

AMENDED FISCAL REPORTS
For Fiscal Years:

July 1, 2010 to June 30, 2011

And

July 1, 2011 to June 30, 2012

Monroe County
Children and Youth Agency

May 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Monroe County
Monroe County Administrative Center
One Quaker Plaza, Room 201
Stroudsburg, PA 18360

Dear Commissioners:

We have examined the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the Monroe County Children and Youth Agency (agency) for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the fiscal years July 1, 2010 to June 30, 2011 and July 1, 2011 to June 30, 2012, pursuant to authority derived from Act 148 of 1976, as amended, 62 P.S. § 704.1(a)(4). The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2011 and June 30, 2012.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children resident within the County 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 procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children within Monroe County.

The results of our procedures performed during this engagement were as follows:

- For the July 1, 2010 to June 30, 2011 fiscal year, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$5,436. Based on the application of the state participation rates, the adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$3,262. The adjustment is detailed in our amended fiscal reports for the July 1, 2010 to June 30, 2011 fiscal year, as included in Section 1 of this report, beginning on page 3.

- For the July 1, 2011 to June 30, 2012 fiscal year, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$3,098 and decreasing non-reimbursable expenditures by \$25,108. However, these two adjustments have no effect on the agency's Final State Share of Expenditures because the agency's expenditures are in excess of the Approved State Allocation by \$17,544, as detailed in our amended fiscal reports for the July 1, 2011 to June 30, 2012 fiscal year, as included in Section 2 of this report, beginning on page 10.

In addition, we found that the agency failed to implement corrective actions to address the prior engagement finding listed below.

Prior Engagement Finding - Failure to Conduct Annual Time Studies

Additional details are provided on page 17 in Section 3 of this report, and in Section 4 of this report, beginning on page 19.

The results of our engagement procedures, as presented in this report, were emailed to County representatives and agency management on April 20, 2016.

This report is being forwarded to the DHS Office of Children, Youth, and Families for review and settlement of the adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

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

Sincerely,



Eugene A. DePasquale
Auditor General

May 4, 2016

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under 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 Human Services (DHS) and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Public Welfare Code (62 P. S. § 703), the DHS 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 cumulative actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DHS 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 DHS.

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4th Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). The variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years and those costs and revenues’ impact on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2010 to JUNE 30, 2011

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	8,010,063
Supplemental Act 148			<u>0</u>
Total State Allocation			8,010,063
State Share (CY348) ²	\$		7,811,266
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	7,811,266
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	7,811,266
Actual Act 148 Revenues Received ⁴			<u>7,808,004</u>
Net Amount Due County/(State) ⁵		\$	<u><u>3,262</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.

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY348
FISCAL SUMMARY**

	A		B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME										
NET CHILD WELFARE EXPENDITURES												
01. 100% REIMBURSEMENT	676,947	0	70,219	0	0	0	0	0	0	606,728	606,728	0
02. 90% REIMBURSEMENT	516,666	0	43,773	62,908	0	0	0	0	0	409,985	368,987	40,998
03. 80% REIMBURSEMENT	7,723,490	416,679	1,360,030	136,949	66,575	0	0	55,090	5,688,167	4,550,535	1,137,632	
04. 60% REIMBURSEMENT	3,721,838	185,641	227,242	0	0	43,179	0	4,936	3,260,840	1,956,504	1,304,336	
05. 50% REIMBURSEMENT	657,023	0	0	0	0	0	0	0	657,023	328,512	328,511	
06. TOTAL NET CHILD WELFARE EXPEND.	13,295,964	602,320	1,701,264	199,857	66,575	43,179	0	60,026	10,622,743	7,811,266	2,811,477	

YDC/YFC PLACEMENT COSTS												
07. 60% DHS PARTICIPATION	1,309,116	16,132								1,292,984	775,790	517,194

08. NON-REIMBURSABLE EXPENDITURES	27,864	0	0							27,864		27,864
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09. TOTAL EXPENDITURES	14,632,944	618,452	1,701,264	199,857	66,575	43,179	0	60,026	11,943,591	8,587,056	3,356,535	
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10. IL Grant Funds Reported 0

