



PERFORMANCE AUDIT

YOUTH FORESTRY CAMP No. 2

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE**

MARCH 2013

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

March 22, 2013

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

This report contains the results of a performance audit of Youth Forestry Camp No. 2 of the Department of Public Welfare for the period July 1, 2008, to June 17, 2011. We conducted our audit under authority provided in Section 402 of The Fiscal Code and in accordance with generally accepted government auditing standards.

The report contains four audit objectives along with an audit scope and methodology for each objective. Where appropriate, the audit report contains findings, conclusions, and recommendations. The report notes that the Youth Forestry Camp No. 2 did not monitor contracted vendor invoices submitted for payment. The Camp also did not maintain a valid contract with the vendor servicing its vending machines. Finally, the Camp failed to verify the vendor's collections of cash from its vending machines.

We discussed the contents of the report with management of the Youth Forestry Camp No. 2, and all appropriate comments are reflected in the report.

Sincerely,

EUGENE A. DePASQUALE
Auditor General

Youth Forestry Camp No. 2
Department of Public Welfare

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**Youth Forestry Camp No. 2
Department of Public Welfare****Background
Information***History, mission,
and operating
statistics***Department of Public Welfare – Office of Children,
Youth and Families**

The Office of Children, Youth and Families was established in 1980 as a distinct office within the Department of Public Welfare (Department). At the time of this audit, the oversight of the office was under the Deputy Secretary for Children, Youth and Families.¹ According to the website for the Office of Children, Youth and Families, “Pennsylvania’s child welfare system is county-administered and state-supervised.”² The website further explains that child welfare and juvenile justice services are organized, managed, and delivered by county children and youth agencies, and county juvenile probation offices. The Office of Children, Youth and Families includes the Bureau of Juvenile Justice Services which is responsible for the management, operations, program planning and oversight of all the youth development center/youth forestry camp facilities.³

Bureau of Juvenile Justice Services

In 1956, the General Assembly authorized the Department of Public Welfare to establish and operate youth forestry camps. In 1959, the General Assembly further authorized the department to establish and operate youth development centers.⁴ The Department of Public Welfare established the Bureau of State Children and Youth Programs within the Office of Children, Youth and Families in 1988⁵ to administer the youth development center/youth forestry camp system. The Bureau of State Children and Youth Programs’ name was officially changed to the Bureau of Juvenile Justice Services in 2009.⁶

The Bureau of Juvenile Justice Services is responsible for the management, operations, program planning, and oversight of one youth development center, two youth forestry camps, and three secure treatment

¹ Commonwealth of Pennsylvania, Governor’s Office, Executive Board Resolution Number OR-94-055, dated April 5, 1994.

² <http://www.dpw.state.pa.us/dpworganization/officeofchildrenyouthandfamilies/index.htm>, accessed on September 6, 2012.

³ <http://www.dpw.state.pa.us/dpworganization/officeofchildrenyouthandfamilies/bureauofjuvenilejusticeservices/index.htm>, accessed on December 13, 2012.

⁴ General Assembly of the Commonwealth of Pennsylvania, Joint State Government Commission, Services to Troubled Youth – A Review and Recommendations, Dated March 1975, Section Juvenile Justice System, subsection 3 Pennsylvania Institutions for Children, page 9, paragraph 2.

⁵ Commonwealth of Pennsylvania, Governor’s Office, Executive Board Resolution Number OR-88-190, dated August 24, 1988.

⁶ Commonwealth of Pennsylvania, Governor’s Office, Executive Board Resolution Number OR-09-244, dated September 9, 2009.

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units. The six facilities are as follows: the Loysville Youth Development Center, the Youth Forestry Camp No. 2, the Youth Forestry Camp No. 3, the North Central Secure Treatment Unit, the South Mountain Secure Treatment Unit, and the Cresson Secure Treatment Unit, which is operated by a private contractor.

