

Compliance Audit

of the

Commonwealth of Pennsylvania
Department of Public Welfare
Bucks County Assistance Office
Bristol District

Audit Period

February 15, 2003 to February 24, 2006



Compliance Audit

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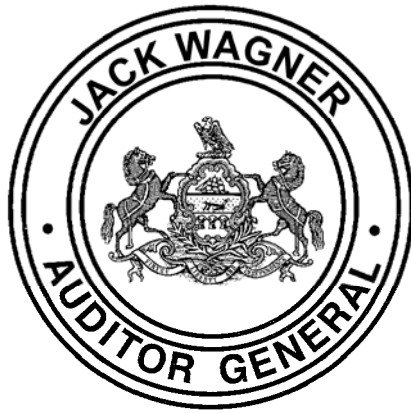
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Report of Independent Auditors on Compliance

The Honorable Edward G. Rendell
Governor
Commonwealth Of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

The Department of Public Welfare, through its County Assistance Offices, determines eligibility for cash assistance, medical assistance, and food stamp benefits according to established policies and procedures. By the authority of Pennsylvania Code, Title 55, Chapter 109, the Department of the Auditor General audits these County Assistance Offices.

This report contains the results of our audit of cash and food stamp eligibility at the Bucks County Assistance Office, Bristol District, covering the period February 15, 2003 to February 24, 2006. Procedures included determining the County Assistance Office's compliance with Department of Public Welfare regulations, governing laws, and administrative rules regarding the disbursement of benefits and the management of the County Assistance Office. We examined, on a test basis, evidence in support of benefits provided, reviewed documentation of County Assistance Office actions and interviewed County Assistance Office personnel and welfare recipients. We also evaluated the Overpayment Control System.

Our report details findings and recommendations that resulted from our eligibility review and our review of the Overpayment Control System.

It should be noted, that as a result of Internal Revenue Code §6103, the Department of the Auditor General no longer has access to Income Eligibility Verification System Exchanges 4 and 5. Because this poses a scope limitation, exceptions may exist beyond those disclosed during our audit. In addition, overpayment amounts stated in this audit report are limited by the Department of Public Welfare's Automated Restitution Referral and Computation system, which does not calculate overpayments beyond a two-year period.

This report is intended for the benefit of the Bucks County Assistance Office, Bristol District management, Department of Public Welfare officials, and Office of Inspector General officials. It is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

JACK WAGNER
Auditor General

June 22, 2006

**Commonwealth of Pennsylvania
Department of Public Welfare
Bucks County Assistance Office
Bristol District**

BACKGROUND INFORMATION
AND
OBJECTIVES, SCOPE, AND METHODOLOGY

Background Information

Department of Public Welfare

The Department of Public Welfare (DPW) provides money, Food Stamps (FS), Medical Assistance (MA) and other services to needy recipients in Pennsylvania. DPW administers these services locally through a County Assistance Office (CAO), or in larger counties, through a District Office (DO). We conduct audits in all 67 counties throughout Pennsylvania.

DPW, through its Office of Income Maintenance, is responsible for analyzing, interpreting, developing and maintaining the regulatory policy for all federal and state funded public assistance benefit programs. DPW also provides policy clarifications to guide the application of its regulations.

DPW created the Cash Assistance Handbook (CAH), the Food Stamp Handbook (FSH), and the Medicaid Eligibility Handbook (MEH) to provide guidance to income maintenance caseworkers (caseworkers) at the CAOs and DOs. The handbooks give the caseworker direction on how to use financial and non-financial information to determine an individual's eligibility for cash assistance, food stamp, and medical assistance benefits. The CAH provides guidance on Temporary Assistance to Needy Families (TANF) and General Assistance (GA). TANF is a federally-funded program which provides money for dependent children who are needy because financial support is not available from their parents. The payment is made to parents or relatives who care for the children in family homes. GA is a state-funded program which provides money primarily to single individuals and childless couples who do not have enough income to meet their basic needs. The FSH provides guidance for administering the Food Stamp Program which is operated jointly by the U.S. Department of Agriculture, Food and Nutrition Service, and DPW. The MEH provides guidance for administering the Medical Assistance Program to recipients who are eligible for cash assistance, Nonmoney Payment, or Medically Needy Only benefits. DPW makes either direct payment to medical practitioners and vendors of services, medications, and medical supplies, or a capitation payment to contracted managed care organizations.