11. TOTAL HSDF used for Child Welfare 0

12. TOTAL TITLE IV-D COLLECTIONS 456,287

13. TITLE IV-D Collections for IV-E Children 10,925

14. STATE ACT 148 - line 6 7,811,266

15. STATE ACT 148 ALLOCATION 8,010,063

16. ADJUSTED STATE SHARE (lower of 14 or 15) 7,811,266

INVOICE												
AMENDED STATE SHARE (ACT 148)	7,811,266											
ACT 148 AMOUNT RECEIVED	7,808,004											
ADJUSTMENT TO STATE SHARE	3,262											

Subsidized Permanent Legal Custodianship SPLC	Total Subsidies	Number of Days	Number of Children
	276,375	13,977	40

MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
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 EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	676,947	0	456,736	70,219	0	0	0	0	0	606,728	606,728	0
1-B ADOPTION ASSISTANCE	1,198,353	0	0	4,643	0	0	0	0	0	736,974	589,579	147,395
1-C COUNSELING - DEPENDENT	358,059	0	0	22,424	0	5,993	0	0	0	329,642	263,714	65,928
1-D COUNSELING - DELINQUENT	100,048	0	0	0	0	16,643	0	0	0	83,405	66,724	16,681
1-E DAY CARE	52,223	0	0	0	0	10,651	0	0	0	41,572	33,258	8,314
1-F DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DELINQUENT	104,821	0	0	0	85,170	0	0	0	0	19,651	15,721	3,930
1-H HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	370,945	0	0	38,506	0	0	0	0	0	332,439	265,951	66,488
1-J LIFE SKILLS - DEPENDENT	140,408	0	0	14,573	0	0	0	0	0	125,835	100,668	25,167
1-K LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	543,441	0	0	56,410	0	0	0	0	0	487,031	389,625	97,406
1-M PROTECTIVE SERVICE - GENERAL	1,281,987	13,049	0	122,023	51,779	0	0	0	0	1,095,136	876,109	219,027
1-N SERVICE PLANNING	472,397	0	0	49,040	0	0	0	0	0	423,357	338,686	84,671
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	62,139	0	0	0	0	0	0	0	0	62,139	31,070	31,069
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	5,361,768	13,049	456,736	377,838	136,949	33,287	0	0	0	4,343,909	3,577,833	766,076
COMMUNITY BASED PLACEMENT	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 EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	237	0	0	0	0	0	0	0	0	237	190	47
2-B ALTERNATIVE TREATMENT - DELINQUENT	111,738	12,815	0	0	0	33,288	0	0	0	65,635	52,508	13,127
2-C COMMUNITY RESIDENTIAL - DEPENDENT	113,354	0	0	1,889	0	0	0	0	0	111,465	89,172	22,293
2-D COMMUNITY RESIDENTIAL - DELINQUENT	518,178	34,081	132,022	0	0	0	0	0	0	352,075	281,660	70,415
2-E EMERGENCY SHELTER - DEPENDENT	328,333	0	15,963	18,755	26,300	0	0	0	0	267,315	240,584	26,731
2-F EMERGENCY SHELTER - DELINQUENT	188,333	0	9,055	0	36,608	0	0	0	0	142,670	128,403	14,267
2-G FOSTER FAMILY - DEPENDENT	2,225,836	356,734	358,696	100,451	0	0	0	0	55,090	1,354,865	1,083,892	270,973
2-H FOSTER FAMILY - DELINQUENT	128,501	0	2,617	0	0	0	0	0	0	125,884	100,707	25,177
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	2,964	0	0	0	0	0	0	0	0	2,964	2,371	593
2-K SUBTOTAL CBP	3,617,474	403,630	518,353	121,095	62,908	33,288	0	0	55,090	2,423,110	1,979,487	443,623
INSTITUTIONAL PLACEMENT	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 EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	594,884	0	0	0	0	0	0	0	0	594,884	297,442	297,442
3-B RESIDENTIAL SERVICE - DEPENDENT	80,954	0	0	5,497	0	0	0	0	0	75,457	45,274	30,183
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	2,603,820	185,221	179,157	0	0	0	43,179	0	0	2,196,263	1,317,758	878,505
3-D SECURE RES. SERVICE (EXCEPT YDC)	623,849	0	0	0	0	0	0	0	0	623,849	374,309	249,540
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	0	0	0	0	0	0	0	0
3-F YDC SECURE	1,309,116	16,132	179,157	0	0	0	0	0	0	1,292,984	775,790	517,194
3-G SUBTOTAL INSTITUTIONAL	5,212,623	201,353	179,157	5,497	0	0	43,179	0	0	4,783,437	2,810,573	1,972,864
4 ADMINISTRATION	413,215	420	0	42,588	0	0	0	0	4,936	365,271	219,163	146,108
5 TOTAL REVENUES	14,605,080	618,452	1,154,246	547,018	199,857	66,575	43,179	0	60,026	11,915,727	8,587,056	3,328,671