The Bureau of Juvenile Justice Services web page⁷ states:

The Bureau of Juvenile Justice Services (BJJS) is responsible for the management, operations, program planning, and oversight of all the youth development center/youth forestry camp facilities. These facilities are designed to provide state-of-the-art treatment, care, and custody services to Pennsylvania's most at-risk youth.

The youth entrusted to our care are male and female adolescents who have been adjudicated delinquent by their county judicial system. From the time of referral, we ensure that every youth receives individualized treatment services based on his/her strengths and needs. BJJS treatment services value strong child, family, and community partnerships and promote competency, development, and victim awareness, while advocating for the continued improvement and integration of all child-serving systems.

*All aspects of the BJJS facilities are based on the Restorative Justice concept thereby ensuring that all the facility programs provide equal attention to the victim, the youth, and the community.*⁸

Youth Forestry Camp No. 2

Youth Forestry Camp No. 2, or the Camp, as it is referred to throughout the report is located on approximately 15 acres of land on the grounds of Hickory Run State Park in Carbon County, approximately 20 miles south of Wilkes-Barre. The Camp operates a 49-bed capacity residential

⁷<http://www.dpw.state.pa.us/dpworganization/officeofchildrenyouthandfamilies/bureauofjuvenilejusticeservices/index.htm>, accessed November 2, 2011, verified December 13, 2012.

⁸The Balanced and Restorative Justice concept is based on an understanding that crime is an act against a victim and a community and that restoring victims and communities is a vital part of the process of treating the youth in the youth development center/youth forestry camp system, decreasing the chances that they will reoffend. <http://www.dpw.state.pa.us/forchildren/juvenilejustice/balancedrestorativejustice/index.htm>, accessed September 6, 2012.

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program offering educational, counseling, and rehabilitative services. It is an open residential facility for adjudicated delinquent male youth. In recent years the Camp has seen an increase in the number of residents coming to the facility with higher levels of risk and need. Currently, the most prevalent charges for residents admitted to the Camp are assault, theft and related offenses, and drug act offenses.

The Camp offers youth opportunities for on-site and off-site internships in several areas. Employment opportunities at the facility allow youth to earn money to pay restitution costs. Opportunities to learn vocational trades through work training, classroom instruction and supervised restorative projects in the community are also available.

Additionally, youth are offered opportunities to participate in a wide range of supervised projects, such as, pheasant raising in cooperation with the Pennsylvania Game Commission, horticulture, fish stocking in cooperation with the Pennsylvania Fish and Boat Commission, community clean-up, community organization assistance and local zoo maintenance.

Educational services are provided by the Carbon Lehigh Intermediate Unit. Each youth spends half his day learning academic subjects such as Math, Science and English.

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The following table presents selected unaudited Youth Forestry Camp No. 2 operating statistics compiled from the Department of Public Welfare and commonwealth reports for the years ended June 30, 2009, 2010, and 2011:

	Youth Forestry Camp No. 2 Facility Statistics For Fiscal Years Ending June 30,		
	2009	2010	2011
Total expenditures ⁹ (rounded in thousands)	\$4,430,000	\$3,641,000	\$4,273,000
Resident population at year-end ¹⁰	31	38	35
Capacity at year-end ¹¹	49	49	49
Percentage of capacity at year-end	63%	78%	71%
Average monthly resident population	29	39	33
Average annual cost per resident ¹²	\$152,759	\$93,359	\$129,485

Department of Public Welfare Accounting Oversight

According to DPW officials, over the last several years the Bureau of Juvenile Justice Services has purposefully and methodically consolidated and centralized business services activities for all youth development center/youth forestry camp facilities under its Division of Administrative Quality Improvement. This change was made by the Department to increase efficiency, reduce costs and avoid duplication of effort.

Accordingly, accounting staff from the DPW's Bureau of Juvenile Justice Services were assigned to assist the Camp with many of its administrative and accounting procedures.

⁹ Operating expenditures were recorded net of fixed assets, an amount that would normally be recovered as part of depreciation. Commonwealth of Pennsylvania, Systems Application Products, Accounting software.

