PART XIV. DEPARTMENT OF THE AUDITOR GENERAL

Chap. 501. AUDITEE REPORTING REQUIREMENTS—STATEMENT OF POLICY

Sec. 501.1. Statement of policy.

The Department of the Auditor General declares that it interprets the entities that are subject to the auditee reporting requirements in section 403 of The Fiscal Code (72 P.S. § 403) as including any Commonwealth executive and independent department, board and commission, and any school district receiving a direct or indirect appropriation from the Commonwealth (auditee).

§ 501.2. Performance audits.

Under case law, the Auditor General has the authority to conduct “special” audits, including special performance audits, under sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403).

§ 501.3. Timely response.

Every auditee, including any Commonwealth department, board and commission, and any school district, receiving recommendations in any of its audits shall submit a response to the Department of the Auditor General detailing adoption of the recommendations, or the reason why recommendations have not been adopted (Act 44 Auditee Reporting Form), within 120 business days of the publication of the audit.
§ 501.4. Department auditee notice.

The Department of the Auditor General will provide notice to every auditee (any department, board and commission, and any school district) 60 business days after the date of the audit’s publication that future appropriations could be denied for failure to respond.

§ 501.5. Response notification.

The Department of the Auditor General (Department) will regularly notify (quarterly) the Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives of the auditees’ responses received, accompanied by comments the Department may wish to submit.


The Department of the Auditor General (Department) will post all of the auditees’ responses on the Department’s publicly accessible web site.

§ 501.7. Responses considered.

The Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives may consider the auditees’ responses when determining whether future appropriations will be considered.

§ 501.8. Failure to report notification.

If the auditee does not respond to the Department of the Auditor General (Department) within 120 business days from the date of the publication of the audit, the Department will notify the Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives.

§ 501.9. Failure to report considered.

The Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives may consider a failure to respond to the audit when determining future appropriations.

§ 501.10. Department coordination.

The Department of the Auditor General (Department) will work with the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives to determine the most effective method to communicate information concerning responses to the Department’s audit recommendations based on the type of audit and significance of the recommendations.
Appendix A

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

Act 44 Auditee Reporting Form

The Department of the Auditor General provides this form for every department, board, and commission and every school district to report its adoption of the Department’s recommendations in its most recent audit pursuant to Act 44 of 2017 amendments to The Fiscal Code regarding Auditee reporting requirements and the Department’s STATEMENT OF POLICY and FORM in 4 Pa. Code Part XIV published in the Pennsylvania Bulletin on February 10, 2018.

Within 120 business days of the publication of the audit, every department, board, and commission (Auditee) that receives recommendations in its audit must submit a response to the Department including the following:

Details of the Auditee’s adoption of the Department’s recommendations, or the reason why recommendations have not been adopted (add attachments as necessary).

Note: Pursuant to Section 1.5 of Act 44, if the Auditee fails to respond to the Department’s recommendations within 120 business days, the Department will notify the Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives, which may consider an Auditee’s failure to respond to the Department’s audit when determining the Auditee’s future appropriations.