Objectives, Scope, and Methodology

The Department of the Auditor General (Department), Bureau of Public Assistance Audits conducts audits of CAOs to determine compliance with DPW regulations that pertain to recipient eligibility and the disbursement of cash and food stamps. Additionally, the Bureau reviews the CAO's management policies and their implementation as they relate to the areas we audited. Audit reports providing factual, relevant and useful information are then sent by the Auditor General to the Governor, DPW, the Office of Inspector General (OIG) and certain state legislators.

The audit included eligibility reviews of a sample of public assistance cases for the audit period February 15, 2003 to February 24, 2006. We also reviewed the CAO's implementation of procedures for the Overpayment Control System to determine compliance with regulations and policies.

Results from the eligibility reviews of the sample of public assistance cases as well as the procedural reviews apply only to CAO files, records, and systems. However, because DPW establishes the CAO policies and procedures as well as maintains their computer information system, the deficiencies and/or exceptions identified during our audit may need to be corrected by DPW. Therefore, our recommendations are directed to DPW as well as the CAO.

As previously noted, due to Internal Revenue Code §6103, the Department no longer has access to recipient resource information contained on the Income Eligibility Verification System Exchanges 4 and 5. (Exchange 4 contains information from the Social Security Administration (SSA) earnings reference file and Exchange 5 contains information from the Internal Revenue Service unearned income file.) This poses a scope limitation, as the Department cannot ascertain whether the CAO is reviewing information from these two resources as required by Section 1137 of the Social Security Act. Furthermore, without access the Department is unable to verify that the CAO is using all recipient resource information in determining recipient eligibility and calculating benefit amounts.

Reviews of the public assistance cases and the Overpayment Control System detected instances of noncompliance; therefore, we submitted findings in these areas.

During the December 5, 2006 exit conference, the Department's staff reviewed these findings and recommendations with the CAO representatives. We have included CAO personnel comments, where applicable, in this report.



**Commonwealth of Pennsylvania
Department of Public Welfare
Bucks County Assistance Office
Bristol District**

FINDINGS AND RECOMMENDATIONS

Findings and Recommendations

I. Eligibility Audit Results

During the course of our audit, we examined 145 out of 1,903 cases from the Bucks CAO, Bristol District to determine if personnel properly maintained case records in accordance with DPW's policies and procedures, and properly disbursed authorized benefits to eligible recipients in accordance with the rules and regulations established by DPW. We also notified CAO personnel when we discovered ineligible persons receiving assistance.

Title 55 of the Pennsylvania Code provides criteria for determining public assistance eligibility. Chapter 109 of Title 55 provides for the Department to audit the decisions of the CAOs against the rules and regulations established by DPW.

Our audit included an examination of the case record material as it relates to the proper interpretation and application of the rules and regulations of DPW pertaining to the recipient's eligibility for public assistance. The criteria for our review included, but was not limited to, DPW's:

- Cash Assistance Handbook (CAH);
- Food Stamp Handbook (FSH);
- Supplemental Handbook (SH);
- Income Eligibility Verification System (IEVS) Manual;
- Automated Restitution Referral and Computation (ARRC) Manual;
- Client Information System (CIS) Manual; and
- Operations Memorandum (OPS) & Policy Clarifications.

