

**ATTACHMENT 1**  
**SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE**  
 Low Income Home Energy Assistance Program (LIHEAP)

**ABSTRACT:**

HHS is requiring further detail from Grantees on their FY2013 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2013 plan which represent improvements or changes to the Grantees' FY2013 plan for preventing and detecting fraud, abuse and improper payment prevention.

*Instructions: Please provide full descriptions of the Grantee's plans and strategy for each area, and attach/reference excerpts from relevant policy documents for each question/column. Responses must explicitly explain whether any changes are planned for the new FY.*

<b>State, Tribe or Territory (and grant official): State of Oklahoma</b>		<b>Date/Fiscal Year:</b> 8/27/12 FFY 2013	
<b>RECENT AUDIT FINDINGS</b>			
<b>Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2013 or the prior three years, in annual audits, Grantee monitoring assessments, Inspector General reviews, or other Government Agency reviews of LIHEAP agency finances.</b>	<b>Please describe whether the cited audit findings or relevant operations have been resolved or corrected. If not, please describe the plan and timeline for doing so in FY2013.</b>	<b>If there is no plan in place, please explain why not.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Audits perform by the State Auditor's office during the past three years indicate the following:</p> <p>Lack of adequate documentation and maintenance of case records.</p> <p>Lack of requirement for households to provide documentation regarding the purchase/repair of cooling equipment.</p> <p>Lack of edit checks in system to prevent multiple benefits to the same address.</p> <p>Reliance on outside sources to identify possible overpayments as well as reliance of vendors to refund benefits to resolve the overpayment.</p>	<p>DOCUMENTATION- LIHEAP administrative staff have updated program instructions to highlight the importance of thoroughly documenting all case actions in the case record. This includes entering a case note (narrative) in the electronic file as well as requiring a LIHEAP Checklist to be completed for all households NOT receiving SNAP, TANF, or SSP. This checklist asks staff to document how eligibility was determined. OKDHS has incorporated all local county offices into one imaging system for maintaining electronic files. This has improved filing of applications and the ability to locate "lost" documents.</p> <p>COOLING EQUIPMENT-direct payments for the purchase/repair of cooling equipment are still being made. We</p>	N/A	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

	<p>have asked staff to document in the case record the client’s need for A/C or fan. If a direct payment was made in the past for purchase/repair of cooling equipment, the worker is asked to document why a direct payment is necessary during the current year. Households requesting LIHEAP to purchase or repair cooling equipment must now provide a receipt of purchase prior to a benefit being issued. This change to effect in our July 2012 Summer Cooling program.</p> <p>EDITS FOR ADDRESS-preauthorization reports with duplicate benefits at same address are made available to staff in order to make corrections prior to heating and summer program. Duplicate payments resulting from walk-in applications should be resolved by staff cross referencing address in our system. No edit has been created. FSSD LIHEAP is currently working with our data services division to create an edit to prevent duplicate payment by address before paying is issued.</p> <p>OVERPAYMENTS-LIHEAP staff continues to rely on vendors, recipient households, and field staff to identify overpayments. Refunds requested and received are tracked by LIHEAP staff. FSSD LIHEAP staff and the Benefit Integrity and Recovery Section have worked to establish a process for including LIHEAP overpayments to clients in a new tracking and recovery system. The specific roll out date is unknown.</p>		
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According to the Paperwork Reduction Act Of 1995 (Pub. L. 104-13), public reporting burden for this collection of information is estimated to average 1 hours per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

<b>COMPLIANCE MONITORING</b>			
<b>Describe the Grantee's FY 2012 strategies that will continue in FY 2013 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.</b>	<b>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2013.</b>	<b>If you don't have a firm compliance monitoring system in place for FY 2012, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</b>	<b>Necessary outcomes from these systems and strategies</b>