¹⁰ Office of Children Youth and Families, Bureau of State Children and Youth Programs, Daily report of client days

¹¹ Department of Health Bed License

¹² Average cost per resident was calculated by dividing total operating expenditures by the average monthly resident population.

**Youth Forestry Camp No. 2
Department of Public Welfare**

**Objectives,
Scope, and
Methodology**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our performance audit of the Camp had four objectives. We selected those objectives from the following areas: Service purchase contracts, Resident Fund, Canteen Fund, and client statistical data. The specific audit objectives were as follows:

- One To determine if the Department of Public Welfare complied with applicable commonwealth policies when procuring contracts for goods and services on behalf of the Camp and to also determine if the Camp effectively monitored all goods and services received under these contracts. (Finding 1)
- Two To evaluate the Camp's controls over receipts and disbursements in the Resident Fund. (Finding 2)
- Three To evaluate the Camp's controls over receipts and disbursements in the Canteen Fund. (Finding 3)
- Four To evaluate the Camp's controls over the preparation of county billing statements. (Finding 4)

Unless indicated otherwise, the scope of the audit was from July 1, 2008, through June 17, 2011.

To accomplish our objectives, we obtained and reviewed records and analyzed pertinent policies, agreements, and guidelines of the Commonwealth of Pennsylvania, and the Department of Public Welfare. In the course of our audit work, we interviewed various Camp management and staff. The audit results section of this report contains the specific inquiries, observations, tests, and analyses conducted for each audit objective.

Youth Forestry Camp No.2 management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the Camp is in compliance with applicable laws, regulations, contracts, grant agreements, and administrative policies and procedures. In conducting our audit, we obtained an understanding of the Camp's internal controls, including any information systems controls, as they

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relate to those requirements and that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

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Audit Results

In the pages that follow, we have organized our audit results into four sections, one for each objective. Each of the four sections is organized as follows:

- Statement of the objective
- Relevant laws, policies, and procedures
- Audit scope in terms of period covered, types of transactions reviewed, and other parameters that define the limits of our audit and methodologies used to gather sufficient evidence to meet the objective
- Finding(s) and conclusion(s)
- Recommendation(s), where applicable
- Response by the Youth Forestry Camp No. 2 management, if applicable

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Audit Results
for
Objective
One
Contracts
The objective

Objective one of our performance audit was to determine if the Department of Public Welfare complied with applicable commonwealth policies when procuring contracts for goods and services on behalf of the Camp and to also determine if the Camp effectively monitored all goods and services received under these contracts.

Relevant laws, policies and procedures

Commonwealth institutions often contract with vendors instead of providing services in-house, because the services may not warrant full-time positions or institutional personnel may not possess the necessary expertise. Contracted services included, but were not limited to medical services, pharmacy services and maintenance services. Contracts for goods and services at the Camp were all procured by the Department of Public Welfare.

The commonwealth's Procurement Handbook provides a standard approach and establishes policies and procedures for the procurement of supplies, services and construction, under the authority of Act 57 of 1998. These policies establish that contracts for goods and services procured under \$5,000 do not need to be bid, contracts exceeding \$5,000 but less than \$10,000 should be procured through obtaining three informal bid quotes, and contracts exceeding \$10,000 should be procured using the formal bidding method.¹³ According to these policies, Camp management is also responsible for monitoring the execution of the terms of the contract until the contract is closed with final payment to the contractor. Monitoring and control over goods and services received are essential to ensure the contractor uses and manages its resources in a manner that will provide the Camp exactly what it has contracted for in terms of quality, timeliness, and economy of cost.¹⁴

¹³ Commonwealth of Pennsylvania, Department of General Services, On-Line Procurement Handbook, http://www.dgs.state.pa.us/portal/server.pt/community/procurement_handbook/14304, accessed February 8, 2011, verified September 27, 2012.

