



**NORTHUMBERLAND COUNTY
CHILDREN AND YOUTH AGENCY
AMENDED FINANCIAL REPORT
FOR THE PERIOD
JULY 1, 2009 TO JUNE 30, 2010**

COMMONWEALTH OF PENNSYLVANIA
EUGENE A. DEPASQUALE - AUDITOR GENERAL
DEPARTMENT OF THE AUDITOR GENERAL



**Commonwealth of Pennsylvania
Department of the Auditor General
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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

The Commissioners of Northumberland County
Northumberland County Courthouse
399 South Fifth Street
Sunbury, Pennsylvania 17801

Dear Commissioners:

We have examined the submitted fiscal forms CY-370, CY-370A, and CY-348, and the related financial records of the Northumberland County Children and Youth Agency for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the period July 1, 2009 to June 30, 2010, pursuant to authority derived from Act 148 of July 9, 1976, (P.L. 846, No. 148), as amended, 62 P.S. § 704.1(a)(4). The scope of our engagement was limited to the aforementioned fiscal forms included in the Act 148 Invoice Package for Fiscal Year End (FYE) 6/30/2010, certified by the County Officials, and submitted to the Department of Public Welfare (DPW).

Preparation of these submitted fiscal forms and compliance with children, youth, and families regulations are the responsibility of the Northumberland County Children and Youth Agency management. Our engagement included testing of the County Children and Youth Agency's records and other procedures we considered necessary to enable us to ascertain and certify the financial information included on the amended fiscal forms and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code § 3140.1 *et seq.* and § 3170.1 *et seq.*). We believe that our engagement provides a reasonable basis for the certification of the amended financial reports.

The results of the procedures performed during this engagement include 2 adjustments to the attached Northumberland County Children and Youth Agency's fiscal forms, as presented on page 7. We determined that, based upon the state participation rates, the \$9,361 decrease in Expenditures and the \$7,154 decrease in Revenue resulted in a net amount of \$1,955 due to the State.

In addition, during the course of our engagement of the Northumberland County Children and Youth Agency, we also identified areas of non-compliance, which are discussed in the following Findings and Recommendations:

Finding No. 1 – Failure to Perform an Annual Physical Inventory of Fixed Assets

Finding No. 2 – Failure to Conduct an Annual Time Study

Finding No. 3 – Failure to Execute a Purchase of Service Agreement

The results of our engagement procedures, as presented in this report, were discussed with representatives of the Northumberland County Children and Youth Agency at an exit conference held on October 16, 2013.

This report is being forwarded to the Department of Public Welfare, Bureau of Financial Operations, and the Office of Children, Youth, and Families. You will be notified by the Department of Public Welfare of any impact from the results of our engagement. At that time, you will be afforded the opportunity to appeal the results, in accordance with 1 PA Code 31.1 *et seq.*

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Northumberland County Children and Youth Agency.



EUGENE A. DEPASQUALE
Auditor General

April 16, 2014

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the submitted cost and revenue reports of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Public Welfare Code (62 P.S. § 704.1(a)(4)). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” The Children and Youth Social Services Program is County-Administered and State-Supervised by the Department of Public Welfare (DPW) and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Public Welfare Code (62 P. S. § 703), the DPW is responsible for making and enforcing all rules and regulations necessary and appropriate to the proper accomplishment of the child welfare duties and functions vested by law in the county institution districts or their successors. Title 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, outlines the rules and regulations relative to the County Administration of the Children and Youth Social Service Programs. Specifically, in compliance with 55 Pa. Code § 3140.31, the Counties must report their actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DPW through the Act 148 Invoice package. The expenditures reported in the Act 148 Invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by the DPW.

As part of our engagement, we reviewed three fiscal forms included in the Act 148 Invoice package, the CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary. Specifically, we reviewed the final, 4th Quarter fiscal forms submitted to the DPW, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine if the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DPW for the respective fiscal year (FY). The variances identified between the reported and actual costs and revenues required adjustments to these fiscal forms, and thus, the Amended CY-370 Expenditure Report, the Amended CY-370A Revenue Report, and the Amended CY-348 Fiscal Summary included in this report reflect the County Children and Youth Agency’s revised costs and revenues and the impact on the Net State Share.

**NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	4,488,753
Supplemental Act 148			<u>0</u>
Total State Allocation			4,488,753
State Share (CY348) ²	\$		4,289,204
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,289,204
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	4,289,204
Actual Act 148 Revenues Received ⁴			<u>4,291,159</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(1,955)</u></u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
 AMENDED CY348
 FISCAL SUMMARY

	A		B		C		D		E		F		G		H		I		J		K	
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE											
NET CHILD WELFARE EXPENDITURES																						
01. 100% REIMBURSEMENT	432,473	100	77,214	0	0	0	0	0	355,159	355,159	(0)											
02. 90% REIMBURSEMENT	140,628	0	29,832	0	0	0	0	0	110,796	99,717	11,079											
03. 80% REIMBURSEMENT	6,160,093	373,850	1,190,277	61,981	94,078	24,008	0	0	4,415,900	3,532,719	883,181											
04. 60% REIMBURSEMENT	593,350	32,588	83,637	0	0	0	0	0	471,416	282,849	188,567											
05. 50% REIMBURSEMENT	40,329	2,810	0	0	0	0	0	0	37,519	18,760	18,759											
06. TOTAL NET CHILD WELFARE EXPEND.	7,366,873	409,348	1,380,960	61,981	94,078	24,008	0	0	5,390,789	4,289,204	1,101,585											
YDC/YFC PLACEMENT COSTS																						
07. 60% DPW PARTICIPATION	515,074	12,242							502,832	301,699	201,133											
08. NON-REIMBURSABLE EXPENDITURES	5,934	117	0						5,817		5,817											
09. TOTAL EXPENDITURES	7,887,881	421,707	1,380,960	61,981	94,078	24,008	0	0	5,899,438	4,590,903	1,308,535											
10. IL Grant Funds Reported	0																					
11. TOTAL HSDF used for Child Welfare	0																					
12. TOTAL TITLE IV-D COLLECTIONS	175,651																					
13. TITLE IV-D Collections for IV-E Children	42,977																					
14. STATE ACT 148 - line 6	4,289,204																					
15. STATE ACT 148 ALLOCATION	4,488,753																					
16. ADJUSTED STATE SHARE (lower of 14 or 15)	4,289,204																					
INVOICE																						
AMENDED STATE SHARE (ACT 148)	4,289,204																					
ACT 148 AMOUNT AS SUBMITTED	4,291,159																					
ADJUSTMENT TO STATE SHARE	(1,955)																					
Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children																			
SPLC	191,046	9,094	31																			

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPEDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	432,473	100		77,214	0		0	0	0	355,159	355,159	(0)
1-B ADOPTION ASSISTANCE	733,191	0	361,496	0					0	371,695	297,356	74,339
1-C COUNSELING - DEPENDENT	1,384	0		0	0	0	0	0	0	1,384	1,107	277
1-D COUNSELING - DELINQUENT	46,131	0		0	0	0	0	0	0	46,131	36,905	9,226
1-E DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-F DAY TREATMENT - DEPENDENT	3,472	0		0	0	0	0	0	0	3,472	2,778	694
1-G DAY TREATMENT - DELINQUENT	163,679	0		0	61,981	0	0	0	0	101,698	81,358	20,340
1-H HOMEMAKER SERVICE	305,618	38,000		0	0	94,078	24,008	0	0	149,532	119,626	29,906
1-I INTAKE & REFERRAL	0	0		0	0	0	0	0	0	0	0	0
1-J LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	386,030	0		68,941	0	0		0	0	317,089	253,671	63,418
1-M PROTECTIVE SERVICE - GENERAL	1,079,604	133		192,090	0	0		0	0	887,381	709,904	177,477
1-N SERVICE PLANNING	792,846	0		141,617	0	0	0	0	0	651,229	520,984	130,245
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	18,000	0		0	0	0	0	0	0	18,000	9,000	9,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	2,322	0		0	0	0	0	0	0	2,322	1,161	1,161
1-Q SUBTOTAL IN-HOME	3,964,750	38,233	361,496	479,862	61,981	94,078	24,008	0	0	2,905,092	2,389,009	516,083

