

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 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 Dakota Department of Human Services		Date/Fiscal Year: 2014 Submitted: 08/1/2013	
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
A federal audit was completed by State Auditor's Office in 2012 which resulted in no findings. Quality Assurance case file reviews for the past year resulted in no error findings (administrative or client).	NA	NA	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

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
<p>At least 10 case files per month are reviewed by the Quality Assurance Unit. The case files are sent from the county social service office to the state office for review. (In North Dakota economic assistance programs state supervised and county administered). The state, through DHS, is the LIHEAP grantee, and eligibility is determined at the county level through a centralized computer system. LIHEAP payments, which are primarily to vendors, are made from the state office.) The case file review checks for policy compliance and benefit accuracy. In 2013, responsibility for these reviews was assigned to a staff person not involved with day-to day operations of LIHEAP. The staff person is part of Economic Assistance Policy Division Quality Assurance Unit. For weatherization and emergency furnace services, monitoring is flagged in the Department's electronic contract system on a specified schedule throughout the life of the contract</p>	<p>The necessary outcome of this process is the assurance that clients are qualified, and that they receive the benefits to which they are eligible.</p> <p>The case file review findings are shared with the LIHEAP program administrator, eligibility worker and county director. Any corrections (over or underpayment) is the responsibility of the eligibility worker.</p>	<p>The system is in place.</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

FRAUD REPORTING MECHANISMS			
<p>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.</p>	<p>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.</p>	<p>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.</p>	<p>Necessary outcomes of these strategies and systems</p>
<p>As part of the human service delivery system in North Dakota, LIHEAP has a visible presence in all 53 of the state's counties. In addition, DHS has a fraud hot-line, a toll-free number, and a website by which cases of suspected fraud can be reported at any time. The Department has an active public information unit which publishes press releases almost daily which include the website address.</p>	<p>Our activities will continue in 2014.</p>	<p>Our tools and mechanisms are in place, but we are always seeking new and creative ways to encourage our citizens to inform on their neighbors.</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>
VERIFYING APPLICANT IDENTITIES			
<p>Describe all FY 2013 Grantee policies continuing in FY2014 for how identities of applicants and household members are verified.</p>	<p>Please highlight any policy or strategy from your plan which will be newly implemented in FY 2014.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>Section 4.b. of the State Plan for years has provided for the verification of applicant identities in any case where the information provided is questionable.</p> <p>In addition, North Dakota Department of Human Services is currently building a verification application called NDVerify. This tool allows eligibility workers to access some identifying information such as North Dakota Vital Records and some Social Security Administration information.</p>	<p>In 2012, DHS began the process of developing a central integrated eligibility system which will include all of the Department's economic assistance programs (anticipated completion date mid 2015). One of the requirements of the system will be the verification of applicant identities across all programs.</p>	<p>The system is being developed.</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

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
<p>LIHEAP in North Dakota has always used the head of household's Social Security Number (SSN) as its primary identifier in its computer system. Several years ago, DHS also began collecting the SSN's of all of the household members. Because of Privacy Act considerations, we informed applicants that providing the SSN was voluntary, but virtually all applicants complied.</p> <p>The current LIHEAP system does not cross-check SSNs, but the system being developed will.</p> <p>However, if LIHEAP is in combination with Medicaid, Supplemental Nutrition Assistance Program or Temporary Assistance for Needy Families program, the SSN is verified through an interface with Social Security Administration.</p>	<p>LIHEAP policy in North Dakota remains the same. If HHS directs that providing that information can no longer be voluntary, DHS will comply.</p>	<p>The system is being developed.</p>	<p><i>All valid household members are reported for correct benefit determination.</i></p>

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
<p>The following systems are sources of information to obtain verification of benefits:</p> <ol style="list-style-type: none"> 1. The BENDEX System – This is an on-line inquiry of <u>recipients</u> receiving Title II benefits. 2. BENDEX wage match and SDX information will be available in the new tool called NDVerify. 3. The Form 1610 System – If Social Security data or benefits information is not available from the client, BENDEX, SDX, or the TPQY system, the Social Security District Offices will honor the use of Form 1610. This form should be used selectively and only after other means of securing the data have been explored. Thus, the use of Form 1610 is basically limited to determining the following: <ol style="list-style-type: none"> a. The amount of Social Security Title II benefits received during the three-month period preceding the date of application for Medicaid. The specific time period for which the data is needed must be indicated on Form 1610; b. The amount of Social Security benefits or other data when all efforts through BENDEX, SDX, or TPQY have failed; and 	<p>Through the use of NDVerify which is scheduled to go live August of 2013, LIHEAP will be able to access information from Social Security Administration and North Dakota Vital Statistics for verification of birth.</p>	<p>The system is being developed.</p>	<p><i>Use of all available database systems to make sound eligibility determination.</i></p>

