

AMENDED FINANCIAL REPORT

Adams County Children & Youth Agency For the Period July 1, 2009 to June 30, 2010

September 2014



Commonwealth of Pennsylvania
Department of the Auditor General
Eugene A. DePasquale • Auditor General



**Commonwealth of Pennsylvania
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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, 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 the fiscal year ended June 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 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 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 five adjustments to the attached Adams County Children and Youth Agency's fiscal forms, as presented on page 7. We determined that, based upon the state participation rates, the \$2,132 decrease in Expenditures, the \$38,447 decrease in Non-Reimbursable Expenditures and the \$58,861 increase in Revenue resulted in a net amount of \$16,650 due to the State.

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

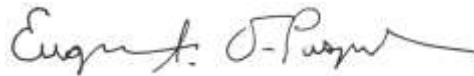
Finding No. 2 – Failure to Conduct an Annual Time Study

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, 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.

**ADAMS 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		\$	4,154,328
Supplemental Act 148			0
Total State Allocation			4,154,328
State Share (CY348) ²	\$		3,383,089
Less: Major Service Category Adjustment			0
Net State Share		\$	3,383,089
Less: Expenditures in Excess of the Approved State Allocation			0
Final Net State Share Payable ³		\$	3,383,089
Actual Act 148 Revenues Received ⁴			3,399,739
Net Amount Due County/(State) ⁵		\$	(16,650)

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.

**ADAMS 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	116,150	0	20,224	0	0	0	0	0	95,926	95,926	0
02. 90% REIMBURSEMENT	209,986	6,253	21,402	66,096	0	0	0	0	116,235	104,611	11,624
03. 80% REIMBURSEMENT	4,469,253	137,942	845,547	108,273	51,465	132,298	0	0	3,193,728	2,554,981	638,747
04. 60% REIMBURSEMENT	1,100,168	31,428	124,946	0	0	0	0	4,018	939,776	563,865	375,911
05. 50% REIMBURSEMENT	127,452	0	41	0	0	0	0	0	127,411	63,706	63,705
06. TOTAL NET CHILD WELFARE EXPEND.	6,023,009	175,623	1,012,160	174,369	51,465	132,298	0	4,018	4,473,076	3,383,089	1,089,987
YDC/YFC PLACEMENT COSTS											
07. 60% DPW PARTICIPATION	220,872	5,600									
08. NON-REIMBURSABLE EXPENDITURES	38,835	524	0						38,311		38,311
09. TOTAL EXPENDITURES	6,282,716	181,747	1,012,160	174,369	51,465	132,298	0	4,018	4,726,659	3,512,252	1,214,407
10. IL Grant Funds Reported	0										
11. TOTAL HSDF used for Child Welfare	0										
12. TOTAL TITLE IV-D COLLECTIONS	140,402										
13. TITLE IV-D Collections for IV-E Children	40,380										
14. STATE ACT 148 - line 6	3,383,089										
15. STATE ACT 148 ALLOCATION	4,154,328										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	3,383,089										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,383,089										
ACT 148 AMOUNT RECEIVED	3,399,739										
ADJUSTMENT TO STATE SHARE	(16,650)										
Subsidized Permanent Legal Custodianship SPLC	Total Subsidies 228,390	Number of Days 7,328	Number of Children 25								

