

# AMENDED FINANCIAL REPORT

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## Adams County Children & Youth Agency For the Period July 1, 2008 to June 30, 2009

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September 2014



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 Adams County  
Adams County Courthouse  
117 Baltimore Street  
Gettysburg, PA 17325-2312

Dear Commissioners:

We have examined the submitted fiscal forms CY-370, CY-370A, and CY-348, and the related financial records of the Adams 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, 2008 to June 30, 2009, 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 the fiscal year ended June 30, 2009, as 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 Adams 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 attached 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 six adjustments to the Adams County Children and Youth Agency's submitted fiscal forms, as presented on pages 7 and 8. We determined that, based upon the state participation rates, the \$13,100 increase in Expenditures, the \$42,635 decrease in Non-Reimbursable Expenditures, and the \$9,179 decrease in Revenue resulted in a net amount of \$53,442 due to the County.

In addition, during the course of our engagement of the Adams 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

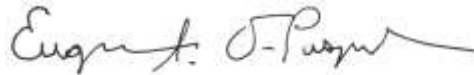
Finding No. 2 – Failure to Conduct an Annual Time Study

The results of our engagement procedures, as presented in this report, were discussed with representatives of the Adams County Children and Youth Agency at an exit conference held on August 6, 2014.

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 Adams County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale  
Auditor General

August 14, 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, 4<sup>th</sup> 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.

**ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>		\$	4,595,646
Supplemental Act 148			<u>0</u>
Total State Allocation			4,595,646
State Share (CY348) <sup>2</sup>	\$		4,377,859
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,377,859
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	4,377,859
Actual Act 148 Revenues Received <sup>4</sup>			<u>4,324,417</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>53,442</u></u>

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

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

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

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

<sup>5</sup> 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.

ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
 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	87,147	0	12,643	0	0	0	0	0	74,504	74,504	0
02. 90% REIMBURSEMENT	403,030	10,448	25,161	69,498	0	0	0	0	297,923	268,131	29,792
03. 80% REIMBURSEMENT	5,398,767	147,237	853,575	104,867	51,465	132,298	0	0	4,109,325	3,287,460	821,865
04. 60% REIMBURSEMENT	1,246,304	47,781	124,834	0	0	0	0	2,336	1,071,353	642,812	428,541
05. 50% REIMBURSEMENT	212,454	2,530	22	0	0	0	0	0	209,902	104,952	104,950
06. TOTAL NET CHILD WELFARE EXPEND.	7,347,702	207,996	1,016,235	174,365	51,465	132,298	0	2,336	5,763,007	4,377,859	1,385,148

YDC/YFC PLACEMENT COSTS											
07. 60% DPW PARTICIPATION	421,590	10,634							410,956	246,573	164,383
08. NON-REIMBURSABLE EXPENDITURES	26,109	148	0						25,961		25,961

09. TOTAL EXPENDITURES	7,795,401	218,778	1,016,235	174,365	51,465	132,298	0	2,336	6,199,924	4,624,432	1,575,492
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10. IL Grant Funds Reported 32,431

