

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

ABSTRACT:

HHS is requiring further detail from Grantees on their FY2014 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2014 plan which represent improvements or changes to the Grantees' FY2014 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.

State, Tribe or Territory (and grant official): North Carolina		Date/Fiscal Year: 8/29/13 FY 2013	
RECENT AUDIT FINDINGS			
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.	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 FY2014.	If there is no plan in place, please explain why not.	Necessary outcomes from these systems and strategies
To date, there have not been any State annual audit findings for FY 2013 . For FY 2013 , Local support staff have reported several findings from monitoring with regards to county responsible overpayments. These findings resulted from county staff not doing a thorough search of the system to prevent duplicate benefits. There was one annual audit finding in FY 2012 with regards to federal reports: The Household Report was not signed by a manager.	FY 2013: Enhancements have been made to the Energy Programs System to help county staff search the system for clients in an effort to prevent duplication. System edits have been put in place to help with this issue as well. Ongoing enhancements are continuously being done. FY 2012: A hard copy of the Household Report must be signed by a manager and kept on file.	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

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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.

COMPLIANCE MONITORING			
Describe the Grantee's FY 2013 strategies that will continue in FY 2014 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.	If you don't have a firm compliance monitoring system in place for FY 2014, please describe how the State is verifying that LIHEAP policy and procedures are being followed.	Necessary outcomes from these systems and strategies
Local support staff monitors each county to ensure compliance with Federal and State LIHEAP guidelines, and the State approved Outreach and Application Plan. If a compliance issue is discovered, Local Support staff assists the county in developing and implementing an appropriate corrective action plan. Monitoring staff will select a sample of approved and denied actions for review. Provide these cases to the assigned monitor upon request to determine the accuracy of action taken on each case. Corrective Action will be requested when appropriate	We do not have any new monitoring strategies to implement at this time.	N/A	<i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i>

FRAUD REPORTING MECHANISMS			
For FY 2013 activities continuing in FY 2014, 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.	Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.	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.	Necessary outcomes of these strategies and systems

<p>(a) The public and clients in our programs are advised to report any form of suspected fraud to their local county Department of Social Services agency. They can also call a toll free number or email the State office to report fraud. (b) Our toll free number is listed on all correspondence mailed to clients for all of our programs.</p>	<p>No new implementations</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>
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VERIFYING APPLICANT IDENTITIES			
Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.	Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
Verification of the client's identity is requested. If the client does not have verification, it is documented by their statement of identity. Their statement can be taken for our year round crisis (CIP) program as well. We do use client records from other programs that may already be in the agency as well as IEVS, and other interagency matches.	No new policy implementation for identity verification will be done in FY 2014 at this time.	We do use client records from other programs that may already be in the agency as well as IEVS, and other interagency matches.	<i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i>
SOCIAL SECURITY NUMBER REQUESTS			
Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.	Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.	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.	Necessary outcomes from these systems and strategies
Applicants for crisis and LIEAP are required to complete a Notice of Social Security Numbers form (DMA-5001, see attached) requiring them to furnish their SSN. We use SSA matches, IEVS and other interagency data to verify their SSN if they do not have a copy of the actual card.	We changed our policy effective for FY 2013 for counties to request SSN's on all clients if available.	N/A	<i>All valid household members are reported for correct benefit determination.</i>

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CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES			
Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2013 and continuing in FY 2014. (Social Security Administration Enumeration Verification System, prisoner databases, Government death records, etc.)	Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
We use SSA matches, IEVS, client records already in the agency, and other interagency data to verify their SSN if they do not have a copy of the actual card.	No new implementations at this time.	N/A	<i>Use of all available database systems to make sound eligibility determination.</i>
VERIFYING APPLICANT INCOME			
Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2013 and continuing in FY 2014.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.	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?	Necessary outcomes from these systems and strategies
If clients do not have actual verification of their income, we use a web based New Hire system as well and a database e from our Employment Security agency. The income verification sources we use help ensure we have the best available information to determine eligibility. Eligibility workers are required to use the Low Income Energy Assistance Program Eligibility Worksheet (DSS-8116-I, see attached) which requires them to document how income was verified.	No new directories to be implemented at this time.	N/A	<i>Effective income determination achieved through coordination across program lines.</i>

