

SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE
 Low Income Home Energy Assistance Program (LHEAP)

ABSTRACT:
 HHS is requiring further detail from States on their FY2011 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that States highlight and describe all elements of this FY2011 plan which represent improvements or changes to the State's FY2010 plan for preventing and detecting fraud, abuse and improper payment prevention.

State, Tribe or Territory (and grant official): **Navajo**

Date/Fiscal Year: **2011**

RECENT AUDIT FINDINGS

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| <p>Describe any audit findings of material weaknesses and reportable conditions, questioned costs and other findings cited in FY2010 or the prior three years, in annual audits, state monitoring assessments, Inspector General reviews, or other Government Agency reviews of LHEAP agency finances.</p> | <p>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 FY2011.</p> | <p>If there is no plan in place, please explain why not.</p> | <p>Necessary outcomes from these systems and strategies</p> |
| <p>Activities Allowed or Unallowed and Allowable Costs/Cost Principles: The payroll and nonpayroll expenditures for the program are not appropriately reviewed and therefore may not be allowable expenditures. Eligibility: The program may not be in compliance with the grant's eligibility requirements and participants could be incorrectly determined to be eligible. Matching, Level of Effort, and Earmarking: The program is unable to identify whether or not they have exceeded the earmarking percentages and therefore may not</p> | <p>Division of Social Service Block Grants & Special Projects Program (BGSP) Manager will develop and implement guidelines for use to ensure eligibility requirements are complied with in serving participants. The guidelines will include: processing LHEAP Application, use of checklist identifying the eligibility requirements that must be met in screening participants for service; program manager review the checklist and approve only those that are in compliance for processing; conducting quarterly case reviews and maintaining desirable filing system. BGSP will conduct orientations on LHEAP Detailed Plan including the</p> | <p>There are Navajo Nation Policies and Procedures in place but are not implemented or being followed. Therefore, periodic training will be planned to re-emphasize the importance of the Policies and Procedures. There is a LHEAP Financial Assistance Guidelines and NDSS Manual in place but are not being followed. Therefore, periodic training will be planned to re-emphasize the importance of the Policies and Procedures. There is a Navajo Nation Budget manual which NDSS utilizes to set up budgets based on the earmarking percentage but not based on the grants earmarking requirement. There are Navajo Nation Policies and Procedures in place but are not implemented or being followed. Therefore, periodic training will be planned to re-emphasize the importance of the Policies and</p> | <p>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</p> |

be in compliance with program requirements. Questioned costs are not determinable as there is no method to identify the actual PA and ENRS costs of the program. Procurement, Suspension, and Debarment: The Navajo Navajo cannot support compliance with its procurement process.

guideline with the 5 Regional offices, Central Administration and a Public Hearing at the beginning and end of fiscal year. Will develop a system: to track and separately identify the earmarking expenditures by the Regional accountants; consolidate Regional accounts into one account number for internal control on the earmarking and level of effort; and coordinate with Contract Accounting Section of OOC to establish a separate tracking, monitoring and review for compliance by the BFSPP Manager. In the process on developing the standardize policies and procedures for the 15% administrative, 15% weatherization and 5% needs assessment tracking system to stay within the earmarking requirement. Meeting will be schedule with OOC to help develop the separate tracking within the next month. NDSS Staff will receive in-service training on Navajo Nation Procurement Policies so they are aware and follow it properly for compliance. Also, the Program Manager will issue written internal procedures for use to ensure propose purchases are allowable, allocable and budget sufficient. It will address but not limited to: review all purchase requisition to ensure propriety. Further reviews will include cost is allowable thus budgeted and funds availability verified. The required checks shall be all compiled with prior to the approval of the purchase by the Program Manager. The Program Manager will monitor the central accounting section to ensure records and supporting documents are maintained on all purchases.

Procedures.

COMP **JICE MONITORING**

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| <p>Describe the State's FY2010 strategies that will continue in FY2011 for monitoring compliance with State and Federal LIHEAP policies and procedures by the State and local administering agencies.</p> | <p>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2011.</p> | <p>If you don't have a firm compliance monitoring system in place for FY11, please describe how the State is verifying that LIHEAP policy and procedures are being followed.</p> | <p>Necessary outcomes from these systems and strategies.</p> |
| <p>Each regional office designated LIHEAP caseworker determines client eligibility and the amount of the assistance awarded. The immediate supervisor will certify LIHEAP applications packets as submitted. At the Regional level, the Regional Directors or designee approves and submits the LIHEAP batch file to Division of Finance Office. All LIHEAP cases are documented and retained to ensure monitoring and compliance with applicable laws and to compile, report statistical information, and for any further reference. The Block Grants & Special Projects also conducts monitoring visits for each regional office to further ensure compliance and assist with programmatic issues.</p> | <p>Navajo Division of Social Services Block Grants & Special Projects (BGSP) Manger, Central Accounting Section, and Regional offices will develop and implement a standardize policies and procedures for to conduct monitoring visits to Regional offices and other subcontract offices. Monitoring and evaluation visit are conduct on a yearly bases.</p> | <p>NIDSS/BGSP and Central Accounting will conduct quarterly monitoring visits and meeting to Regional office and other subcontract offices.</p> | <p>Assessing the ability with a search the regional community goal center site management and to generate information.</p> |

