



Mashpee Wampanoag Tribe

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MASHPEE WAMPANOAG TRIBE'S LIHEAP PROGRAM INTEGRITY ASSESSMENT

2013/2014 MASHPEE WAMPANOAG TRIBAL LIHEAP GRANT APPLICATION

Audit Findings - Compliance

The Mashpee Wampanoag Tribe has complied in all material respects with requirements referred to in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its' major federal programs for the year ended December 2012.

Please see the Audit Findings in the Report on Compliance in Accordance with OMB Circular A-133 by Heald Hoffmeister and Company, Inc.

Compliance Monitoring

Under the Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Energy Assistance Tribal LIHEAP grant program, the Mashpee Wampanoag Tribe is happy to report that our LIHEAP funding Compliance Monitoring strategies are in place and will continue thru 2013 into 2014. As your LIHEAP grantee/partner, our goal in monitoring compliance within our tribal LIHEAP funding program is not only to ensure that we are operating our LIHEAP program in accordance with the LIHEAP statute, Policies and Procedures and the Low-Income Home Energy Assistance Act of 1981; but to also provide opportunities of heating assistance to our income-eligible tribal members and other American Indians and Alaskan Natives ("AI/AN") in the state or in the 5 county eligible areas also known as CHSDA (Contract Health Service Delivery Areas) of Barnstable, Bristol, Norfolk, Plymouth and Suffolk counties.

Our monitoring strategies are managed by the Tribe's LIHEAP Director, Joanne Frye and a Coordinator, who both exercise compliance monitoring by:

- Establishing and monitoring specific criteria for selecting eligible tribal applicant's for LIHEAP assistance each year based on the tribal priority list to be served:
 - 1) Elders and Disabled,

2) Families with small children, and

3) Other eligible applicants.

- Reviewing and understanding the "LIHEAP Compliance Review System", which will capture all of the policies and procedures with respect to the compliance and review process;

- Creating a timetable that includes 3 year reviews

- Prepared for compliance review reporting by OCS to States and Tribes following the on-site reviews

Based on the current funding levels, we apply the following criterion:

- Applicant must complete and sign a current LIHEAP application.

- Applicant must be a Mashpee Wampanoag tribal member and have current tribal identification with roll number

- LIHEAP Coordinator cross-checks/references tribal member's enrollment status with the Mashpee Wampanoag Tribal Enrollment Department

- Applicant must reside in the service area

- Applicant must submit proof of income – last 4 paystubs, 1099 or W-2 to identify income eligibility including SSI or transitional assistance income

- Applicant must provide a copy of their most recent Heating Bill that includes the tribal member's address

- Applicant must show a rental property lease or mortgage agreement

- Applicant must provide information regarding his/her Veteran, SSI, WIC Food Stamps status

FRAUD REPORTING/MANAGEMENT MECHANISMS

The fraud prevention mechanism the Mashpee Wampanoag Tribe has in place consists of the following checklist of criterion and cross-referencing items:

- Coordinator checks tribal member's enrollment status with the Mashpee Wampanoag tribal Enrollment Department

- The Coordinator confirms heating utilities vendor, calls to confirm status and balance (if any). A check requisition is made to the Mashpee Wampanoag Finance Director after the dollar amount is identified and a check is written directly to the 3rd party, Utilities Home Heating Vendor. The LIHEAP heating bill payment does NOT go to applicant. The payment is made directly to the 3rd party heating vendor only, with no exceptions.

- The Mashpee LIHEAP Coordinator has initiated a strategy with South Shore Community Action to reduce, minimize and eliminate fraud by implementing a plan that cross references names to identify if any Mashpee Tribal applicant has applied for heating assistance from both the Tribe and the State.

our LIHEAP Coordinator will work with, Massachusetts LIHEAP Agencies within the five (5) Counties that we service, begin a cross-referencing list that's shared and updated on a monthly basis in the prevention of fraud or "double dipping".

A positive outcome from the execution and enforcement of meeting the application criterion and fraud prevention steps eliminates program fraud altogether.

- Additionally, the application for assistance includes a document (Application Authorization) that expressly verifies that this is the only LIHEAP program application the applicant has submitted. This document requires a signature by the applicant

VERIFYING APPLICANT IDENTITY

In keeping with the LIHEAP statute on the verification and authenticity of applicant's identities, and in keeping with the Tribe's policies, the application process requires Mashpee Wampanoag Tribal ID's as forms of legal, federally recognized, state approved, identification to ensure applicant identity. For students, the Tribe requires a letter from the school including matching addresses for easy tracking.

CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVT SYSTEMS/DATABASES

The Tribe utilizes a high-tech Tribal enrollment database system called Progeny. Progeny's purpose is not only to automate the Enrollment process for the Tribe, but to legitimize and make official all applicants' enrollment status. As part of the process for tribal enrollment, the Progeny system requires that an enrollment number assigned to an individual's data content must include name, address, phone number, birth certificate, Social Security number (SSN), and an enrollment number. This tribal identification card is a federally approved, official form of identification.

The Mashpee Wampanoag Tribe relies on the sound capabilities of the Tribal Enrollment Progeny system. At present there is not a plan for a 2014 federal government database cross-referencing of Social Security numbers; however as the tribe's service area or beneficiary population increases it may make sense to plan for this capacity in subsequent years. Currently, the identification of SSNs is evidenced in the required tax return, W-2 or 1099.