ADAMS 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
	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
IN-HOME												
I-A ADOPTION SERVICE	116,150	0		20,224	0		0	0	0	95,926	95,926	0
I-B ADOPTION ASSISTANCE	484,464	0	202,428							282,036	225,629	56,407
I-C COUNSELING - DEPENDENT	277,698	0			18,203	0	0	0	0	259,495	207,596	51,899
I-D COUNSELING - DELINQUENT	65,838	0			26,070	0	0	0	0	39,768	31,814	7,954
I-E DAY CARE	1,050	0			0	0	0	0	0	1,050	840	210
I-F DAY TREATMENT - DEPENDENT	3,088	0			0	0	0	0	0	3,088	2,470	618
I-G DAY TREATMENT - DELINQUENT	87,958	0			64,000	0	0	0	0	23,958	19,166	4,792
I-H HOMEMAKER SERVICE	0	0			0	0	0	0	0	0	0	0
I-I INTAKE & REFERRAL	277,288	0		48,092	0	0	0	0	0	229,196	183,357	45,839
I-J LIFE SKILLS - DEPENDENT	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
I-L PROTECTIVE SERVICE - CHILD ABUSE	645,482	0		78,982	0					566,500	453,200	113,300
I-M PROTECTIVE SERVICE - GENERAL	449,503	0		77,102	0					372,401	297,921	74,480
I-N SERVICE PLANNING	0	0			0	0	0	0	0	0	0	0
I-O JUVENILE ACT PROCEEDINGS - DEPENDENT	258	0		41	0					217	109	108
I-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0					0	0	0
I-Q SUBTOTAL IN-HOME	2,408,777	0	202,428	224,441	108,273	0	0	0	0	1,873,635	1,518,028	355,607
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	6735	0								6,735	5,388	1,347
2-B ALTERNATIVE TREATMENT - DELINQUENT	19,243	0								19,243	15,394	3,849
2-C COMMUNITY RESIDENTIAL - DEPENDENT	11,354	214		1,393						9,747	7,798	1,949
2-D COMMUNITY RESIDENTIAL - DELINQUENT	281,630	22,242	5,602	18						253,768	203,014	50,754
2-E EMERGENCY SHELTER - DEPENDENT	116,695	1,098	15,946	2,260	18,573	0	0	0	0	78,818	70,936	7,882
2-F EMERGENCY SHELTER - DELINQUENT	93,291	5,155	3,196		47,523	0	0	0	0	37,417	33,675	3,742
2-G FOSTER FAMILY - DEPENDENT	1,836,191	114,218	231,658	191,489		51,465	132,298	0	0	1,115,063	892,050	223,013
2-H FOSTER FAMILY - DELINQUENT	21,731	1,268	5,430	3,353						11,680	9,344	2,336
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0								0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0								0	0	0
2-K SUBTOTAL CBP	2,386,870	144,195	261,832	198,513	66,096	51,465	132,298	0	0	1,532,471	1,237,599	294,872
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	127,194	0								127,194	63,597	63,597
3-B RESIDENTIAL SERVICE - DEPENDENT	46,743	4,962		5,521						36,260	21,756	14,504
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	177,387	15,147	2,885							159,355	95,613	63,742
3-D SECURE RES. SERVICE (EXCEPT YDC)	207,644	2,555								205,089	123,053	82,036
3-E YDC/YFC (NON-SECURE)-Institutional	0	0								0	0	0
3-F YDC SECURE	220,872	5,600								215,272	129,163	86,109
3-G SUBTOTAL INSTITUTIONAL	779,840	28,264	2,885	5,521	0	0	0	0	0	743,170	433,182	309,988
ADMINISTRATION	668,394	8,764		116,540		0	0		4,018	539,072	323,443	215,629
TOTAL REVENUES	6,243,881	181,223	467,145	545,015	174,369	51,465	132,298	0	4,018	4,688,348	3,512,252	1,176,096

