**SAMPLE PROGRAM INTEGRITY ASSESSMENT SUPPLEMENT TEMPLATE**

Low Income Home Energy Assistance Program (LIHEAP)

ABSTRACT:

HHS is requiring further detail from Grantees on their FY2013 plans for preventing and detecting fraud, abuse, and improper payments. HHS is also requiring that Grantees highlight and describe all elements of this FY2013 plan which represent improvements or changes to the Grantees’ FY2013 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.*

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| **State, Tribe or Territory (and grant official):** | **New Jersey** | | **FFY2012** |
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| **RECENT AUDIT FINDINGS** | | | |
| **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 FY2013.** | **If there is no plan in place, please explain why not.** | **Necessary outcomes from these systems and strategies** |
| GAO findings reported that New Jersey provided benefits to a Residential Nursing Home Facility, paid benefits to a deceased individual and provided benefits to a US Postal employee.  The single year audit FFY2011 determined that appropriate documentation is the case files was insufficient to support the case record.  The single year audit FFY2010/ fiscal year FFY2009 SF-269A did not include the Federal share of the indirect expense on the form.  Single year audit FFY2010/NJ was unable to provide monitoring reports for four of the thirteen agencies selected.  The single year audit FFY2009/ DCA was not aware of its non-compliance with the procedures for drawdowns.  The single year Audit FFY2009/ recommended that DCA implement procedures to ensure that Federal Financial Reporting is supported by documentation.  The single year Audit FFY2008/ DCA does not have a procedure to reconcile the expenditures charged to the programs by the Department on the LIHEAP FSR’s.  The single Year Audit FFY 2008/DCA did not receive detailed reports of payment to be made to utility companies prior to October 12, 2007.  The single Year Audit 2008/State offices have entered into a Treasury State Agreement under the Cash Management Improvement Act (CMIA). DCA did not perform drawdowns in accordance with the funding technique in the CMIA. | New Jersey is planning to implement a SSN match process with SSA. In addition to the new validation process, we will also receive information on deceased and incarcerated individuals.  DCA is providing additional training on income documentation procedures. Moreover, DCA is utilizing an independent accounting firm to test agencies internal controls related to adequate income documentation.  Procedures to ensure that Federal reporting tasks are accurate are in place.  DCA has grant agreements with 21 County Board of Social Services agencies and seven of these agencies were monitored in FFY2010.  DCA began following the CIA funding technique for LIHEAP.  LIHEAP now has an accurate mechanism to ensure that Federal FSR reports are prepared based on documentation.  DCA has developed a spreadsheet that captures financial data quarterly.  Since October 12, 2007, DCA has obtained detailed reports of payment to be made to individuals and utility companies.  DCA has consulted with Treasury and have decided to begin following the funding technique in the current CMIA. | The plan is has been approved and we are planning to implement in FFY2013.  DCA is also conducting on-site follow-up inspections to ensure implementation of corrective action.  DCA will continue to review reporting processes.  DCA is currently under contract with Mercadien to monitor the remaining 14 Board of Social Service agencies by no later than September 30, 2011. All agencies will have been monitored within a three year period.  N/A  N/A  N/A  N/A  N/A | The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.  . |
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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.

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| **COMPLIANCE MONITORING** | | | |
| **Describe the Grantee's FY 2012 strategies that will continue in FY 2013 for monitoring compliance with State and Federal LIHEAP policies and procedures by the Grantee and local administering agencies.** | **Please highlight any strategies for compliance monitoring from your plan which will be newly implemented as of FY 2013.** | **If you don't have a firm compliance monitoring system in place for FY 2012, please describe how the State is verifying that LIHEAP policy and procedures are being followed.** | **Necessary outcomes from these systems and strategies** |
| The Department has contracted with Mercadien to conduct monitoring for the FFY2010 fiscal year. Mercadien will also be utilized for FFY2011 and FFY2012 programmatic and fiscal monitoring. | New Jersey will utilize the Withum, Smith and Brown agency for programmatic and fiscal monitoring in FFY2013.  DCA has supplemented the staff with a field monitor for programmatic monitoring and also to provide training and technical assistance to the local agencies. | N/A | A sound methodology, with a schedule for regular monitoring and a more effective monitoring tool to gather information. |
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| **FRAUD REPORTING MECHANISMS** | | | |
| **For FY 2012 activities continuing in FY 2013, 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.** | **Please highlight any tools or mechanisms from your plan which will be newly implemented in FY 2013, 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** |
| DCA maintains a public input website channel which accepts reports of suspected LIHEAP fraud, waste or abuse. An email address is provided.  New Jersey also maintains a public information hotline which is available to the public for reporting suspected fraud. | N/A | N/A |  |
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Attachment – page 2

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| **VERIFYING APPLICANT IDENTITIES** | | | |
| **Describe all FY 2012 Grantee policies continuing in FY2013 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 2013.** | **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** |
| NJ utilizes social security numbers for client identification. Social Security cards are required for all household members.  Social Security numbers are also verified through the Division’s Income Integrity Unit. | N/A | N/A | *Income and energy supplier data that allow program benefits to be provided to eligible individuals.* |
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| **SOCIAL SECURITY NUMBER REQUESTS** | | | |
| **Describe the Grantee's FY 2013 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 FY2013, 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** |
| NJ requires social security numbers from applicants as a conditional requirement for receiving LIHEAP benefits. | The requirement for FFY2013 remains the same. | N/A | *All valid household members are reported for correct benefit determination.* |
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Attachment – page 3