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY370
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
	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
IN-HOME												
1-A ADOPTION SERVICE	345,008	202,128		129,337	474	0	676,947	40	15	0	0	0
1-B ADOPTION ASSISTANCE	22,544	13,208	1,153,638	8,963	0	0	1,198,353	0	176	0	0	0
1-C COUNSELING - DEPENDENT	113,603	66,556		42,592	135,308	0	358,059	345	30	0	0	0
1-D COUNSELING - DELINQUENT	0	0		0	100,048	0	100,048	0	21	0	0	0
1-E DAY CARE	0	0		0	52,223	0	52,223	17	35	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DELINQUENT	0	0		0	104,821	0	104,821	11	21	0	0	0
1-H HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	189,190	110,840		70,915	0	0	370,945	778	0	0	0	0
1-J LIFE SKILLS - DEPENDENT	71,609	41,953		26,846	0	0	140,408	25	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	277,155	162,376		103,910	0	0	543,441	373	0	0	0	0
1-M PROTECTIVE SERVICE - GENERAL	621,500	364,115		299,337	0	0	1,284,952	519	0	0	2,965	0
1-N SERVICE PLANNING	240,908	141,140		90,349	0	0	472,397	0	0	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT					62,139		62,139	0	299	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	1,881,517	1,102,316	1,153,638	772,249	455,013	0	5,364,733				2,965	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											917
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	237	0	0	237	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	111,738	0	111,738	607	20	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	9,283	5,438		4,371	94,514	0	113,606	716	4	0	252	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	518,178	0	518,178	2,983	18	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	107,193	62,801		78,135	80,756	0	328,885	3,080	137	0	552	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	188,333	0	188,333	1,231	55	0	0	0
2-G FOSTER FAMILY - DEPENDENT	149,850	87,792	276,375	323,744	1,400,002	0	2,237,763	62,606	250	0	11,927	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	128,501	0	128,501	1,337	8	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	2,964	0	2,964	19	1	0	0	0
2-K SUBTOTAL CBP	266,326	156,031	276,375	406,487	2,524,986	0	3,630,205	72,579	493	0	12,731	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											917
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	594,884	0	594,884	2,318	94	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	26,964	15,797		14,275	24,322	0	81,358	429	5	0	404	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		0	2,604,027	0	2,604,027	15,650	133	0	207	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	623,849	0	623,849	2,161	14	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	0	0		0	1,309,116	0	1,309,116	3,057	17	0	0	0
3-G SUBTOTAL INSTITUTIONAL	26,964	15,797	0	14,275	5,156,198	0	5,213,234	23,615	263	0	611	0
4 ADMINISTRATION	35,363	20,718	0	368,691	0	0	424,772			11,557	0	0
5 TOTAL EXPENDITURES	2,210,170	1,294,862	1,430,013	1,561,702	8,136,197	0	14,632,944			11,557	16,307	0
	County Indirect Costs = \$ 297,680											