**ADAMS COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY370
EXPENDITURE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										7	8	9	10	11	12
	1	2	3	4	5	6	TOTAL	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.						
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	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				
1-A ADOPTION SERVICE	55,722	17,052		42,876	500	0	116,150	39	0	0	0	0				
1-B ADOPTION ASSISTANCE	0	0	484,464	0	0	0	484,464	0	55	0	0	0				
1-C COUNSELING - DEPENDENT	0	0		0	277,698	0	277,698	0	62	0	0	0				
1-D COUNSELING - DELINQUENT	0	0		0	65,838	0	65,838	0	116	0	0	0				
1-E DAY CARE	0	0		0	1,050	0	1,050	0	3	0	0	0				
1-F DAY TREATMENT - DEPENDENT	0	0		0	3,088	0	3,088	0	1	0	0	0				
1-G DAY TREATMENT - DELINQUENT	0	0		0	87,958	0	87,958	0	11	0	0	0				
1-H HOMEMAKER SERVICE	162,904	64,925		49,459	0	0	277,288	325	0	0	0	0				
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	283,682	95,566		76,640	189,598	0	645,486	192	92	4	0	0				
1-M PROTECTIVE SERVICE - GENERAL	282,461	99,715		62,534	4,797	0	449,507	233	11	4	0	0				
1-N SERVICE PLANNING	0	0		0	0	0	0	0	0	0	0	0				
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT				258	0	0	258	0	0	0	0	0				
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	0				
1-Q SUBTOTAL IN-HOME	784,769	277,258	484,464	231,767	630,527	0	2,408,785			8		750				
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	6,735	0	6,735	19	3	0	0	0				
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	19,243	0	19,243	84	10	0	0	0				
2-C COMMUNITY RESIDENTIAL - DEPENDENT	5,423	2,385	0	326	3,220	0	11,354	36	2	0	0	0				
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	354	281,276	0	281,630	1,652	10	0	0	0				
2-E EMERGENCY SHELTER - DEPENDENT	5,423	2,385	0	5,471	103,421	0	116,700	558	21	5	0	0				
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	93,291	0	93,291	450	19	0	0	0				
2-G FOSTER FAMILY - DEPENDENT	268,782	95,823	228,390	116,998	1,140,080	0	1,850,073	17,530	114	626	13,256	524				
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	21,731	0	21,731	431	3	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	279,628	100,593	228,390	123,149	1,668,997	0	2,400,757	20,760	182	631	13,256	524				
INSTITUTIONAL 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				
3-A JUVENILE DETENTION SERVICE	0	0		0	127,194	0	127,194	580	26	0	0	0				
3-B RESIDENTIAL SERVICE - DEPENDENT	22,222	7,548		4,340	12,643	0	46,753	84	3	10	0	0				
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		225	177,162	0	177,387	1,140	17	0	0	0				
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	207,644	0	207,644	714	3	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	220,872	0	220,872	586	5	0	0	0				
3-G SUBTOTAL INSTITUTIONAL	22,222	7,548	0	4,565	745,515	0	779,850	3,104	54	10	0	0				
4 ADMINISTRATION	347,068	121,811	0	224,445	0	0	693,324			24,930	0	0				
5 TOTAL EXPENDITURES	1,433,687	507,210	712,854	583,926	3,045,039	0	6,282,716			25,579	13,256	524				
			County Indirect Costs = \$	169,362												

