

Compliance Audit

of the

Commonwealth of Pennsylvania
Department of Public Welfare's
Cash and Food Stamp Programs

Tioga County Assistance Office

Audit Period

November 11, 2005 to August 14, 2009



Compliance Audit

of the

Commonwealth of Pennsylvania
Department of Public Welfare's
Cash and Food Stamp Programs

Tioga County Assistance Office

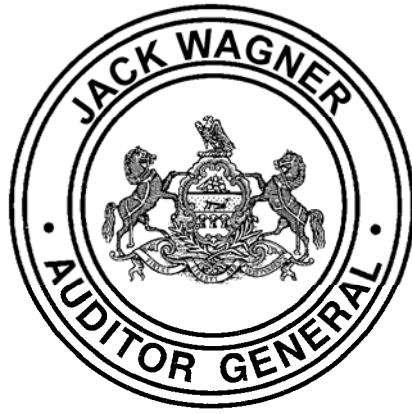
Audit Period

November 11, 2005 to August 14, 2009



CONTENTS

	Page
REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE	1
BACKGROUND INFORMATION	4
OBJECTIVES, SCOPE, AND METHODOLOGY	8
AUDIT SUMMARY	10
AUDIT REPORT DISTRIBUTION LIST	11



Report of Independent Auditors on Compliance

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

Dear Governor Rendell:

We have conducted a compliance audit of the Tioga County Assistance Office (CAO) pursuant to Section 109.1 of Title 55 of the Pennsylvania Code and Sections 402 and 403 of the Fiscal Code. The audit period was November 11, 2005 through August 14, 2009. The objective of our audit was to determine whether the CAO made proper eligibility determinations for recipients of cash and food stamps based on Department of Public Welfare (DPW) policies and procedures.

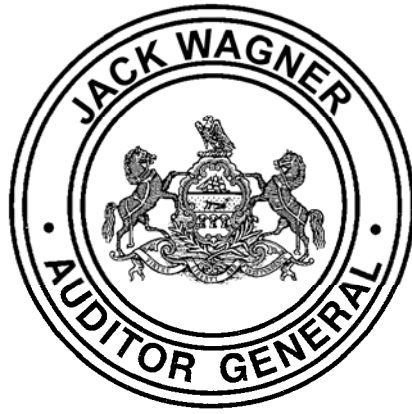
As a result of our audit, we determined that no deficiencies exist that would warrant a finding or observation in this audit report.

During the exit conference, we reviewed the audit results with the Tioga CAO management. We have included the CAO and DPW comments, where applicable, in this report.

Sincerely,

JACK WAGNER
Auditor General

November 23, 2010



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

BACKGROUND INFORMATION

Background Information

The Department of Public Welfare (DPW) is responsible for the administration of public assistance benefits to needy recipients in Pennsylvania. Benefits include cash assistance and food stamps.

Cash Assistance

Cash assistance is grant money. There are two categories of cash assistance:

1. Temporary Assistance to Needy Families (TANF), a federally-funded program that provides money to families with dependent children in need of financial support that is not available from one or both parents; and
2. General Assistance (GA), a state-funded program that provides money primarily to disabled individuals who do not have enough income to meet their basic needs and who do not qualify for TANF.

In order to qualify for TANF, applicants must fall within established income and resource limits and meet age limitation and family relationship requirements. Adults receiving assistance through TANF are required to work or participate in a work-related training program for 20 hours a week if they have been receiving benefits for less than 5 years, or for 30 hours a week if they have been receiving benefits for more than 5 years. Recipients are enrolled in these activities either directly through the CAO or through a contractor hired by DPW. If a recipient is not able to work, good cause must be established.

In order to qualify for GA, a recipient must have either a permanent disability or a temporary disability which would allow him/her to obtain benefits for less than 12 months. A recipient who DPW determines to be permanently disabled is eligible for Interim GA benefits, but, as a condition of eligibility, is required to apply for Social Security Administration (SSA) benefits and to sign a reimbursement agreement. If a recipient's claim for SSA benefits is successful, the recipient will be removed from Interim GA when he or she begins to receive SSA benefits. If the recipient's SSA benefits are retroactive and the recipient receives SSA benefits for an identical time period for which he/she received Interim GA, the reimbursement agreement will enable DPW to be reimbursed any cash assistance paid to the recipient for that time period. This prevents the recipient from receiving overlapping Interim GA and SSA benefits. Without the reimbursement agreement, the recipient would not be required to repay Interim GA and, as a result, the Commonwealth would lose its ability to recover the funds. If a

Background Information

recipient is denied eligibility for SSA, the recipient is required to appeal the decision within 60 days of the denial.