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 676,947	\$ 0	\$ 676,947
Adoption Assistance	1,198,353	0	1,198,353
Counseling	458,107	0	458,107
Day Care	52,223	0	52,223
Day Treatment	104,821	0	104,821
Homemaker Service	0	0	0
Intake and Referral	370,945	0	370,945
Life Skills	140,408	0	140,408
Protective Service - Child Abuse	543,441	0	543,441
Protective Service - General	1,284,952	0	1,284,952
Service Planning	472,397	0	472,397
Juvenile Act Proceedings	62,139	0	62,139
Alternative Treatment	111,975	0	111,975
Community Residential	631,784	0	631,784
Emergency Shelter	517,218	0	517,218
Foster Family	2,366,264	0	2,366,264
Supervised Independent Living	2,964	0	2,964
Juvenile Detention Service	594,884	0	594,884
Residential Service	2,685,385	0	2,685,385
Secure Residential Service (Except YDC)	623,849	0	623,849
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	1,309,116	0	1,309,116
Administration	424,772	0	424,772
Combined Total Expense	<u>14,632,944</u>	<u>0</u>	<u>14,632,944</u>
Less Non-reimbursables	<u>33,300</u>	<u>(5,436)</u>	<u>27,864</u>
Total Net Expense	<u>\$ 14,599,644</u>	<u>\$ 5,436</u>	<u>\$ 14,605,080</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,210,170	\$ 0	\$ 2,210,170
Employee Benefits	1,294,862	0	1,294,862
Subsidies	1,430,013	0	1,430,013
Operating	1,561,702	0	1,561,702
Purchased Services	8,136,197	0	8,136,197
Fixed Assets	0	0	0
Combined Total Expense	<u>14,632,944</u>	<u>0</u>	<u>14,632,944</u>
Less Non-reimbursables	<u>33,300</u>	<u>(5,436)</u>	<u>27,864</u>
Total Net Expense	<u>\$ 14,599,644</u>	<u>\$ 5,436</u>	<u>\$ 14,605,080</u>

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reim. Non-PS/Sub.</p> <p>To decrease Non-Reimbursable expenditures by \$5,436 to properly report the amount of Indirect Costs which exceeded the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 16,993	\$ (5,436)	\$ 11,557

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2011 to JUNE 30, 2012

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	7,617,028
Supplemental Act 148			<u>721,580</u>
Total State Allocation			8,338,608
State Share (CY348) ²	\$		8,356,152
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	8,356,152
Less: Expenditures in Excess of the Approved State Allocation			<u>17,544</u>
Final Net State Share Payable ³		\$	8,338,608
Actual Act 148 Revenues Received ⁴			<u>8,338,608</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</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 No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$17,544, as detailed on page 10 of this report. While our adjustments resulted in a net increase of \$28,206 in expenditures for the agency for said fiscal year, as detailed on page 14 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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	681,156	0	69,350	0	0	0	0	0	611,806	611,806	0
02. 90% REIMBURSEMENT	483,963	0	27,527	114,589	0	0	0	0	341,847	307,663	34,184
03. 80% REIMBURSEMENT	7,806,864	383,617	1,296,777	90,977	66,575	32,384	0	37,274	5,899,260	4,719,408	1,179,852
04. 60% REIMBURSEMENT	4,558,688	253,973	249,337	0	0	10,795	0	8,382	4,036,201	2,421,720	1,614,481
05. 50% REIMBURSEMENT	591,108	0	0	0	0	0	0	0	591,108	295,555	295,553
06. TOTAL NET CHILD WELFARE EXPEND.	14,121,779	637,590	1,642,991	205,566	66,575	43,179	0	45,656	11,480,222	8,356,152	3,124,070

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	600,801	24,623							576,178	345,707	230,471

08. NON-REIMBURSABLE EXPENDITURES	18,849	0							18,849		18,849
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09. TOTAL EXPENDITURES	14,741,429	662,213	1,642,991	205,566	66,575	43,179	0	45,656	12,075,249	8,701,859	3,373,390
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- 10. TOTAL TITLE IV-D COLLECTIONS 463,097
- 11. TITLE IV-D Collections for IV-E Children 29,421
- 12. STATE ACT 148 - line 6 8,356,152
- 13. STATE ACT 148 ALLOCATION 8,338,608
- 14. ADJUSTED STATE SHARE (lower of 12 or 13) 8,338,608

INVOICE											
AMENDED STATE SHARE (ACT 148)	8,356,152										
ACT 148 AMOUNT RECEIVED	8,338,608										
ADJUSTMENT TO STATE SHARE	17,544										

MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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.	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	681,156	0	0	69,350	0	0	0	0	0	611,806	611,806	0
1-B ADOPTION ASSISTANCE	1,383,318	0	467,765	7,228	0	0	0	0	0	908,325	726,660	181,665
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	269,781	0	64,309	0	0	0	0	0	0	205,472	164,378	41,094
1-D COUNSELING - DEPENDENT	224,035	0	0	22,845	0	0	0	0	0	201,190	160,952	40,238
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	89,862	0	0	0	27,540	0	0	0	0	62,322	49,858	12,464
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	123,364	0	0	0	63,437	0	0	0	0	59,927	47,942	11,985
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	373,100	0	0	38,035	0	0	0	0	0	335,065	268,052	67,013
1-K LIFE SKILLS - DEPENDENT	141,221	0	0	14,405	0	0	0	0	0	126,816	101,453	25,363
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	546,578	0	0	55,724	0	0	0	0	0	490,854	392,683	98,171
1-N PROTECTIVE SERVICE - GENERAL	1,296,519	6,546	0	125,759	0	0	0	0	0	1,164,214	931,371	232,843
1-O SERVICE PLANNING	475,095	0	0	48,427	0	0	0	0	0	426,668	341,334	85,334
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	72,255	0	0	0	0	0	0	0	0	72,255	36,128	36,127
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	5,676,284	6,546	532,074	381,773	90,977	0	0	0	0	4,664,914	3,832,617	832,297
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	420	0	0	0	0	0	0	0	0	420	336	84
2-B ALTERNATIVE TREATMENT - DELINQUENT	167,502	5,826	2,972	0	0	0	32,384	0	0	126,320	101,056	25,264
2-C COMMUNITY RESIDENTIAL - DEPENDENT	147,589	0	0	1,868	0	0	0	0	0	145,721	116,577	29,144
2-D COMMUNITY RESIDENTIAL - DELINQUENT	647,974	33,091	60,615	0	0	0	0	0	0	554,268	443,414	110,854
2-E EMERGENCY SHELTER - DEPENDENT	317,887	0	6,581	20,881	43,542	0	0	0	0	246,883	222,195	24,688
2-F EMERGENCY SHELTER - DELINQUENT	166,076	0	65	0	71,047	0	0	0	0	94,964	85,468	9,496
2-G FOSTER FAMILY - DEPENDENT	1,785,721	338,154	315,609	64,096	0	0	0	0	37,274	1,030,588	824,470	206,118
2-H FOSTER FAMILY - DELINQUENT	134,785	0	7,120	0	66,575	0	0	0	0	61,090	48,872	12,218
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	3,367,954	377,071	392,962	86,845	114,589	66,575	32,384	0	37,274	2,260,254	1,842,388	417,866
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	518,853	0	0	0	0	0	0	0	0	518,853	259,427	259,426
3-B RESIDENTIAL SERVICE - DEPENDENT	70,061	0	0	5,488	0	0	0	0	0	64,573	38,744	25,829
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	3,101,254	253,073	201,194	0	10,795	0	0	0	0	2,636,192	1,581,715	1,054,477
3-D SECURE RES. SERVICE (EXCEPT YDC)	946,249	0	0	0	0	0	0	0	0	946,249	567,749	378,500
3-E YDC SECURE	600,801	24,623	0	0	0	0	0	0	0	576,178	345,707	230,471
3-F SUBTOTAL INSTITUTIONAL	5,237,218	277,696	201,194	5,488	10,795	0	0	0	0	4,742,045	2,793,342	1,948,703
4 ADMINISTRATION	441,124	900	0	42,655	0	0	0	0	8,382	389,187	233,512	155,675
5 TOTAL REVENUES	14,722,580	662,213	1,126,230	516,761	205,566	66,575	43,179	0	45,656	12,056,400	8,701,859	3,354,541

