

County of Centre, Pennsylvania

Single Audit

December 31, 2011



County of Centre, Pennsylvania

Table of Contents
December 31, 2011

	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Note to Schedule of Expenditures of Federal Awards	4
Schedule of Selected Commonwealth of Pennsylvania Department of Public Welfare Assistance	5
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the Pennsylvania Department of Public Welfare Single Audit Supplement	8
Schedule of Findings and Questioned Costs	11
Summary Schedule of Prior Audit Findings	18

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2011

Grantors/Program Title	Federal CFDA Number	Pass-Through Entity Identificaiton Number	Total Received for the Year	Accured of (Deferred) Revenue at 1/1/11	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/11
U.S. Department of Agriculture							
Passed through Pennsylvania Department of Agriculture:							
Emergency Food Assistance Program (Administrative Costs)	10.568	ME441857	\$ 29,108	\$ 11,701	\$ 29,984	\$ 29,984	\$ 12,577
ARRA - Emergency Food Assistance Program (Administrative Costs)	10.568	ME441857	919	892	49	49	22
Emergency Food Assistance Program (Food Commodities)	10.569	ME441857	153,683	4,370	149,313	149,313	-
ARRA - Emergency Food Assistance Program (Food Commodities)	10.569	ME441857	799	-	799	799	-
Total U.S. Department of Agriculture			<u>184,509</u>	<u>16,963</u>	<u>180,145</u>	<u>180,145</u>	<u>12,599</u>
U.S. Department of Housing and Urban Development							
Passed through Pennsylvania Department of Community and Economic Development:							
Community Development Block Grants/State's Program	14.228	C000020781	289,353	-	337,890	337,890	48,537
Community Development Block Grants/State's Program	14.228	C000036507	178,940	30,599	158,797	158,797	10,456
Community Development Block Grants/State's Program	14.228	C000043402	1,800	1,300	500	500	-
ARRA - Community Development Block Grants/State's Program	14.255	C000046309	6,651	4,740	1,911	1,911	-
ARRA - Community Development Block Grants/State's Program	14.255	C000050345	49,186	-	64,666	64,666	15,480
ARRA - Homeless Prevention and Re-development Program	14.257	C000046146	201,065	(40,285)	226,397	226,397	(14,953)
ARRA - Homeless Prevention and Re-development Program	14.257	C000046130	34,622	-	52,296	52,296	17,674
Total U.S. Department of Housing and Urban Development			<u>761,617</u>	<u>(3,646)</u>	<u>842,457</u>	<u>842,457</u>	<u>77,194</u>
U.S. Department of the Interior							
Payments in Lieu of Taxes	15.226	N/A	18,192	-	18,192	18,192	-
U.S. Department of Justice							
Passed through Pennsylvania Commission on Crime and Delinquency:							
Drug Court Discretionary Grant Program	16.585	2009-DC-BX-0057	25,077	2,023	43,965	43,965	20,911
Violence Against Women Formula Grants	16.588	2010/12-VA-06-20554	70,605	849	118,834	118,834	49,078
Crisis Intervention Team Project	16.738	2011/12-JG-09-21777	13,720	-	7,604	7,604	(6,116)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010/11-JG-07-21951	26,393	7,910	18,483	18,483	-
Total U.S. Department of Justice			<u>135,795</u>	<u>10,782</u>	<u>188,886</u>	<u>188,886</u>	<u>63,873</u>
U.S. Department of Transportation							
Passed through Pennsylvania Department of Transportation,							
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	N/A	124,408	-	124,408	124,408	-
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	97,912	26,403	80,594	80,594	9,085
Intragency Hazardous Materials Public Sector Training and Planning Grant	20.703	N/A	15,593	(11,185)	13,778	13,778	(13,000)
Total U.S. Department of Transportation			<u>237,913</u>	<u>15,218</u>	<u>218,780</u>	<u>218,780</u>	<u>(3,915)</u>
Environmental Protection Agency							
Passed through Pennsylvania Department of Environmental Protection:							
Chesapeake Bay Program	66.466	ME4100054343	3,554	-	3,694	3,694	140
Chesapeake Bay Program	66.466	ME4100050076	11,795	-	11,795	11,795	-
Total Environmental Protection Agency			<u>15,349</u>	<u>-</u>	<u>15,489</u>	<u>15,489</u>	<u>140</u>
U.S. Department of Education							
Passed through Pennsylvania Department of Public Welfare,							
Special Education - Grants for Infants and Families with Disabilities	84.181	N/A	116,002	-	96,205	96,205	(19,797)
ARRA - Special Education - Grants for Infants and Families with Disabilities	84.393	N/A	82,824	(4,444)	87,268	87,268	-
Total U.S. Department of Education			<u>198,826</u>	<u>(4,444)</u>	<u>183,473</u>	<u>183,473</u>	<u>(19,797)</u>