Our audit disclosed 55 exceptions in 43 of the 145 cases examined. The most significant exceptions are discussed in the following findings:

- Inadequate Procedures For Identifying Instances Where The Recipient Fails To Provide Proper Eligibility Information (refer to Finding No. 1);
- Failure To Follow Applicable DPW Procedures (refer to Finding No. 2);
- Inadequate Internal Control Procedures For Closing The Case When The Recipient Can Not Be Located (refer to Finding No. 3); and
- Failure To Obtain And/Or Document Information Required In Establishing Recipient Eligibility (refer to Finding No. 4).

Findings and Recommendations

Finding 1 - Inadequate Procedures For Identifying Instances Where The Recipient Fails To Provide Proper Eligibility Information

During our audit, we determined that the CAO failed to identify instances where recipients did not accurately report eligibility information. In seven instances, recipients failed to disclose criminal history and maintain compliance with court-ordered payment plans.

Inadequate procedures for detecting these errors resulted in the payment of excessive benefits to which recipients were not entitled. Overpayments of \$12,379 were written in these cases. In addition, two cases were closed, resulting in the discontinuance of \$430 in monthly benefits.

Recommendation

We recommend that the CAO regularly review a sample of cases to help identify instances where recipients are providing improper information. This would help to eliminate at least some improper disbursement of benefits.

Management Response

In a December 15, 2006 memorandum to Department personnel, the Bucks CAO Executive Director provided the following response:

“It should be noted that current regulations do not require CAO staff to further investigate criminal histories for clients who answer “no” to criminal history questions unless indications of a criminal history are received from other sources such as IEVS. Despite this, the BCAO, Bristol District has instituted procedures to check for criminal histories of clients whether or not these questions are answered negatively.

The BCAO, Bristol District has taken the following corrective actions to address the recommendations of this finding.

1. On 3/7/06 a memo was issued to all Income Maintenance staff reviewing the criminal history inquiry process and stressing the requirement to review criminal history at every application and reapplication. At that time the District had an established local

Findings and Recommendations

procedure which allowed a designated employee to have regular access to Bucks County Court computer files to check for criminal histories for individual clients.

2. On 5/31/06 another memo was issued to Income Maintenance staff to inform that due to changes with the Bucks County Court computer system, the previous procedure would be discontinued in favor of the UJSPORTAL system. This statewide system allows staff to search online for the criminal history of individuals by name.
3. The BCAO, Bristol District has also established contacts with the Clerk of Courts of Bucks County to allow staff to obtain criminal history compliance information via FAX.”

Auditor’s Conclusion

These errors were uncovered through the auditors reviewing a sample of cases. The recommendation for the CAO to do likewise would likely produce similar results.

Finding 2 - Failure To Follow Applicable DPW Procedures

Our audit revealed that exceptions occurred because CAO personnel failed to follow applicable DPW procedures. The most notable exceptions are grouped into the following areas:

- **Income Eligibility Verification System (IEVS)**

IEVS is an automated system developed to provide for the exchange of information between the Pennsylvania Department of Labor and Industry, Office of Employment Security, the SSA and the Internal Revenue Service. IEVS provides information to the caseworker to aid in the determination of eligibility and the amount of the benefit the recipient should receive.

During our audit, we found 11 instances where CAO personnel failed to correctly and/or timely request, verify and enter proper dispositions on IEVS. These exceptions resulted in the improper calculation of benefits totaling \$4,661 in overpayments.

Findings and Recommendations

Chapter 1 of the IEVS Manual provides guidelines to follow when using IEVS.

Recommendation

We recommend that the CAO instruct personnel to review IEVS exchanges for reported and unreported income. We also recommend that CAO personnel review and properly reconcile unreported income so overpayments are correctly identified and initiated through the IEVS system. We further recommend that supervisory personnel review IEVS reports to ensure timely and accurate disposition codes are used.

- **Supplemental Security Income (SSI)**

GA benefits for individuals with medical issues, also known as Interim Assistance, are conditional upon the recipient's application for Federal SSI benefits. In addition, the recipient is required to appeal a decision by the SSA if an application for benefits is denied.

