**APPENDIX B: STRATEGIC WORK PLAN**

**OVERVIEW:**

The LIHEAP Program Integrity Working Group was created in January 2011 in response to the General Accounting Office report of June 2010 titled: “Low Income Home Energy Assistance Program:  Greater Fraud Prevention Controls are Needed.” (GAO 10-621:  http://www.gao.gov/new.items/d10621.pdf.)

The GAO report reviewed LIHEAP records and procedures in seven states and found improper payments were being made to LIHEAP recipients who were likely ineligible because they were deceased, in prison, in nursing homes, or had invalid Social Security Numbers (SSNs) or were over-income.

The report concluded: States appear to have weak internal controls that allow them to prevent, detect, and correct waste, fraud and abuse in LIHEAP, and they appear to lack the crucial elements of a well-designed fraud prevention system: preventive controls, detection and monitoring, and investigations and prosecutions.

The U.S. Department of Health and Human Services, Office of Community Services, contracted with the National Center for Appropriate Technology (NCAT), to organize and convene a working group on LIHEAP program integrity.

The Working Group will approach its tasks with the following overarching goals:

*Respond to the General Accounting Office (GAO) report of June 2010 and, in the process, help LIHEAP grantees strengthen program management and internal controls, enhance program integrity, and thereby improve the quality and the delivery of services.*

**PROCESS:**

The working group, along with NCAT, the group coordinator, will meet monthly from January through December 2011. It will also have at least one face-to-face meeting in Washington, DC.

The working group and NCAT will accomplish project goals through the following tasks:

* Develop a work plan for a 12-month period;
* Identify program integrity issues to be reviewed by the group;
* Identify program integrity systems currently used by LIHEAP grantees to detect, prevent, and correct waste, fraud and abuse by clients, vendors and program staff;
* Identify different needs and strategies for various types of State LIHEAP programs and local level providers;
* Identify barriers to LIHEAP grantees in establishing or improving program integrity controls and systems;
* Identify best practices and solutions;
* Develop a system to facilitate the exchange among grantees of best practices; and
* Assist the Contractor in developing  a final report that identifies:

1. Barriers, solutions and standards for program integrity systems both at the grantee and subgrantee levels;
2. Plans to disseminate information and provide guidance and training to LIHEAP grantees;
3. Other information deemed necessary by the group; and
4. Next steps for the Contractor, LIHEAP grantees, and HHS/LIHEAP.

During its first two conference calls, the working group decided to organize LIHEAP internal controls and fraud prevention issues into the following categories, and to create sub-committees to review each of the categories as follows:

* DATA SHARING AND ACCOUNTABILITY

Identify barriers and solutions to implementing the GAO recommendations for improving the following processes:

* Verifying proof of identity for all LIHEAP household members through external databases, e.g., the Social Security Administrations death records and other vital records systems, prisoner databases, and State new hire databases, etc.;
* Verifying proof of income for all LIHEAP household members through external databases; and
* Verifying the authenticity of energy vendors prior to issuing LIHEAP payments.
* FISCAL MANAGEMENT AND INTEGRITY
* Identify potential vulnerabilities that may impact a LIHEAP grantee’s or subgrantee’s financial integrity; and
* Recommend preventative strategies to enhance the financial oversight of LIHEAP grantees and local LIHEAP administrators to maintain strong fiscal management controls and accountability mechanisms.
* OVERSIGHT AND MONITORING

Recommend approaches to strengthen monitoring and oversight of LIHEAP programs at the grantee and subgrantee levels to ensure:

* Compliance with LIHEAP statutory requirements;
* Sound LIHEAP program implementation strategies that provide:
* The division of duties among workers and office functions;
* Monitoring program operations, including proper benefit determinations, and payment processes;
* Confidentiality and security processes; and
* Appropriate training for staff and supervisors.
* TRAINING AND TECHNICAL ASSISTANCE
* Identify training, technical assistance, and methods to create and replicate innovative and effective program integrity enhancement activities; and
* Recommend a strategy for facilitating the sharing of best practices among LIHEAP programs

As it works through its goals, the committees will ensure that each of the above categories is addressed and that best practices in each of the categories will be identified.

