

**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.*

<b>State, Tribe or Territory (and grant official):</b>		WEST VIRGINIA	<b>Date/Fiscal Year:</b> 2014	
<b>RECENT AUDIT FINDINGS</b>				
<p><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.</b></p>	<p><b>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.</b></p>		<p><b>If there is no plan in place, please explain why not.</b></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>1) Fuel Supplier Agreement/Vendor Agreements either not provided or properly completed. This cited audit finding has been resolved.</p>	<p>Prior to the FFY 2010 LIHEAP season the Fuel Supplier Agreement/FSA (Vendor Agreement) was eliminated, effective December 31, 2009. Following a review it was determined that this agreement was not a necessary document as it related to the either our LIHEAP Program integrity or our vendor payment process. West Virginia made changes to its On-Line Voucher Agreements and Understandings payment voucher (OFS-67) which made the Fuel Supplier Agreement obsolete. West Virginia was able to incorporate provisions under Section 2604.c) (1) of the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as Amended) into our OFS-67 to assure that</p>			<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>

Vendors receiving payment would deliver fuel within the regulated timeframes as cited in the federal regulation.

The following language was added to the OFS-67 and made a condition of acceptance by the Vendor that is registered in Department's payment processing system:

*"If a bulk fuel provider, the agreed-upon amount of fuel will be delivered within 48 hours of being made aware that an emergency exists for which payment will be made by DHHR. The vendor also agrees to ensure that eligible households, in the normal billing process, will be charged no more than the difference between the cost of home energy used (as authorized in SUPPLIER'S tariff schedules approved by the Public Service Commission of West Virginia) and payments the SUPPLIER has received). "*

This measure strengthens West Virginia's LIEAP and Emergency LIEAP programs and promotes compliance with our current written policies and procedures.

2)  
Application and supporting documentation not in case record or provided by the sub recipient agencies.

2). DHHR will work to resolve this issue by ensuring to the extent practicable, that case managers understand the importance of maintaining case files that are accurate and complete. The case managers will also be made aware of the financial and programmatic impact, which could result in possible disallowances or reduction in the levels of funding for the LIEAP program.

At the start of Federal Fiscal Year 2012 West Virginia made available to LIEAP case managers a comprehensive online LIEAP refresher training course. All LIEAP intake personnel are required to complete the course, which is titled BCF-ITT-FA 323 LIEAP Policy and Procedures. The training was designed by DHHR Division of Training and approved by DHHR LIEAP policy staff. The course provides comprehensive training for all

levels of case managers, whether recently trained or those having many years of experience. The training course is available to all case managers and can be accessed from DHHR Intranet page at:  
<http://teach.wvnet.edu:9932/webct/public/home.pl>.

The course covers the full range West Virginia's LIEAP policies and procedures to guide case managers through the entire LIEAP process, from taking Applications, obtaining necessary documentation, hearing source verification, proper payment processing, case documentation and file maintenance. All LIEAP Case Managers must score of at least 80% in order to pass the course and receive a Certificate of Completion. The training site is maintained by DHHR Division of Training.

The program will continue to be monitored daily by the Department's Bureau for Children and Family Policy Staff. Field staffs are notified in advance of the final program date for accepting applications for LIHEAP.

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 hour 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>
			<i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i>

<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>Section 3-Fraud Reporting Mechanisms</p> <p>The public can report recipient welfare/LIHEAP fraud in three different ways:</p> <ol style="list-style-type: none"> <li>1. By <u>Completing</u> the online reporting form</li> <li>2. By calling the Tip line at (304) 558-1970</li> <li>3. Or by writing to:</li> </ol> <p><i>Department of Health and Human Resources</i></p>	Plan will continue	Plan will continue	<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><i>Investigations and Fraud Management Office of Inspector General 1900 Kanawha Boulevard, East Capitol Complex, Building 6, Room B-817 Charleston, WV 25305</i></p> <p>The online form may be found at the following link:</p> <p><a href="https://www.wvdhhr.org/oig/mfcu/secRepFrd/">https://www.wvdhhr.org/oig/mfcu/secRepFrd/</a></p>			
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<b>VERIFYING APPLICANT IDENTITIES</b>			
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>To be eligible to receive benefits, the client must meet the eligibility requirement for residence and citizenship or permanent alien status.</p> <p>See attached Exhibit II</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>Income and energy supplier data that allow program benefits to be provided to eligible individuals.</i></p>
<b>SOCIAL SECURITY NUMBER REQUESTS</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.	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>The LIHEAP application requests the SSN. When the SSN is input into RAPIDS, if it has not already been verified by SSA via SVES, it will be included in the nightly send of SSNs to SSA for verification via the SVES exchange. Many of our LIHEAP applications are likely repeat LIHEAP customers</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>All valid household members are reported for correct benefit determination.</i></p>

<p>or even current customers of SNAP or TANF. As such their SSNs may have already been verified.</p>			
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<p><b>CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</b></p>			
<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>West Virginia has data exchange information with selected Federal government agencies and West Virginia state agencies for the purpose of verifying demographic, income, asset and other eligibility information. One Federal agency that exchanges information is the Social Security Administration which matches consist of Social Security Number verification, SSI, BENDEX and BEERS information. See Attached-Exhibit III</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>Use of all available database systems to make sound eligibility determination.</i></p>
<p><b>VERIFYING APPLICANT INCOME</b></p>			
<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>West Virginia uses the Income and Eligibility Verification Systems (IEVS) to verify income. This consists of both State and Federal Data Exchanges. See attached Exhibit IV</p>			<p><i>Effective income determination achieved through coordination across program lines.</i></p>
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<p><b>PRIVACY-PROTECTION AND CONFIDENTIALITY</b></p>			
<p><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></p>	<p><b>Please highlight any controls or strategies from your plan which will be newly implemented as of FY 2014.</b></p>	<p><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></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>Health Insurance Portability and Accountability Act</p> <p>“Health Insurance Portability and Accountability Act of 1996, Public Law 104 - 191, 110 Stat. 1936 (1996) (HIPAA) and regulations promulgated there under (HIPAA Regulations).”</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i></p>