¹⁴ Commonwealth of Pennsylvania's, Department of General Services, On-Line Procurement Handbook, Part I, "Policies and Guidelines", Chapter 54, "Contract Person Responsibilities", www.dgs.state.pa.us, accessed February 8, 2011, verified September 27, 2012.

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Scope and methodologies to meet our objective

We reviewed applicable commonwealth policies and procedures for both the procurement and the monitoring of goods and services received under contract.

We interviewed appropriate Department and Camp personnel who were responsible for the procurement and monitoring of contracts.

We selected 10 of 50 contracts procured by the Department of Public Welfare that were in effect from July 1, 2008, through June 30, 2010, and reviewed procurement documentation to determine if these contracts were procured in accordance with policies.

We also reviewed 31 invoices related to the 10 contracts to verify that the charges recorded on the invoices agreed with contract specifications, were mathematically accurate, and that the invoices were appropriately approved for payment by the Camp's contract monitors.

Finding 1**The Camp failed to effectively monitor contracts for goods and services.**

Our review of 10 contracts procured by the Department of Public Welfare on behalf of the Camp found that each contract was procured in accordance with commonwealth procurement policies and procedures.¹⁵ Our review of contracts and related documentation found that the Department complied with applicable procurement procedures such as those requiring advertising for services, recording and opening of sealed bids, bid tabulation assessment, and the awarding of the contracts.

We found that a contract monitor was assigned by Camp management to each contract. We also found that the monitor approved the charges recorded on contractor's invoices for payment. However, our review found that monitors assigned to three of the 10 contracts, did not consistently ensure prices charged for items on the invoices agreed with item prices stated in the contract.

¹⁵Commonwealth of Pennsylvania, Department of General Services, On-Line Procurement Handbook, http://www.dgs.state.pa.us/portal/server.pt/community/procurement_handbook/14304, accessed February 8, 2011, verified September 27, 2012.

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Specifically, our examination of 31 vendor invoices from the 10 contracts disclosed that the Camp was overcharged on eight invoices, relating to three of the contracts. Two of these invoices related to a plumbing service contract and three other invoices related to a pharmaceutical services contract. All five of these invoices listed incorrect vendor discount percentages resulting in the Camp being overcharged \$117. Also, three other invoices relating to the contract for dental services listed rates for services that exceeded the approved contracted rates, resulting in an overcharge of \$204.

Monitoring and verifying the accuracy of invoices is essential to ensuring that the Camp is properly billed for goods and services received under contract.

**Recommendations
for Finding 1**

1. Camp contract monitors should thoroughly review each invoice to ensure that proper discount percentages rates are applied by the vendor and that the Camp is properly charged in accordance with its contracts for the goods and services it receives.
2. Camp management should recoup all overpayments that were made to vendors due to the improper application of discount percentage rates and/or invoice charges that exceeded contract specifications.

**Management
Response**

**Written Comments provided by Youth Forestry Camp
Management:**

We appreciate these discrepancies being brought to light and the Bureau of Juvenile Justice Services will take steps to correct this issue and ensure that it doesn't occur in the future.

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Department of Public Welfare**

**Audit Results
for
Objective
Two**

The objective

Objective two of our performance audit was to evaluate the Camp's controls over receipts and disbursements in the Resident Fund.

Relevant policies and procedures

Resident Fund

The Camp staff, under the direction and supervision of the Department of Public Welfare, administers the Resident Fund, which is a checking account used to disburse and deposit residents' personal monies, as a service to its residents.

The Department established a policy for managing non-appropriated funds, which includes the Resident Fund.¹⁶ This policy requires that accounting records be maintained in a manner that will validate all transactions through the documentation of all expenditures, receipts, adjustments, and other transactions in order to protect the propriety of the Resident Fund. A Camp clerk is responsible for recording all disbursements and receipts. All resident account deposits are processed through direct deposit or money orders. According to the clerk, on rare occasions a resident may bring cash to her office for deposit. On those occasions the clerk manually prepares a receipt for the resident's records. The clerk records all deposits in the cash receipts/cash disbursements general ledger and posts the deposit amount to the resident's individual accounts.