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPEDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	189,117	5,844		0	0	0	0	0	183,273	146,618	36,655	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	60,285	2,011		515	0	0	0	0	57,759	46,207	11,552	0
2-E EMERGENCY SHELTER - DEPENDENT	129,871	0		28,707	0	0	0	0	101,164	91,048	10,116	0
2-F EMERGENCY SHELTER - DELINQUENT	10,757	0		1,125	0	0	0	0	9,632	8,669	963	0
2-G FOSTER FAMILY - DEPENDENT	2,228,967	274,370		249,245	188,914	0	0	0	1,516,438	1,213,150	303,288	0
2-H FOSTER FAMILY - DELINQUENT	169,769	53,492		(10,645)	(1,896)	0	0	0	128,818	103,055	25,763	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	2,788,766	335,717	268,947	187,018	0	0	0	0	1,997,084	1,608,747	388,337	0

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPEDITURES	STATE ACT 148	LOCAL SHARE	
3-A JUVENILE DETENTION SERVICE	20,007	2,810		0	0	0	0	0	17,197	8,599	8,598	0
3-B RESIDENTIAL SERVICE - DEPENDENT	63,741	7,415		9,602	0	0	0	0	46,724	28,034	18,690	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	275,945	25,173		28,885	0	0	0	0	221,887	133,132	88,755	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0	0	0	0	0	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	0	0	0	0	0	0	0	0
3-F YDC SECURE	515,074	12,242		0	0	0	0	0	502,832	301,699	201,133	0
3-G SUBTOTAL INSTITUTIONAL	874,767	47,640	38,487	0	0	0	0	0	788,640	471,464	317,176	0
4 ADMINISTRATION	253,664	0	45,150	0	0	0	0	5,709	202,805	121,683	81,122	0
5 TOTAL REVENUES	7,881,947	421,590	668,930	712,030	61,981	94,078	24,008	5,709	5,893,621	4,590,903	1,302,718	0

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY.370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non-Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
I-A ADOPTION SERVICE	224,657	122,617		85,199	0	0	432,473	48	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	733,191	0	0	0	733,191	0	139	0	0	0
I-C COUNSELING - DEPENDENT	0	0		0	1,384	0	1,384	0	1	0	0	0
I-D COUNSELING - DELINQUENT	0	0		0	46,131	0	46,131	0	23	0	0	0
I-E DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-F DAY TREATMENT - DEPENDENT	0	0		0	3,472	0	3,472	0	3	0	0	0
I-G DAY TREATMENT - DELINQUENT	0	0		0	163,679	0	163,679	0	47	0	0	0
I-H HOMEMAKER SERVICE	130,329	70,285		105,004	0	0	305,618	291	0	0	0	0
I-I INTAKE & REFERRAL	0	0		0	0	0	0	0	0	0	0	0
I-J LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-L PROTECTIVE SERVICE - CHILD ABUSE	204,766	83,912		97,352	0	0	386,030	292	0	0	0	0
I-M PROTECTIVE SERVICE - GENERAL	586,623	281,641		210,848	492	0	1,079,604	1,091	4	0	0	0
I-N SERVICE PLANNING	422,378	214,043		156,425	0	0	792,846	1,062	0	0	0	0
I-O JUVENILE ACT PROCEEDINGS - DEPENDENT				0	18,000		18,000	0	162	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DELINQUENT				0	2,322		2,322	0	2	0	0	0
I-Q SUBTOTAL IN-HOME	1,568,753	772,498	733,191	654,828	235,480	0	3,964,750					2,784
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	1	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	189,117	0	189,117	1,283	23	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	60,285	0	60,285	273	41	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	12,509	117,362	0	129,871	3,885	151	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	212	10,545	0	10,757	235	11	0	0	0
2-G FOSTER FAMILY - DEPENDENT	350,946	190,308	191,046	349,691	1,152,910	0	2,234,901	32,140	197	645	5,289	117
2-H FOSTER FAMILY - DELINQUENT	0	0	0	10,751	159,018	0	169,769	3,206	26	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	350,946	190,308	191,046	373,163	1,689,237	0	2,794,700	41,023	449	645	5,289	117
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	20,007	0	20,007	93	16	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	447	63,294	0	63,741	702	5	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	397	275,548	0	275,945	2,275	16	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	0	0	0	0	0	0	0	0
3-F YDC SECURE	0	0	0	0	515,074	0	515,074	1,540	15	0	0	0
3-G SUBTOTAL INSTITUTIONAL	0	0	0	844	873,923	0	874,767	4,610	52	0	0	0
4 ADMINISTRATION	59,143	22,953	0	171,568	0	0	253,664					0
5 TOTAL EXPENDITURES	1,978,842	985,759	924,237	1,200,403	2,798,640	0	7,887,881			645	5,289	117
County Indirect Costs = \$ 143,950												

**NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 433,637	\$ (1,164)	\$ 432,473
Adoption Assistance	733,191	0	733,191
Counseling	47,515	0	47,515
Day Care	0	0	0
Day Treatment	167,151	0	167,151
Homemaker Service	306,286	(668)	305,618
Intake and Referral	0	0	0
Life Skill	0	0	0
Protective Service - Child Abuse	386,827	(797)	386,030
Protective Service - General	1,082,278	(2,674)	1,079,604
Service Planning	794,879	(2,033)	792,846
Juvenile Act Proceedings	20,322	0	20,322
Alternative Treatment	189,117	0	189,117
Community Residential	60,285	0	60,285
Emergency Shelter	140,628	0	140,628
Foster Family	2,406,477	(1,807)	2,404,670
Supervised Independent Living	0	0	0
Juvenile Detention Service	20,007	0	20,007
Residential Service	339,686	0	339,686
Secure Residential Service (Except YDC)	0	0	0
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	515,074	0	515,074
Administration	<u>253,882</u>	<u>(218)</u>	<u>253,664</u>
Combined Total Expense	7,897,242	(9,361)	7,887,881
Less Non-reimbursables	<u>5,934</u>	<u>0</u>	<u>5,934</u>
Total Net Expense	\$ <u>7,891,308</u>	\$ <u>(9,361)</u>	\$ <u>7,881,947</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,978,842	\$ 0	\$ 1,978,842
Employee Benefits	995,120	(9,361)	985,759
Subsidies	924,237	0	924,237
Operating	1,200,403	0	1,200,403
Purchased Services	2,798,640	0	2,798,640
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Combined Total Expense	7,897,242	(9,361)	7,887,881
Less Non-Reimbursables	<u>5,934</u>	<u>0</u>	<u>5,934</u>
Total Net Expense	\$ <u>7,891,308</u>	\$ <u>(9,361)</u>	\$ <u>7,881,947</u>

**NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE DECREASE	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustment			
CY-370	1-A	2	1	Adoption Service - Employee Benefits	\$ 123,781	\$ (1,164)	\$ 122,617
	1-H	2		Homemaker Service - Employee Benefits	\$ 70,953	\$ (668)	\$ 70,285
	1-L	2		Protective Services - Child Abuse - Employee Benefits	\$ 84,709	\$ (797)	\$ 83,912
	1-M	2		Protective Services - General - Employee Benefits	\$ 284,315	\$ (2,674)	\$ 281,641
	1-N	2		Service Planning - Employee Benefits	\$ 216,076	\$ (2,033)	\$ 214,043
	2-G	2		Foster Family (Dep.) - Employee Benefits	\$ 192,115	\$ (1,807)	\$ 190,308
	4	2		Administration - Employee Benefits	\$ 23,171	\$ (218)	\$ 22,953
				Total Adjustment Amount		<u>\$ (9,361)</u>	
				To decrease Retirement Employee Benefits to properly report the agency's actual allocation of the county pension contribution. The agency had reported an estimated contribution amount on the CY-370.			
				Title 55 PA Code, Chapter 3170.47(f)			
				CY-370A Adjustment			
CY-370A	1-B	3	2	Adoption Assistance - Title IV-E Maintenance	\$ 361,489	\$ 7	\$ 361,496
	2-G	3		Foster Family (Dep.) - Title IV-E Maintenance	\$ 243,820	\$ 5,425	\$ 249,245
	2-H	3		Foster Family (Del.) - Title IV-E Maintenance	\$ 4,468	\$ (15,113)	\$ (10,645)
	2-G	4		Foster Family (Dep.) - Title IV-E Administration	\$ 183,050	\$ 5,864	\$ 188,914
	2-H	4		Foster Family (Del.) - Title IV-E Administration	\$ 1,441	\$ (3,337)	\$ (1,896)
				Total Adjustment Amount		<u>\$ (7,154)</u>	
				To decrease Federal Title IV-E Revenue to adjust for 22 supplemental invoices totaling (\$7,154) that the agency had not reported on its CY-370A.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010

Finding No. 1: Failure to Perform an Annual Physical Inventory of Fixed Assets.

Condition: For fiscal year July 1, 2009 to June 30, 2010, the Northumberland County Children and Youth Agency did maintain a fixed asset listing; however, a physical inventory has not been performed since June of 2007.