VERIFYING APPLICANT INCOME

The Tribal LIHEAP Coordinator requests a current tax return, last 4 paystubs, W-2, 1099, a Govt. Social Security letter or direct deposit bank statement from each and every applicant as proof of income. This practice will continue in FY2014 and provides for accurate and effective income determination across program lines.

PRIVACY-PROTECTION AND CONFIDENTIALITY

Financial operating controls in place for 2013 and moving into 2014 regarding privacy protection and confidentiality of Program member applications are strongly enforced. All LIHEAP employees must read and sign confidentiality agreements. All files relating to the LIHEAP Program that include confidential LIHEAP-eligible client's information are file locked with security passcodes on computer system. Hardcopies of any LIHEAP-related

documentation are physically locked in file cabinets and written consent is required for the release of any confidential information.

The only parties to have security passcodes and keys are the LIHEAP Director, and LIHEAP Coordinator.

LIHEAP BENEFITS POLICY

The Finance Department's process for check requisitions provides additional fraud prevention for payments to Utilities companies. The check requisition is made by the LIHEAP Coordinator along with a signed W-9 from vendor and once it's been approved by the Finance Department, the check is written to the LIHEAP-approved 3rd party Utility Heating vendor. The Coordinator makes a copy of the check and sends the original. The Coordinator has created a LIHEAP log to track how much has been paid to each vendor, when and for which client. Additionally, the Coordinator audits the Vendor client account status by contacting the Utilities companies and cross-referencing applicant's overall account, current bill, past due notices, credits, etc. Vendors must submit proof of service and payment on next bill.

This process affords a streamlined fraud prevention approach to vendor payment ensuring that the authorized vendor only receives payment on behalf of the LIHEAP eligible client. This process will continue in FY2014.

PROCEDURES FOR UNREGULATED ENERGY VENDORS

The Tribe's LIHEAP Program has procedures in place to prevent fraud and improper payments to bulk fuel dealers of heating oil, propane, or wood. This procedure is to pay only for client's primary heating source. Any unregulated Vendor must agree to a tribal LIHEAP agreement plan that includes vendor registration with the state of MA and the provision of a valid Vendor TIN or SSN.

Additionally, an applicant for LIHEAP benefits must identify all heating sources for his/her household, because the tribal LIHEAP Program will only pay for one heating source for each household.

We can ensure participating vendors' credibility by cross-referencing and researching all of our client's accounts. A thorough inspection of the vendors' business practices is also conducted by the LIHEAP Coordinator. This thorough examination of all vendors will continue in FY2014.

VERIFYING AUTHENTICITY OF ENERGY VENDORS

In order to verify the authenticity of all energy/heating vendors, the Tribal LIHEAP Coordinator calls each vendor, checks the vendor's website (if any), and performs other checks and inspections to confirm that it is a credible business. The Tribe's LIHEAP agreement plans include vendor registration with the State of Massachusetts, as well as

the collection of vendor tax information numbers and/or social security numbers (W-9). These procedures for determining vendor authenticity will continue in 2014

TRAINING AND TECHNICAL ASSISTANCE

Our Tribal LIHEAP team reports complete compliance as recommended by the U.S. Government Accountability Office (GAO) by LIHEAP Webinar attendance. The Mashpee Wampanoag Tribe's LIHEAP Director and Coordinator at the LIHEAP Conference in San Diego, CA ., in June of this year (2013) and have attend most webinars to date to remain current with application requirements, program integrity measures, LIHEAP policy, procedures and statutes.

Additionally, the LIHEAP Director and Coordinator are available to inform their clients and vendors of any and all LIHEAP policies.

AUDITS OF LOCAL ADMINISTERING AGENCIES

The Tribe, as a Local Administering Agency of LIHEAP funding, and as an entity that receives more than \$500,000.00 in federal funding from a variety of sources each year complies with OMB A-133. In doing so the Tribe conducts and annual Audit in compliance with OMB A-133, and the Treasurer, Finance Director and Finance Consultants assure with the Auditor that audits are completed, and findings tracked and dispositions determined on an annual basis.

Additionally, we certify that the Mashpee Wampanoag Tribe will comply with the 16 assurances contained in Title XXVI, section 2605(b) of the Omnibus Budget Reconciliation Act of 1981 as amended, in the administration and operation of its Low Income Energy Assistance Program.

MASHPEE WAMPANOAG TRIBE

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Heald Hoffmeister and Company, Inc.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Council Members
Mashpee Wampanoag Tribe
Mashpee, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Mashpee Wampanoag Tribe's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Mashpee Wampanoag Tribe's major federal programs for the year ended December 31, 2012. The Mashpee Wampanoag Tribe's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Mashpee Wampanoag Tribe's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mashpee Wampanoag Tribe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Mashpee Wampanoag Tribe's compliance.

Opinion on Each Major Federal Program

In our opinion, the Mashpee Wampanoag Tribe, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

To the Council Members
Mashpee Wampanoag Tribe

Report on Internal Control Over Compliance

Management of the Mashpee Wampanoag Tribe is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mashpee Wampanoag Tribe's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mashpee Wampanoag Tribe's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

Schedule of Expenditure of Federal Awards

We have audited the basic primary government financial statements of Mashpee Wampanoag Tribe as of and for the year ended December 31, 2012, and have issued our report thereon dated May 15, 2013, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic primary government financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic primary government financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

To the Council Members
Mashpee Wampanoag Tribe

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Heald Hoffmeister and Company, Inc.

May 15, 2013