

ATTACHMENT 1
SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE
 Low Income Home Energy Assistance Program (LIHEAP)

State, Tribe or Territory (and grant official): MISSISSIPPI	Date/Fiscal Year: FY 2011
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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.	Necessary outcomes from these systems and strategies
<i>There were three audit findings in the LIHEAP program for FY 2008: 1. Controls over eligibility should be strengthened; 2. Federal financial reports should agree with accounting records; 3. Controls over subgrantee monitoring should be strengthened.</i>	The findings have been resolved and corrected.	N/A	<i>Administration of LIHEAP in compliance with all regulations.</i>

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
<i>The State of Mississippi utilizes an established monitoring system which is conducted in accordance with the Single Audit Act and OMB Circulars to ensure all subgrants are administered in compliance with Federal requirements and with the terms of the subgrant agreements. This system includes: Annual on-site reviews of fiscal</i>	The MDHS-DCS will utilize a new client tracking system to allow desk audits to be performed on a quarterly basis.	N/A	<i>A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information.</i>

<p>and programmatic records; review of reports submitted by the subgrantee; review of the subgrantee's audit reports; and evaluating audit findings and the corrective action plan.</p>			
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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.

FRAUD REPORTING MECHANISMS			
<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>Please highlight any tools or mechanisms from your plan which will be newly implemented in FY2011, and the timeline for that implementation.</p>	<p>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.</p>	<p>Necessary outcomes of these strategies and systems</p>
<p>The department has a fraud hotline and all divisions have 1-800 numbers which are made available to the public through brochures, county offices and the DHS website. Matters brought to the attention of the department may be referred to the Division of Program Integrity for review and investigation.</p>	<p>N/A</p>	<p>N/A</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>Applicants must submit a Social Security card of all household members and a photo I.D. of the applicant.</p>	<p>MDHS is currently working on agreements with the State Department of Health, the Social Security Administration and the State Department of Corrections to further verify information. The department will establish a workgroup composed of other state agencies to help access information relative to client identities.</p>	<p>N/A</p>	<p>Client identity data that allows program benefits to be provided to eligible individuals.</p>
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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>The department currently requires SSNs to verify eligibility of applicants and household members applying for LIHEAP benefits.</p>	<p>The department's policy for requiring SSNs will remain in effect for FY 2011. The department is working on agreement with the Social Security Administration to verify information.</p>	<p>N/A</p>	<p>All valid household members are reported for correct benefit determination.</p>

CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES

<p>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.)</p>	<p>Please highlight which, if any, policies or strategies for using existing government databases will be newly implemented in FY2011.</p>	<p>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.</p>	<p>Necessary outcomes from these systems and strategies</p>
<p>The department does not currently use existing government systems and databases to verify applicant and household member identities. However, we require applicants to submit social security cards of all household members, and birth certificates for children under six years of age.</p>	<p>The department is working on an agreement with the Social Security Administration to cross-check numbers against its database.</p>	<p>N/A</p>	<p>Use of all available database systems to make sound eligibility determination.</p>

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
<i>The department does not currently use state directories of new hires or similar systems to confirm income eligibility.</i>	The department is currently working on an agreement with the Mississippi Employment Security Commission to verify new hires.	N/A	<i>Effective income determination achieved through coordination across program lines.</i>

PRIVACY-PROTECTION AND CONFIDENTIALITY

Describe the financial and operating controls in place in FY2010 that will continue in FY2011 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 FY2011.	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>The department requires that subgrantees have in place a financial management system and a policies and procedure manual which contains adequate internal controls for the administration of the program. Each system has designated users who are given access to software. All documentation is kept under lock and key with designated personnel having access. Each subgrantee is required to carry liability insurance to cover staff, and to adhere to HIPAA.</i>	N/A	N/A	<i>Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.</i>

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><i>LIHEAP payments are made to energy vendors, not clients. Clients must submit a valid energy bill when applying for assistance. Federal law requires all LIHEAP subgrantees to have vendor agreements in place.</i></p>	<p>N/A</p>	<p>N/A</p>	<p><i>Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.</i></p>

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 unregulated energy utilities.</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><i>All LIHEAP subgrantees have vendor agreements in place with energy vendors. All vendors are currently in the ROMA system.</i></p>	<p>The department will require subgrantees to re-verify the eligibility of energy vendors. Any new vendors must have documentation and be approved by the local and state agency before they are input into the new system and be able to conduct business.</p>	<p>N/A</p>	<p><i>Participating vendors are thoroughly researched and inspected before benefits are issued.</i></p>

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>
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<p>All LIHEAP subgrantees have vendor agreements in place with energy vendors. All vendors are currently in the ROMA system.</p>	<p>The department will require subgrantees to re-verify the eligibility of energy vendors. Any new vendors must have documentation and be approved by the local and state agency before they are input into the new system and be able to conduct business.</p>	<p>N/A</p>	<p>An effective process that effectively confirms the existence of entities receiving federal funds.</p>
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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>The department provides training and technical assistance to employees, subgrantee staff, clients and energy vendors annually. Further, the department provides training and technical assistance at the DCS Implementation Workshop.</p>	<p>The training and technical assistance plan will be adjusted to meet specific needs and provide hands-on training to subgrantee staff on the new client tracking system.</p>	<p>N/A</p>	<p>The timely and thorough resolution of weaknesses or reportable conditions as revealed by the review</p>

AUDITS OF LOCAL ADMINISTERING AGENCIES			
<p>Please describe the annual audit requirements in place for local administering agencies in FY2010 that will continue into FY 2011.</p>	<p>Please describe new policies or strategies to be implemented in FY2011.</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><i>Subgrantees are required to follow the procurement process for soliciting an independent auditor. A notice of selection is sent to the department. The department requires subgrantees that exceed \$500,000 in expenditures to follow the Single Audit Act and submit a copy of the audit report within six months of the fiscal year end date. Audit reports are reviewed by the Divisions of Program Integrity and Community Services (funding division).</i></p>	<p>N/A</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.