

# **Maine Workers' Compensation Board Office of Monitoring, Audit and Enforcement**

## **STEPS TO AN AUDIT**

### **Opening**

We will send an Engagement Letter, which will provide you with:

- Statutory references that provide authority to examine records for compliance with workers' compensation statutory and regulatory requirements
- The year(s) to be audited
- A pre-audit survey to be completed and returned
- A request for an electronic data file of claims for injury year(s) indicated
- Required response within 30 days

### **Planning**

Upon receipt and review of your responses we will:

- Reconcile the list of claims and provide you with our selected sample
- Review Board files
- Review Monitoring Compliance Reports, Complaint(s) for Audit and Corrective Action Plan(s) (if applicable) to determine the scope of the audit
- Request financial information

### **Testing**

Based upon the scope of the audit, we will either schedule an on-site audit or conduct a desk audit which may include (but not be limited to) compliance testing of:

- Timeliness of benefit payments
  - Initial and subsequent indemnity payments
  - Approved Agreements, Orders and/or Decisions
- Accuracy of indemnity payments
  - Average Weekly Wage
  - Weekly Compensation Rate
  - Partial Benefits
  - Indemnity Paid
- Timeliness and accuracy of form filing
- Other items (as applicable)

The following items will be used to measure compliance:

- Statute
- Rules and Regulations
- Law Court decisions

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### **Closing**

We will present our preliminary conclusions in an Exit Conference document, which will:

- Detail the audit results and advise of any other significant issues
- Indicate the preliminary penalty exposure
- Request information, forms and/or corrections
- Ask that you sign and return the document to acknowledge receipt
- Required response within 20 days

After we review your response to the Exit Conference we will send a draft Audit Report, which will:

- Incorporate any additional information
- Summarize the audit results
- Indicate the penalty exposure
- Allow for a 30-day rebuttal period

Upon receipt and review of rebuttal or after rebuttal period expires, we will issue:

- A letter to confirm that the draft Audit Report stands as the final Audit Report or a final Audit Report with material revisions as deemed necessary
- Consent Decree(s) (if applicable)

Consent Decree(s):

- Must be reviewed and signed within 10 days of receipt
- Are countersigned by the Board and returned
- Compliance with the terms within 10 days of receipt of the countersigned copies

Other:

- Final Audit Report indicates full penalty exposure.
- Consent Decree(s) indicate actual negotiated penalties.
- The final Audit Report and Consent Decree(s) are released publicly on the Board's website.