FRAUD REPORTING MECHANISMS

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| <p>For FY2010 and others containing in FY2011, 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 FY2011, 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>At this time, there is policy in place for the public to report fraud due to lack of funding source.</p> | <p>Plan for 2010 does not identify fraud reporting procedures. After Polices and MOA are establish, the FY2011 Plan will be revised and implementation will be December 2010.</p> | <p>NDSS/BG&SP will work with the Navajo Nation White Collar Dept to establish MOA, and with their assist implement the mechanisms to be available to the public to report fraud. Public Hearing will be contacted throughout the Navajo nation to inform the public and stakeholder of the new procedures to report fraud.</p> | <p>Clear line of communication for citizens, tribes, states, counties, and other entities to report cases of fraud. Being proper, transparent, to state address, etc.</p> |

VERIFYING APPLICANT IDENTITIES

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| <p>Describe all FY2010 State policies containing in FY2011 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 FY2011.</p> | <p>If you don't have a system in place for verifying applicant's identities, please explain why and how the State is ensuring that only authentic and eligible applicants are receiving benefits.</p> | <p>Necessary outcomes from these systems and strategies.</p> |
| <p>When clientele(s) apply for LIHEAP assistance, they are required to provide the following documentation for each Household member: Original Social Security Card, Certificate of Navajo Indian Blood, Original Birth Certificates for New Born</p> | <p>NDSS establish the LIHEAP Assistance Guidelines that worker utilizes to complete application which requires original documentation is needed to determine eligibility.</p> | <p>There is no system in place at this time due to lack of funding. The only verification method for identities is to have clientele(s) provide an original SS Card and Certificate of Indian Blood.</p> | <p>Income and energy assistance data allow program to identify individuals</p> |

SOCIAL SECURITY NUMBER REQUESTS

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| <p>Describe the State's FY2014 policy in regards to requiring Social Security Numbers for applicants and/or household members applying for LIHEAP benefits.</p> | <p>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.</p> | <p>If the State is not requiring Social Security Numbers of LIHEAP applicants and/or household members, please explain what supplementary measures are being employed to prevent fraud.</p> | <p>Necessary outcomes from these systems and strategies</p> |
| <p>Original Social Security of each household member is required at the time the intake is taken</p> | <p>This request will remain the same for FY2011.</p> | | <p>All utilities are sensitive members are reported for non-compliance detection</p> |

CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

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| <p>Describe if and how the State used existing government systems and databases to verify applicant or household member identities in FY2010 and continuing in FY2014. (Social Security Administration, Enumeration/Verification System, prisoner databases, Government death records, etc.)</p> | <p>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY2011.</p> | <p>If the State won't be cross checking Social Security Numbers and ID information with existing government databases, please describe how the State will supplement this fraud prevention strategy.</p> | <p>Necessary outcomes from these systems and strategies</p> |
| <p>No third party verification is in existed at this time</p> | <p>Work on establishing collaboration with local Social Security Administration, Navajo Vital Records Office and other department, to verify the authentic of documentation submitted to our office</p> | | <p>Use of all available database systems to make sound eligibility determination</p> |

VERIFYING APPLICANT INCOME

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| <p>Describe how the State or designee used State Directories of new hires or similar systems to confirm income eligibility in FY2010 and continuing in FY2011.</p> | <p>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2014.</p> | <p>If the State won't be using new hire directories to verify applicant and household member incomes how will the State be verifying that information?</p> | <p>Necessary outcomes from these systems and strategies.</p> |
| <p>Original copy of income statement is required at the time the household is applying for assistance. Individual with no income are required to provide termination notice or statement of fact is signed by applicant.</p> | <p>Collaboration will be establish with NN Personnel, BIA/HIS, and state Directories to verify income</p> | | <p>Describe income data from Directories of new hires or other records and how they will be used to verify applicant and household member incomes.</p> |
| <p>PRIVACY-PROTECTION AND CONFIDENTIALITY</p> | | | |
| <p>Describe the financial and operating controls in place in FY2010 that will continue in FY2011 to protect client information against improper use or disclosure.</p> | <p>Please highlight any controls or strategies from your plan which will be newly implemented as of FY2011.</p> | <p>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.</p> | <p>Necessary outcomes from these systems and strategies.</p> |
| <p>NDSS Application for Financial Assistance (attached) has a Privacy Act Advisement. All NDSS staff are advised and follows the Confidentiality Policy in place with the Navajo Nation.</p> | <p>Information gather on the household will not be shared with third party without the consent or authorization of the applicant.</p> | | <p>Describe measures to ensure confidentiality and safeguard the private information of applicants.</p> |

