

FAMILY INVESTMENT ADMINISTRATION

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| Policy Number: | FIA/OHEP AT - 26-14 |
| Policy Title: | Office of Home Energy Programs Quality Assurance Measures |
| Release Date: | March 5, 2026 |
| Effective Date: | March 5, 2026 |
| Approved By: | Augustin Ntabaganyimana Executive Director Family Investment Administration |
| Revision Date(s): | N/A |
| Supersedes: | Control Number: 1-21 FISCAL YEAR MONITORING PROCEDURES |
| Originating Office: | Family Investment Administration, Rigel Moore LMSW, rigel.moore1@maryland.gov |
| Required Actions: | Annual and ongoing monitoring of OHEP programs' programmatic and fiscal compliance. |
| Key Words: | Monitoring, Audit, Compliance |
| Related Federal Law | 42 U.S.C. § 8624 |
| Related State Laws | N/A |
| COMAR | N/A |
| State Plan Implications? | Yes FY26 State Plan Section 10,pg 28 |

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|  <p>Maryland Department of Human Services</p> <p>Department of Human Services 25 S Charles Street Baltimore MD 21201</p> | <p>FAMILY INVESTMENT ADMINISTRATION (FIA) ACTION TRANSMITTAL</p> |
| <p>Control Number: # 26-14</p> | <p>Effective Date: March 5, 2026 Issuance Date: March 5, 2026</p> |

TO: LOCAL ADMINISTERING AGENCIES (LAAs) DIRECTORS, LAA DEPUTY/ASSISTANT DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES (LDSS) DIRECTORS, LDSS DEPUTY/ASSISTANT DIRECTORS, AND LEAD ELIGIBILITY STAFF

FROM: AUGUSTIN NTABAGANYIMANA, EXECUTIVE DIRECTOR



RE: OFFICE of HOME and ENERGY PROGRAMS (OHEP) MONITORING POLICY and PROGRAMMATIC BENCHMARKS

PROGRAM AFFECTED: OFFICE OF HOME ENERGY PROGRAMS

ORIGINATING OFFICE: OFFICE OF OPERATIONS

Summary

The purpose of this Action Transmittal is to communicate the new monitoring policy and programmatic benchmarks for the Maryland Department of Human Services' Office of Home Energy Programs (DHS/FIA/OHEP). The purpose of this new monitoring policy is to ensure full compliance with OHEP's policies, procedures, and benchmarks, as well as fiscal and administrative requirements. This Action Transmittal supersedes all previous guidance to Local Administering Agencies (LAAs) regarding program and fiscal monitoring.

Required Action:

All LAAs must participate in OHEP monitoring activities, including submitting all required forms and documentation, to assess compliance with policies, procedures, and programmatic benchmarks.

Policy:

The purpose of this new monitoring policy is to ensure full compliance with OHEP's policies, procedures, and benchmarks, as well as fiscal and administrative requirements. There are two types of monitoring under this new policy:

1. Comprehensive monitoring of all Local Administering Agencies (LAAs)
2. Follow-up monitoring of vulnerable LAAs

Each monitoring type is detailed below. Following the monitoring types are the OHEP Programmatic Benchmarks describing the areas LAAs will be assessed on and the performance levels that are expected for compliance with DHS/OHEP standards.

Comprehensive Monitoring

OHEP will ensure that each LAA receives comprehensive monitoring no less than once every three years and no more than annually. Every state fiscal year, OHEP staff will conduct comprehensive monitoring of approximately one-third of LAAs.

Comprehensive monitoring will include in-depth reviews of programmatic, fiscal, and administrative performance, supported by a review of a selection of case files, fiscal records, and other documentation. The comprehensive monitoring cycle includes three steps: 1) selection process, 2) monitoring process, and 3) determination of *Areas of Concern* and *Findings*. These steps are described below.

Step 1: Selection process:

There are two ways of being selected for comprehensive monitoring: risk assessment and quarterly selection. These processes are described below. However they are selected, LAAs will receive notice from OHEP at least one week prior to the start of comprehensive monitoring.

1. **Risk Assessment Selection:** OHEP staff will use the internal [Risk Assessment Tool](#) to produce a percentage score for each LAA; under 35% is considered high risk, 35%-70% is medium risk, and over 70% is low risk. The tool factors in administrative funding levels, date of last monitoring, the number of prior audit and monitoring findings, leadership turnover, application denial rate, and application processing efficiency. If the tool results in high-risk LAAs, DHS/OHEP will select at least 40% of them for comprehensive monitoring every year. If there are few or no high-risk LAAs, DHS/OHEP may select medium or low-risk LAAs for monitoring.

2. **Quarterly Selection:** To ensure that all LAAs are monitored at least once every three years, OHEP will also randomly select one LAA each quarter from the pool of LAAs that have not yet received comprehensive monitoring within the three-year cycle. Quarterly selection will begin in early 2026.