During our audit, we found one exception where a GA recipient did not apply for SSI benefits and four exceptions where GA recipients did not appeal unfavorable SSA decisions, resulting in recipients continuing to receive benefits without meeting all the conditions of eligibility. Overpayments were written in the amount of \$978 in cases where the recipient failed to comply with the SSI requirements although the CAO properly advised the recipient of these requirements. Also, \$1,398 in benefits was paid in one case where the CAO failed to advise the recipient of these requirements. In addition, two recipients failed to respond when the CAO attempted to contact them to notify them of their SSI requirements. These two cases were closed resulting in the discontinuance of \$430 in monthly benefits.

These exceptions occurred because the recipient did not cooperate with SSI in applying for benefits; Disability Advocacy Program workers are not working with the recipient to obtain SSI; and the caseworker did not properly utilize information on IEVS which would have indicated whether the recipient applied for SSI or appealed an unfavorable decision.

The CAH and the SH cite the CAO's responsibilities in the application process.

Findings and Recommendations

Recommendation

We recommend that the CAO ensure that caseworkers are properly trained to be able to identify the eligibility requirements for GA. We also recommend that the CAO review IEVS procedures and set controls for determining SSI applications, denials and appeals.

- **Reimbursement**

Reimbursement is the repayment of cash benefits received by a recipient who obtains SSI/SSA benefits. Recipients who apply for and obtain SSI/SSA benefits are required to reimburse any General Assistance they receive while an application is pending.

During our audit, we found two instances where the CAO failed to initiate recoupment of SSI benefits received. These benefits, in the amount of \$3,059, were paid to recipients while they awaited receipt of SSI benefits. When the SSI benefits were eventually received, it was the responsibility of the CAO to recoup these monies. The exceptions occurred because the CAO failed to initiate the recoupment. Overpayments were then initiated for this amount.

Recommendation

We recommend that the CAO implement internal control procedures to ensure that reimbursement forms are processed and forwarded to the Social Security Office. We also recommend that the CAO explain to clients that they must report when they receive SSI or other money subject to reimbursement, and must repay the assistance he/she received. In addition, we recommend that the CAO monitor the IEVS exchange 6 more closely and that the SS Office is notified whenever it is learned that the reimbursement code is incorrect.

Management Response

In a December 15, 2006 memorandum to Department personnel, the Bucks CAO Executive Director provided the following response:

“Prior to the audit, the BCAA, Bristol District had recognized an organizational deficiency in the way clients potentially eligible for SSI/SSD were being served. At that time, responsibilities for those clients

Findings and Recommendations

were divided between an unspecialized caseworker who was responsible for determining eligibility for cash, medical and FS benefits and a Disability Advocate Program (DAP) worker who was responsible for assisting with and monitoring the client's application for SSI/SSD benefits. Management of the district had determined that this system of divided responsibilities was both inefficient and confusing to clients, particularly to those with mental disabilities. Therefore a decision was made to combine the eligibility and DAP responsibilities for these clients under one caseworker who would specialize in disabled clients. This reorganization took place in 9/06, shortly before the audit began. Therefore, the BCAO, Bristol District has taken the following corrective action to address the recommendations of this finding:

The eligibility and DAP functions for clients potentially eligible for SSI/SSD benefits have been combined into one caseworker. These caseworkers have been combined into a specialized "disability" unit which handles only clients applying for SSI/SSD. This reorganization has resulted in more efficient monitoring of the client's cooperation in the initial application for SSI/SSD and in the timely appeal of unfavorable decisions by SSA. In addition, these changes have improved the ability of the Department to obtain reimbursement of interim cash assistance from retroactive SSI/SSD benefits."

