

Attachment C

Plan Supplement

**LIHEAP Program Integrity Assessment
and
State of Florida Compliance and Internal Controls Over Financial Reporting
and Federal Awards for Fiscal Year Ending June 20, 2009 and
Fiscal Year Ending June 20, 2007**

ATTACHMENT C
FLORIDA PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE
 Low Income Home Energy Assistance Program (LIHEAP)

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): Florida		Date/Fiscal Year: 2010-2011
RECENT AUDIT FINDINGS		
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 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 FY2011.	If there is no plan in place, please explain why not.
An A-133 audits were conducted on the Florida LIHEAP by the Office of the Florida Auditor General in 2008, 2009 and 2010. USHHS last monitored the Florida LIHEAP in July 2007. This is considered outside the scope of the 3 year period. All issues were resolved.	See attached reports. All issues have been resolved.	The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.
COMPLIANCE MONITORING		
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.	Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY2011.	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.
		Necessary outcomes from these systems and strategies

<p>At least once every three years, the Department conducts on-site monitoring of administrative, fiscal and program operations. A sampling of fiscal operations is reviewed on-site for compliance with OMB Circulars, contractual requirements and the grantee's fiscal policies and procedures. A sample of client files are reviewed during the on-site visits to ensure that appropriate documentation (i.e., proof of income, obligation of energy etc.) was obtained by the grantee, to determine the client's eligibility to receive LIHEAP benefits. A formal monitoring instrument is completed and a report prepared. The report is sent to the grantee and any concerns or findings must be addressed by the grantee in a written report to the Department within 35 days of receipt of the monitoring report. The response must include evidence that all issues have been resolved or a schedule and work plan to do so.</p> <p>Monthly financial reports are received and reviewed to assure that funds are being expended according to contractual guidelines.</p> <p>Quarterly program reports are received electronically and reviewed to assure that program goals are being met.</p> <p>All local agencies are required to comply with the Single Audit Act. Audits must be submitted to the Department and are reviewed by the Office of the Inspector General (IG). The IG provides the program section with a statement of any findings. If an administrative letter is required, the program section issues the letter and coordinates the response with the IG.</p>	<p>During 2009-2010, the Department developed and field tested a new monitoring instrument and process. This instrument includes additional financial and program tests. A review of program policies and procedures are conducted. This new instrument will be reviewed for further enhancements in the area of fraud detection and prevention.</p> <p>Once finalized, the instrument and process will be distributed to all LIHEAP agencies. It will be used as a teaching tool to review program requirements, best practices and necessary safeguards.</p>	<p>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</p>
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FRAUD REPORTING MECHANISMS	Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2011, 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
<p>For FY2010 activities continuing 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>The State of Florida has both a Consumer Hotline (1-800-848-3792) and an on line (http://www.fightfraud.org) reporting system for fraud.</p> <p>The Department website lists State and local program contacts including a LIHEAP web address (floridaliheap@dca.state.fl.us) where fraud could be reported as well as Department telephone and mail contact information.</p> <p>The State LIHEAP contract requires that , "The Recipient will post the following notice in a conspicuous place at all points where LIHEAP applications are received: No money, cash or checks, will be requested or received from customers in a LIHEAP office. If an employee asks for money, report this to the agency Executive Director or Department Head."</p> <p>The Division of Financial Investigations reviews alleged violations of the law in the area of fraud against the government, public corruption, and white collar crime. The Office of the Inspector General, located within the Department of Community Affairs, investigates allocations of fraud in the programs administered by the Department including LIHEAP.</p>	<p>The Department will place a fraud and abuse reporting information statement on the LIHEAP website.</p> <p>The agency posting will be reviewed and enhanced to include a fraud and abuse reporting statement.</p>		<p>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.</p>