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| **CROSS-CHECKING SOCIAL SECURITY NUMBERS AGAINST GOVERNMENT SYSTEMS/DATABASES** | | | |
| **Describe if and how the Grantee used existing government systems and databases to verify applicant or household member identities in FY 2012 and continuing in FY 2013. (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 FY 2013.** | **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.** | **Necessary outcomes from these systems and strategies** |
| NJ has been in contact with the Social Security Administration (SSA) to provide NJLIHEAP with access to the SSA/EVS system.  Any SSNs that cannot be verified through SSA will be sent to the DCA Income Integrity Unit for validation and review. | The SSA matching process is approved and NJ is planning to implement in FFY2013. In addition to the new validation process, we will also receive information on deceased and incarcerated individuals. | Currently, the DCA Income Integrity Unit is checking SSNs that are reported by the agencies. | *Use of all available database systems to make sound eligibility determination.* |
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| **VERIFYING APPLICANT INCOME** | | | |
| **Describe how the Grantee or designee used State Directories of new hires or similar systems to confirm income eligibility in FY 2012 and continuing in FY 2013.** | **Please highlight any policies or strategies for using new hire directories which will be newly implemented in FY 2013.** | **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?** | **Necessary outcomes from these systems and strategies** |
| NJ is currently utilizing State Department of Labor to verify unemployment and disability income data for clients. The local LIHEAP agencies contact DCA for the verification.  NJ also has established an Income Integrity Unit to assist in the process of ongoing detection and monitoring to ensure that applicant and household information supplied is valid and it is checked against various 3rd party sources of information. | N/A | N/A | *Effective income determination achieved through coordination across program lines.* |
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Attachment – page 4

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| **PRIVACY-PROTECTION AND CONFIDENTIALITY** | | | |
| **Describe the financial and operating controls in place in FY 2012 that will continue in FY 2013 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 FY 2013.** | **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** |
| NJ maintains a policy of confidentiality. In FFY2013, NJ will revise system controls. DCA will centralize the role manager system within DCA. Systems controls will be limited to the local agency’s specific allowable roles. | NJ is planning to implement the role manager system in FFY2013. | N/A | *Clear and secure methods that maintain confidentiality and safeguard the private information of applicants.* |
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| **LIHEAP BENEFITS POLICY** | | | |
| **Describe FY 2012 Grantee policies continuing in FY 2013 for protecting against fraud when making payments, or providing benefits to energy vendors on behalf of clients.** | **Please highlight any fraud prevention efforts relating to making payments or providing benefits which will be newly implemented in FY 2013.** | **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.** | **Necessary outcomes from these systems and strategies** |
| New Jersey requires vendor contracts for all participating in the LIHEAP program. The contracts stipulate that vendors will maintain an accurate account of LIHEAP benefits and are subject to state audit. Also, all contracts are submitted with valid vendor insurance and a Federal I.D. number. | N/A | N/a | *Authorized energy vendors are receiving payments on behalf of LIHEAP eligible clients.* |
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Attachment – page 5

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| **PROCEDURES FOR UNREGULATED ENERGY VENDORS** | | | |
| **Describe the Grantee's FY 2012 procedures continuing in FY 2013 for averting fraud and improper payments when dealing with bulk fuel dealers of heating oil, propane, wood and other un-regulated energy utilities.** | **Please highlight any strategies policy in this area which will be newly implemented in FY 2013.** | **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.** | **Necessary outcomes from these systems and strategies** |
| New Jersey requires vendor contracts for all participating in the LIHEAP program. The contracts stipulate that vendors will maintain an accurate account of LIHEAP benefits and are subject to state audit. Also, all contracts are submitted with valid vendor insurance and a Federal I.D. number. | N/A | N/A | *Participating vendors are thoroughly researched and inspected before benefits are issued.* |
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| **VERIFYING THE AUTHENTICITY OF ENERGY VENDORS** | | | |
| **Describe Grantee FY 2012 policies continuing in FY 2013 for verifying the authenticity of energy vendors being paid under LIHEAP, as part of the Grantee’s procedure for averting fraud.** | **Please highlight any policies for verifying vendor authenticity which will be newly implemented in FY 2013.** | **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?** | **Necessary outcomes from these systems and strategies** |
| New Jersey requires vendor contracts for all participating in the LIHEAP program. The contracts stipulate that vendors will maintain an accurate account of LIHEAP benefits and are subject to state audit. Also, all contracts are submitted with valid vendor insurance and a Federal I.D. number. | N/A | N/A | *An effective process that effectively confirms the existence of entities receiving federal funds.* |
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Attachment – page 6

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| **TRAINING AND TECHNICAL ASSISTANCE** | | | |
| **In regards to fraud prevention, please describe elements of your FY 2012 plan continuing in FY 2013 for training and providing technical assistance to (a) employees, (b) non-governmental staff involved in the eligibility process, (c) clients, and (d) energy vendors.** | **Please highlight specific elements of your training regiment and technical assistance resources from your plan which will represent newly implemented in FY 2013.** | **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.** | **Necessary outcomes from these systems and strategies** |
| Annual training sessions are conducted each year prior to program startup. Also, follow up meetings are held on various ongoing program issues. Policies regarding security controls are reviewed at the meetings. | N/A | N/A | *The timely and thorough resolution of weaknesses or reportable conditions as revealed by the audit.* |
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| **AUDITS OF LOCAL ADMINISTERING AGENCIES** | | | |
| **Please describe the annual audit requirements in place for local administering agencies in FY 2012 that will continue into FY 2013.** | **Please describe new policies or strategies to be implemented in FY 2013.** | **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** |
| Local administrative agencies were audited in accordance with the requirements in Federal Circular A-133; agencies will continue to be audited under these requirements. | The audit processes in place for FFY2011 will be continued in FFY2012 and FFY2013. | N/A | *Reduce improper payments, maintain local agency integrity, and benefits awarded to eligible households.* |

**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.

Attachment – page 7