Criteria: Title 55 Pa. Code, § 3170.77 (f)(4), related to ownership of fixed assets, states:

Ownership Responsibilities. In accordance with sound business practice, the holder of fixed assets shall:

Perform an annual physical inventory at the end of the funding period/fiscal year by sighting and verifying the inventory listings. Discrepancies shall be documented and kept on file with invoices, inventory reports, and other papers which are subject to audit.

Cause: For the fiscal year under review, the county officials and Agency Fiscal Officer were unaware that the performance of a physical inventory of fixed assets was required annually; however, as a result of a Single Audit recommendation, in 2012, the county implemented procedures whereby an annual physical inventory of all fixed assets will be performed each year.

Effect: Agency fixed assets may not be properly acquired, secured or disposed of in accordance with funding regulations which could lead to loss/misuse of assets.

Recommendation: The Northumberland County Children and Youth Agency should ensure they continue to perform and document an annual physical inventory of the agency's fixed assets, in accordance with applicable regulations.

Agency Response: Agency management concurred, stating that a physical inventory of fixed assets was conducted in 2012 and will continue to be completed annually.

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010

Finding No. 2: Failure to Conduct An Annual Time Study

Condition: The Northumberland County Children and Youth Agency did not perform an annual time study for fiscal year 2009-2010. The agency did allocate its general operating expenses among the various cost centers for purposes of reporting expenditures on the CY-370 Expenditure Report to the Department of Public Welfare; however, they could not provide time study worksheets or any other type of documentation to show the methodology utilized in determining the allocation of expenses.

Criteria: Title 55 Pa. Code, § 3170.91 and § 3170.92(b), related to fiscal management of the County Agency, state, in part:

Section 3170.91.County Responsibility. The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to fiscal operations of the program.

Section 3170.92(b).Records Maintenance. County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed.

Cause: The current Agency Fiscal Officer had just been appointed in 2008 so she was unaware that time studies were to be conducted on an annual basis.

Effect: Failure to properly allocate expenses among the various cost centers on the CY-370 Expenditure Report could lead to inappropriate reimbursement and/or loss of state/federal funding.

Recommendation: The Northumberland County Children and Youth Agency should establish and implement written policies and procedures to ensure that time studies are being conducted annually. In addition, the Agency should ensure the methodology for the completion of the time studies is documented and that the time studies are being utilized in the allocation of general operating costs reported to the DPW on the CY-370 Expenditure Report.

Agency Response: The agency was not aware of the requirement to conduct annual time studies, but will now ensure they are completed for each fiscal year going forward.

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010

Finding No. 3: Failure to Execute a Purchase of Service Agreement

Condition: The Northumberland County Children and Youth Agency did not properly execute a purchase of service agreement with a regularly used provider, as required by the Department of Public Welfare (DPW) regulations. The agency received state reimbursement based on \$8,213 paid to this vendor for host home treatment services; however, a written agreement was not executed with the County, only a copy of the rate sheet for fiscal year 2009-2010 was provided by the agency.

Criteria: Title 55, Pa. Code § 3170.23(b) and § 3170.93(b) related to purchase of service requirements, state, in part:

- *Section 3170.23(b).Purchase of Service.* This section states that a written agreement complying with Section 3170.93 shall be signed by the county and those providers to which clients are regularly referred or with which the public agency, the juvenile court, and juvenile probation office have a continuing relationship.
- *Section 3170.93(b).Contracts.* In addition to restating the language of Section 3170.23, this section states the contract shall represent a legally binding agreement between the county and the provider, and shall be renewed annually.

Cause: The Northumberland County Children and Youth Agency was not aware that a written agreement with this provider was necessary for fiscal year 2009-2010 since the services rendered were covered by Medical Assistance.

Effect: Without a properly executed contract, services could be rendered that are not in conformity with DPW regulations, furthermore, there could be a misunderstanding between the two contracting parties. Since host home treatment services are considered an allowable expense, per DPW regulations, an adjustment was not implemented.

Recommendation: The Northumberland County Children and Youth Agency should review the applicable regulations and establish procedures to ensure that contracts or purchase of service agreements are executed in accordance with DPW's requirements.

Agency Response: The Northumberland County Children and Youth Agency was under the impression a contract with this provider was not required since the services were typically covered by Medical Assistance; however, they will ensure that future contracts are properly executed.

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

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