

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 1 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

## **2403 Audit Procedures**

### **A. Overview**

A request for review of financial records of a case may arise from the obligee, obligor, attorney, other state agency, the court or Probation Child Support Enforcement (PCSE) staff.

PCSE Units and Vicinage Finance Divisions shall work cooperatively to resolve any discrepancies in the account records.

There are two methodologies by which the financial records of a case can be reviewed:

1. Financial Review – PCSE staff should initially conduct a financial review of a case; and
2. Finance Case Audit – Should PCSE staff be unable to resolve the issue or the matter is too complex, PCSE can request an audit be performed by Finance.

### **B. A Party Disputes the Financial Record**

1. If PCSE staff are notified by an obligee, obligor, attorney or other state agency of a financial discrepancy in a case, PCSE staff may be able to quickly narrow its search to a specific amount. For example, the amount may be the equivalent of a weekly payment and staff may find that a payment was not made in a month where there were 5 weeks rather than 4 weeks.
2. The entity contacting PCSE must provide specific issues to research to assist/identify the financial discrepancy, this may include missing orders, modifications of orders, missing payments, direct pay credits or incorrect charges.

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 2 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

3. PCSE staff should utilize the appropriate New Jersey Kids Deserve Support (NJKiDS) screens/pages such as RHIS, OWIZ, DSBV, ELOG, etc. to review the current payments and charges and financial activity for events that may have affected the payment records.

**C. PCSE Financial Review**

1. If PCSE staff are able to identify an area where the information on NJKiDS is incorrect, the appropriate case modification/adjustment should be made with the approval of their supervisor. If PCSE staff cannot identify the discrepancy, the case file and completed *Audit Checklist* (Attachment 2403B) should be reviewed and signed-off by the Probation supervisor and then forwarded to Finance.
2. If the preliminary review does not resolve the problem, the *Audit Cover Letter* (Attachment 2403A) and the payment history report on the RHIS screen/page can be sent to the obligor indicating that a discrepancy was not identified. Similarly, Attachment 2403A and the disbursement history report located on the DSBV screen/page can be sent to the obligee. Older payment history records from ACSES are available on CD and/or microfiche, outside of NJKiDS and must be redacted of any federal tax information (FTI) before releasing to the obligee.

**Note:** The obligor may respond with proof of payments made that are not reflected in the case record. If the missing payments came from an employer subject to an income withholding, PCSE should contact the employer to determine the status of the payments. If the employer fails to cooperate in resolving the discrepancy, PCSE should review the Probation Child Support Enforcement Operations Manual, 1603 Income Withholding Procedures and determine if an Order to Show Cause is appropriate.

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 3 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

3. Update the NOTE screen/page with all telephone and written communication with the client to resolve the dispute.
4. The client is afforded 15 days from the date of Attachment 2403A to review and respond to the documentation provided. The client must provide a written explanation of his/her findings along with copies of the front and backs of checks or money orders, cash receipts, signed court orders or employer payments which they feel were not credited to the account.
5. PCSE staff will review the documentation to confirm any discrepancy and advise the other party to obtain consent if an adjustment must be made.
6. If PCSE staff agrees with the client, the account will be adjusted accordingly. The necessary financial note to Finance or the New Jersey Family Support Payment Center (NJFSPC) must be prepared as per existing standard operating procedures to resolve any incorrect charges and transaction balances.
7. If PCSE staff are unable to resolve the discrepancy to the client's satisfaction, Finance will perform an audit.

**D. Preparing the Case for Finance's Audit**

1. There are two circumstances for which an audit to be performed by Finance can be requested as follows:
  - a. Ordered by the Court

In instances where the court has ordered a financial audit of a case, PCSE staff must complete Attachment 2403B by checking the appropriate box to indicate that it is court ordered.

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 4 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

When an audit is ordered by the court, the properly assembled case file should be forwarded directly to Finance along with Attachment 2403B.

b. Requested by Vicinage PCSE Staff

In instances where PCSE staff are requesting a financial audit of a case, PCSE staff must have conducted an initial financial review of the case, complete Attachment 2403B, and forward the properly assembled case file to Finance along with Attachment 2403B.

2. Prior to submission to Finance for an audit, PCSE should verify the following:

- a. Has this case been transferred from another county and does that county need to perform an audit of its records;
- b. The case file with all orders assembled chronologically, Attachment 2403B and relevant correspondence was reviewed and approved by a PCSE supervisor. The supervisor must ensure all required steps were taken by PCSE staff before the case file is turned over to Finance;
- c. If court-ordered, the audit should be completed in accordance with the terms of the order or by the next return date on a motion/application. PCSE staff must indicate the date that the audit is required by; and
- d. If there was a previous audit, include same in the case file.

**E. Finance's Review and Audit**

Upon receipt of Attachment 2403B and case file, Finance should complete the following:

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 5 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

1. Verify that Attachment 2403B has been provided and that all steps were properly completed;
2. Review all payment histories back to the inception of the account or the last audit;
3. Review the court orders and correspondence;
4. Using the applicable Excel audit spreadsheet, fill in the proper charges and credits and effective dates of the order(s) to determine the correct account balance;
5. Compare the spreadsheet balance with the balance on NJKiDS to determine if there is a discrepancy. If a discrepancy exists, particular attention should be paid to account adjustments due to order modifications, direct pay or other credits and charge dates;
6. Summarize the results of the audit and provide copies to PCSE staff for distribution to the parties and attorney;
7. Update the NOTE screen/page with the action taken, such as the date the audit was completed and when the results were forwarded to PCSE staff;
8. Upon receipt of the results, PCSE staff will send the *Final Audit Cover Letter* (Attachment 2403C) and corresponding documentation to the parties and attorney.
9. The parties have 15 days to review the audit and contact PCSE staff for any questions or concerns. If the client desires a meeting with Probation, then staff who prepared the audit should be included in any meeting with the client. If the meeting is unsuccessful, the parties will need to file a motion/application with the Family Division.

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 6 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

10. If the audit results in an adjustment, PCSE will submit a FNOTE, then Finance staff will update NJKiDS after receipt of the financial note and the client's review time has expired. Finance staff will also update NOTE with any relevant information.

**Note:** The person who prepared the audit must not make the actual adjustment to the financial record on NJKiDS.

State of New Jersey  
Administrative Office of the Courts

<b>Probation Child Support Enforcement Operations Manual</b>	<b>Volume A</b>	<b>Revised: 01/02/20</b>
<b>Page 7 of 7</b>	<b>Audit Procedures</b>	<b>Section 2403</b>

**Audit Procedures – List of Associated Forms**

<b>Attachment Number:</b>	<b>Form Title:</b>
2403A	Audit Cover Letter
2403B	Audit Checklist
2404C	Final Audit Cover Letter
2403D	Probation Child Support Enforcement (PCSE) Financial Review Suggested Questions