agency-wide allocated expenditures and to Division-specific expenditures.

Criteria

We used the following documents as criteria:

- Code of Federal Regulations Title 45 Part 96
- Low-Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended)
- U.S. Department of Health and Human Services Administration for Children and Families, Office of Community Services, Division of Energy Assistance, Information Memorandum LIHEAP-IM-2014-2
- Texas Department of Housing and Community Affairs 2014 LIHEAP State Plan
- Texas Department of Housing and Community Affairs 2013 LIHEAP State Plan
- Texas Department of Housing and Community Affairs 2012 LIHEAP State Plan
- Texas Department of Housing and Community Affairs, Compliance Division, Community Affairs Monitoring Section, Monitoring Instrument WAP Attachment C
- Texas Department of Housing and Community Affairs, Compliance Division, Community Affairs Monitoring Section, Monitoring Instrument CEAP Attachment A
- Texas Department of Housing and Community Affairs, Compliance Division, Community Affairs Monitoring Section, CEAP Program Year 2013 Household Crisis Monitoring Checklist
- Texas Department of Housing and Community Affairs, Compliance Division, Community Affairs Monitoring Section, CEAP Program Year 2013 Utility Assistance Monitoring Checklist
- Texas Department of Housing and Community Affairs CEAP subrecipient contracts for the FY 2012 Comprehensive Energy Assistance Program Texas Department of Housing and Community Affairs CEAP subrecipient contracts for the FY 2013 Comprehensive Energy Assistance Program
- Texas Department of Housing and Community Affairs Fiscal Year 2011 Operating Budget
- Texas Department of Housing and Community Affairs Fiscal Year 2012 Operating Budget
- Texas Department of Housing and Community Affairs Fiscal Year 2013 Operating Budget
- Texas Department of Housing and Community Affairs Fiscal Year 2014 Operating Budget
- Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter A, Rule 5.19, 5.20, and 5.23
- Texas Administrative Code, Title 10, Part 1, Chapter 5, Subchapter D, Rule 5.403, 5.407, 5.422, 5.423 and 5.424

Type of Audit

This audit was a performance audit of the Low Income Home Energy Assistance Program.

Report Distribution

As required by the Texas Internal Auditing Act (Texas Government Code, Chapter 2102), this report is distributed to the:

- Texas Department of Housing and Community Affairs' Governing Board
- Governor's Office of Budget and Planning
- Legislative Budget Board
- State Auditor's Office
- Sunset Advisory Commission

Project Information

We conducted audit fieldwork from January 2014 through March 2014. We conducted this performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was also conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

The following staff performed this audit:

Derrick Miller, Project Manager
Betsy Schwing, CPA, CGMA, CFE

Appreciation to Staff

We would like to extend our sincere appreciation to management and staff of the Community Affairs Division, the Compliance Division, and the Financial Administration Division for their cooperation and assistance during the course of this audit.