

## POLICY MANUAL

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### 4. FOOD DELIVERY SYSTEM.

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#### 4.03 Retail Store Quality Assurance

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#### A. POLICY OVERVIEW:

The Pennsylvania Department of Health requires the Bureau of Women, Infants, and Children and Local Agency staff to review the effectiveness of the WIC food delivery system and to monitor Local Agency operations of the WIC Program in accordance with 28 Pa. Code § 1105.6 and 7 CFR 246.12(j) by conducting:

- a. Investigations of Complaints
- b. Compliance Monitoring Reviews of Authorized Stores
- c. Local Agency Retail Store Management Reviews

#### B. POLICY:

##### 1. Complaint Procedure

The State Agency and Local Agency staff will maintain a system of accepting, documenting, and investigating complaints by WIC retail stores and participants regarding the WIC food delivery system. Complaints are to be documented in the MIS system by State Agency or Local Agency staff. A detailed report is essential to the prompt and fair resolution of problems. **Information obtained in these reports is to be considered confidential.** All civil rights complaints are to be handled in accordance with Policy Manual 1.03(B.) (2.) and 7 CFR 246.8.

##### 2. Compliance Monitoring Reviews of Authorized Stores

There are four distinct types of monitoring reviews conducted on WIC authorized retail stores to determine their compliance to WIC program regulations and policies. All are unannounced reviews.

- a. Routine Reviews
- b. Compliance Investigations
- c. Inventory Audits
- d. WIC Transaction Reviews

##### 3. High Risk Vendors

The following are the minimum compliance investigations requirements in accordance with

## POLICY MANUAL

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federal regulations: Compliance investigations must be conducted on at least 5% of the number of stores that are WIC authorized as of October 1 of each Federal Fiscal Year (FFY), which includes all high-risk retail stores up to the 5% minimum. The State Agency will identify high risk vendors at least once a year using criteria developed by FNS and other statistically-based criteria developed by the State Agency. In accordance with 7 CFR 246.12 (j)(4)(iii) if more than five percent of the WIC authorized stores in Pennsylvania are identified as high-risk the State Agency will prioritize vendors for compliance investigations that are determined to have the greatest potential for program noncompliance and/or loss of funds.

#### 4. Routine Reviews

Routine reviews must be conducted on at least 5% of the number of stores that are WIC authorized as of October 1 of each FFY. At the beginning of each FFY the State Agency will generate a random listing by Local Agency of active WIC authorized stores. Each Local Agency receives a random list of the authorized stores in their area and must conduct routine monitoring reviews on the first 5% of the stores on the list that will not be going through re-authorization reviews or compliance investigations. WIC transaction reviews cannot be conducted in lieu of routine monitoring reviews. The Local Agency conducts the unannounced reviews any time during the FFY to be scheduled at their discretion.

The methods used to determine the need for retail store monitoring include:

- a. Random listing of active WIC authorized stores.
- b. The State Agencies high-risk identification system, which is based on a review of store patterns of WIC FI redemptions using high risk criteria developed by FNS and supplemented by criteria identified by the Department. This list is to be produced at least once a year. A store identified as high risk is an indication that there may be fraudulent redemptions of WIC FI's.
- c. Local Agency or participant complaints suggesting a retail store's non-compliance with the WIC Program regulations and policies. Typical complaints are that food substitutions are approved by the store; insufficient amounts of WIC allowable foods are stocked by the store; and fraudulent activity such as buying and selling WIC FI's is observed at the store.

#### 5. Compliance Investigations

- a. Compliance investigations are conducted on stores that are identified by the State Agency as high-risk, new stores, and stores selected randomly.
- b. A compliance investigation is generally a review of the store's WIC transaction procedures conducted by an investigative service or Local Agency at the direction of the State Agency and in accordance with the current investigative services contract.

## POLICY MANUAL

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### 4. FOOD DELIVERY SYSTEM.

---

#### 4.03 Retail Store Quality Assurance

---

#### 6. Inventory Audits

An Inventory Audit review is conducted when a store is suspected of buying WIC FI's, allowing substitution or non-allowable WIC foods to be purchased with WIC FI's, is identified by the high-risk vendor analysis, or suspected of redeeming WIC FI's for another store. An Inventory Audit of a store's WIC allowable foods is conducted to determine if the store is accepting WIC FI's without having adequate WIC allowable foods in stock to satisfy the WIC FI's that are redeemed for WIC Allowable foods.

#### 7. WIC Transaction Reviews

WIC Transaction Reviews are reviews of how WIC transactions are conducted by store personnel.

#### 8. Grantee Retail Store Management Reviews

The State Agency will conduct Local Agency Retail Store Management Reviews at each Local Agency at least once every other federal fiscal year. The time period covered by the review is the previous two Federal Fiscal Years.

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#### Reference(s):

1. WIC Federal Regulation: 7 CFR 246.12(j)
2. WIC P&P 1.03, Civil Rights.
3. WIC Regulations §1105.6 Monitoring

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#### Policy Status:

1. This Policy supersedes P&P 4.03, dated February 19, 2015.
2. This P&P supersedes P&P 4.14, dated February 12, 2007.
3. This P&P supersedes P&P 4.15, dated February 12, 2007.
4. This P&P supersedes P&P 4.25, dated May 19, 2010.
5. This P&P supersedes P&P 4.26, dated February 12, 2007.