Step 2: Monitoring process:

LAAs that are selected for comprehensive monitoring will be required to complete the [OHEP Fiscal Monitoring and Administrative Accountability Form](#). This form collects data and documentation for all of the comprehensive monitoring review areas. Each LAA's performance will be assessed against the OHEP Programmatic Benchmarks using data from the OHEP Data Management System and the Fiscal Monitoring and Administrative Accountability Form.

The seven comprehensive monitoring review areas are (in alphabetical order):

1. An **administrative review** focused on verifying defined staff roles, personnel policies, timekeeping systems, staffing levels, and job descriptions.
2. A **case file review** to ensure compliance with filekeeping requirements (listed below). DHS/OHEP staff will randomly select and review 10% of the LAA's current year case files using the Case File Monitoring Tool.
 - a. *Application Completeness and Accuracy:* All applications in case files should be completed and/or accurately transcribed in the OHEP data management system.
 - b. *Documentation:* Supporting documentation for applications must comply with OHEP policies and procedures. All documentation must be in ECM.
 - c. *System Verifications:* The OHEP Data Management System must have all documents attached to the case file and available in ECM.
 - d. *Denied Case Review:* Denied cases should be denied in a timely manner, and the reason for denial must be justified and reflected in the application's denial letter.
 - e. *Data Validation:* The Duplicate Applications Report and the Social Security Number Validation Report must be completed correctly and on time.
3. A **crisis season oversight review** examines the agency's management of crisis and bulk fuel funds, including reconciliation processes, delivery tracking systems, and designated staff responsibilities. The crisis season is from November 1 to March 31.

4. A **fiscal review** to determine whether an LAA has obligated and expended grant funds in accordance with contractual obligations and all applicable federal and state regulations. Fiscal accountability ensures sound financial management practices, including internal controls, procurement procedures, approval chains, indirect cost allocations, adherence to accounting standards, and the use of pre-numbered purchase orders and receiving reports.
5. A **quality assurance review** to evaluate internal oversight practices, including case accuracy checks, participation in appeal hearings, fraud investigations, and staff monitoring responsibilities.
6. A **records and retention review** to assess how electronic records are digitized in ECM and the process of disposing of paper applications. LAAs must comply with the OHEP Paperless Processing File Retention Policy. This policy requires that all applicant records be maintained electronically within the designated data management systems (e.g., OHEP Data Management System and ECM). If physical records are identified, it may constitute a monitoring finding, necessitating corrective action.
7. A **security monitoring review** to ensure compliance with system access and data protection procedures, including SailPoint user access lists, account deactivation processes, and periodic access reviews. LAAs will be assessed on their compliance with Office of Technology for Human Services (OTHS) protocols, their security monitor access, and their list of active users and roles.

Local Administering Agencies (LAAs) are defined as either separate entities operating under a contract with DHS/OHEP (known as contractual LAAs) or as Local Departments of Social Services (LDSS). Because LDSS LAAs are administratively part of DHS, some review areas do not apply to them, as detailed in the matrix below.

| Review Area | Applicable to Contractual LAAs? (Y/N) | Applicable to LDSS LAAs? (Y//N) |
|-------------------------|--|--|
| Administrative | Y | N |
| Case Files | Y | Y |
| Crisis Season Oversight | Y | Y |

| Review Area | Applicable to Contractual LAAs? (Y/N) | Applicable to LDSS LAAs? (Y//N) |
|-----------------------|--|--|
| Fiscal | Y | N ¹ |
| Quality Assurance | Y | Y |
| Records and Retention | Y | Y |
| Security Monitoring | Y | Y |

Selected LAAs should expect the comprehensive monitoring process to last approximately 10-30 days. The process will generally be carried out remotely; however, OHEP retains the authority to execute certain elements of the process on-site.

Step 3: Determination of Areas of Concern and Findings:

OHEP will conduct an exit interview upon completion of comprehensive monitoring. During the interview, OHEP staff will review preliminary observations from the monitoring visit with the LAA Director. The final monitoring report will be issued by OHEP to the LAA within 45 days of the monitoring completion date. The LAA may choose to submit a formal response to the monitoring report within 45 days of its issuance. If a major fiscal issue is identified, OHEP will issue a formal letter to the responsible individuals at the LAA in addition to the monitoring report.

If an LAA is found to be deficient in any review areas, the report will indicate this as either an “Area of Concern” or a “Finding.” Areas of Concern indicate that the LAA must make improvements to ensure the identified areas do not become program non-compliance issues, but the issue does not constitute a material weakness. An Area of Concern is indicated if the LAA is nearing non-compliance with any of the programmatic benchmarks. A Finding indicates that a material weakness has been identified and/or the LAA is out of compliance, and a corrective action plan must be implemented to address the issue. LAAs that have an identified area of concern are expected to report their productivity/progress weekly to the OHEP data monitor(s) until the concern is resolved.

