The Auditor's Newsletter

SEPTEMBER 2012

The Vermont State Auditor's Office

HUMAN SERVICES PROGRAMS

Eligibility System Contained Some Deceased Beneficiaries

Human service benefit programs constitute a large proportion of the state's expenditure. It is important that spending in these programs be well controlled, since a small percentage of improper payments can add up to a very large amount. There are many ways in which improper payments can arise in human service programs, whether by error or by fraud.

This report focuses on one potential source of overpayments: the enrollment of deceased individuals in benefit programs. We identified 31 individuals listed in ACCESS, the state's beneficiary management system, as active beneficiaries, who were reported as deceased by the Social Security Administration. About $10,600 had been paid relating to these individuals after their death dates.

Our audit also identified weaknesses related to the process used to check for deceased individuals and to verify social security numbers, and made recommendations to address them. For example, once initial eligibility was established, there was no process to periodically and systematically compare beneficiaries in ACCESS to available death records from the Social Security Administration. Therefore, we recommended that the Department for Children and Families obtain death data from this organization quarterly and match this data to active beneficiaries in ACCESS.

The Auditor's Office would like to thank the management and staff of the Department for Children and Families, Department of Mental Health and Department of Health for their cooperation during the course of this audit.

View the full report here.

Peer Review

Maintaining an appropriate internal quality control system is essential to performing effective audits. State audit organizations undergo an external peer review to help ensure the adequacy of and compliance with its internal quality control system. The external peer review program is administered by the National Association of State Auditors, Comptrollers and Treasurers (NASACT). An independent peer review team evaluates the quality control procedures and processes a state audit organization has established to provide reasonable assurance of conforming to generally accepted government auditing standards (GAGAS). A report is issued with an opinion on the organization's internal quality control system and identified deficiencies are noted. State audit organizations are required to undergo peer review at least once every three years.

Continued page 2

View previous newsletters

- *August Newsletter*
- *July Newsletter*
- *June Newsletter*
- *May Newsletter*
- *April Newsletter*
- *March Newsletter*
- *February Newsletter*
- *January Newsletter*

The Vermont State Auditor's Office

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About Us

The State Auditor is a constitutional officer, elected biennially by the citizens of Vermont. The Auditor's principal duties are generally defined by 32 VSA §163, 167, and 168. These duties include the following:

- performance audits executed in accordance with generally accepted government auditing standards promulgated by the U.S. Government Accountability Office;
- the annual audit of the State's financial statements, commonly known as the Comprehensive Annual Financial Report (CAFR);
- the annual Federal Single Audit, which requires states, local governments, and nonprofit organizations expending over $500,000 in federal awards in a year to obtain an audit in accordance with requirements set forth in the Single Audit Act.;
- audits or reviews as statutorily required by the Legislature, such as the law requiring all tax increment financing districts to be audited once every three years.

Peer Review continued...

In September, Audit Manager Steve Vantine spent a week in Boise, Idaho with a group of audit professionals from other states and the federal government as part of the State of Idaho's peer review process.

"I really enjoyed the work, and it was a great experience to examine how another state audit organization operates", Vantine said.

Vermont underwent its last peer review in June of 2012 and the report can be found here.

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