

INDIANA PROGRAM INTEGRITY ASSESSMENT TO THE FY 2011 LIHEAP STATE PLAN

<p>INDIANA FY 2011 <u>Grant Official:</u> Gov. Mitch Daniels <u>Designee:</u> Sherry Seiwert, Executive Director, IHCD <u>Contact:</u> Tom Scott, Energy Assistance Program Manager, IHCD</p>			
<p>RECENT AUDIT FINDINGS</p>			
<p>During testing and inspection of sub recipient monitoring sites, our outside, independent auditor noted that 5 out of 24 sub recipient agencies were not inspected during 2009.</p> <p>IHCD monitoring of sub-grantees in FY 2010 put two agencies on a "Quality Improvement Program" (QIP). A QIP requires an agency to respond to findings of the State audit and issue a written report to IHCD on how the agency will correct those findings. IHCD will follow-up with three consecutive months of monitoring files and fiscal transactions to verify the QIP is working.</p>	<p>All monitoring of FY2010 sub recipients will be completed by September 1, 2010. All future monitoring reviews will be performed in a timely fashion, within the fiscal calendar year.</p> <p>State LIHEAP administration will create an annual monitoring schedule at the start of each LIHEAP season. Each monitoring review will be tracked and all will be completed before the end of the grant year.</p> <p>The QIP process will be enhanced in FY 2011 with an established baseline of findings and concerns that cannot be exceeded by an</p>		<p>All 24 sub grantees will be monitored in a timely fashion prior to the subsequent program year. This will expedite feedback from the State, improve program quality for the following year and immediately correct any fiscal findings.</p>

INDIANA PROGRAM INTEGRITY ASSESSMENT TO THE FY 2011 LIHEAP STATE PLAN

	<p>agency or they will go on a QIP.</p> <p>This will take the subjectivity out of placing an agency on a QIP.</p>		
COMPLIANCE MONITORING			
<p>The State will continue to formally monitor each EAP sub grantee once annually. Also, each sub grantee will continue their in-house Quality Assurance (QA) reviews.</p>	<p>The State will increase the size of its monitoring universe from 1% of total client files to 3% of client files.</p> <p>Sub grantees will increase the number of their own QA reviews from 20% to 30% of their own files.</p>		<p>The State file sample will increase by approximately 3,700 households based on FY 2010 program enrollment. As shown in prior year State monitoring, sub grantee second party (QA) reviews will decrease errors and allow for immediate remedy as necessary.</p>
FRAUD REPORTING MECHANISMS			
<p>IHCDA has a well publicized "800" for all inquiries regarding LIHEAP. The Energy Assistance Program has received calls reporting suspected fraud and abuse on this number.</p>	<p>Sub grantees will be required to post ways to report fraud and abuse at their intake sites. Emphasis will be put on including fraud and abuse reporting in future press releases and also where the State "800" is posted.</p>	<p>State will make its 800 number available to other social service providers to report possible fraud and abuse.</p>	<p>Reducing the number of ineligible households will be the goal of this strategy.</p>

INDIANA PROGRAM INTEGRITY ASSESSMENT TO THE FY 2011 LIHEAP STATE PLAN

<p>VERIFYING APPLICANT IDENTITIES</p>			
<p>Household members are required to produce one piece of identification and a matching address on their utility bills.</p>	<p>All household members above age 1 must provide a social security number in order for the household to be considered for the program.</p>	<p>Reoing Initial Assistance Application (RIAA), the State software, detects duplicate names and social security numbers across the state.</p>	<p>Household members will be positively identified as who they are and where they live when applying for federal assistance.</p>
<p>SOCIAL SECURITY NUMBER REQUESTS</p>			
<p>Indiana will require social security numbers for all household members in FY 2011. The only exception will be a child under age 1.</p>	<p>This will be a new policy.</p>		<p>To identify all household members and reduce any duplication of service.</p>
<p>CROSS CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES</p>			
<p>Indiana did not use existing government systems and databases to verify applicant or household member identities.</p>	<p>Indiana does not have access to any existing government databases.</p>	<p>Indiana will be viewing social security cards, bank records, pay stubs, and/or government award letters to match individuals to their number.</p> <p>If HHS is able to connect the States to existing databases to cross check SSNs, then Indiana would</p>	<p>This will prevent identity theft and reliable identification on named household members.</p>