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2010

Grantors/Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	Total Received for the Year	Accrued of (Deferred) Revenue at 1/1/11	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/11
U.S. Department of Health and Human Services							
Passed through Pennsylvania Department of Aging:							
Special Programs for the Aging - Title VII - Ombudsman	93.042	4100034528	5,625	(5,838)	11,463	11,463	-
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	4100034528	6,918	(616)	7,152	7,152	(382)
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	4100034528	127,517	(11,125)	138,642	138,642	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	4100034528	83,082	(8,587)	91,669	91,669	-
National Family Caregiver Support Program	93.052	4100034528	41,594	(8,412)	48,642	48,642	(1,364)
Nutrition Program for the Elderly	93.053	4100034528	43,358	(3,096)	47,951	47,951	1,497
Medicare Enrollment Assistance Program	93.071	4100034531	700	(401)	1,101	1,101	-
Medical Assistance Program (LAMP/OBRA)	93.778	4100034528	52,870	(7,272)	72,788	72,788	12,646
Medical Assistance Program (Title XIX)	93.778	4100036747	147,270	39,868	137,237	137,237	29,835
Medical Assistance Program (Direct Care)	93.778	N/A	11,679	(1,170)	8,956	8,956	(3,893)
Medical Assistance Program (Nursing Home Transition)	93.778	4100034528	3,313	(143)	3,456	3,456	-
Medical Assistance Program (Aging & Disability Resource Center)	93.778	4100034528	18,008	(1,958)	31,414	31,414	11,448
Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.779	4100034528	29,447	1,612	36,253	36,253	8,418
Total passed through Pennsylvania Department of Aging			571,381	(7,138)	636,724	636,724	58,205
Passed through Pennsylvania Department of Public Welfare:							
Guardianship Assistance - Title IV-E	93.090	N/A	-	-	14,406	14,406	14,406
Drug-Free Communities Support Program Grants	93.276	N/A	94,129	26,446	116,700	116,700	49,017
Temporary Assistance for Needy Families	93.558	N/A	134,942	112,082	304,065	304,065	281,205
Child Support Enforcement	93.563	ME5323114014	645,674	111,668	687,474	687,474	153,468
Child Welfare Services - State Grants	93.645	N/A	26,932	-	26,932	26,932	-
Foster Care - Title IV-E	93.658	N/A	877,458	366,976	859,577	859,577	349,095
ARRA - Foster Care - Title IV-E	93.658	N/A	23,298	26,600	10,194	10,194	13,496
Adoption Assistance	93.659	N/A	321,817	111,148	428,048	428,048	217,379
ARRA - Adoption Assistance	93.659	N/A	16,646	11,041	7,670	7,670	2,065
Social Services Block Grant	93.667	N/A	141,646	-	127,066	127,066	(14,580)
Chafee Foster Care Independence Program	93.674	N/A	99,554	49,777	49,777	49,777	-
Medical Assistance Program (Medicaid)	93.778	N/A	2,243	969	4,171	4,171	2,897
Medical Assistance Program (Waiver)	93.778	N/A	123,802	8,656	89,102	89,102	(26,044)
ARRA - Medical Assistance Program	93.778	N/A	(38,941)	(38,941)	-	-	-
Medical Transportation Program (Title XIX)	93.778	N/A	272,909	23,356	258,483	258,483	8,930
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	N/A	192	949	524	524	1,281
National Bioterrorism Hospital Preparedness Program	93.889	N/A	4,000	(2,645)	-	-	(6,645)
Block Grants for Community Mental Health Services	93.958	N/A	129,658	-	103,725	103,725	(25,933)
Total passed through Pennsylvania Department of Public Welfare			2,875,959	808,082	3,087,914	3,087,914	1,020,037
Passed through Pennsylvania Department of State,							
Voting Access for Individuals with Disabilities - Grants to States	93.617	4100030014	516	-	516	516	-
Passed through Pennsylvania Department of Health:							
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	4100053196	48,960	(24,000)	48,960	48,960	(24,000)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4100053196	189,502	(1,320)	190,822	190,822	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4100053196	189,505	-	189,505	189,505	-
Total passed through Pennsylvania Department of Health			427,967	(25,320)	429,287	429,287	(24,000)
Substance Abuse and Mental Health Services Projects of Regional and National Significance							
	93.243	N/A	26,866	5,237	51,059	51,059	29,430
Total U.S. Department of Health and Human Services			3,902,689	780,861	4,205,500	4,205,500	1,083,672