11. TOTAL HSDF used for Child Welfare 0

12. TOTAL TITLE IV-D COLLECTIONS 190,816

13. TITLE IV-D Collections for IV-E Children 48,568

14. STATE ACT 148 - line 6 4,377,859

15. STATE ACT 148 ALLOCATION 4,595,646

16. ADJUSTED STATE SHARE (lower of 14 or 15) 4,377,859

INVOICE	
AMENDED STATE SHARE (ACT 148)	4,377,859
ACT 148 AMOUNT RECEIVED	4,324,417
ADJUSTMENT TO STATE SHARE	53,442

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	228,747	8,289	29

ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
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 SER VICE	87,147	0		12,643	0		0	0	0	74,504	74,504	0
1-B ADOPTION ASSISTANCE	421,470	0	169,324	0			0	0	0	252,146	201,717	50,429
1-C COUNSELING - DEPENDENT	711,862	0			38,746	0	0	0	0	673,116	538,493	134,623
1-D COUNSELING - DELINQUENT	107,573	0			10,680	0	0	0	0	96,893	77,514	19,379
1-E DAY CARE	57	0			0	0	0	0	0	57	46	11
1-F DAY TREATMENT - DEPENDENT	22,306	0			6,278	0	0	0	0	16,028	12,822	3,206
1-G DAY TREATMENT - DELINQUENT	131,139	0			49,163	0	0	0	0	81,976	65,581	16,395
1-H HOME/MAKER SERVICE	0	0			0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	404,639	0		60,334	0	0	0	0	0	344,305	275,444	68,861
1-J LIFE SKILLS - DEPENDENT	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
1-L PROTECTIVE SERVICE - CHILD ABUSE	635,572	0		64,626	0	0		0	0	570,946	456,757	114,189
1-M PROTECTIVE SERVICE - GENERAL	417,333	0		62,081	0	0		0	0	355,252	284,202	71,050
1-N SERVICE PLANNING	0	0			0	0	0	0	0	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	4,777	0		22	0		0	0	0	4,755	2,378	2,377
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	2,943,875	0	169,324	199,706	104,867	0	0	0	0	2,469,978	1,989,458	480,520

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	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	3,768	0		0			0	0	0	3,768	3,014	754
2-B ALTERNATIVE TREATMENT - DELINQUENT	35,360	0		0			0	0	0	35,360	28,288	7,072
2-C COMMUNITY RESIDENTIAL - DEPENDENT	19,334	184		2,334			0	0	0	16,816	13,453	3,363
2-D COMMUNITY RESIDENTIAL - DELINQUENT	225,105	8,677		18,189			0	0	0	198,239	158,591	39,648
2-E EMERGENCY SHELTER - DEPENDENT	259,492	7,082		18,773	13,440		0	0	0	213,809	192,428	21,381
2-F EMERGENCY SHELTER - DELINQUENT	143,538	3,366			56,058		0	0	0	84,114	75,703	8,411
2-G FOSTER FAMILY - DEPENDENT	2,176,993	134,098		231,249	209,959	51,465	132,298	0	0	1,417,924	1,134,339	283,585
2-H FOSTER FAMILY - DELINQUENT	46,549	3,622		1,421	1,627		0	0	0	39,879	31,903	7,976
2-I SUP. INDEPENDENT LIVING - DEPENDENT	33,169	656		32,431			0	0	0	82	66	16
2-J SUP. INDEPENDENT LIVING - DELINQUENT	6,538	0					0	0	0	6,538	5,230	1,308
2-K SUBTOTAL CBP	2,949,846	157,685	302,063	220,308	69,498	51,465	132,298	0	0	2,016,529	1,643,015	373,514

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	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	207,677	2,530						0	0	205,147	102,574	102,573
3-B RESIDENTIAL SERVICE - DEPENDENT	168,089	10,283		5,907			0	0	0	148,922	89,353	59,569
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	405,994	33,843		29,803			0	0	0	342,348	205,409	136,939
3-D SECURE RES. SERVICE (EXCEPT YDC)	106,632	0							0	106,632	63,979	42,653
3-E YDC/YFC (NON-SECURE)-Institutional	280,806	6,837								273,969	164,381	109,588
3-F YDC SECURE	140,784	3,794								136,987	82,192	54,795
3-G SUBTOTAL INSTITUTIONAL	1,309,982	57,290	32,780	5,907	0	0	0	0	0	1,214,005	707,888	506,117