VERIFYING APPLICANT IDENTITIES

<p>Describe all FY2010 State policies continuing 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>The Department LIHEAP agreement states that, "The Recipient will define in a written policy what criteria and verification will be used to determine if a household has a "home energy crisis" and eligible for crisis assistance." The agreement also requires the Recipient to maintain customer information which includes: their name, address, sex, age, names and ages; identification documentation of all household members; income amount and verification for all household members; and income documentation to support eligibility.</p>	<p>The Department policies regarding LIHEAP customer identification and eligibility verification will be reviewed and strengthened. Additional third party verification of information will be explored and implemented where feasible.</p>	<p>Working with the local LIHEAP agencies, the Department will develop more standardized policies and methods of customer identification and eligibility. Once developed, (1) the LIHEAP subgrantee agreement will be modified to include any new requirements; (2) training will be provided to all LIHEAP agency staff on the new requirements, (3) LIHEAP agencies will be required to document that they have implemented the new requirements, and (4) Department monitoring process will be amended to include an on-site review of the implementation of the policies and methods.</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>Describe the State's FY2011 policy in regards to requiring Social Security Numbers from 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 FY2011, 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>Due to State privacy law and previous HHS policies regarding the use of Social Security Numbers in the LIHEAP application process, the Department has not required the use of Social Security Numbers in the LIHEAP intake process.</p>	<p>The Department will review the State privacy law in light of the recent revision of HHS policy regarding the use of Social Security Numbers in the LIHEAP application process. If there are no State legal hindrances, the Department will implement the policy recommended by HHS. Local LIHEAP agencies will require Social Security Numbers of all members of the household. The Department will work with local LIHEAP agencies to develop methodologies and systems to (1)</p>	<p>Working with the local LIHEAP agencies, the Department will develop more standardized policies and methods of customer identification and the use of Social Security Numbers. Once developed, (1) the LIHEAP subgrantee agreement will be modified to include any new requirements; (2) training will be provided to all LIHEAP agency staff on the new requirements, (3) LIHEAP agencies will be required to document</p>	<p>All valid household members and income are reported for correct benefit determination.</p>

	safeguard the customer's identity and (2) use this information to valid household eligibility.	that they have implemented the new requirements, and (4) Department monitoring process will be amended to include an on-site review of the implementation of the policies and methods.	
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CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

Describe if and how the State used existing government systems and databases to verify applicant or household member identities in FY2010 and continuing in FY2011. (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 FY2011.	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.	Necessary outcomes from these systems and strategies
The Department does not currently use third party databases to verify applicant information.	The Department will evaluate which databases are or can be made accessible to local LIHEAP agencies and how they might best be used in verifying applicant eligibility.		Use of all available database systems to make sound eligibility determination.

VERIFYING APPLICANT INCOME

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.	Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY2011.	If the State won't be using new hire directories to verify applicant and household member incomes how will the State be verifying the that information?	Necessary outcomes from these systems and strategies
Currently, local LIHEPA agencies require documentation of income to be provided by the applicant. The Department does not currently use third party databases to verify applicant information.	The Department will evaluate which databases are or can be made accessible to local LIHEAP agencies and how they might best be used in verifying applicant eligibility.		Effective income determination achieved through coordination across program lines.

PRIVACY-PROTECTION AND CONFIDENTIALITY

<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>Local LIHEAP agencies do not uniformly collect Social Security Numbers. Those that do typically do not maintain the entire number in the customer's file.</p>	<p>As the Department explores the further use of Social Security Numbers, a more complete policy will be developed regarding customer privacy and confidentiality.</p>	<p>Working with the local LIHEAP agencies, the Department will develop more standardized policies and methods of customer privacy and confidentiality.</p> <p>Once developed, (1) the LIHEAP subgrantee agreement will be modified to include any new requirements; (2) training will be provided to all LIHEAP agency staff on the new requirements, (3) LIHEAP agencies will be required to document that they have implemented the new requirements, and (4) Department monitoring process will be amended to include an on-site review of the implementation of the policies and methods.</p>	<p>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</p>