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2010

Grantors/Program Title	Federal CFDA Number	Pass-Through Entity Identificaiton Number	Total Received for the Year	Accrued of (Deferred) Revenue at 1/1/11	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/11
Corporation for National Community Services,							
Passed through Pennsylvania Department of Corporation for National and Community Service, Retired and Senior Volunteer Program	94.002	035RAPA	\$ 67,790	\$ 13,639	\$ 65,543	\$ 65,543	\$ 11,392
U.S. Department of Homeland Security							
Passed through Pennsylvania Emergency Management Agency: Emergency Management Performance Grants	97.042	N/A	92,527	23,209	92,130	92,130	22,812
Homeland Security Grant Program	97.067	N/A	-	(120)	-	-	(120)
Total U.S. Department of Homeland Security			<u>92,527</u>	<u>23,089</u>	<u>92,130</u>	<u>92,130</u>	<u>22,692</u>
Total			<u>\$ 5,615,207</u>	<u>\$ 852,462</u>	<u>\$ 6,010,595</u>	<u>\$ 6,010,595</u>	<u>\$ 1,247,850</u>

County of Centre, Pennsylvania

Note to Schedule of Expenditures of Federal Awards
December 31, 2011

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Centre, Pennsylvania (the "County") presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Amounts reported in this schedule agree with the amounts included in the County's basic financial statements.

County of Centre, Pennsylvania

Schedule of Selected Commonwealth of Pennsylvania

Department of Public Welfare Assistance

December 31, 2011

<u>Grantor/Program Title</u>	<u>Combined Federal and State Expenditures</u>
Pennsylvania Department of Public Welfare:	
Mental Health/Intellectual Disabilities	\$ 7,669,783 *
Children and Youth	7,384,126 *
Child Support Enforcement	687,474
Combined Homeless Assistance Program	389,366 *
Medical Assistance Transportation Program	542,689 *
Human Services Development Fund	<u>68,852</u>
Total Selected Pennsylvania Department of Public Welfare Assistance	<u>\$ 16,742,290</u>

* Denotes a major DPW program.

Note:

This schedule includes selected Pennsylvania Department of Public Welfare (DPW) Assistance received by the County of Centre, Pennsylvania and is presented using the full accrual method of accounting. Amounts reported in this schedule agree with the amounts included in the County's basic financial statements.

**Independent Auditors' Report on
Internal Control Over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Board of Commissioners
County of Centre, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Centre, Pennsylvania (the "County"), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompany schedule of findings and questioned costs referenced as 11-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we do not express an opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Parente Beard LLC".

State College, Pennsylvania
June 26, 2012

**Independent Auditors' Report on Compliance with
Requirements That Could Have a Direct and Material Effect on
Each Major Program and on Internal Control Over Compliance in
Accordance with OMB Circular A-133 and the
Pennsylvania Department of Public Welfare
Single Audit Supplement**