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED CY370
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
	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
IN-HOME												
1-A ADOPTION SERVICE	348,862	240,688		89,666	378	1,562	681,156	39	5	0	0	0
1-B ADOPTION ASSISTANCE	22,796	15,727	1,337,979	6,714	0	102	1,383,318	0	187	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	269,781	0	0	0	269,781	0	41	0	0	0
1-D COUNSELING - DEPENDENT	114,872	79,253		29,396	0	514	224,035	161	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0		0	89,862	0	89,862	17	59	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	123,364	0	123,364	12	36	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	191,304	131,985		48,955	0	856	373,100	685	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	72,410	49,957		18,530	0	324	141,221	10	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	280,252	193,352		71,719	0	1,255	546,578	187	1,255	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	628,444	433,578		231,156	528	2,813	1,296,519	593	2	0	0	0
1-O SERVICE PLANNING	243,600	168,065		62,339	0	1,091	475,095	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	72,255		72,255	0	285	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,902,540	1,312,605	1,607,760	558,475	286,387	8,517	5,676,284			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											369
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		420	0	0	420	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	167,502	0	167,502	913	30	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	9,386	6,476		4,549	127,136	42	147,589	732	7	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		0	647,974	0	647,974	3,991	23	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	108,391	74,781		56,572	77,657	486	317,887	2,729	129	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	166,076	0	166,076	1,114	51	0	0	0
2-G FOSTER FAMILY - DEPENDENT	151,524	104,540		298,407	1,230,571	679	1,785,721	44,851	214	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	134,785	0	134,785	1,667	12	0	0	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	269,301	185,797	0	359,948	2,551,701	1,207	3,367,954	55,997	466	0	0	0
	Number of Children at IMMEDIATE RISK											0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		125	518,728	0	518,853	2,038	100	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	27,265	18,811		19,455	4,408	122	70,061	54	5	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		0	3,103,368	0	3,103,368	17,369	154	0	2,114	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	946,249	0	946,249	3,340	19	0	0	0
3-E YDC SECURE	0	0		0	600,801	0	600,801	1,212	9	0	0	0
3-F SUBTOTAL INSTITUTIONAL	27,265	18,811	0	19,580	5,173,554	122	5,239,332	24,013	287	0	2,114	0
4 ADMINISTRATION	35,758	24,670	0	397,271	0	160	457,859			16,735	0	0
5 TOTAL EXPENDITURES	2,234,864	1,541,883	1,607,760	1,335,274	8,011,642	10,006	14,741,429			16,735	2,114	0
	County Indirect Costs = \$											326,652

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 681,156	\$ 0	\$ 681,156
Adoption Assistance	1,383,318	0	1,383,318
Subsidized Permanent Legal Custodianship	269,781	0	269,781
Counseling	224,035	0	224,035
Day Care	89,862	0	89,862
Day Treatment	120,700	2,664	123,364
Homemaker Service	0	0	0
Intake and Referral	373,100	0	373,100
Life Skills	141,221	0	141,221
Protective Service - Child Abuse	546,578	0	546,578
Protective Service - General	1,296,519	0	1,296,519
Service Planning	475,095	0	475,095
Juvenile Act Proceedings	72,255	0	72,255
Alternative Treatment	167,922	0	167,922
Community Residential	795,563	0	795,563
Emergency Shelter	483,963	0	483,963
Foster Family	1,920,072	434	1,920,506
Supervised Independent Living	0	0	0
Juvenile Detention Service	518,853	0	518,853
Residential Service	3,173,429	0	3,173,429
Secure Residential Service (Except YDC)	946,249	0	946,249
YDC Secure	600,801	0	600,801
Administration	457,859	0	457,859
Combined Total Expense	<u>14,738,331</u>	<u>3,098</u>	<u>14,741,429</u>
Less Non-reimbursables	<u>43,957</u>	<u>(25,108)</u>	<u>18,849</u>
Total Net Expense	<u>\$ 14,694,374</u>	<u>\$ 28,206</u>	<u>\$ 14,722,580</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,234,864	\$ 0	\$ 2,234,864
Employee Benefits	1,541,883	0	1,541,883
Subsidies	1,607,760	0	1,607,760
Operating	1,335,274	0	1,335,274
Purchased Services	8,008,544	3,098	8,011,642
Fixed Assets	10,006	0	10,006
Combined Total Expense	<u>14,738,331</u>	<u>3,098</u>	<u>14,741,429</u>
Less Non-reimbursables	<u>43,957</u>	<u>(25,108)</u>	<u>18,849</u>
Total Net Expense	<u>\$ 14,694,374</u>	<u>\$ 28,206</u>	<u>\$ 14,722,580</u>

