

**ATTACHMENT 5**  
**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): Colorado		Date/Fiscal Year: Aug. 8, 2013	
<b>RECENT AUDIT FINDINGS</b>			
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
There are no findings to report at this time.	N/A	N/A	<i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i>

Attachment – page 1

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.

<b>COMPLIANCE MONITORING</b>			
<b>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.</b>	<b>Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2014.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Colorado conducts annual program monitoring reviews of selected county LIHEAP programs. Each of Colorado's 64 counties is selected for review on a bi-annual basis. On-site reviews are conducted for the five counties with the largest client base and desk reviews are completed for the remaining 27 counties each year. Each county's policies and procedures are reviewed to assure that effective procedures are in place to handle fraud, conflict of interest and overall management of the LIHEAP program in addition to case file reviews.</p>	<p>Colorado will add a financial component to the annual monitoring protocol to assure appropriate use of administrative and outreach funds, efficient tracking of recoveries and handling of fraudulent cases.</p>	<p>N/A</p>	<p><i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i></p>

<b>FRAUD REPORTING MECHANISMS</b>			
<b>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.</b>	<b>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2014, and the timeline for that implementation.</b>	<b>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.</b>	<b>Necessary outcomes of these strategies and systems</b>
<p>(a) Colorado has two fraud toll free hotlines available to the public to report fraud. In addition, most county LIHEAP offices have their own fraud investigation units that are available for reporting. (b) Colorado makes this information available via its websites at <a href="http://www.colorado.gov/cdhs/audits">www.colorado.gov/cdhs/audits</a> and through county offices of human services.</p>	<p>N/A</p>	<p>N/A</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**

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>Colorado has several mechanisms in place. Colorado's State statute requires applicants to provide documentation of lawful presence in the United States. LIHEAP applicants unable to provide this documentation are excluded from any approved household benefit although their income is included when determining eligibility.</p> <p>Colorado requests documentation of income and heat vulnerability that can be verified against a variety of sources including energy provider information, data interfaces with state agencies, and employers.</p> <p>Colorado collects Social Security number (SSNs) for its applicants and household members. These SSNs can be verified through SSA data interfaces if the applicant receives other public assistance and thus the information is available via an interface in the State's central public assistance database called the Colorado Benefits Management System (CBMS). County LIHEAP offices may also verify SSNs through paper documentation provided by the applicant. The applicant attests on the application that all information is valid under penalty of perjury. Colorado does not require counties to verify SSNs.</p>	<p>N/A</p>	<p>N/A</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>

**SOCIAL SECURITY NUMBER REQUESTS**

<p><b>Describe the Grantee's FY 2014 policy in regards to requiring Social Security Numbers from applicants and/or household members applying for LIHEAP benefits.</b></p>	<p><b>Please describe whether the State's policy for requiring or not requiring Social Security numbers is new as of FY2014, or remaining the same.</b></p>	<p><b>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.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>In FFY 2012, Colorado began requiring numbers (SSNs) instead of just requesting them from applicants and applicant household members. These SSN's can be verified through SSA data interfaces if the applicant receives other public assistance and thus the information is available via an interface in the State's central public assistance database called the Colorado Benefits Management System (CBMS). County LIHEAP offices may also verify SSNs through paper documentation provided by the applicant. The applicant attests on the application that all information is valid under penalty of perjury. Colorado does not require counties to verify SSNs.</p>	<p>Colorado's policy remains the same for FFY 2014.</p>	<p>N/A</p>	<p><i>All valid household members are reported for correct benefit determination.</i></p>

<b>CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b>			
<p><b>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.)</b></p>	<p><b>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY 2014.</b></p>	<p><b>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.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>Colorado collects Social Security numbers (SSNs) for its applicants and household members. These SSNs are verified through a variety of sources including SSA data interfaces such as SOLQ-1 if the applicant receives other public assistance and thus the information is available via an interface in the State's central public assistance database called the Colorado Benefits Management System (CBMS) or the Social Security Administration Enumeration Verification System (SVES), if the applicant is LIHEAP only.</p> <p>In addition, the CDHS Audit Division works with CBMS IT professionals to create a report identifying clients who have a SSN that is unverifiable by the SSA and who are active in the CBMS system. The report is completed on a quarterly basis and sent to county supervisors/investigators for follow up, research and correction. The report identifies SSNs that cannot be validated for one of the following reasons: The SSN is not on file and cannot be identified to any person; the date of birth cannot be identified with the SSN; the name cannot be identified with the SSN; the SSN was rearranged to produce a valid match and multiple SSNs are verified for one person.</p>	<p>Colorado will not be implementing any new policies or strategies for using existing government databases.</p>	<p>N/A</p>	<p><i>Use of all available database systems to make sound eligibility determination.</i></p>

County offices may also verify SSNs through paper documentation provided by the applicant. The applicant attests on the application that all information is valid under penalty of perjury. Colorado does not require that the counties verify SSNs.