The Camp clerk verifies that disbursements of cash are approved by either the Camp's director or its youth development counselor manager. The clerk also verifies that a resident's signature is obtained to acknowledge the resident's receipt of their money. All accounting records are then forwarded by the Camp to the Bureau of Juvenile Justice Services accounting staff. The accounting staff reconciles the Camp's accounting records to monthly bank account statements for accuracy. The account reconciliation and supporting documents are then reviewed and approved by a Bureau management level staff member within the accounting system.

Scope and methodologies to meet our objective

We interviewed appropriate personnel who were involved in processing transactions in the Resident Fund.

¹⁶ Department of Public Welfare, Administrative Policies, "Accounting for Non-Appropriated Funds" (formerly 7021.7), issued September 1, 2004.

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We reviewed the department's Administrative Policy, "Accounting for Non-Appropriated Funds."

We reviewed the Resident Fund's annual status report for fiscal years ending June 30, 2009, and 2010.

We reviewed bank account statements and bank statement reconciliations prepared by the department for the months of June 2009 and June 2010

We tested 43 Resident Fund bank deposits for the period July 1, 2008, to June 30, 2010, to verify that the deposits were properly recorded in the Camp's Resident Fund accounting records.

We tested 44 Resident Fund disbursements for the period July 1, 2008, to June 30, 2010. We selected 22 of the 44 disbursements from entries in the cash receipts/cash disbursements general ledger, and verified that a signed resident withdrawal form existed to support the disbursements. The remaining 22 disbursements were selected from signed resident withdrawal forms and we verified that the withdrawals were properly recorded in the Camp's Resident Fund accounting records.

We obtained the Resident Fund Account Balance report prepared by the Camp staff as of December 31, 2010, and compared the final cumulative balance of each resident's individual accounts recorded in the report with the balance of the Camp's cash receipts/cash disbursements general ledger. We also compared those balances with the Resident Fund bank account statement as of December 31, 2010, to verify that the balances were in agreement.

Finding 2

The Camp, with assistance from Department of Public Welfare's accounting staff, maintained adequate controls over receipts and disbursements in the Resident Fund.

We found that Resident Fund bank reconciliations were completed properly and timely by the Department accounting staff and appropriately reviewed and approved by a Department finance manager.

We found that all 43 Resident Fund bank deposits selected for review were properly recorded in the cash receipts/cash disbursements general ledger and posted to each applicable resident's account.

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Our testing also found all 44 Resident Fund disbursement transactions selected for review had a completed resident withdrawal order form approved by the Camp's director or its youth development counselor manager. The order forms also contained the resident's signatures acknowledging receipt of money. In addition, all 44 disbursements were properly posted to each resident's account ledger and the cash receipts/cash disbursements general ledger.

Finally, we found that the balance of the Resident Fund's cash receipts/cash disbursements general ledger at December 31, 2010, matched the total balance of both the resident's individual account total reported on the department's Resident Fund Account Balance report and the Resident Fund bank account statement balance at December 31, 2010.

As a result of our review, we concluded that the Camp, with assistance from Department accounting staff, maintained adequate control over the Resident Fund and complied with Department policies in its administration of the Resident Fund.

**Management
Response**

Written comments provided by Youth Forestry Camp Management:

We concur that adequate controls over receipts and disbursements have been maintained; however, we would like to clarify that these functions have been centralized and consolidated by the Bureau of Juvenile Justice Services under its Division of Administration and Quality Improvement.

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Audit Results
for
Objective
Three

The objective

Objective three of our performance audit was to evaluate the Camp's controls over receipts and disbursements in the Canteen Fund.

Canteen Fund

Relevant policies and procedures

As stated under the previous objective, the Department of Public Welfare has established a policy¹⁷ for managing non appropriated funds. This policy is applicable to the Camp's Canteen Fund. The Canteen Fund serves as a depository for revenues obtained through vending machine commissions and fundraisers to finance activities for the benefit of all residents. The policy requires accounting records be maintained in a manner that will validate all transactions through the documentation of all expenditures, receipts, adjustments, and other transactions in order to protect the propriety of the Canteen Fund. The Canteen Fund had an average monthly balance of \$300 for the fiscal year ended June 30, 2010.