Finding 3 - Inadequate Internal Control Procedures For Closing The Case When The Recipient Can Not Be Located

As part of our review, we require recipients to meet with auditors for scheduled interviews. The purpose of the interview is to substantiate specific case record information. When recipients failed to attend the interview, the CAO notified the recipient of his/her requirements to comply with the audit interview. The notice also indicated that, if the recipient did not respond in a timely manner, benefits would be closed.

A total of six recipients did not respond, indicating that they had moved and did not notify the CAO. The CAO was obligated to close these cases and discontinue paying monthly benefits totaling \$2,440. Lack of internal controls for detecting these errors also resulted in the payment of excessive benefits to which the client is not eligible.

Findings and Recommendations

The CAH, FSH, and SH provide policies and procedures to follow for properly closing and adjusting recipients' benefits due to a change in a recipients residence or living arrangements.

Recommendation

We recommend that the CAO regularly review a sample of cases to help identify instances where recipients living arrangements have changed, including where they reside. This could help to eliminate at least some improper disbursement of benefits.

Management Response

In a December 15, 2006 memorandum to Department personnel, the Bucks CAO Executive Director provided the following response:

“The BCAO, Bristol District believes that under the current regulations there is no practical method of instituting a corrective action for this finding at the local level. In general, Income Maintenance staff is required by regulations to have contact with clients at application, reapplication and semi-annual review which usually occur at intervals of every 6 or 12 months. The client is responsible for reporting changes that occur between these contacts.

Departmental changes in recent years have reduced the opportunity of the caseworker to monitor a client's residence. The Electronic Transfer System of benefit delivery has significantly reduced the possibility of receiving returned postal mail alerting of an address change. The Monthly Reporting System has been replaced by the Semi-Annual Reporting system which also limits the monitoring of address changes for many clients. Address verification requirements have been significantly loosened, particularly for the FS program. Under this program, after verification at application, further verification of address is not required unless it is questionable.

It should be noted that when the CAO staff attempts to make contact with clients, we also encounter the same problem with a small percentage of clients who do not respond. Short of mandating additional client contacts or issuing regular periodic mailings to all clients, which we have no

Findings and Recommendations

authority or resources to do, there is no practical way to improve this situation.”

Auditor’s Conclusion

These errors were uncovered through the auditors reviewing a sample of cases. The recommendation for the CAO to do likewise would likely produce similar results.

Finding 4 - Failure To Obtain And/Or Document Information Required In Establishing Recipient Eligibility

During our audit, the verification for establishing recipient eligibility was absent from examined case records which resulted in 14 exceptions. Case records and/or CIS information lacked detailed documentation of recipient and CAO actions. Employability Assessment Forms were missing or incomplete and relevant information was not entered on the CIS system. Also the social security numbers of Legally Responsible Relatives were missing or incorrect, or known to the CAO, but not entered into the IEVS.

The CAH, FSH, and IEVS Manual, Chapter 1, establish the procedures to be followed when obtaining and documenting recipient eligibility.

These exceptions occurred because caseworkers failed to review all required forms at application/reapplication with recipients. Failure to maintain current documentation in case records contributed to poor case management.

Recommendation

We recommend that the CAO ensure that caseworkers are aware of the importance of following established DPW policies and procedures for maintaining case records and processing information obtained from recipients and collateral sources, as designated in the above cited handbooks. We also recommend that the CAO instruct personnel of the need to clearly narrate recipient and caseworker actions in the case record.

Management Response

In a December 15, 2006 memorandum to Department personnel, the Bucks CAO Executive Director provided the following response:

Findings and Recommendations

“The Bristol District agrees that it is important for caseworkers to be aware of proper maintenance of case records and to follow manual procedures. We note that most of the errors in this finding were relatively minor and had no effect on the eligibility of the client for benefits.

As a corrective action, the Bristol District has issued a memo to Income Maintenance staff specifically focusing on the requirement to request IEVS employment information for absent parents and on the need to check Employment Assessment forms for completeness.”