<p>LIHEAP staff will continue to cooperate with state auditors to ensure compliance and make improvements to LIHEAP. LIHEAP staff will continue to provide training and guidance to field staff in local OKDHS Human Service Centers. Field staff will continue to document eligibility determinations and case actions in the case record.</p>	<p>Local supervisory staff read a percentage of LIHEAP cases to ensure accuracy.</p>	<p>N/A</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>
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<p><b>FRAUD REPORTING MECHANISMS</b></p>			
<p><b>For FY 2012 activities continuing in FY 2013, please describe all (a) mechanisms available to the public for reporting cases of suspected LIHEAP fraud, waste or abuse [These may include telephone hotlines, websites, email addresses, etc.]; (b) strategies for advertising these resources.</b></p>	<p><b>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2013, and the timeline for that implementation.</b></p>	<p><b>If you don't have any tools or mechanisms available to the public to prevent fraud or improper payments, please describe your plan for involving all citizens and stakeholders involved with your program in detecting fraud.</b></p>	<p><b>Necessary outcomes of these strategies and systems</b></p>
<p>Suspected fraud, waste, or abuse can be reported by phone directly to the OKDHS Office of Inspector General, OKDHS FSSD LIHEAP Policy Section, OKDHS Director's Line (Information and Referral) or to local county offices. These suspicions may also be reported by mail or email. Phone numbers, mailing addresses, and email addresses are available on the OKDHS website.</p>	<p>Suspected cases of waste, fraud, and abuse can also be reported to the FSSD LIHEAP staff directly by emailing <a href="mailto:liheap2@okdhs.org">liheap2@okdhs.org</a></p>	<p>N/A</p>	<p><i>Clear lines of communication for citizens, grantees, clients, and employees to use in pointing out potential cases of fraud or improper payments to State administrators.</i></p>

<b>VERIFYING APPLICANT IDENTITIES</b>			
<b>Describe all FY 2012 Grantee policies continuing in FY2013 for how identities of applicants and household members are verified.</b>	<b>Please highlight any policy or strategy from your plan which will be newly implemented in FY 2013.</b>	<b>If you don't have a system in place for verifying applicant's identities, please explain why and how the Grantee is ensuring that only authentic and eligible applicants are receiving benefits.</b>	<b>Necessary outcomes from these systems and strategies</b>
Applicant's photo ID is required at time of application. Household members' identity may be verified by other method such as photo ID, birth certificate, passport, or SSN.	ID must be verified through documentary evidence or a collateral contact if no documentary evidence is readily available.	N/A	<i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i>
<b>SOCIAL SECURITY NUMBER REQUESTS</b>			
<b>Describe the Grantee's FY 2013 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</b>	<b>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2013, or remaining the same.</b>	<b>If the Grantee is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</b>	<b>Necessary outcomes from these systems and strategies</b>
SSN is required for all household members seeking to be included in assistance payment.	OKDHS requires a SSN for all applicants. This is not a new policy and is not expected to change. SSN is required for all members to be included in the benefit.	N/A	<i>All valid household members are reported for correct benefit determination.</i>

<b>CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b>			
<b>Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2012 and continuing in FY 2013. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)</b>	<b>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2013.</b>	<b>If the Grantee won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the Grantee will supplement this fraud prevention strategy.</b>	<b>Necessary outcomes from these systems and strategies</b>
OKDHS uses SSA's enumeration verification system to verify SSNs of applicants and household members.	SSNs are verified by cross referencing programs such as SNAP, TANF, and SSP as well as through data exchange with SSA.		<i>Use of all available database systems to make sound eligibility determination.</i>
<b>VERIFYING APPLICANT INCOME</b>			
<b>Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2012 and continuing in FY 2013.</b>	<b>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2013.</b>	<b>If the Grantee won't be using new hire directories to verify applicant and household member incomes how will the Grantee be verifying the that information?</b>	<b>Necessary outcomes from these systems and strategies</b>
In addition to using pay stubs and employer statements provided by applicant, OKDHS uses automated data exchange with Oklahoma Employment Security Commission (OESC) to verify quarterly wages for the last two quarters of employment, current UIB information, and new hire listings.	N/A	N/A	<i>Effective income determination achieved through coordination across program lines.</i>