Regarding training and technical assistance, the committee’s primary goal is determining the best strategies for developing, demonstrating, and replicating effective practices. As the group proceeds, it may find that it has information that would be useful to LIHEAP grantees and that such information should be made available to grantees in a timely fashion. In that case, the group may utilize such venues for dissemination as NEADA and LIHEAP grantee conference calls, conferences, the LIIHEAP Clearinghouse or other venues to disseminate the information to grantees as needed. As a result, due dates for the T and TA tasks are preliminary and subject to change.

For example, NCAT participated in a conference call with NEADA members on March 1 to explain the work of the group to date and to answer questions from members. NCAT also participated in an OCS LIHEAP conference call on internal controls on March 10, again to explain the group’s work to date.

In providing training and technical assistance, and in group deliberations and recommendations, the group will be mindful of its confidentiality agreement and ensure that information dissemination does not violate the confidentiality agreement.

Below is the projected timetable for project deliverables under this work plan.

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| LIHEAP PROGRAM INTEGRITY WORKING GROUP STRATEGIC WORK PLAN | | | | | | | |
| **WORK PLAN TASKS:** | **DUE DATE** |  | **DUE DATE** |  | **DUE DATE** |  |  |
| DATA SHARING  AND  ACCOUNTABILITY/  ELIGIBILITY |  | FISCAL INTEGRITY |  | OVERSIGHT  MONITORING, |  | TRAINING/ TA  DISSEMINATION | DUE DATE  \*\*as needed) |
| Identify vulnerabilities, develop problem statement | 2/14/11 | Identify vulnerabilities, develop problem statement | 03/22/11 | Identify vulnerabilities, develop problem statement | 03/22/11 | Review group information for T&TA | 2/14/11 |
| Identify goals | 2/14/11 | Identify goals | 03/22/11 | Identify goals | 03/22/11 | Develop T&TA strategies (as needed) | 3/15/11 |
| Identify fraud sources: (client, vendor, Subgrantee) | 3/15/11 | Identify fraud sources: (client, vendor, Subgrantee) | 04/15/11 | Identify fraud sources: (client, vendor, Subgrantee) | 04/15/11 | Review group information for T&TA | 05/02/11 |
| Identify preventive strategies | 3/15/11 | Identify preventive strategies | 5/17/11 | Identify preventive strategies | 5/17/11 | Develop T&TA dissemination strategies: (NEAUAC) | 06/10/11 |
| Identify detection strategies | 3/15/11 | Identify detection strategies | 5/17/11 | Identify detection strategies | 5/17/11 | Review group information for T&TA | 08/10/11 |
| Identify correction strategies | 4/15/11 | Identify correction strategies | 6/17/11 | Identify correction strategies | 6/17/11 | Develop draft T &TA plan | 10/01/11 |
| Review strategies | 4/15/11 | Review strategies | 8/19/11 | Review strategies | 8/19/11 | Develop draft T&TA plan | 11/30/11 |
| Organize strategies by tier (by state admin/ delivery model, tribes, etc.) | 6/3/11 | Organize strategies by tier (by state admin/ delivery model, tribes, etc.) | 9/9/11 | Organize strategies by tier (by state admin/ delivery model, tribes, etc.) | 9/9/11 | Compile final T&TA plan | 06/30/12 |
| Identify best practices, organize by tier | 8/16/11 | Identify best practices, organize by tier | 9/30/11 | Identify best practices | 9/30/11 |  |  |
| Identify barriers to best practices | 9/30/11 | Identify barriers to best practices | 9/30/11 | Identify barriers to best practices | 9/30/11 |  |  |
| Compile draft report with recommendations | 10/28/11 | Compile draft report with recommendations | 10/28/11 | Compile draft report with recommendations | 10/28/11 |  |  |
| Revise draft report | 03/31/12 | Revise draft report | 03/31/12 | Revise draft report | 03/31/12 |  |  |
| Compile final report | 06/30/12 | Compile final report | 06/30/12 | Compile final report | 06/30/12 |  |  |
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