Status of Prior Audit Finding

Overpayments and Other Exceptions Totaling \$8,446 Occurred as a Result of Recipients Withholding Information and Case Record Maintenance Exceptions

Our current audit covering the period February 15, 2003 to February 24, 2006 disclosed that inadequate/incorrect recipient information and case record management exceptions continue to occur at the Bucks CAO, Bristol District; therefore, a repeat finding is warranted. Refer to Findings 1, 2, 3 and 4 located on pages 9 through 15 for additional discussion on these issues.

Findings and Recommendations

II. Overpayment Control System

Finding 5 - Untimely Verification and Referral of Overpayments and Over-Issuances Totaling \$20,038 Occurred as a Result of Procedural Deficiencies in the Overpayment Control System

We reviewed the Bucks CAO, Bristol District Overpayment Control System to determine if CAO personnel properly investigated suspected overpayments, controlled and documented investigations, and referred verified overpayments timely. From 1,236 entries listed as pending or overpayment on the ARRC Daily Caseload Detail Report dated October 11, 2005, we selected 52 cases.

Our review disclosed the following exceptions:

- **In 22 cases, CAO personnel failed to complete the referral preventing timely notification to OIG.**

The SH, Section 910.51 provides that the CAO will refer all overpayments to the OIG within 60 days from the date the CAO verifies the overpayment occurred.

The section further provides that in order to recover through recoupment, the OIG must notify the recipient of the cash overpayment claim within six months of the date the CAO first identified the overpayment, or within one year of the date the CAO first identified the overpayment, as long as the delay in obtaining verification was caused by an outside source.

These exceptions occurred because the CAO staff did not have controls in place to refer overpayments within the required timeframes. Failure to complete the Overpayment Referral and forward it to the OIG within the required 60 days delayed and could have jeopardized the recovery of overpayments of \$7,253 and over-issuances of \$8,640.

Recommendation

We recommend that the CAO instruct personnel to compute all verified overpayments within 60 days of receipt of that verification. We also recommend that the CAO review internal control procedures for tracking wage information, computing verified overpayments, and reviewing computed overpayments.

Findings and Recommendations

- **In 17 cases, deficiencies occurred when CAO personnel completed the calculation of the overpayment, but failed to complete the referral within 60 days.**

The SH, Section 910.51 provides that the CAO will refer all overpayments to the OIG within 60 days from the date the CAO verifies the overpayment occurred.

The section further provides that in order to recover through recoupment, the OIG must notify the recipient of the cash overpayment claim within six months of the date the CAO first identified the overpayment, or within one year of the date the CAO first identifies the overpayment, as long as the delay in obtaining verification was caused by an outside source.

Although CAO personnel completed the calculation of the overpayment, deficiencies occurred because no controls were in place to refer overpayments within the required timeframes.

Failure to complete the Overpayment Referral Data Input form and forward it to the OIG within the required 60 days delayed and could have jeopardized the recovery of overpayments of \$2,713 and over-issuances of \$1,432.

Recommendation

We recommend that the CAO instruct personnel to compute all verified overpayments within 60 days of receipt of that verification. We also recommend that the CAO review internal control procedures for tracking wage information, computing verified overpayments, and reviewing computed overpayments.

- **In 32 cases, CAO personnel failed to ensure a second Request for Employment Information was sent timely.**

Exceptions occurred because CAO personnel failed to ensure that a second PA78 was sent timely. Potential overpayments discovered through IEVS result in an automatic generation of a PA78. However, if no response is received after the first PA78 is sent, the CAO is required to manually request income verification after contacting the employer. CAO personnel should verify employer addresses and make any corrections before sending a second request.

Findings and Recommendations

Chapter 910 of the SH and the ARRC manual provide procedures and guidelines for contacting non-responding employers.

Failure to ensure that second PA78s were sent timely jeopardized the processing and recovery of overpayments.

Recommendation

We recommend that the CAO send the initial and second PA78 requests for income verification to the employer as required by DPW policies and procedures. We also recommend that the CAO review reports generated for follow-up and address verification within the required timeframes.