**MONROE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	1-H	5	1	Day Treatment (Del.) - Purchased Services	\$ 120,700	\$ 2,664	\$ 123,364
	2-H	5		Foster Family (Del.) - Purchased Services	\$ 134,351	\$ 434	\$ 134,785
				Total Adjustment Amount		\$ 3,098	
				To increase Purchased Services by \$3,098 to include expenditures which were not reported to DHS, on the submitted CY-370 Expenditure Report, and to reconcile to the agency's final general ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	10	2	Administration - Non-Reim. Non-PS/Sub.	\$ 41,843	\$ (25,108)	\$ 16,735
				To decrease Non-Reimbursable expenditures by \$25,108 to properly report the amount of Indirect Costs which exceeded the two percent cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

MONROE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

STATUS OF PRIOR AUDIT FINDING FOR FISCAL YEARS JULY 1, 2008 TO JUNE 30, 2009 AND JULY 1, 2009 TO JUNE 30, 2010

Finding - Failure to Conduct an Annual Time Study

In our prior audit report, we cited the agency for failing to provide annual time study worksheets or any other type of documentation evidencing the methodology used to allocate the general operating expenses reported on the agency's submitted CY-370 Expenditure Report. During our current engagement, for the 2010-2011 and 2011-2012 fiscal years, we found that the agency was again unable to provide annual time study worksheets or other documentation evidencing the methodology used to allocate general operating expenses. Therefore, we concluded that the agency failed to address this prior year finding as detailed in the repeat finding in the Current Engagement Finding and Recommendation section (Section 4) of this report, beginning on page 19.

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

MONROE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

Finding – Noncompliance - Failure to Conduct Annual Time Studies

Condition: As detailed in our Status of Prior Engagement Finding and Recommendation section (Section 3) of this report, during our current engagement, we found that the Monroe County Children and Youth Agency (agency) again failed to conduct annual time studies for the 2010-2011 and 2011-2012 fiscal years. While the agency did allocate its general operating expenses among the various cost centers on the CY-370 Expenditure Reports submitted to the Department of Human Services for both fiscal years, the agency used mathematical formulas which could not be explained by current agency management. Furthermore, we found the agency failed to develop and implement written policies and procedures establishing how annual time studies should be conducted.

Criteria: *Title 55 Pa. Code, § 3170.91(c) related to fiscal management – financial reporting requirements of the County Agency, states, in part:*

The Department has the authority to prescribe the format, instructions, and time at which the county agency shall submit to the Department annual plans, annual estimates of expenditures and revisions, as well as expenditure and income reports.

In addition, the Federal Office of Management and Budget (OMB) A-122, attachment B, #8 Compensation for personal services, (m) support of salaries and wages; guidance on Personnel Activity Reports states:

(1) Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the organization. The distribution of salaries and wages to awards must be supported by personnel activity reports, as prescribed in subparagraph (2), except when a substitute system has been approved in writing by the cognizant agency.

Cause: The agency was aware of the requirement to conduct annual time studies as a result of our prior engagement report; however, the agency has not begun conducting annual time studies and has not developed and implemented policies and procedures establishing how annual time studies should be conducted.

Effect: The use of a time study that was not based on cost information from the fiscal year of the costs being allocated may have resulted in the inappropriate allocation of the agency's general operating expenses among the various cost centers on the CY-370 Expenditure Reports submitted to the Department of Human Services for the 2010-2011 and 2011-2012 fiscal years and, thus, inappropriate amounts of Act 148 state reimbursement may have been received. Furthermore, the agency's failure to implement written policies and procedures establishing how time studies should be conducted could lead to inconsistencies in the conduct of its annual time studies and the allocation of the agency's general operating expenses.

MONROE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

Recommendation: We again recommend that the Monroe County Children and Youth Agency establish written policies and procedures to ensure that time studies are properly and consistently conducted on an annual basis and that the time studies used to allocate the agency's general operating costs included on the agency's submitted CY-370 Expenditure Reports are based on cost information of the fiscal year for which the costs are being allocated.

Agency Response: The Monroe County Children and Youth Agency, for future reporting, will establish procedures to report general operating expenses through the use of an annual time study. The agency will also support the allocation with proper documentation to clearly show the basis for which the allocation was made.

Auditor's Conclusion: During our next audit of the agency, we will follow up on the agency's development and implementation of the time study policies and procedures to determine whether annual time studies are being performed as required.

MONROE COUNTY CHILDREN AND YOUTH AGENCY
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