INDIANA PROGRAM INTEGRITY ASSESSMENT TO THE FY 2011 LIHEAP STATE PLAN

		gladly participate	
VERIFYING APPLICANT INCOME			
The State used pay stubs and direct deposit bank records to confirm most income eligibility. In cases of no declared income, the adult household member was required to get a verification printout from Work One (Indiana's unemployment office)	IHCDA is in discussion with the Indiana New Hire Reporting Center to access their information on employment.	The State is investigating using The Work Number as a verification tool.	The State plans to eliminate any service to households over the income eligibility guidelines.
PRIVACY-PROTECTION AND CONFIDENTIALITY			
Client files are kept in confidential folders in a locked area at the sub grantee office. All computer generated applications "black-out" all but the last four social security numbers of household members. The RIAA software allows only limited access to files and financial transactions.			Client information is kept strictly confidential.
LIHEAP BENEFITS POLICY			
Sub grantees are required to view the most current heat and electric bill in order to match name and address to billing name and address. Benefits are determined by using a Matrix score			Authorized energy vendors are receiving payments of behalf of LIHEAP eligible clients.

INDIANA PROGRAM INTEGRITY ASSESSMENT TO THE FY 2011 LIHEAP STATE PLAN

<p>sheet.</p> <p>A transmittal for payment obligations is sent to the utility vendors for review of each head of household name, billing name, and account number to make sure it is a match. The vendor returns the adjusted transmittal to the sub grantee for actual payment.</p>			
<p>PROCEDURES FOR UNREGULATED ENERGY VENDORS</p>			
<p>10 % of LIHEAP clients are served by bulk fuel dealers of heating oil, propane, wood, etc. All dealers must verify delivery of fuel with the sub grantee by delivery ticket. Wood vendors are paid by returning the wood voucher, signed by the client, and must meet the wood quality standards as described in the EAP Manual.</p> <p>Benefit determination and payment procedures follow the same steps as with regulated utilities.</p>	<p>New wood vendors must submit a W-9 tax form with the voucher in order to receive payment.</p> <p>The State will set up a hotline with the Oil and Petroleum Marketers Association and the Indiana Propane Gas Association to verify participating vendors.</p>	<p>Payments go directly to vendors of unregulated fuel.</p>	<p>All payments go to legitimate fuel vendors.</p>
<p>VERIFYING THE AUTHENTICITY OF ENERGY VENDORS</p>			
<p>Indiana’s sub grantees are required to have a Memorandum of</p>	<p>Wood certificates with a W-9 for new vendors.</p>	<p>Local agencies, through experience and</p>	<p>All payments go to legitimate fuel vendors as</p>

INDIANA PROGRAM INTEGRITY ASSESSMENT TO THE FY 2011 LIHEAP STATE PLAN

<p>Understanding with all its utility vendors. 90% of LIHEAP funds go the six major investor utilities: NIPSCO, Indiana/Michigan Power, Duke Energy, Citizens Energy, Indianapolis Power and Light, and Vectren Energy Delivery; and/or the Rural Electric Co-Op network and the municipal power utilities.</p> <p>The State will continue to work with these established entities.</p>		<p>knowledge of their communities are well aware of the existence and legitimacy of fuel vendors in their service territory.</p>	<p>verified by the Indiana Utility Regulatory Commission and the Indiana Secretary of State office.</p>
<p>TRAINING AND TECHNICAL ASSISTANCE</p>			
<p>Indiana conducts three statewide trainings prior to the heating season to discuss all aspects of the program including fraud and abuse prevention. Technical assistance is available at all times to the sub grantees.</p>	<p>A quality assurance feature will be added to the RIAA software this year.</p>		<p>Timely and thorough resolution of questionable situations.</p>
<p>AUDITS OF LOCAL ADMINISTERING AGENCIES</p>			
<p>Agencies will continue to be audited annually by State monitoring staff plus an annual outside CPA audit</p>	<p>In addition to the standards required by OMB circular-133, IHCD has instituted a pre-qualification program for the auditors of the local</p>		<p>Increase knowledge and vigilance of assigned auditors</p>

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	<p>administering agencies. Pre-qualified auditors are required to attend a seminar hosted by IHCD on A-133 compliance. A few of the auditors will be selected for peer review. During peer review a different CPA firm will review the work papers and files tested during the single audit and report any discrepancies.</p>		
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