

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): State of Alabama		Date/Fiscal Year: 7/26/13 FY2014	
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
<i>Dallas-Selma-Unqualified internal control over financial reporting as material weakness identified. Personnel lack technical proficiency to meet requirements of Statements of Auditing Standards. Budget Overruns-Head Start. Instances where receivables, payables, accrued expenses not recorded properly.</i>	Dallas-Selma – Agency defunded April 30, 2011. No longer a LIHEAP and CSBG eligible entity.	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>
<i>Talladega CAA – Agency cited for questioned costs involving LIHEAP, Weatherization and CSBG ARRA.</i>	Talladega – ADECA Chief Auditor worked with agency to resolve findings in 2013.	N/A	

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 FY2013 strategies that will continue in FY2014 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 FY2014.	If you don't have a firm compliance monitoring system in place for FY2013, please describe how the State is verifying that LIHEAP policy and procedures are being followed.	Necessary outcomes from these systems and strategies
<i>On-site monitoring of files, contact vendors regarding payments, utilization of software system (FACSPRO), and SS# verification</i>	SS# Verification All 22 subgrantees use FACSPRO	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 FY2013 activities continuing in FY2014, 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 FY2014, 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
<i>Fraud posters at each work site, on agency's website, and printed in quarterly newsletter; Head Start monthly newsletter; 1-800 Fraud Hotline number; phone calls and e-mails; LIHEAP Manual procedures followed for reporting suspected fraud; submitting LIHEAP Form-119 to ADECA; public service announcements, newspaper articles, flyers in waiting areas; phone calls to Food Stamp Office, utility providers, etc.; website linked to CEO's office; agency policies & procedures for process to file complaint; and educational videos</i>	Software system (FACSPRO) and Fraud Workshop	N/A	<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>

VERIFYING APPLICANT IDENTITIES			
Describe all FY2013 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 FY2014.	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
<i>Applicant must provide valid picture ID & SS cards for every HH member, Medicare/Medicaid cards, if address different, customer required to verify residency. Drivers License, state issued ID card, birth certificate, green card for aliens, verify with FACSPRO. Complete family profile, verification from DHR on DHR letterhead, legal documents showing those numbers, govt. issued photo ID for members over age 18. Verify applicant's name with utility bill, mail with correct address, require proof of custody if not children of applicant.</i>	Chief Auditor/Certified Fraud Specialist conducts verification through SSA	N/A	<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 FY2013 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
<i>Social Security card required for each member of HH, names, ages, birth dates, legal documentation on all HH members. Picture IDs required. Agencies make copies to keep in client file. FACSPRO database used to cross-reference by SSN of HH children. Family profile is maintained at agency.</i>	The policy remains the same, standard operating procedure.	N/A	<i>All valid household members are reported for correct benefit determination.</i>

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 FY2013 and continuing in FY2014. (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 FY2014.	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
<i>Not currently using. Checking on this since CAAs administer program. Also awaiting further guidance from SSA, HHS, OCS</i>		See above. Require SS cards on all members and picture ID.	<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 FY2013 and continuing in FY2014.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2014.	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
<i>Applicant must bring previous month's check stubs, UC letter/printouts from weekly claim, DHR printout, SS or SSI letters, Food Stamp Notice, bank statements for all household members; agencies work with DHR to verify; \$ 0 income must be verified; records kept by self-employed, W2s, employer written statement, proof of child support, TANF; JCCEO requires they show they have attempted to seek employment.</i> <i>Not utilizing any State Director of New Hires or similar systems at present, looking into possibility of using in the future.</i>			<i>Effective income determination achieved through coordination across program lines.</i>

Chart utilized. Completed applications containing name and account # faxed to vendors for payments. Vendors called. Vendors verify customer bills. Payments made to approved vendors only. LIHEAP funds maintained in separate account. Multiple approvals prior to payment. Bill must be in head of household's name or in their spouse's name. Agency's Financial Policies followed. Agency's system of internal controls in place. Vendor payment requires two signatures. Software system prevents payment greater than maximum allowed. Agencies required to attend annual LIHEAP training by State. Utilize LIHEAP Manual for the administration of LIHEAP. Vendors instructed to report fraud & duplicate awards. Several CAAs hold annual vendor meeting to discuss state policies, procedures, concerns. Encourage all agencies to hold Fraud Training Workshops.

PROCEDURES FOR UNREGULATED ENERGY VENDORS

Describe the Grantee's FY2013 procedures continuing in FY2014 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 FY2014.	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><i>Documentation of cost of propane gathered from all propane vendors. Vendors are encouraged to contact State to receive approval status. Wood, coal, kerosene dealers approved by local agency. Customers told to not sign the delivery if not satisfied. Agency won't pay invoice not signed by customer. Follow LIHEAP Manual procedures making payment to unregulated energy vendors. Require vendors to complete the Home Energy Supplier Agreement with the exception of wood, coal, kerosene. Complete W9. Use wood Dealer checklist. Follow-up call made. Participation will be disallowed if fraud suspected.</i></p>			<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>

VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

Describe Grantee FY2013 policies continuing in FY2014 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 FY2014.	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><i>Only vendors approved by ADECA's LIHEAP Program utilized. Energy vendors must apply with ADECA each year and sign a State of Alabama Energy Supplier Agreement. Vendor codes are used to ensure payment made to correct vendor. Work closely with local propane dealers. Vendors instructed to report suspected or duplicate awards</i></p>	<p>Codes are utilized with FACSPRO to ensure payment is made correctly.</p>	<p>N/A</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

TRAINING AND TECHNICAL ASSISTANCE			
In regards to fraud prevention, please describe elements of your FY2013 plan continuing in FY2014 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 FY2014.	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
<i>Chief Auditor and Certified Fraud Specialist conducts annual fraud workshops for all subgrantees. Annual workshops cover fraud abuse guidelines and how to report fraud abuse.</i>			<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>
AUDITS OF LOCAL ADMINISTERING AGENCIES			
Please describe the annual audit requirements in place for local administering agencies in FY2013 that will continue into FY2014.	Please describe new policies or strategies to be implemented in FY2014.	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
<i>Per LIHEAP grant agreement, ADECA policy provides audit copy must be submitted to Examiners of Public Accounts</i>			<i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i>

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.

PRIVACY-PROTECTION AND CONFIDENTIALITY			
Describe the financial and operating controls in place in FY2013 that will continue in FY2014 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 FY2014.	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
<i>Intake worker in separate space, partitions between work spaces, conduct private interviews. Client files are locked, not accessible to public, only by authorized employees of agency. Area monitored by security cameras. Employees sign a Privacy Procedures form. Secure internet provider. Customer SSN not on batch sheet, vendor copy, or check to vendor. Computers are password protected. Client information stored in secure software system. Employees cannot discuss client info with unauthorized people. Agencies have policy addressing client confidentiality. Background checks performed on employees.</i>	Continuous training on client confidentiality. Use of secure software system.	N/A	<i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i>

LIHEAP BENEFITS POLICY			
Describe FY2013 Grantee policies continuing in FY2014 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 FY2014.	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
<i>FACSPro utilized, multiple verification, approval levels. Client must provide most recent utility bill. Applications screened to ensure customers aren't receiving multiple payments by cross-reference with FACSPro. Payments are made directly to State approved vendor. Agencies comply with "Erroneous Payments: section in LIHEAP Manual. State's yearly Income Guideline and Payment Assistance</i>	A weekly report is generated from FACSPro to identify any duplicate awards. State LIHEAP office contacts agency immediately to resolve the issue.		<i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i>