<p><b>LIHEAP BENEFITS POLICY</b></p>			
<p><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></p>	<p><b>Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2014.</b></p>	<p><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></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>

<p>All suspected fraud situations must be reported to the State LIHEAP Coordinator which in turn is forwarded to the Front-End Fraud Unit/FEFU who in turn, will investigate the claim.</p> <p>All clients are informed when making application for LIHEAP that if they knowingly provide false or fraudulent information that is used in connection with the eligibility determination for LIHEAP, they may be subject, upon conviction, to fines and/or imprisonment. They are further informed that they will be required to repay benefits received to which they are not entitled and that failure to repay such benefits may result in loss of future LIHEAP benefits</p>			<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>
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Attachment – page 5

<p><b>PROCEDURES FOR UNREGULATED ENERGY VENDORS</b></p>			
<p><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 un-regulated energy utilities.</b></p>	<p><b>Please highlight any strategies policy in this area which will be newly implemented in FY 2014.</b></p>	<p><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></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>Prior to the FFY 2010 LIHEAP season the Fuel Supplier Agreement/FSA (Vendor Agreement) was eliminated, effective December 31, 2009. However, West Virginia made changes to its On-Line Voucher Agreements and Understandings payment voucher (OFS-67) which made the Fuel Supplier Agreement obsolete.</p> <p>West Virginia was able to</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>



<p>incorporate provisions under Section 2604.c) (1) of the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, as amended) into our OFS-67 to assure that Vendors receiving payment would deliver fuel within the regulated timeframes as cited in the federal regulation. This measure strengthens West Virginia's LIEAP and Emergency LIEAP programs and promotes compliance with our current written policies and procedures.</p>			
<b>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</b>			
<p><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></p>	<p><b>Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2014.</b></p>	<p><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></p>	<p><b>Necessary outcomes from these systems and strategies</b></p>
<p>Energy vendors who conduct business with the State of West Virginia must register through the Secretary of State's office or may also be identified via the Financial Information Management System (FIMS). Any unknown vendor may be tracked through either of these two systems.</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>An effective process that effectively confirms the existence of entities receiving federal funds.</i></p>

<b>TRAINING AND TECHNICAL ASSISTANCE</b>			
<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>Section 10 of the State Plan: provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</i></p>
<b>AUDITS OF LOCAL ADMINISTERING AGENCIES</b>			
<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>Reporting requirements referenced within this Exhibit. In addition to this grant agreement, Grantees should review all other individual award documents, regardless of grantor, when determining the most efficient and effective means to meet the submission requirements referenced within</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	<p><i>Reduce improper payments; maintain local agency integrity, and benefits awarded to eligible households.</i></p>

<p>this grant agreement and possibly attached to other grant awards. Please note that the source of funds schedule, attached to the DHHR grant agreement as Exhibit B, identifies the source (origin) of funds to be used as payment for the term of this grant. Federal funding retains its identity even when it is sub-granted (passed-through) to other organizations; hence, Federal funds are identified in the source of funds schedule within this grant agreement by the applicable Catalog of Federal Domestic Assistance (CFDA) number(s) and the appropriated Federal revenue fund account number(s). State funds are identified by the specific appropriated general revenue fund and/or appropriated/non-appropriated special revenue fund account number(s).</p>			
<p><u>5. Address for Submission:</u>                  Grantees shall submit all audits, reports and supporting information and documentation, whether directly stated or implicitly referenced within this Exhibit, to the following address:</p> <p>WV Department of Health and Human Resources                  Office of Internal Control and Policy Development                  Division of Compliance and Monitoring                  One Davis Square, Suite 401                  Charleston, WV 25301</p> <p>Questions pertaining to this Exhibit may be directed to the Office of Internal Control and Policy Development, Division of Compliance and Monitoring at 304-558-9919 or via facsimile to 304-558-2269.</p> <p><u>6. Penalties for Noncompliance:</u>                  In cases of the Grantee's inability or unwillingness to</p>	<p>Plan will continue</p>	<p>Plan will continue</p>	

comply with the audit, reporting and disclosure requirements referenced within this Exhibit, the DHHR shall take appropriate action against the Grantee via one or more of the following sanctioning measures: withholding grant funds, suspending grant payments, terminating grant awards, debarring the Grantee from receiving future grants.

7. Grantee Audit Compliance Guide / Internet Links: The DHHR developed a Grantee Audit Compliance Guide to further describe and to assist its grantees in complying with the audit, reporting and related disclosure requirements applicable to DHHR grant awards. The Grantee Audit Compliance Guide is posted on the Internet and may be accessed by going to [www.wvdhhr.org](http://www.wvdhhr.org) and then clicking the applicable link on the left side of the webpage. In addition to the Grantee Audit Compliance Guide, the DHHR webpage includes a copy of the GACFED form required by Section F.2 of this Exhibit, links to certain regulatory documents such as OMB Circular A-133 and WV Code §12-4-14, and various other forms and tools to ensure compliance with the requirements referenced herein. The Grantee Audit Compliance Guide applies specifically to recipients of grant awards (Grantees) from the DHHR and must be read in its entirety to gain a complete and thorough understanding of the individual audit and reporting requirements applicable to DHHR grant agreements.

**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.

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