<b>PRIVACY-PROTECTION AND CONFIDENTIALITY</b>			
Describe the financial and operating controls in place in FY 2012 that will continue in FY 2013 to protect client information against improper use or disclosure.	Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2013.	If you don't have relevant physical or operational controls in place to ensure the security and confidentiality of private information disclosed by applicants, please explain why.	Necessary outcomes from these systems and strategies
<p>OKDHS Policy 340:65-1-2 addresses the confidential nature of case material. See attached policy.</p> <p>PS2 is the COBOL-based case management system used by OKDHS Family Support Services Division (FSSD). It is used to track and manage personal and financial information concerning benefit eligibility for programs including TANF, Supplemental Nutrition Assistance Program (SNAP), Medicaid, Child Care Subsidy, State Supplemental Payments to the Aged, Blind and Disabled and the Low Income Home Energy Assistance Program.</p> <p>The OKDHS data center is a 24/7 secure facility in Oklahoma City, OK operated by the OKDHS Data Services Division. The data stored in the PS2 system resides on an IBM z/Server – z/10 mainframe with a z/OS v.108 operating system in IMS v9.1 databases. Primary security and access controls are operated through Computer Associate’s ACF2 v.12.0. The LIHEAP data on the PS2 system is accessed through terminal emulation using Attachmate Extra X-treme 8.0 across a Wide Area Network (WAN). The WAN is operated across 170 Hewlett Packard file servers operating with Windows 2003 and Active Directory and on Dell and HP workstations operating with Windows XP.</p> <p>OKDHS adheres to all applicable state and federal rules governing privacy and security for the programs listed</p>	<p>N/A</p>	<p>N/A</p>	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

above, including the required standards for storing Federal Tax Information received from the IRS. The security standards include, but are not limited to: Health Insurance Portability and Accountability Act of 1996; FIPS 200 (Minimum Security Requirements for Federal Information Systems, and compliant with guidance from the appropriate NIST publication for each element from Section 3 of FIPS 200); State of Oklahoma Security Policy, Procedures and Guidelines; IRS Publications 1075; and ISO/IEC 17799-05.

The Director of Family Support Services Division has agency responsibility for PS2 data which is delegated to an Information Service Administrator and a full-time and dedicated Program Manager for Information Privacy and Security. Access is controlled through ACF2 user profiles which are approved and maintained on instructions from FSSD security staff. FSSD and DSD are audited on security standards on a regular basis by the Internal Revenue Service and the Social Security Administration and periodically by the Department of Health and Human Services Office of Inspector General and the Oklahoma State Auditor and Inspector's Office. Additionally, OKDHS submits an annual security risk management report to the Oklahoma Office of State Finance which monitors adherence to Oklahoma state standards.

LIHEAP data is stored in 4 databases and is accessed through a series of 5 transactions that are controlled through the previously mentioned user profiles. Files for utility suppliers are produced in batch and loaded to tape media which are physically transferred between OKDHS and receiving parties. System update edits protect data integrity and business continuity and disaster recovery is performed as part of an OKDHS

<p>enterprise plan. System back-ups are regularly scheduled and stored with database copies at the Oklahoma Office of State Finance secure data center. The FSSD portion of this plan was fully tested in 2010 with the PS2 applications and databases fully restored and brought online at a contracted hot site in Boulder, CO.</p>			
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<p><b>LIHEAP BENEFITS POLICY</b></p>			
<p><b>Describe FY 2012 Grantee policies continuing in FY 2013 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.</b></p>	<p><b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2013.</b></p>	<p><b>If the Grantee doesn't have policy in place to protect against improper payments when making payments or providing benefits on behalf of clients, what supplementary steps is the Grantee taking to ensure program integrity.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>Staff processing applications are responsible for verifying information on the application including account numbers, income, and household composition. When employees find questionable information, they are to request additional information prior to making a payment error. Staff also make appropriate referrals to the Office of Inspector General when fraud is suspected. Vendors are also subject to audit.</p> <p>OKDHS Policy 340:20-1-15 (c) and (d) address overpayments and vendor fraud.</p>	<p>N/A</p>	<p>N/A</p>	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