LIHEAP BENEFITS POLICY

<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>According to the Florida LIHEAP State Plan, State Rule 9B-65 and the LIHEAP subgrantee agreement requires that subgrantees, "Make vendor payments directly to fuel providers or recipients on behalf of eligible clients, or in instances where vendor agreements cannot be negotiated, make payments directly to clients in the form of a two party check."</p> <p>The CSBG contract states: " A person or organization who has been placed on the</p>	<p>The Department policies regarding LIHEAP vendor agreements will be reviewed and strengthened. The annual certification of vendors by subgrantees will be required. The Department will work with the subgrantees and major vendors and their representative organizations to develop model vendor agreements.</p> <p>Additional best practices will be researched and minimum standards for fraud and theft prevention will be</p>	<p>Working with the local LIHEAP agencies, the Department will develop more standardized policies and methods of fraud and theft prevention related to vendor payments.</p> <p>Once developed, (1) the LIHEAP subgrantee agreement will be modified to include any new requirements; (2) training will be provided to all LIHEAP agency staff on the new requirements, (3) LIHEAP agencies will be required to document</p>	<p>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</p>

<p>convicted vendor list following a conviction for a public entity crime or on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with a public entity, and may not transact business with any public entity in excess of \$25,000.00 for a period of 36 months from the date of being placed on the convicted vendor list or on the discriminatory vendor list.”</p> <p>Written agreements between the vendor and subgrantee are required and must be submitted annually as supporting documentation with the subgrantee agreement.</p>	<p>developed.</p>	<p>that they have implemented the new requirements, and (4) Department monitoring process will be amended to include an on-site review of the implementation of the policies and methods.</p>
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PROCEDURES FOR UNREGULATED ENERGY VENDORS

<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 un-regulated energy utilities.</p> <p>The policies and procedures are the same for all utility vendors. See LIHEAP Benefit Policy above.</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>Participating vendors are thoroughly researched and inspected before benefits are issued.</p>
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VERIFYING THE AUTHENTICITY OF ENERGY VENDORS

<p>Describe State FY2010 policies continuing in FY2011 for verifying the authenticity of energy vendors being paid under LIHEAP, 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>The policies and procedures are the same for all utility vendors. See LIHEAP Benefit Policy above.</p>			<p>An effective process that effectively confirms the existence of entities receiving federal funds.</p>
TRAINING AND TECHNICAL ASSISTANCE			
<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>Current staff and subgrantee training emphasizes the importance of primary income documentation verification and vendor relations.</p>	<p>Working with the local LIHEAP agencies, the Department will develop more standardized policies and methods of fraud and theft prevention related to vendor payments. The Department will seek out and provide training opportunities specific to quality improvement and fraud prevention for both State and local LIHEAP staff.</p> <p>As new policies and procedures are developed, the Department will : (1) modify the LIHEAP subgrantee agreement to include any new requirements; (2) provide training to all LIHEAP State staff</p>		<p>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.</p>

	<p>and key local LIHEAP staff on the new requirements, (3) require documentation that local subgrantees have implemented the new requirements, and (4) modify the State monitoring process to include an on-site review of the implementation of the policies and methods.</p>	
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AUDITS OF LOCAL ADMINISTERING AGENCIES

Please describe the annual audit requirements in place for local administering agencies in FY2010 that will continue into FY 2011.	Please describe new policies or strategies to be implemented in FY2011.	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
<p>Subgrantee contracts require that all LIHEAP agencies comply with the appropriate OMB Audit requirements. Audits are submitted to and reviewed by the Department's office of the Inspector General (IG). Both the program office and the IG track the audits to assure audits are received. The IG issues a technical assistance memo to the program. If further action is needed, an Administrative letter requiring a response and corrective action plan is issues to the subrecipient. The program along with the IG reviews the subrecipient's response and decides if the actions taken are satisfactory. Together the three parties work to resolve the issue.</p>			<p><i>Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.</i></p>

Additional Information

2007, 2008, and 2009 Compliance and Internal Controls Audits
 Florida LIHEAP Rule -- 9B-65
 Florida Subgrantee LIHEAP agreement
 Monitoring Instrument