**ADAMS 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	\$ 116,274	\$ (124)	\$ 116,150
Adoption Assistance	484,464	0	484,464
Counseling	343,536	0	343,536
Day Care	1,050	0	1,050
Day Treatment	91,046	0	91,046
Homemaker Service	0	0	0
Intake and Referral	277,759	(471)	277,288
Life Skills	0	0	0
Protective Service - Child Abuse	646,179	(693)	645,486
Protective Service - General	450,230	(723)	449,507
Service Planning	0	0	0
Juvenile Act Proceedings	258	0	258
Alternative Treatment	25,978	0	25,978
Community Residential	293,001	(17)	292,984
Emergency Shelter	210,008	(17)	209,991
Foster Family	1,872,499	(695)	1,871,804
Supervised Independent Living	0	0	0
Juvenile Detention Service	127,194	0	127,194
Residential Service	224,195	(55)	224,140
Secure Residential Service (Except YDC)	207,644	0	207,644
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	220,872	0	220,872
Administration	692,661	663	693,324
Combined Total Expense	<u>6,284,848</u>	<u>(2,132)</u>	<u>6,282,716</u>
Less Non-reimbursables	<u>77,282</u>	<u>(38,447)</u>	<u>38,835</u>
Total Net Expense	<u>\$ 6,207,566</u>	<u>\$ 36,315</u>	<u>\$ 6,243,881</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,433,687	\$ 0	\$ 1,433,687
Employee Benefits	510,889	(3,679)	507,210
Subsidies	712,854	0	712,854
Operating	582,379	1,547	583,926
Purchased Services	3,045,039	0	3,045,039
Fixed Assets	0	0	0
Combined Total Expense	<u>6,284,848</u>	<u>(2,132)</u>	<u>6,282,716</u>
Less Non-reimbursables	<u>77,282</u>	<u>(38,447)</u>	<u>38,835</u>
Total Net Expense	<u>\$ 6,207,566</u>	<u>\$ 36,315</u>	<u>\$ 6,243,881</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE (DECREASE)	ADJUSTED TOTAL	
SCHEDULE	LINE	COLUMN						
CY370 ADJUSTMENTS								
CY370	1-A	2	1	Adoption Service - Employee Benefits	\$ 17,176	\$ (124)	\$ 17,052	
	1-I	2		Intake & Referral - Employee Benefits	\$ 65,396	\$ (471)	\$ 64,925	
	1-L	2		Protective Service - Child Abuse - Employee Benefits	\$ 96,259	\$ (693)	\$ 95,566	
	1-M	2		Protective Service - General - Employee Benefits	\$ 100,438	\$ (723)	\$ 99,715	
	2-C	2		Community Residential (Dep.) - Employee Benefits	\$ 2,402	\$ (17)	\$ 2,385	
	2-E	2		Emergency Shelter (Dep.) - Employee Benefits	\$ 2,402	\$ (17)	\$ 2,385	
	2-G	2		Foster Family (Dep.) - Employee Benefits	\$ 96,518	\$ (695)	\$ 95,823	
	3-B	2		Residential Service (Dep.) - Employee Benefits	\$ 7,603	\$ (55)	\$ 7,548	
	4	2		Administration - Employee Benefits	\$ 122,695	\$ (884)	\$ 121,811	
					Total Adjustment Amount		\$ (3,679)	
				To decrease retirement employee benefits by \$3,679 to properly report the agency's allocation of the 2009 and 2010 county pension contribution. The agency/county calculation was based on estimated and not actual salaries.				
				Title 55 PA Code, Chapter 3170.47(f)				
CY370	4	4	2	Administration - Operating Costs - Indirect Costs	\$ 222,898	\$ 1,547	\$ 224,445	
				To increase Operating Costs in Administration by \$1,547 to properly report the Agency's Indirect Costs on the CY370.				
				Title 55 PA Code, Chapter 3170.60				
CY370	2-G	11	3	Foster Family (Dep.) - Non-Reimbursable Purch. Serv/Subsidies	\$ 51,703	\$ (38,447)	\$ 13,256	
				To decrease the Non-Reimbursable Purchased Serv/Subsidies by \$38,447 to allow the cost of services for an undocumented child, as per the DPW.				
				Title 55 PA Code, Chapter 3140.21(c)				
CY370A ADJUSTMENT								
CY370A	1-A	4	4	Adoption Service - Title IV-E Administration	\$ 18,634	\$ 1,590	\$ 20,224	
	1-I	4		Intake & Referral - Title IV-E Administration	\$ 44,518	\$ 3,574	\$ 48,092	
	1-L	4		Protective Service - Child Abuse - Title IV-E Administration	\$ 73,210	\$ 5,772	\$ 78,982	
	1-M	4		Protective Service - General - Title IV-E Administration	\$ 71,421	\$ 5,681	\$ 77,102	
	2-C	4		Community Residential (Dep.) - Title IV-E Administration	\$ 1,291	\$ 102	\$ 1,393	
	2-D	4		Community Residential (Del.) - Title IV-E Administration	\$ 16	\$ 2	\$ 18	
	2-E	4		Emergency Shelter (Dep.) - Title IV-E Administration	\$ 2,080	\$ 180	\$ 2,260	
	2-G	3		Foster Family (Dep.) - Title IV-E Maintenance	\$ 220,128	\$ 11,530	\$ 231,658	
	2-G	4		Foster Family (Dep.) - Title IV-E Administration	\$ 170,424	\$ 21,065	\$ 191,489	
	3-B	4		Residential Service (Dep.) - Title IV-E Administration	\$ 5,113	\$ 408	\$ 5,521	
	4	4		Administration - Title IV-E Administration	\$ 107,583	\$ 8,957	\$ 116,540	
					Total Adjustment Amount		\$ 58,861	
					To increase federal Title IV-E Revenue by \$58,861 to include 13 supplemental invoices not reported by the agency.			
				Title 55 PA Code, Chapter 3170.95(a)(b)				
CY348 ADJUSTMENT								
CY348	13	A	5	Title IV-D Collections for IV-E Eligible Children	\$35,693	\$4,687	\$40,380	
				To increase Title IV-D collections for IV-E Eligible Children by \$4,687 to reflect the actual amount received.				
				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, 2009 to June 30, 2010, 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 failed to perform a physical inventory during 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 2009-2010. 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 2nd 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 2nd 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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