<b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
<b>Describe the Grantee's FY 2012 procedures continuing in FY 2013 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.</b>	<b>Please highlight any strategies policy in this area which will be newly implemented in FY 2013.</b>	<b>If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the Grantee is ensuring program integrity.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>FSSD Staff make appropriate referrals to the Office of Inspector General when fraud is suspected. Vendors are also subject to audit.</p> <p>OKDHS Policy 340:20-1-15 (c) and (d) address overpayments and vendor fraud.</p>	<p>Yearly vendor letter includes reminder statements regarding audits as well as conduct and service expectations.</p>	<p>N/A</p>	<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>
<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<b>Describe Grantee FY 2012 policies continuing in FY 2013 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.</b>	<b>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2013.</b>	<b>If you don't have a system in place for verifying vendor authenticity, please describe how the Grantee can ensure that funds are being distributed through valid intermediaries?</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>FSSD LIHEAP staff request an update from all vendors each year in order to maintain accurate vendor records. Follow up to written update is often made by phone or email by LIHEAP staff. Suspected fraud is reported to OKDHS Office of Inspector General.</p>	<p>N/A</p>	<p>N/A</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

<b>TRAINING AND TECHNICAL ASSISTANCE</b>			
<p>In regards to fraud prevention, please describe elements of your FY 2012 plan continuing in FY 2013 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.</p>	<p>Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2013.</p>	<p>If you don't have a system in place for anti-fraud training or technical assistance for employees, clients or energy vendors, please describe your strategy for ensuring all employees understand what is expected of them and what tactics they are permitted to employ.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>County staff are provided with a training packet each year and program specific instructions prior to the open of the application periods. Staff are responsible for reporting suspected vendor and applicant fraud to FSSD LIHEAP staff for referral to OIG if appropriate. FSSD staff also request refunds from vendors when an incorrect payment is made.</p> <p>By signing an application for utility assistance, applicant households agree to investigation to determine eligibility and the truthfulness of the information provided. The application also states knowingly, willfully, and fraudulently providing false information may result in prosecution.</p> <p>Vendors are notified each year of program requirements and changes. They are also subject to audit by OKDHS to determine compliance.</p> <p>Area Agencies on Aging (AAA)- At this time, OKDHS does not offer T&amp;TA to the AAAs nor do we audit these agencies. They serve as a referral source for LIHEAP by referring households to their local</p>	<p>Local office staff are trained via LIHEAP training DVD, yearly LIHEAP training packet and processing instruction emailed prior to and during each program, and during quarterly training with supervisors as needed when policy or procedures change between programs. FSSD LIHEAP staff also send periodic "Best Practices" reminders prior to application periods opening.</p>	<p>N/A</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

<p>OKDHS office for a LIHEAP application.</p>			
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**AUDITS OF LOCAL ADMINISTERING AGENCIES**

<p><b>Please describe the annual audit requirements in place for local administering agencies in FY 2012 that will continue into FY 2013.</b></p>	<p><b>Please describe new policies or strategies to be implemented in FY 2013.</b></p>	<p><b>If you don't have specific audit requirements for local administering agencies, please explain how the Grantee will ensure that LIHEAP funds are properly audited under the Single Audit Act requirements.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>LIHEAP is administered by the Oklahoma Department of Human Services (OKDHS). Applications are taken at local (county) OKDHS office locations. The entire program is audited by the state auditor. The auditors review samples of work from each area of the state.</p> <p>FSSD LIHEAP staff may conduct an independent review or informal audit of applications if concerns arise in a specific area.</p> <p>Area Agencies on Aging (AAA)- At this time, OKDHS does not offer T&amp;TA to the AAAs nor do we audit these agencies. They serve as a referral source for LIHEAP by referring households to their local OKDHS office for a LIHEAP application. OKDHS partners with AAAs in the intake process. However, they do not accept LIHEAP applications. All applications are accepted by OKDHS staff. OKDHS staff may accept applications at AAA sites in more remote areas of the state where travel to a local OKDHS office would be difficult for the population served by the AAA site.</p>	<p>N/A</p>	<p>N/A</p>	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

**Additional Information**

Please attach further information that describes the Grantee's Program Integrity Policies, including supporting documentation from program manuals, including pages/sections from established LIHEAP policies and procedures.

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