As in the previous objective, a Camp clerk is responsible for receiving the vending commission payments, recording all receipts and disbursements in the cash receipts/cash disbursements general ledgers and preparing Canteen Fund bank deposits. All accounting records are then forwarded by the Camp to Department accounting staff located at the New Castle Youth Development Center, where the records are reconciled to monthly bank account statements for accuracy. The accounting records and reconciliations are then forwarded to a Department finance manager located at the Loysville Youth Development Center for review and approval.

Scope and methodologies to meet our objective

We interviewed appropriate personnel who were involved in managing the Canteen Fund.

We reviewed applicable Department policies for the managing of non-appropriated funds.

We reviewed the Camp's *Balance Sheet and Analysis of Net Worth Report* of the Canteen Fund for fiscal years ending June 30, 2009, and 2010.

¹⁷ Department of Public Welfare, Administrative Policies "Accounting for Non-Appropriated Funds" (formerly 7021.7) issued 09/01/04.

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We reviewed Canteen Fund bank account statements and bank reconciliations prepared by Department staff for the months of June 2009, and June 2010.

We reviewed nine of 46 disbursements selected from the Canteen Fund bank statements for the period July 1, 2008, to June 30, 2010, to verify that disbursements were properly recorded in the disbursements general ledger and all had corresponding vendor invoices and/or receipts to support the disbursements. We also reviewed documentation to verify that the disbursements were for the benefit of Camp residents.

We reviewed 24 of 120 Canteen Fund cash receipts (which included vending commissions), during the period July 1, 2008, to June 30, 2010, to verify that cash receipts were properly recorded on the bank deposit slips and also in the cash receipts general ledger. In addition we also verified that dollar amounts recorded on bank deposit slips traced to the Canteen Fund bank account statements.

Finding 3

The Camp, with assistance from Department of Public Welfare's accounting staff, maintained adequate controls over receipts and disbursements in the Canteen Fund. However, the Camp failed to ensure the accuracy of vending commission payments deposited into the Canteen Fund.

Our audit of 46 Canteen Fund disbursements found that Camp clerical staff maintained accurate account records and forwarded those records to Department accounting staff for review. The reviews of Canteen Fund transactions were completed properly and timely by Department accounting staff. *Balance Sheets and Net Worth Reports* on the Canteen Fund prepared by the Department accounting staff for fiscal years ended June 30, 2009, and June 30, 2010, were supported by the Camp's accounting records and bank account statements maintained by the Camp's clerk. We also found that all 46 disbursements were for the benefit of Camp residents.

The 24 receipt transactions that we tested were properly recorded and deposited into the bank by the Camp. However, a concern relating to the collection of vending machine commission payments was revealed during our review of Canteen Fund receipts.

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Vending machine commission payments. Seventeen of the 24 Canteen Fund cash receipts that we reviewed were for vending machine commission payments.

According to the Camp director, a Department finance manager, and the vendor there was no written vending agreement detailing the terms and conditions of commission payments in place during our audit period. Instead, there was a verbal agreement made approximately 10 years ago between a former Camp business manager and the vendor for a 20 percent commission payment of gross sales generated from the placement of two vending machines on the grounds of the Camp. We requested a written statement from the vendor to verify the existence of a verbal agreement and the commission percentage to be paid to the Camp. However, the vendor did not respond to our request.

Our review of commission payments which were reported on the vendor sales receipts, found that the vendor is paying the Camp a 20 percent commission for beverage sales, but only 10 percent commission on all other sales. The percentage difference resulted in a loss of \$170 in the 17 commission payment receipts made to the Camp's Canteen Fund.