PRIVACY-PROTECTION AND CONFIDENTIALITY			
Describe the financial and operating controls in place in FY 2013 that will continue in FY 2014 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 2014.	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
We currently do not disclose any client information to anyone unless requested by law. We have disclosure policy outlined in our Energy Programs Manual.	We do not have any newly implemented controls or strategies for FY 2014 at this time.	N/A	<i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i>

LIHEAP BENEFITS POLICY			
Describe FY 2013 Grantee policies continuing in FY 2014 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.	Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
We make vendor payments for all of our LIHEAP benefits. System controls are in place to help ensure that households do not receive duplicate benefits. Counties have access to several reports containing client data for scheduled payments, other program participation, and other matches. Our Energy System tracks each time a client is approved for a payment. Each vendor must complete a Vendor Agreement (DSS-8163, see attached) in order to participate as a vendor	No new implementations at this time.	N/A	<i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i>

PROCEDURES FOR UNREGULATED ENERGY VENDORS			
Describe the Grantee's FY 2013 procedures continuing in FY 2014 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.	Please highlight any strategies policy in this area which will be newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
Each vendor must complete and adhere to a Vendor agreement in order to participate as a vendor. We do not offer bulk heating payments to vendors at this time.	None at this time.	N/A	<i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i>
VERIFYING THE AUTHENTICITY OF ENERGY VENDORS			
Describe Grantee FY 2013 policies continuing in FY 2014 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee's procedure for averting fraud.	Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.	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?	Necessary outcomes from these systems and strategies
A vendor agreement is used as the contracting instrument only with private agencies (for-profit or non-profit) or an individual. Whenever a voucher, vendor payment, or two-party check is issued, there must be an agreement with the vendor. In some instances, the payment will be to a landlord, which makes him an energy supplier. Therefore, a vendor agreement is required. If the DSS-8163 is returned and the vendor has changed any wording, the DSS-8163 is void and a new DSS-8163 must be negotiated.	None at this time.	N/A	<i>An effective process that effectively confirms the existence of entities receiving federal funds.</i>

TRAINING AND TECHNICAL ASSISTANCE			
<p>In regards to fraud prevention, please describe elements of your FY 2013 plan continuing in FY 2014 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 2014.</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>(a) Employees – We provide an online policy manual that outlines policy guidelines and technical assistance for properly administering our LIHEAP systems. There is also a training region in our Energy System for county agencies to train staff on properly keying and processing Energy Programs applications. If counties seek additional training or assistance, they are able put in a request to the State office. All requests are followed up by State staff.</p> <p>(b) Non-governmental staff – Any non-governmental staff that is involved in the eligibility process of our programs are trained and supported by the county.</p> <p>(c) Clients – Clients are able to call our DHHS Customer Support Center</p>	<p>This has not changed; however, we will begin to implement more Webinar type statewide training opposed to state staff visiting local county offices. This will be done only if visitation training is not needed. We also utilize statewide conference calls with counties to reiterate policy or go over small policy changes.</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>to request information about our programs. They are also able to email State and County staff to request information. Mailers also sent to clients advising them of our heating program.</p> <p>(d) Energy vendors - All vendors are trained and supported by county staff. They are able to contact the State office for additional assistance if needed</p>			
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AUDITS OF LOCAL ADMINISTERING AGENCIES

<p>Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.</p>	<p>Please describe new policies or strategies to be implemented in FY 2014.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>State audits are conducted annually. Audit procedures sample recipient records to determine that income and energy (fuel) type information was gathered. Ensure the income was correctly computed and the correct amounts and fuel type were recorded on the Low Income Energy Assistance Program (LIEAP) Application and keyed into the Energy System. Review the grantee's plan or other procedures for outreach. Each county submits an Outreach Plan to the Division yearly and must keep a copy on file in their agency. Review and evaluate the grantee's plan or other procedures for equitable treatment. Sample recipient household records and determine whether there is adherence to prescribed procedures. Review the Energy</p>	<p>None at this time.</p>	<p>N/A</p>	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

<p>Programs (CIP and LIEAP) automated data and any hard copy file information to ensure the presence of adequate documentation to determine eligibility of the household. Ensure that case information is adequately maintained for all Low Income Home Energy Assistance Programs.</p>			
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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.