

CHAPTER 109. AUDITS

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§ 109.1. Policy.

(a) *Legal responsibility.* The legal responsibility for audits will be as follows:

(1) The Department of the Auditor General is the State Auditing Agency with the authority and responsibility of auditing the administration of the financial affairs of specified agencies and departments as mandated by the Fiscal Code (72 P. S. §§ 1—1855) whenever and wherever it deems advisable.

(2) Relative to the Office of Income Maintenance, Department of Human Services, one of the functions of the Department of the Auditor General will be to conduct audits of the County Boards of Assistance.

(b) *Cooperative working agreements.* The statutes of the Commonwealth provide a basis for the cooperative working agreement that exists between the Department of the Auditor General and the Department. The Department, through the County Boards of Assistance, is responsible for determining the eligibility of applicants for financial assistance, Medical Assistance and Food Stamps, and recipients of these programs under the rules and regulations established by the Department. The Department of the Auditor General is responsible for the auditing of these decisions against the rules and regulations of the Department. With these specific rights and responsibilities in mind, the Department and the Auditor General will work in mutual cooperation to fulfill their individual obligations as effectively and efficiently as possible.

§ 109.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Exception—A finding by an auditor of an action or process which is not in accord with the rules and regulations of the Department. It may be a discrepancy of either omission or commission.

§ 109.3. Requirements.

(a) *The audit review of public assistance cases.* The auditors will provide the county office with a list of the case records to be included in the audit. The county will provide these records within 24 hours. Requests for the return of certain cases needed for County Office business may be worked out amicably with the auditors. Audits will be conducted on a planned, scheduled basis by auditors of the Bureau of Public Assistance Audits, Department of the Auditor General. The audit of the Public Assistance file will be made from a sampling of Aid to

Dependent Children, General Assistance, Food Stamp, Medical Assistance and State Blind Pension case records. The audit will be conducted in three progressive phases.

(1) *Record information, Phase I.* The record information phase is an audit of each case record of the sample for accuracy and propriety of cash grants being paid, food stamps being issued and Medical Assistance being granted. The attention of the auditor will be focused on the case record material as it relates to the proper interpretation and application of the rules and regulations of the Department pertaining to the recipient's eligibility for Public Assistance, Food Stamps or Medical Assistance.

(2) *Field visit, Phase II.* The field visit phase is that period of the audit during which the auditors visit a selected number of the recipients whose case record was audited in the record information phase. The field visit auditor may contact collateral resources as they pertain to the particular recipient whose case record is being audited. The purpose of the field visit audit is to substantiate the particular case record information and to obtain any other information pertaining to the eligibility of the particular recipient, for public assistance. The field visit audit will be conducted in a confidential, tactful, and respectful manner.

(3) *Corrective action, Phase III.* The corrective action phase is that period of the audit during which the county staff takes action on the exceptions which the auditors indicated. The auditors will take exceptions based upon misapplication by the county office of the rules and regulations of the Department. The auditor will also take exceptions when the auditor discovers information affecting eligibility which is not known to the county office. Exceptions will be based on the following:

- (i) The data in the case records as of the date it is reviewed.
- (ii) Data affecting eligibility that is not in the case record at the time the case is requested.
- (iii) The information obtained at the interview.
- (iv) The information obtained from documents examined.
- (v) Information from sources other than the client.

(4) *Determination made during the review.* The determination made during the review will be based on the following:

- (i) The accuracy and propriety of the cash grants, food stamps or medical assistance being provided. This includes substantiating that the case record supports the amount being paid.
- (ii) Whether regulations and procedures regarding overpayment, restitution and reimbursement have been followed.
- (iii) Whether required record documentation is complete, including signed applications, reimbursement agreements and other appropriate documents.

(b) *General method of conducting the review.* The general method of conducting the review will be as follows:

(1) The Chief Administrative Officer, Office of Income Maintenance, will provide the Director, Bureau of Public Assistance Audits, Department of the Auditor General, with a schedule of the location of the Division of Eligibility Examination teams so that an overlapping of auditing activities or unreasonable working assignment will not be imposed upon any one County Board of Assistance.

(2) The Director, Bureau of Public Assistance Audits, Department of the Auditor General, will notify the Chief Administrative Officer, Office of Income Maintenance, Department of Human Services, that an audit will be conducted in a particular County or District beginning on a specified date.

(3) The Chief Administrative Officer will notify the proper Regional Deputy Secretary that the Bureau of Public Assistance Audits will conduct an audit in a particular county under his jurisdiction beginning on a specified date.

(4) The Chief Administrative Officer will notify the Executive Director of the county in which an audit is to be conducted that an audit will take place beginning on a specified date. The Executive Director will be responsible for providing adequate working space for the auditors.

(c) *Action by the Bureau of Policy.* The Bureau of Policy will be responsible for resolving controversial exceptions. The controversy will be resolved by review with the county office or the Department of the Auditor General or both. When the Bureau of Policy makes a decision about each controversial exception, the Bureau returns a copy of the Form PA 157 (Report of Exception-County Reply) through the Chief Administrative Officer to the County Office showing the disposition of the exception on the Form PA 157, III (Report of Exception-County Reply). The county office will take whatever action may be required, if any.

§ 109.4. [Reserved].

Source

The provisions of this § 109.4 reserved July 11, 1986, effective July 12, 1986, 16 Pa.B. 2524. Immediately preceding text appears at serial pages (28875) to (28884).

APPENDIX A

[Reserved]

Source

The provisions of this Appendix A reserved July 11, 1986, effective July 12, 1986, 16 Pa.B. 2524. Immediately preceding text appears at serial page (28885).

APPENDIX B

[Reserved]

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The provisions of this Appendix B reserved July 11, 1986, effective July 12, 1986, 16 Pa.B. 2524. Immediately preceding text appears at serial page (38943).

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