

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):		Date/Fiscal Year: FY 2014 9/4/2013	
RECENT AUDIT FINDINGS			
Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2014 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
<i>No recent audit findings</i>	NA	NA	NA

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 2013, please describe how the State is verifying that LIHEAP policy and procedures are being followed.	Necessary outcomes from these systems and strategies
<p>Income and vendor verification, quality control specialists, direct payments to vendors, and Department of Legislative Audit, and written policy and procedures manual. Quality Control Specialists review 5% of completed cases each year to ensure accuracy.</p> <p>Income verified for each household using pay stubs, income tax returns, SNAP eligibility, and other award letters using written policy and procedure manual. Quality Control Specialists monitor no less than 5% of Energy Assistance applications and no less than 10% of the vendors that received payments during the heating season. South Dakota Energy Assistance pays verified heating suppliers and landlords directly. The Office of Energy Assistance is subject to audit by the South Dakota Department of Legislative Audit.</p>	<p>Income verified for each household using pay stubs, income tax returns, SNAP eligibility, and other award letters using written policy and procedure manual. Quality Control Specialists monitor no less than 5% of Energy Assistance applications and no less than 10% of the vendors that received payments during the heating season. South Dakota Energy Assistance pays verified heating suppliers and landlords directly. The Office of Energy Assistance is subject to audit by the South Dakota Department of Legislative Audit.</p>	<p>No changes.</p>	<p>The South Dakota LIEAP is compliant with State and Federal policies and procedures.</p>

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	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

resources.			
Individuals can report suspected fraud to the South Dakota LIEAP program either through a website or by calling a toll-free phone number. Individuals can also report directly to the SD Office of Energy Assistance.	The South Dakota Office of Energy Assistance will investigate the possible fraud and forward to the SD Department of Social Services Office of Recovery and Fraud Investigations.	No changes.	Easily accessible mechanisms for citizens, clients, and employees to use for reporting potential cases of fraud or improper payments.

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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
<p>Social Security numbers required for all household members and energy supplier verifications.</p> <p>Social Security numbers required on application or existing in computer system. Income verification submitted, use of other office or departments databases, and energy supplier verifications.</p>	NA	No changes.	Income and energy supplier data that allow program benefits to be provided to eligible individuals.
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>South Dakota requires Social Security numbers for all household members.</p> <p>Gather information on the application. Information is verified through the State-run existing computer system.</p>	<p>No changes.</p>	<p>No changes.</p>	<p>All valid household members are reported for correct benefit determination.</p>

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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
<p>Social Security Enumeration, prisoner database, death match and new hire match are done for those individuals that are currently receiving or have recently received SNAP (Food Stamps).</p> <p>Social Security Enumeration and new hire match are done for those individuals that are currently receiving or have recently received TANF and medical.</p>	<p>No changes.</p>	<p>No changes.</p>	<p>Use of all available database systems to make sound eligibility determinations.</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>Income is verified according to the South Dakota Low Income Energy Assistance Program Policy and Procedures Manual. Income verification must be provided unless the household is categorically income eligible, then income verification is done using the State database.</p> <p>Wage stubs provided by individual or household, SD Department of Labor database, The Work Number, contact employer or payment source for unearned income (VA), Social Security Administration, tax return, award letters (VA benefits), zero income statement, or historical information.</p>	<p>No changes.</p>	<p>No changes.</p>	<p>Effective income determination achieved through coordination across program lines.</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>Computer and all eligibility software exist in a secure network, with unique usernames and complex passwords. Within the computer system social security numbers are masked and access to household information is restricted to authorized staff only. Case files are imaged and stored in a secure network location.</p> <p>South Dakota's Bureau of Information and Technologies is responsible for all computer and server security.</p>	No changes.	No changes.	Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.

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>SD LIHEAP benefits are determined by income, heat source, and resident county. All benefit determinations and payments are completed in the State-run computer system.</p> <p>SD LIHEAP requires residence address and verifies the address is valid through the USPS database. In addition, SD LIHEAP verifies resident addresses outside South Dakota are located within South Dakota.</p>	<p>SD LIHEAP requires residence address and verifies the address is valid through the USPS database. In addition, SD LIHEAP verifies resident addresses outside South Dakota are located within South Dakota. A heating bill is required to verify the primary heat source, and income information is verified in accordance with the SD LIHEAP Policy and Procedures Manual.</p>	No changes.	Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.

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 unregulated 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
<p>Verified vendors are assigned a vendor identification number assigned it computer system and direct payments to vendors.</p> <p>Computer system edit checks to ensure eligible payments are going to eligible vendors on behalf of eligible households. Quality Control Specialists review 10% of vendors to ensure they are in compliance with SD LIEAP Policy.</p>	No changes.	No changes.	Participating vendors are researched before payments are made.
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
<p>Each new vendor must fill out and sign a vendor agreement form.</p> <p>Forms are tracked and filed with the Office of Energy Assistance and are subject to the Quality Control Specialists review.</p>	No changes.	No changes.	Participating vendors are researched before payments are made.

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) All staff determining eligibility are in one centrally located office. Staff are trained in appropriate policies and procedures to ensure information received from applicant is accurate and true.</p> <p>(b) NA</p> <p>(c) Applicants sign application under penalty of perjury that all information provided is accurate and factual</p> <p>(d) Sign an Supplier/Vendor Agreement, See Attachment 4</p> <p>Staff are trained in appropriate policies and procedures to ensure information received from applicant is accurate and true.</p>	<p>No changes.</p>	<p>No changes.</p>	<p>Fraud is prevented through effectively trained staff.</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>South Dakota's LIEAP is located in one central location. No other agency administers the program. Subject to audits from the SD Department of Legislative Audit. Four community action agencies also receive weatherization funds and are subject to an annual review.</p> <p>Subject to audits from the SD Department of Legislative Audit.</p>	No changes.	No changes.	Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.

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.