

Compliance Audit

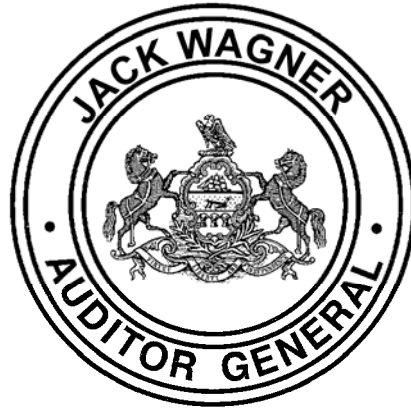
of the

Commonwealth of Pennsylvania  
Department of Public Welfare  
***Cameron County Assistance Office***

Audit Period

February 15, 2003 to October 28, 2005





Compliance Audit

of the

Commonwealth of Pennsylvania  
Department of Public Welfare  
*Cameron County Assistance Office*

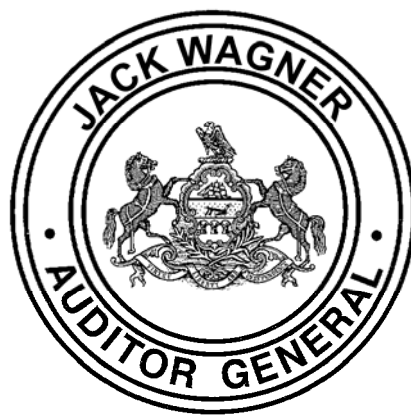
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## **Report of Independent Auditors on Compliance**

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 stamps 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.

Our audit of the Cameron County Assistance Office, covering the period February 15, 2003 to October 28, 2005, included procedures to determine 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. Procedures included examining, on a test basis, evidence in support of benefits provided, reviewing documentation of County Assistance Office actions and interviewing County Assistance Office personnel and welfare recipients. In addition to the eligibility review, we evaluated the Overpayment Control System.

No exceptions were disclosed during our reviews of the random eligibility case records and 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, other exceptions may have been identified during our audit.

This report is intended for the benefit of the Cameron County Assistance Office 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

October 28, 2005



**Commonwealth of Pennsylvania  
Department of Public Welfare  
Cameron County Assistance Office**

**BACKGROUND INFORMATION**  
**AND**  
**OBJECTIVES, SCOPE, AND METHODOLOGY**

## ***Background Information***

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### **Department of Public Welfare**

The Department of Public Welfare (DPW) provides money, Food Stamps, Medical Assistance 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 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 clients who are eligible for cash assistance, Nonmoney Payment, or Medically Needy Only benefits. DPW makes either direct payment to medical practitioners and vendors for services, medications, and medical supplies, or a capitation payment to contracted managed care organizations.

## ***Objectives, Scope, and Methodology***

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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 and certain state legislators.

The audit included eligibility reviews of a sample of public assistance cases for the audit period February 15, 2003 to October 28, 2005. We also reviewed the CAO's implementation of procedures for the Overpayment Control System to determine compliance with regulations and policies.

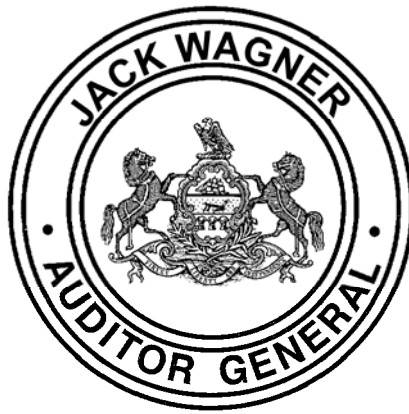
Criteria used in conducting the audit are contained in the publications listed in the Appendix of this report.

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 (IEVS) Exchanges 4 and 5. (Exchange 4 contains information from the Social Security Administration 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 determined that either CAO personnel complied with required guidelines or noncompliance was immaterial; therefore, we submitted no findings or observations in these areas.

During the March 13, 2006 exit conference, the Department's staff reviewed the audit results with the Cameron CAO representatives.



**Commonwealth of Pennsylvania  
Department of Public Welfare  
Cameron County Assistance Office**

**AUDIT SUMMARY  
AND  
APPENDIX**

## ***Audit Summary***

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### **Audit Summary**

During the course of our audit, we examined 38 out of 53 case records from the Cameron CAO to determine if personnel properly maintained case records in accordance with the DPW policies and procedures, and properly disbursed authorized benefits to eligible recipients in accordance with 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.

Our audit disclosed that no significant exceptions were discovered that would warrant a finding in this audit report.

## ***Appendix***

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### Abbreviations Used in Report

ARRC	Automated Restitution and Referral System
CAH	Cash Assistance Handbook
CAO	County Assistance Office
CIS	Client Information System
DO	District Office
DPW	Department of Public Welfare
FSH	Food Stamp Handbook
GA	General Assistance
IEVS	Income Eligibility Verification System
IRS	Internal Revenue Service
MEH	Medical Assistance Handbook
PAEM	Public Assistance Eligibility Manual
SSA	Social Security Administration
TANF	Temporary Assistance for Needy Families





## ***Audit Report Distribution List***

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This report was originally distributed to the following:

### Commonwealth of Pennsylvania

The Honorable Edward G. Rendell  
Governor

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

The Honorable Jake Corman  
Majority Chairman  
Public Health and Welfare Committee  
Senate of Pennsylvania

The Honorable Estelle B. Richman  
Secretary  
Department of Public Welfare

The Honorable Vincent J. Hughes  
Minority Chairman  
Public Health and Welfare Committee  
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Pennsylvania House of Representatives

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

### County Assistance Office

Diana Ewing  
Executive Director  
Cameron County Assistance Office

Chairperson  
Cameron 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](http://www.auditorgen.state.pa.us).