Recipients who receive cash assistance and/or food stamps can also receive Special Allowances (SPALs), which are supplemental payments to cover the cost of clothing, transportation, tools or other items necessary to participate in training or work activities.

Food Stamps

Food stamp benefits are provided under the federal Supplemental Nutrition Assistance Program (SNAP), which is designed to provide assistance to low-income households in order to raise their level of nutrition. It is operated jointly by the U.S. Department of Agriculture and DPW. Eligibility is based on levels of income and, in some counties, on whether a recipient is engaged in an employment and training program. Recipients of TANF and GA are automatically eligible to receive food stamps.

Eligibility Requirements for Cash and Food Stamps

Eligibility determinations are based on federal and state regulations specifying which individuals qualify for a program and the amounts for which they qualify. The Code of Federal Regulations (CFR) contains the applicable federal regulations. The Pennsylvania Code contains the applicable state regulations. The policies and procedures in place to ensure compliance with the regulations are contained in DPW's Cash Assistance Handbook, Supplemental Nutrition Assistance Program Handbook, Income Eligibility Verification System (IEVS) Handbook, and Supplemental Handbook.

Relevant information about recipients is recorded and maintained in DPW's Client Information System (CIS). This information is used to determine eligibility status and category of aid. The CAO updates information on CIS when new information becomes available.

CAO personnel utilize DPW's Income Eligibility Verification System (IEVS) to compare income and resource information with income and resource information obtained from outside sources. IEVS is updated on a regular basis with information from several sources including wage information from the Department of Labor and Industry, benefit information from the Social Security Administration, and tax and unearned income information from the Internal Revenue Service. CAO caseworkers are required to review this information at the time of application, when the recipient submits his/her semi-

Background Information

annual reporting (SAR) form and at the annual renewal. Caseworkers receive alerts when they are required to review certain information between the application date, the SAR, and at the time of the annual renewal.

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

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives, Scope, And Methodology

To achieve our audit objectives regarding eligibility, we obtained a monthly data file from the Department of Public Welfare of all recipients who received cash benefits as of April 2009. We selected a random sample of 87 cases from the 208 cases related to the Tioga CAO represented in the data file. Our audit period was November 11, 2005 to August 14, 2009.

For each case selected in our sample, we tested income, disability, work activity, and non-financial eligibility requirements to determine compliance with DPW regulations and administrative policies.

The criteria we used to test cases in our sample included the Cash Assistance Handbook, the Supplemental Nutrition Assistance Program Handbook, the Supplemental Handbook, the IEVS Manual, and the Client Information System Manual.

It is DPW's position that the Department of the Auditor General is not authorized to have access to all information that contains wage and unearned income from the IRS. This scope limitation prevents us from confirming that all resources were included in calculating recipients' eligibility for benefits.

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

AUDIT SUMMARY

Audit Summary

During our field audit, we examined 87 case records to determine whether the CAO made proper eligibility determinations for recipients of cash and food stamps.

As a result of our audit, we determined that no deficiencies exist that would warrant a finding or observation in this audit report.

Audit Report Distribution List

This report was originally distributed to the following:

Commonwealth of Pennsylvania

The Honorable Edward G. Rendell
Governor

Michael Nardone
Acting Secretary
Department of Public Welfare

The Honorable Mary A. Soderberg
Secretary
Office of the Budget

Tina Long, Director
Division of Financial Policy & Operations
Bureau of Financial Operations
Office of Administration
Department of Public Welfare

The Honorable Robert McCord
State Treasurer

The Honorable Donald L. Patterson
Inspector General

Joanne Glover, Acting Deputy Secretary
Office of Income Maintenance
Department of Public Welfare

Lourdes Padilla, Acting Director
Bureau of Operations
Office of Income Maintenance
Department of Public Welfare

John Kaschak, Director
Bureau of Audits
Office of the Budget

County Assistance Office

Sharon Dunmore, Executive Director
Tioga County Assistance Office

Chairperson
Tioga 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.