**Section 140.590 Audit and Record Requirements**

a) All audits shall be conducted according to audit principles set forth in the Department's audit guidelines.

b) Maintenance of records

1) All accounting, financial, medical and other relevant records of the provider and related organizations shall be kept for a minimum of 3 years following the date of the filing of the cost report. This must include a copy of the general ledger trial balance indicating how ledger entries were allocated to specific schedules and lines. Records relating to all fixed asset transactions must be maintained for a minimum of three years following the year in which the assets are last recorded in the cost report.

2) The records must be kept in good order in an auditable form.

3) All provider and related organization records shall be made available to the State auditors or their designees and furnished on their request at a single location. If a facility is selected for field audit and some records are maintained at a location outside the State of Illinois, it is the responsibility of the facility to pay for the expense of transporting the records to one location in Illinois or to pay for the expense of transporting the audit team to the out-of-state location. This would include the expense of lodging and meals.

c) Failure of the provider or related organization to furnish needed records or answer essential inquiries shall result in the suspension or termination of Public Aid payments. The suspension of payments shall take effect after written notice to the provider and continue until such time as full cooperation is received.

d) Final audit results will be communicated to the facility within 90 days of the completion of the field audit.

e) In the event that costs are determined to be overstated, the facility shall be liable for a penalty of 5 percent of the overstatement. The Department may also recover any payments, or portions of payments, made to the facility as a result of incorrect statements.

(Source: Amended at 12 Ill. Reg. 19396, effective November 6, 1988)