Further, the cash collected from machines weekly by the vendor was not verified for accuracy by a Camp clerk. Camp employees did not accompany the vendor when cash was being collected from the vending machines. By not accompanying vendor personnel, Camp management was not able to verify the total amount of cash collected from the two vending machines. Therefore, the Camp was not able to verify the accuracy of the commission checks remitted to the Camp's Canteen Fund by the vendor.

DPW policy¹⁸ as well as sound business practice dictates that appropriate staff should accompany the vendor to verify sales when the vendor is collecting cash from the vending machines.

¹⁸ Commonwealth of Pennsylvania's, Procurement Handbook, Part I, "Policies and Guidelines", Chapter 54, "Contract Person Responsibilities", http://www.portal.state.pa.us/portal/server.pt/community/procurement_handbook/14304/part_i_%E2%80%93_policies_and_guidelines/591308, accessed December 13, 2012.

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**Recommendation
for Finding 3**

2. Camp management and the vendor should prepare a formal written vending machine service contract, signed by both parties, that includes specific commission percentages for vending machine sales. Additionally, the Camp should assign an employee to accompany the vendor and record the cash collected from the vending machines in order to verify that commission payments are accurate.

**Management
Response**

**Written comments provided by Youth Forestry Camp
Management:**

Youth Forestry Camp 2 has taken appropriate steps to ensure the accuracy of the vending commission payments deposited into the Canteen Fund by assigning an employee to accompany the vending machine technician when he removes money from the vending machines.

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Audit Results
for
Objective
Four

The objective

Objective four of our performance audit was to evaluate the Camp's controls over the preparation of county billing statements.

Relevant policies and procedures

Client Statistical Data

The Youth Forestry Camp No. 2 is an open residential facility for male juveniles that have been adjudicated delinquent. The counties from which the juveniles reside are responsible for 40 percent of the cost of care for the juveniles placed in the Camp.¹⁹

The youth development aide supervisor is responsible for completing nightly census reports and forwarding the data to the clinical staff to input into the APPMAP²⁰ system for record keeping and billing purposes. The APPMAP system tracks the residents' days of care and maintains a record of each resident's biographical information such as name, social security number, and county of residence.

The Department of Public Welfare's billing system, APPMAP, exchanges information electronically with the Department's Bureau of Financial Operations billing system on a quarterly basis to generate bills for each county.²¹

Scope and methodologies to meet our objective

We interviewed appropriate personnel who were involved in maintaining client statistical data.

We reviewed the Department's Office of Children Youth and Families, Bureau of Juvenile Justice Services, Youth Development Center Billing System Manual, and issued Bulletins.

We obtained the Camp's monthly report of client days, generated through APPMAP, for the four month period of January through April 2011.

¹⁹ Commonwealth of Pennsylvania, Department of Public Welfare, Children, Youth and Families Bulletin "YDC/YFC Interim Per Diem Rates Effective July 1, 2008, and July 1, 2009," Issued May 22, 2008, and May 14, 2009, respectively.

²⁰ APPMAP stands for Application Mapper which is a term used by the Department of Welfare to refer to Unisys Corporations copyrighted MAPPER (Maintain, Prepare, and Produce Executive Reports) billing system, per phone call 10-3-12 and corroborated through an email on 10-3-12.

²¹ Department of Welfare, Office of Children, Youth and Families, Bureau of State Children and Youth Programs, "YDC Billing System Manual," July 15, 2004.

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We selected 20 juveniles from a total population of 64 placed at the Camp by court order from January 2011 through April 2011, to determine whether the Camp properly accounted for client days of care and whether the correct code for the juvenile's home county was properly recorded into the APPMAP system by the Camp's clerical staff.

Finding 4

The Camp implemented adequate procedures to properly record eligible client days of care and resident's biographical information.

Our review found that a Camp youth development aide supervisor completed unit census reports nightly and forwarded the reports to the Camp's clerical staff in order to compile the Camp's daily census reports for input into the APPMAP system. At the end of each month, the APPMAP system then automatically generated a monthly report of client days for billing purposes.