4 ADMINISTRATION	565,589	3,655		86,147		0	0	0	2,336	473,451	284,071	189,380
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5 TOTAL REVENUES	7,769,292	218,630	504,167	512,068	174,365	51,465	132,298	0	2,336	6,173,963	4,624,432	1,549,531
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ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
 AMENDED CY370  
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	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
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	39,824	12,103		32,724	2,500	0	87,151	109	0	4	0	0
1-B ADOPTION ASSISTANCE	0	0	421,470	0	0	0	421,470	0	49	0	0	0
1-C COUNSELING - DEPENDENT	0	0			711,862	0	711,862	0	84	0	0	0
1-D COUNSELING - DELINQUENT	0	0		18	107,555	0	107,573	0	100	0	0	0
1-E DAY CARE	0	0		0	57	0	57	0	2	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		0	22,306	0	22,306	0	4	0	0	0
1-G DAY TREATMENT - DELINQUENT	0	0		0	131,139	0	131,139	0	69	0	0	0
1-H HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	258,205	92,443		51,445	406	2,145	404,644	162	2	5	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	267,012	93,367		70,387	202,661	2,145	635,572	172	72	0	0	0
1-M PROTECTIVE SERVICE - GENERAL	260,358	89,725		63,924	1,199	2,145	417,351	238	6	18	0	0
1-N SERVICE PLANNING	0	0		0	0	0	0	0	0	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT				552	4,225		4,777	0	12	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-Q <b>SUBTOTAL IN-HOME</b>	825,399	287,638	421,470	219,050	1,183,910	6,435	2,943,902			27	0	0
	Number of Children receiving <b>only NON-PURCHASED IN-Home Services</b>											
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	3,768	0	3,768	28	2	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	35,360	0	35,360	225	17	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	11,752	3,888	0	0	3,694	0	19,334	40	2	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	812	224,293	0	225,105	1,122	16	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	25,762	8,741	0	8,420	219,857	0	262,780	1,172	25	18	3,270	148
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	143,538	0	143,538	745	31	0	0	0
2-G FOSTER FAMILY - DEPENDENT	369,487	126,135	228,747	116,288	1,334,232	2,145	2,177,034	27,133	135	41	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	46,549	0	46,549	579	6	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	11,560	3,879	12,536	5,194	0	0	33,169	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	6,538	0	6,538	42	2	0	0	0
2-K <b>SUBTOTAL CBP</b>	418,561	142,643	241,283	130,714	2,017,829	2,145	2,953,175	31,086	236	59	3,270	148
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	207,677	0	207,677	947	45	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	27,258	8,905	0	4,390	127,550	0	168,103	922	10	14	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	187	405,807	0	405,994	2,322	41	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	106,632	0	106,632	368	3	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	280,806	0	280,806	915	9	0	0	0
3-F YDC SECURE	0	0	0	0	140,784	0	140,784	336	1	0	0	0
3-G <b>SUBTOTAL INSTITUTIONAL</b>	27,258	8,905	0	4,577	1,269,256	0	1,309,996	5,810	109	14	0	0
4 <b>ADMINISTRATION</b>	268,262	92,005	0	225,916	0	2,145	588,328			22,739	0	0
5 <b>TOTAL EXPENDITURES</b>	1,539,480	531,191	662,753	580,257	4,470,995	10,725	7,795,401			22,839	3,270	148
	County Indirect Costs = \$ 170,792											

**ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 86,894	\$ 257	\$ 87,151
Adoption Assistance	421,470	0	421,470
Counseling	818,914	521	819,435
Day Care	57	0	57
Day Treatment	153,445	0	153,445
Homemaker Service	0	0	0
Intake and Referral	402,680	1,964	404,644
Life Skill	0	0	0
Protective Service - Child Abuse	632,325	3,247	635,572
Protective Service - General	415,444	1,907	417,351
Service Planning	0	0	0
Juvenile Act Proceedings	4,777	0	4,777
Alternative Treatment	39,128	0	39,128
Community Residential	244,356	83	244,439
Emergency Shelter	406,132	186	406,318
Foster Family	2,220,874	2,709	2,223,583
Supervised Independent Living	39,625	82	39,707
Juvenile Detention Service	207,677	0	207,677
Residential Service	573,908	189	574,097
Secure Residential Service (Except YDC)	106,632	0	106,632
YDC/YFC (Non-Secure) - Institutional	280,806	0	280,806
YDC Secure	140,784	0	140,784
Administration	<u>586,373</u>	<u>1,955</u>	<u>588,328</u>
Combined Total Expense	7,782,301	13,100	7,795,401
Less Non-reimbursables	<u>68,744</u>	<u>(42,635)</u>	<u>26,109</u>
Total Net Expense	<u>\$ 7,713,557</u>	<u>\$ 55,735</u>	<u>\$ 7,769,292</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,539,480	\$ 0	\$ 1,539,480
Employee Benefits	519,904	11,287	531,191
Subsidies	662,753	0	662,753
Operating	580,257	0	580,257
Purchased Services	4,469,182	1,813	4,470,995
Fixed Assets	<u>10,725</u>	<u>0</u>	<u>10,725</u>
Combined Total Expense	7,782,301	13,100	7,795,401
Less Non-Reimbursables	<u>68,744</u>	<u>(42,635)</u>	<u>26,109</u>
Total Net Expense	<u>\$ 7,713,557</u>	<u>\$ 55,735</u>	<u>\$ 7,769,292</u>

**ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments							
CY-370	1-A	2	1	Adoption Service - Employee Benefits	\$ 11,846	\$ 257	\$ 12,103
	1-I	2		Intake & Referral - Employee Benefits	\$ 90,479	\$ 1,964	\$ 92,443
	1-L	2		Protective Service-Child Abuse - Employee Benefits	\$ 91,383	\$ 1,984	\$ 93,367
	1-M	2		Protective Service-General - Employee Benefits	\$ 87,818	\$ 1,907	\$ 89,725
	2-C	2		Community Res. (Dep.) - Employee Benefits	\$ 3,805	\$ 83	\$ 3,888
	2-E	2		Emerg. Shelter (Dep.) - Employee Benefits	\$ 8,555	\$ 186	\$ 8,741
	2-G	2		Foster Family (Dep.) - Employee Benefits	\$ 123,455	\$ 2,680	\$ 126,135
	2-I	2		Supervised Indp. Living (Dep.) - Employee Benefits	\$ 3,797	\$ 82	\$ 3,879
	3-B	2		Res. Service (Dep.) - Employee Benefits	\$ 8,716	\$ 189	\$ 8,905
	4	2		Administration - Employee Benefits	\$ 90,050	\$ 1,955	\$ 92,005
						\$ 11,287	
				To increase retirement Employee Benefits \$11,287 to properly report the agency's allocation of the 2008 and 2009 county pension contributions. The agency/county calculation was based on estimated salaries and not actual salaries.			
				Title 55 PA Code, Chapter 3170.47(f)			
CY-370	1-C	5	2	Counseling (Dep.) - Purchased Services	\$ 712,877	\$ (1,015)	\$ 711,862
	1-D	5		Counseling (Del.) - Purchased Services	\$ 106,019	\$ 1,536	\$ 107,555
	1-L	5		Protective Service-Child Abuse - Purchased Services	\$ 201,398	\$ 1,263	\$ 202,661
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 1,334,203	\$ 29	\$ 1,334,232
							\$ 1,813
				To increase Purchased Services by \$1,813 to reconcile to the agency's general ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	10	3	Administration - Non-Reimbursable Non PS/Sub.	\$ 13,194	\$ 9,545	\$ 22,739
				To increase Non-Reimbursable Non PS/Sub. expenditures by \$9,545 to include indirect costs that exceeded the two percent cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	1-C	11	4	Counseling (Dep.) - Non-Reimbursable PS/Sub.	\$ 523	\$ (523)	\$ -
	2-C	11		Community Res. (Dep.) - Non-Reimbursable PS/Sub.	\$ 367	\$ (367)	\$ -
	2-E	11		Emerg. Shelter (Dep.) - Non-Reimbursable PS/Sub.	\$ 31,983	\$ (28,713)	\$ 3,270
	2-G	11		Foster Family (Dep.) - Non-Reimbursable PS/Sub.	\$ 8,869	\$ (8,869)	\$ -
	3-B	11		Res. Service (Dep.) - Non-Reimbursable PS/Sub.	\$ 13,708	\$ (13,708)	\$ -
							\$ (52,180)
				To decrease the Non-Reimbursable PS/Sub. expenditures to allow the cost of services for an undocumented child, as per the DPW.			
				Title 55 PA Code, Chapters 3170.81 and 3170.82			

**ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE DECREASE	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370A Adjustment							
CY-370A	2-G	3	5	Foster Family (Dep.) - Title IV-E Maintenance	\$ 236,284	\$ (5,035)	\$ 231,249
	1-A	4		Adoption Service - Title IV-E Administration	\$ 12,701	\$ (58)	\$ 12,643
	1-I	4		Intake & Referral - Title IV-E Administration	\$ 60,678	\$ (344)	\$ 60,334
	1-L	4		Protective Service-Child Abuse- Title IV-E Administration	\$ 65,007	\$ (381)	\$ 64,626
	1-M	4		Protective Service-General - Title IV-E Administration	\$ 62,408	\$ (327)	\$ 62,081
	2-C	4		Community Res. (Dep.) - Title IV-E Administration	\$ 2,347	\$ (13)	\$ 2,334
	2-E	4		Emergency Shelter (Dep.) - Title IV-E Administration	\$ 6,417	\$ (29)	\$ 6,388
	2-G	4		Foster Family (Dep.) - Title IV-E Administration	\$ 212,022	\$ (2,063)	\$ 209,959
	3-B	4		Res. Service (Dep.) - Title IV-E Administration	\$ 5,937	\$ (30)	\$ 5,907
	4	4		Administration - Title IV-E Administration	\$ 87,046	\$ (899)	\$ 86,147
					Total Adjustment Amount		\$ (9,179)
				To decrease Federal Title IV-E revenue (\$9,179) due to include three supplemental invoices totaling (\$346), an (\$8,829) reporting error, and a (\$4) rounding error.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-348 Adjustment							
CY-348	12	A	6	Total Title IV-D Collections	\$ 190,260	\$ 556	\$ 190,816
				To increase Total Title IV-D Collections by \$556 to reconcile to the agency's ledgers.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FINDINGS AND RECOMMENDATIONS

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

Condition: For fiscal year July 1, 2008 to June 30, 2009, the Adams County Children and Youth Agency did maintain a fixed asset listing; however, a physical inventory has not been performed since March 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: The current Agency Fiscal Officer (who was appointed in August 2013) stated that the previous Fiscal Officer did not perform a physical inventory for the fiscal year under review.

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

Recommendation: The Adams County Children and Youth Agency should perform and document a physical inventory of the agency's fixed assets on an annual basis, in accordance with applicable regulations.

Agency Response: Agency management concurred, stating that a physical inventory of fixed assets will be conducted before the end of 2014 and will continue to be completed annually.

ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
FINDINGS AND RECOMMENDATIONS

**Finding No. 2: Failure to Conduct an Annual Time Study**

Condition: The Adams County Children and Youth Agency did not perform an annual time study for fiscal year 2008-2009. According to the current Agency Fiscal Officer, who was appointed in August of 2013, the former Fiscal Officer would allocate the general operating expenses on the CY-370 Expenditure Report by placing 20 percent of the costs in five different cost centers; however, he was unsure why this methodology was utilized.

Criteria: Title 55, Pa. Code, § 3170.91 and § 3120.92(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 stated that the agency had not completed a time study for the fiscal year under review; however, they began performing time studies in the 2<sup>nd</sup> quarter of fiscal year 2013-2014.

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

Recommendation: The Adams County Children and Youth Agency should establish and implement written policies and procedures to ensure that time studies continue to be 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 Adams County Children and Youth Agency stated they began performing time studies in the 2<sup>nd</sup> quarter of fiscal year 2013-2014.

ADAMS COUNTY CHILDREN AND YOUTH AGENCY  
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

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