LIHEAP BENEFITS POLICY

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| <p>Describe FY2010 state policies continuing in FY2011 for protecting against fraud when making payments or providing benefits to energy vendors on behalf of clients.</p> | <p>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY2011.</p> | <p>If the State 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 State taking to ensure program integrity?</p> | <p>Necessary outcomes from these systems and strategies</p> |
| <p>Clients that request for payment to vendors are required to bring in original billing statement with account number and vendors address plus information on type of utility to be paid.</p> | <p>Unable to verify private wood vendors that deliver one or two load of wood/coal to LIHEAP recipients other than obtaining name and address. Bulk fuel vendors have to apply through a Request for Proposal issued by NDSS. All information provided is processed through the NN Purchasing Department for approval.</p> | <p>Due to the vast range of the Navajo Nation, NDSS does not have the staff or funding to verify each private wood/coal vendors throughout the Navajo Nation. NDSS will continue using the NN Procurement Policies for major payment to any one vendor.</p> | <p>Additional energy vendors are receiving payments on behalf of LIHEAP eligible clients</p> |

PROCEDURES FOR UNREGULATED ENERGY VENDORS

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| <p>Describe the State's FY2010 procedures continuing in FY2011 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other unregulated energy utilities.</p> | <p>Please highlight any strategies policy in this area which will be newly implemented in FY2011.</p> | <p>If you don't have a firm plan for averting fraud when dealing with unregulated energy vendors, please describe how the State is ensuring program integrity.</p> | <p>Necessary outcomes from these systems and strategies</p> |
| <p>There is no procedure in place for Unregulated Energy Vendors</p> | <p>No policy in place and lack of staff and funds prevents NDSS to verify every unregulated vendors throughout the Navajo nation.</p> | <p>Vendors are required to provide Social Security Number and sign a W-9 form. Vendors are also required to provide receipt to LIHEAP recipients.</p> | <p>Participating vendors are thoroughly</p> |

VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

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| <p>Describe State FY2010 policies continuing in FY2011 for verifying the authenticity of energy vendors being paid under HHSAP, as part of the State's procedure for averting fraud.</p> | <p>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY2011.</p> | <p>If you don't have a system in place for verifying vendor authenticity, please describe how the State can ensure that funds are being distributed through valid intermediaries?</p> | <p>Necessary outcomes from these systems and strategies.</p> |
| <p>Energy vendors that received any funding directly from Navajo Nation are required to provide vital information such as Social Security Numbers/or Tax number, W-9 Forms and receipt/invoice. Some of the vendors are licensed to do business with the Navajo Nation.</p> | <p>Bulk fuel vendors have to apply through a Request for Proposal issued by NDDS. All information provided is processed through the NN Purchasing Department for approval.</p> | <p>Energy vendors for propane, natural gas and electricity are licensed vendors therefore copies of license and certification would be requested. As for private vendors, meaning individuals that only delivery to one client, verification would be made by invoice and signature from clients verifying that wood were delivery. Other options will be looked into on verifying the private vendors.</p> | <p>Are effective procedures being used to identify and resolve problems resulting from these systems?</p> |

TRAINING AND TECHNICAL ASSISTANCE

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| <p>In regards to fraud prevention, please describe elements of your FY2010 plan continuing in FY2011 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 FY2011.</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>No Fraud procedure is in place at this time therefore training or technical assistance is not provided.</p> | <p>Training/Technical assistance is not in place due to lack of funds and manpower.</p> | <p>NDDS will be working with the Navajo Nation White Collar department to come up with a Memorandum of Agreement to assists in establishing a training/technical assistance program for clients, vendors and employees.</p> | <p>Are there any procedures in place to identify and resolve problems resulting from these systems?</p> |

AUDITS OF LOCAL ADMINISTERING AGENCIES

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| <p>Please describe the annual audit requirements in place for local administering agencies in FY2010 that will continue into FY 2011.</p> | <p>Please describe new policies or strategies to be implemented in FY2011.</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>NDSS BGSP does an evaluation and monitoring visit to the Regional offices through out the Navajo Nation on a yearly basis. Regional directors are required to do 5 test evaluations on cases on a quarterly basis and provide report to NDSS BGSP.</p> | <p>Policies will be that a monitoring visit will be conducted two quarters per year. Collaboration will be established with Quality Assurance to assist with the case review and audits.</p> | <p>Navajo Nation has a Auditing Department that oversee the Single Audit Act requirements, therefore they schedule all auditing based on the procedures/regulation.</p> | <p>Revised, improve program, etc. (insert the possible ways you are going to change things, and what you might be doing to improve from the last year)</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.