Based on our review of the January through April 2011 monthly reports of client days, we found that the camp properly recorded eligible client days as well as biographical information in the APPMAP billing system for the 20 juveniles included in our review.

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**Status of
Prior Audit**

The following is a summary of the findings and recommendations presented in our audit report that covered the period of July 1, 2004, to May 21, 2008, along with a description of the disposition of the recommendation. Four of the findings (Findings 1, 2, 3, and 4) were positive and thus had no recommendations. The status of the remaining findings (Finding 5 and 6) and the accompanying recommendation is presented below.

Methodologies to meet our objective

In order to determine the status of implementation of our prior audit recommendations, we held discussions with appropriate Camp personnel, and we performed detailed testing as part of, or in conjunction with, the current audit.

Prior Finding 5 Records were not maintained to document whether discharged residents obtained employment in their respective areas of vocational study.

Our prior audit examined whether the Camp implemented procedures to measure the effectiveness of the vocational programs offered at the Camp by determining if residents secured employment in their area of study after discharge from the camp. The Camp offered three types of vocational study: building trades, food service, and automotive mechanics. We found that neither facility staff nor the residents' probation officers were able to provide any evidence that residents obtained employment in their area of vocational study.

We recommended that the Camp staff track the types of employment that discharged residents obtain in order to help the Camp assess the effectiveness of the programs and determine if the Camp should adjust the types of vocational programs offered at the facility.

Status

The Department responded that they would request assistance from the Pennsylvania Department of Education (PDE) in obtaining records to document vocational outcomes at the Camp since education and vocational programming at the Camp is provided via a contract administered by PDE.

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PDE officials responded to the Department's request by indicating that once residents are discharged from the program, there is a question as to whether the Health Insurance Portability and Accountability Act (HIPAA) would apply and prohibit the Education Program from soliciting information from the former residents. In addition, the Education Program never had a formal mechanism to determine and document whether discharged residents have obtained employment in their respective areas of pre-vocational study. However, over the years, several instructors attempted (via a pre-stamped postal card) to have released student/residents voluntarily correspond with the Education Program once they have obtained any form of employment but were met with limited success.

In summary, it appears that the Camp and the Department of Public Welfare, although unsuccessful, did consider our recommendation. We encourage the Camp and the Department to consider other measures to evaluate the effectiveness of the vocational programs offered at the Camp. We may review this area again in future audits of the Camp.

Prior Finding 6 The Camp lacked a summer tutorial program.

Our prior audit disclosed that the four week summer tutorial program was not offered in 2006 or 2007. The Camp did not conduct any educational summer tutorial program services due to a lack of funding. In previous years, the summer program was funded by a grant from Carbon County. The Pennsylvania Department of Education, which administers the educational program at the Camp, acknowledged the need for the summer program but indicated that it is only required to fund 180 days of educational instruction at the facility. Further, it appeared that there was a breakdown in communication between the Department of Public Welfare and the Department of Education, in determining funding for the summer tutorial program.

Since all parties agree on the importance of the summer educational program, we recommended that the Department and PDE collaborate to implement and fund a summer tutorial program at the Camp.

Status

We found that summer tutorial programs were not offered at the Camp since 2005. Further, Department officials responded to our prior finding by indicating they would contact PDE to request assistance with

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implementing and funding a summer tutorial program. However, it appears that the Department did not request assistance from PDE until March 2011.

Specifically, officials from the Department's Office of Children, Youth, and Family sent a letter, dated March 2, 2011, to PDE requesting assistance in resolving our finding and recommendation. PDE officials responded to the Department's request by stating that PDE will not fund education instruction beyond 180 days.

While we recognize the budget constraints that all state agencies are facing, the summer tutorial program is an important part of the educational program for the Camp's residents, and therefore, the Department should make every effort to fund the summer program. We encourage the Camp, in conjunction with the Department of Public Welfare, to search for grants or other funding sources to reinstate the summer tutorial program. We may review this area again in future audits.

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Youth Forestry Camp #2

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