An LAA that receives one or more Findings is required to submit a detailed Corrective Action Plan to DHS within 45 days after the final monitoring report

¹Fiscal monitoring of LDSS LAAs is limited to a review of available audits of the State (i.e., DHS/OHEP) and Local Jurisdiction (e.g., Baltimore City, Baltimore County, Caroline County).

is issued. The Corrective Action Plan must outline the specific steps the LAA is taking to rectify the Finding(s). Additionally, an LAA with Finding(s) is considered "vulnerable" and must participate in follow-up monitoring until it complies with all DHS/OHEP requirements. Additional information on follow-up monitoring of vulnerable LAAs is below.

Follow-up Monitoring of Vulnerable LAAs

Intensive follow-up monitoring will be conducted for LAAs identified by DHS/OHEP as "vulnerable." What qualifies an LAA as vulnerable, and details on the follow-up monitoring requirements are described below.

Identification of vulnerable LAAs:

DHS/OHEP will identify vulnerable LAAs based on the following:

1. Comprehensive monitoring findings
2. Failure to meet established performance benchmarks;
3. Consistent noncompliance with program policies, procedures, and state-identified training; and
4. Repeated constituent complaints.

Follow-up monitoring requirements:

All vulnerable LAAs are required to submit weekly productivity summaries that include a detailed narrative. These summaries must be submitted by noon each Friday to the State OHEP Ombudsman via email, with the State OHEP Director and Deputy Director copied. In the event the State Ombudsman position is vacant, weekly summaries shall be submitted directly to the State OHEP Director and Deputy Director.

This reporting requirement will remain in effect until DHS/OHEP lifts the vulnerability designation from the LAA. LAAs must demonstrate sustained compliance with the OHEP Programmatic Benchmarks to have DHS/OHEP consider lifting the vulnerability designation.

OHEP Programmatic Benchmarks

All LAAs are expected to meet specific programmatic benchmarks regarding processing timeliness and reporting expectations. DHS/OHEP will assess LAAs against these six benchmarks in all monitoring activities.

| Benchmark Area | Assessment Criteria / Description | Compliance Expectation |
|---|--|---|
| Timely Processing of myDHR Applications | LAAs will be assessed on whether applications submitted through myDHR are transmitted to the OHEP system within 7 days and processed in a timely and efficient manner. | MyDHR applications must be transmitted to the OHEP system within 7 calendar days and processed in accordance with state timeliness standards (See 1.9 Application Process in the OHEP Operations Manual). |
| Timely Processing of Categorical Eligibility (CE) Applications | LAAs will be assessed on whether CE applications are transmitted within 7 days and processed in a timely and efficient manner. | CE applications must be transmitted to the OHEP system within 7 calendar days and processed in accordance with state timeliness standards (See 1.9 Application Process in the OHEP Operations Manual). |
| Regular and Timely Resolution of Invalid Social Security Numbers (SSN) | LAAs will be assessed on whether the SSN Validation Report is reviewed weekly and whether all invalid numbers are resolved within 30 days of identification. | No more than 10 invalid SSNs per reporting period, and all discrepancies must be corrected within 30 days. |
| Regular Reconciliation of Potential Duplicate Applications | LAAs will be assessed on whether they take weekly action to review the Duplicate Application Report and reconcile all potential duplicate applications. | All duplicate cases must be reviewed and resolved weekly to prevent duplicate benefits. |
| Issuance Rate for Request for Additional Information (RFAI) Letters | LAAs will be assessed on their issuance rate of RFAI letters based on their pending application count. | At least 90% of RFAI letters for pending applications must be issued. |
| Timely Processing of Applications and Issuance of RFAI Letters | LAAs will be assessed based on the number of cases reported in the system as pending/awaiting certification for more than 45 days. | All pending applications that have been outstanding for more than 45 days must include a documented RFAI and a corrective action plan. |

Other OHEP Policies and Procedures

In addition to the benchmarks above, LAAs are expected to comply with all policies and procedures in the [OHEP Operations Manual](#), including:

1. *Administrative Funds Policy (Chapter 10)*: Details the Competitive Procurement Process, Budget Management, Budget Amendments, Administrative Reporting Procedures, Recordkeeping and Documentation, Payments and Reimbursements, Closeout Procedures, and Record Retention.
2. *Grant Funds Policy (Chapter 11)*: Provides Grant Payment Procedures, Special Payment Procedures, and Refund Procedures.
3. *Energy Delivery Statement (EDS) Procedures (Chapter 12)*: Details EDS Assignment, EDS Payment Processing, EDS Errors and Corrections, and EDS Content.
4. *Data Management System Policies (Chapter 13)*: Includes the Data Processing Policy Reports Guide, System Requirements and User Information, System Maintenance and Problem Reporting, Daily Maintenance, Software Issues, Hardware Issues, Other Computer Uses, Other Software, Database Backup and Disaster Recovery, and Use of Data.
5. *General Policy (Chapter 14)*: Provides Application Management Requirements and Application Processing Standards.

Inquiries

Please direct policy questions to FIA Policy by completing the [FIA Policy Information Request Form](#). Montgomery County staff may submit their policy questions via email at fia.policy@maryland.gov.

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