- **In 4 cases, CAO personnel failed to contact non-responding employers.**

These exceptions occurred when caseworkers failed to contact employers or employers failed to respond to initial requests for wage verification within 45 days of the initial request. Caseworkers failed to timely contact employers within ten days to verify employer addresses.

Failure to contact employers timely may have delayed initiating procedures to recover incorrectly disbursed benefits. Also, failure to contact employers hindered initiating procedures to send a second PA78 request.

These deficiencies occurred because caseworkers failed to adhere to the overpayment investigation required timeframes. Additionally, CAO supervisors failed to review the “Non-Responding Employer” list. Caseworkers did not contact non-responding employers due to a lack of procedural controls.

Chapter 910 of the SH and the ARRC manual provide procedures and guidelines for contacting non-responding employers.

Recommendation

We recommend that the CAO contact employers within 10 work days after reviewing the “Non-responding Employer” list. We also recommend that the CAO verify employer addresses.

Findings and Recommendations

- **In 1 case, CAO personnel failed to complete an Overpayment Referral Data Input form within 10 days after suspecting overpayments.**

SH, Section 910.41, “Overpayment Data – ARRC System Input” provides that when the CAO discovers a possible TANF, GA, FS, or MA overpayment, the CAO will complete an Overpayment Referral Data Input Form and enter the data into the ARRC system within 10 work days from the date the overpayment was identified.

Failure to complete the overpayment referral data input form timely impeded tracking of suspected overpayments that were not investigated.

This deficiency occurred because CAO personnel failed to timely complete the overpayment referral data input form in accordance with DPW procedures.

Recommendation

We recommend that the CAO require personnel to enter overpayment information which is not automatically entered into the ARRC system within ten work days after identifying a potential overpayment.

Management Response

In a December 15, 2006 memorandum to Department personnel, the Bucks CAO Executive Director provided the following response:

“The predominance of errors were recorded not because the correct actions were not taken, but because they were not taken timely. Simply being outside of the departmentally established timeframe in no way jeopardizes the recovery of overpayments as stated in the audit report.

The systems generated reports of pending overpayments are reviewed by the District Managers with the IM Supervisors on a monthly basis. The IM Supervisors in turn review the reports with the individual IM Caseworkers. This is certainly in line with your recommendation.

During the period of this audit, February 2003 to February 2006, the Bucks CAO experienced the worst staff deficiency in my twenty-two years as the Executive Director. There was a heavy volume of retirements

Findings and Recommendations

followed by a hiring freeze. It was necessary to prioritize the work of the CAO in order to authorize and continue cash, food stamp and medical benefits to our clients. It was work such as overpayments that was assigned the lower priority at the time.

That being said, we do recognize the importance of completing the work required to recover benefits incorrectly received. We continue to monitor all reports to improve the timeliness of investigating and recovering overpayments.”

Status of Prior Audit Finding

Untimely Verification and Referral of Overpayments and Over-Issuances Totaling \$14,678 and Overstated and Understated Overpayments Totaling \$155 Occurred as a Result of Procedural Deficiencies in the Overpayment Control System

Our current audit covering the period February 15, 2003 to February 24, 2006 disclosed that procedural deficiencies continue to exist at the Bucks CAO, Bristol District in the execution of the Overpayment Control System; therefore, a repeat finding is warranted. Refer to the bullets in Finding 5 on pages 17 through 20 for additional discussion on these issues.