**VERIFYING APPLICANT INCOME**

<p><b>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.</b></p>	<p><b>Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2014.</b></p>	<p><b>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?</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>Colorado requests documentation of income that can be verified against a variety of sources including data system interfaces such as CBMS as noted above, the State's Department of Labor and Employment unemployment benefits database, the State Child Support registry, the Work Number verification system and through employers.</p>	<p>N/A</p>	<p>N/A</p>	<p><i>Effective income determination achieved through coordination across program lines.</i></p>

<b>PRIVACY-PROTECTION AND CONFIDENTIALITY</b>			
<b>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.</b>	<b>Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Colorado's statute at section 26-1-114, C.R.S., stipulates the safeguards protecting client information against the improper use of disclosure. Colorado's LIHEAP data is protected by policies and procedures, including access control, established by the Governor's Office of Information Technology. Colorado follows HIPPA standards for protecting personally identifying information.</p>	N/A	N/A	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

<b>LIHEAP BENEFITS POLICY</b>			
<b>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.</b>	<b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
<p>Colorado has vendor agreements with all fuel vendors to which it makes direct payments. Colorado has one agreement for metered fuel vendors and one for bulk fuel vendors. Examples of the agreements can be found at <a href="http://www.colorado.gov/cdhs/leap">www.colorado.gov/cdhs/leap</a>. By signing the agreement, the vendor makes assurance regarding their authenticity and that they will guarantee delivery of fuel to the LIHEAP client for a period of time. If a LIHEAP client uses a vendor with which Colorado does not have an agreement, the benefit is paid directly to the client. LIHEAP payments are processed through a centralized computer system that</p>	<p>Colorado will establish a process and require energy vendors to provide reports and/or documentation to assure that LIHEAP payments are appropriately applied to accounts and/or the appropriate amount of fuel is delivered to the eligible client.</p>	N/A	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

is maintained by the State LIHEAP office. Edits have been built into the system that check for duplicate social security numbers, names and addresses and will prevent a payment from being processed if one of these conditions exist. The system also has a calculation screen, where a LIHEAP technician enters the income information and the system calculates the income and client benefit. This information is also documented in an automated record of contact along with the tracking of all other actions taken on the case including payment history.



<b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b>			
<b>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.</b>	<b>Please highlight any strategies policy in this area which will be newly implemented in FY 2014.</b>	<b>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.</b>	<b>Necessary outcomes from these systems and strategies</b>
Colorado verifies all new vendors via the Colorado Secretary of State business directory. Unregulated vendors that serve LIHEAP clients are required to sign an agreement and establish fiscal control and accounting procedures to assure the proper use of funds. If Colorado experienced any potential fraud with a vendor, whether there is an agreement or not, the case would be referred to the State Attorney General.	Colorado will establish a process for monitoring unregulated vendors to assure appropriate treatment of payments and delivery of bulk fuel.	N/A	<i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i>
<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<b>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.</b>	<b>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.</b>	<b>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?</b>	<b>Necessary outcomes from these systems and strategies</b>
Colorado verifies all new vendors via the Colorado Secretary of State business directory. If Colorado experienced any potential fraud with a vendor, whether there is an agreement or not, the case would be referred to the State Attorney General.	N/A	N/A	<i>An effective process that effectively confirms the existence of entities receiving federal funds.</i>

**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>Colorado conducts annual training to new and veteran eligibility staff for all 64 county LIHEAP offices. Curriculum on fraud detection and prevention is included in the training module and presented by staff from the Department's Audit Division. Counties are also trained on the appropriate information to provide to clients to prevent fraud and abuse.</p> <p>Colorado meets annually with fuel vendors prior to the start of the LEAP program year to review policies, procedures, and the vendor agreement. Fraud detection and prevention is included in this discussion.</p>	<p>N/A</p>	<p>N/A</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**

<p>Please describe the annual audit requirements in place for local administering agencies in FY 2013 that will continue into FY 2014.</p>	<p>Please describe new policies or strategies to be implemented in FY 2014.</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>Colorado conducts annual program monitoring reviews of selected county LIHEAP programs. Each of Colorado's 64 counties is selected for review on a bi-annual basis. Counties may be monitored more frequently if specific issues are identified. More information can be found on our website at <a href="http://www.colorado.gov/cdhs/leap">www.colorado.gov/cdhs/leap</a>.</p> <p>In addition, the Audit Division conducts monitoring to assure compliance with OMB Circular A-133 requirements. The reports of the findings and the county's plan of corrective action are forwarded to the LIHEAP manager for review.</p>	<p>Colorado will strive to conduct additional ad hoc monitoring review outside of the regular monitoring schedule based on findings from data mining or other means. These reviews will be conducted throughout the fiscal year on an as-needed basis.</p>	<p>N/A</p>	<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>
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**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.

At the end of each LIHEAP season and as time and resources permit, Colorado conducts a high-level analytical review of the previous years' benefit issuance data, also referred to as data-mining using ACL data-mining software. The purpose of this review is to identify training or system issues, areas that may need rule or policy changes, and possible misuse of LIHEAP benefits. When anomalies are found the LIHEAP Division works with its Department's Audit Division and the counties to address potential issues. Any concerns regarding fraud are either researched by the Audit Division or referred to the respective fraud investigators at the county level.