<p>c. To serve as a lead to determine potential eligibility for Social Security benefits for an individual who has never applied to the Social Security Administration. A telephone call to the Social Security District Office will also serve as a referral and eliminate the need for the Form 1610.</p>			
VERIFYING APPLICANT INCOME			
<p>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.</p>	<p>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.</p>	<p>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?</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>All income must be verified. This may be accomplished by the use of wage stubs, signed statement from an employer, Internal Revenue Service (IRS) forms, automatic bank deposit slips for social security, award letters for SSI, or other types of benefits. For clients receiving benefits from other DHS programs, the systems identified above may also be used.</p> <p>In addition, through NDVerify quarterly wage match and unemployment benefits will be available from North Dakota Job Service. This will not contain information from out-of-state employers. Social Security Administration income will also be available. New Hires will be part of ND Verify.</p>	<p>NA</p>	<p>NA.</p>	<p><i>Effective income determination achieved through coordination across program lines.</i></p>

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
<p>DHS took a significant step in safeguarding client's privacy in 2011 with its SSN suppression initiative. All written communications being mailed out identify the client with a system-assigned "billing number" rather than a Social Security Number. This will continue in 2014.</p> <p>Economic Assistance Policy Division addresses safeguarding of client information in Administrative Procedural manual 448-01 which may be found on North Dakota Department of Human Services website at http://www.state.nd.us/humanservices/policymanuals/home/financialhelp.htm</p>	<p>The Economic Assistance Policy Division Administrative Procedural manual 448-01 is utilized to provide county eligibility workers with guidance on policy and procedures of client information.</p>	<p>NA</p>	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

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
<p>LIHEAP benefits are based on a percentage co-payment between the client and LIHEAP. The percentage for which the client is responsible is determined by the household's income, household size, type of fuel and type of dwelling. The vendor sends the household's bill directly to the DHS central office, and DHS remits payment to the vendor for the LIHEAP share. With the bill coming directly to the central office, DHS is able to review them for potential irregularities prior to any payment being made. This policy has proven successful, and will continue in 2014.</p>	<p>No new efforts are planned.</p>	<p>The policy is in place.</p>	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

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
Unregulated energy vendors, primarily of deliverable fuels, tend to be located in North Dakota's rural areas. In addition to the billing procedures described above, there are also edit checks built into the computer system to spot irregularities such as duplicate billing dates. These checks apply to all vendors. These procedures will continue in 2014.	None are planned.	We believe the plan in place is successful.	<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
The great majority of LIHEAP vendors are established businesses in their communities. Vendors of fuels other than the four primary ones (natural gas, electricity, propane and fuel oil), serve about one fifth of one percent of our clients. (Wood vendors, in particular, are rare because of the dearth of trees in the state.) When a client buys fuel from one of these vendors, it is common practice for the eligibility worker to check with local sources to determine the authenticity of the vendor. This policy will continue in 2014.	None planned.	We believe our practice is sufficient.	<i>An effective process that effectively confirms the existence of entities receiving federal funds.</i>

TRAINING AND TECHNICAL ASSISTANCE			
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.	Please highlight specific elements of your training regimen and technical assistance resources from your plan which will represent newly implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
<p>Training in fraud prevention will continue as part of our training of county workers and is a part of the Department's successful E-Learning program. The application includes a certification to be signed by the applicant, as to its truthfulness, and a warning of the penalties for false information. Unsigned applications are not accepted. As to state level staff, there are only two of us, and we were both involved in the design of the e-learning component.</p>	<p>Training will continue.</p>	<p>The system is in place.</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>
AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.	Please describe new policies or strategies to be implemented in FY 2014.	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.	Necessary outcomes from these systems and strategies
<p>The Office of the State Auditor routinely audits county administration of the LIHEAP program, as well as local Community Action Agencies which are under the supervision of another state agency, the Department of Commerce. The Community Action Agencies also pay to have independent audits done of all of their activities.</p>	<p>No changes are planned.</p>	<p>Those requirements are in place.</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.

Attachment – page 11