**Commonwealth of Pennsylvania
Department of Public Welfare
Bucks County Assistance Office
Bristol District**

**AUDIT SUMMARIES
GLOSSARY
AND
APPENDIX**

Audit Summaries

Eligibility Audit Results

	Cases at CAO	Cases Reviewed	Cases with Errors
<u>Current</u>	1,903	145	43
<u>Prior</u>	1,479	297	34

Other Results

<u>PROGRAM</u>	<u>No. of Cases</u>	<u>Monetary Effect</u>
Overpayment Control System:		
CAO personnel failed to complete the referral preventing timely notification to OIG.	22	\$15,893
CAO personnel completed the calculation of the overpayment, but failed to make referrals timely.	17	4,145
CAO personnel failed to ensure a second request for employment information was sent timely.	32	0
CAO personnel failed to contact non-responding employer timely.	4	0
CAO personnel failed to complete Overpayment Referral Data Input form timely.	<u>1</u>	<u>0</u>
Total:	76	\$20,038

Glossary

Administrative Underpayment:

Cash and/or food stamp benefits to which recipients were entitled but did not receive because of County Assistance Office error.

Case Closure:

Equal to one month of cash and/or food stamp benefits that were not paid/issued to recipients as a result of the Department's audit establishing recipient ineligibility.

Client Information System:

The on-line data base which contains the information necessary to authorize cash, Medicaid, and food stamps.

Closed Case:

A case that is no longer being issued welfare benefits.

Countable Income:

Income that is not exempt or excluded from benefit determination.

Legally Responsible Relative:

A spouse or the biological or adoptive parent of a TANF dependent child, a TANF minor parent, or a GA unemancipated minor child under age 19 or a GA minor parent. This term does not include putative fathers.

Reimbursement:

Money owed by recipients for cash benefits they received while waiting for a lump sum payment from sources such as a lawsuit, insurance, Supplemental Security Income, etc.

Supplemental Security Income:

A federal program funded by general tax revenues and administered by the Social Security Administration. Provides cash to aged, blind, and disabled persons who have little or no income to meet basic needs for food, clothing, and shelter. Received in lieu of cash grants from Public Welfare; however, SSI recipients can qualify for food stamps and medicare. Both children and adults can qualify for SSI.

Support Pass-Through:

An increase in the recipient's cash benefits which occurs when the Domestic Relations Office forwards child support money for recipients to the Department of Public Welfare. Because food stamp benefits are based on a recipient's income, this increase in cash benefits may result in a concurrent, but not equal, decrease in the recipient's food stamps.

Appendix

Abbreviations Used in Report

ARRC	Automated Restitution Referral and Computation System
BCAO	Bucks County Assistance Office
CAH	Cash Assistance Handbook
CAO	County Assistance Office
CIS	Client Information System
DAP	Disability Advocacy Program
DO	District Office
DPW	Department of Public Welfare
FS	Food Stamps
FSH	Food Stamp Handbook
GA	General Assistance
IEVS	Income Eligibility Verification System
IM	Income Maintenance
MA	Medical Assistance
MEH	Medicaid Eligibility Handbook
OIG	Office of Inspector General
OPS	Operations Memorandum
SH	Supplemental Handbook
SSA	Social Security Administration
SSD	Social Security Disability
SSI	Supplemental Security Income
TANF	Temporary Assistance to Needy Families

Audit Report Distribution List

This report was originally distributed to the following:

Commonwealth of Pennsylvania

The Honorable Edward G. Rendell
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The Honorable Estelle B. Richman
Secretary
Department of Public Welfare

The Honorable Edwin B. Erickson
Chair
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Senate of Pennsylvania

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Office of Income Maintenance
Department of Public Welfare

The Honorable George Kenney
Republican Chair
Health and Human Services Committee
Pennsylvania House of Representatives

Kathy Jellison
President
PA Social Services Union
Local 668 S.E.I.U. AFL-CIO

The Honorable Donald L. Patterson
Inspector General
Office of Inspector General

County Assistance Office

Jacquelyn Laumakis
Executive Director
Bucks County Assistance Office

Debra McCloskey
District Manager
Bucks County Assistance Office
Bristol District

Chairperson
Bucks County Board of Assistance

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, PA 17120. If you have any questions regarding this report or any other matter, you may contact the Department by accessing our website at www.auditorgen.state.pa.us.