Board of Commissioners
County of Centre, Pennsylvania

Compliance

We have audited the County of Centre, Pennsylvania's (the "County") compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* and the Department of Public Welfare ("DPW") *Single Audit Supplement* that could have a direct and material effect on each of the County's major federal and DPW programs for the year ended December 31, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. The County's major DPW programs are identified in the Schedule of Selected Commonwealth of Pennsylvania Department of Public Welfare Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and DPW programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the Commonwealth of Pennsylvania, Department of Public Welfare *Single Audit Supplement*. Those standards, OMB Circular A-133 and the DPW *Single Audit Supplement* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or DPW program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and DPW programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with *OMB Circular A-133* and which are described in the accompanying schedule of findings and questioned costs as items 11-2 through 11-6.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and DPW programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or DPW program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or DPW program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or DPW program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-2 through 11-6. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or DPW program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Schedules of Expenditures of Federal Awards and Selected Pennsylvania Department of Public Welfare Assistance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 26, 2012. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and Selected Commonwealth of Pennsylvania, Department of Public Welfare Assistance are presented for purposes of additional analysis as required by *OMB Circular A-133* and the Commonwealth of Pennsylvania, Department of Public Welfare, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and selected Pennsylvania Department of Public Welfare Assistance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



State College, Pennsylvania
July 20, 2012

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2011

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: **UNQUALIFIED**

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported

Type of auditors' report issued on compliance for major programs: **UNQUALIFIED**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

<u> X </u> yes	<u> </u> no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044, 93.045, 93.053 10.568, 10.569 93.558 93.658 93.659 14.257	Special Programs for the Aging Cluster Emergency Food Assistance Cluster Temporary Assistance for Needy Families Foster Care Adoption Assistance Homeless Prevention and Rapid Re-Housing Program (HPRP)
84.181, 84.393	Special Education-Grants for Infants and Families, Recovery Act
14.228, 14.255	Community Development Block Grant, Recovery Act Funded

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2011

II. Financial Statements Findings

11-1 ICFR – Sheriff's Office Cash and Liability Reconciliation

Criteria: In order to maintain proper control over agency cash, the cash should be reconciled to the underlying liability on a regular basis.

Condition: The Sheriff's Office does maintain a listing of the liability owed to others. However, this liability is not reconciled to the cash on a regular basis and there are obvious errors within the liability listing.

Cause: While there is a formal requirement to perform the reconciliation the Sheriff's Office has not found adequate time to perform the reconciliation properly.

Effect: The Sheriff's Office could improperly return funds as to amount and payee.

Recommendation: A procedure needs to be established ensuring that the detailed listing be reviewed on a monthly basis to determine the propriety of account balances as well as the entire balance must reconcile to the underlying cash amount.

Management Response: The Sheriff's Office has been aware of the issues noted in the audit and have been working on making all necessary corrections for some time. Many corrections have been made along with the necessary adjustments as of this writing.

We have found a number of causes for the inaccurate reporting and tracking. Many of the problems are a combination of human error mixed with a computer program that was not being used to its capacity because of inadequate instruction, along with several programming flaws that the program developer is addressing.

The complexity of our system makes both the monthly reconciliation and past examination of records a very time consuming process. We are therefore hesitant to provide a time line to complete an accurate up-to-date reconciliation. We have, however, made this a priority and as noted in my first paragraph we are making steady progress in resolving all conditions. Once a complete and accurate reconciliation is made we will be able to maintain accuracy through a weekly and monthly in-house reconciliation.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2011

III. Federal Award Findings and Questioned Costs

11-2 U.S. Department of Health and Human Services Passed Through the Pennsylvania Department of Aging

CFDA # 93.044, 93.045, 93.053 Special Programs for the Aging Cluster

Criteria:	Changes in the consumer(s) financial situation must be reviewed and annually during the reassessment process. Consumers should be encouraged to call the Area Agency on Aging (“AAA”) when there has been a significant change in income since that change may affect the cost share amount, in which case mid-year adjustments may be made. In general however, the fee will also be adjusted annually to reflect changes in annual income and in the updated federal poverty levels. Countable income amounts must be verified. Appropriate documentation is to be used when verifying income.
Condition:	Annual financial situations were not reviewed, verified and updated annually for all consumers receiving services.
Cause:	Reassessments of consumer financial situations were not completed timely and adequate controls are not implemented to track the timing of required annual reassessment or document verification of income.
Effect:	Possible overcharging/under charging consumers co-payments for services.
Recommendation:	Control procedures need to be implemented to track the due date for each reassessment and to document verification of income for all consumers. County personnel should perform the required reassessments and verifications prior to the due date.
Management Response:	See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs

December 31, 2011

11-3 U.S. Department of Health and Human Services Passed Through the Pennsylvania Department of Aging

CFDA # 93.044, 93.045, 93.053 Special Programs for the Aging Cluster

Criteria:	Based on the Aging Program Directive, as it relates to billing, there are requirements for the timeline in which billing must be done. The AAA issues a bill to the consumer for the consumer's co-pay amount no later than 14 calendar days after the AAA receives invoices for the month from the consumer's providers. (Providers usually submit their invoices to the AAA near the end of the month following the month of service).
Condition:	Invoices were not sent to the consumers within 14 calendar days after the agency received invoices from the consumer's providers.
Cause:	Adequate controls are not implemented to track the timing of required consumer invoices.
Effect:	The County is not in compliance with Aging Program Directive.
Recommendation:	Develop control procedures to track the required timeline for each consumer invoice.
Management Response:	See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs

December 31, 2011

11-4 U.S. Department of Agriculture Passed Through the Pennsylvania Department of Agriculture

CFDA # 10.568 & 10.569 Emergency Food Assistance Program

Criteria:	Based on the Program Management Agreement for the Emergency Food Assistance Program, if the County designates a Lead Agency and provides to that Lead Agency Program Commodity or Program funds, the County shall first acquire an agreement. This agreement must contain specific language noted in the Program Management Agreement for the Emergency Food Assistance Program.
Condition:	No agreement of Plan of Operations was obtained between the County and the Lead Agency for the current year.
Cause:	County did not draft an agreement.
Effect:	Possible non-compliance with the Program Management Agreement due to lack of communication of compliance requirements to the Lead Agency. Possible risk of loss of future funds.
Recommendation:	Draft an agreement and/or Plan of Operations with the Lead Agency for the period of the grant.
Management Response:	The Plan of Operations was developed and included in the 2012-2016 Program Management Agreement.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2011

11-5 Pennsylvania Department of Public Welfare

Combined Homeless Assistance Program (HAP)

Criteria:	<i>Service denial/review</i> – The County, or its designated provider, must establish written procedures that afford a client who questions the amount of Rental Assistance granted, or who has been denied assistance, or terminated from service, the opportunity to have the case reviewed at the county government level. Individuals or families who are denied service, or whose service has been terminated, must receive a written notice.
Condition:	Contracts with subrecipients related to rental assistance were provided, however the procedures for service denial/review were not outlined or followed.
Cause:	Contracts with subrecipients were not properly developed.
Effect:	Clients who have been denied were not properly notified of the proper review procedures.
Recommendation:	Develop a written procedure for the denial of service for compliance with the above requirements and communicate the procedures with the County's service providers.
Management Response:	See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2011

11-6 U.S. Department of Education Passed Through the Pennsylvania Department of Public Welfare

CFDA # 84.393 & 84.181 Special Education – Grants for Infants and Families with Disabilities

Criteria:	In accordance with the Drug-Free Work Place Act of 1988, the Commonwealth of Pennsylvania is prohibited from entering into a contract involving federal expenditures of \$25,000 or more with a contractor or an individual who does not certify a drug-free workplace.
Condition:	During our testing three of eight provider contracts did not contain the appropriate language to require the provider to certify a drug-free workplace.
Cause:	County employees were using an outdated template for provider contracts.
Effect:	The County could enter into a contract with a provider who does not certify a drug-free workplace.
Recommendation:	We recommend that language be added to provider contracts that addresses the drug-free workplace requirement.
Management Response:	See corrective action plan.

County of Centre, Pennsylvania

Summary Schedule of Prior Audit Findings
December 31, 2011

10-1 ICFR – Sheriff’s Office Cash and Liability Reconciliation

See current year findings 11-1; this matter was also listed as a finding in the 2010 Single Audit.

10-2 U.S. Department of Health and Human Services Passed Through the Pennsylvania Department of Aging

CFDA# 93.044, 93.053, 93.707 Special Programs for the Aging Cluster

See current year findings 11-2; this matter was also listed as a finding in the 2010 Single Audit.

10-3 U.S. Department of Agriculture Passed Through the Pennsylvania Department of Agriculture

CFDA# 10.568 & 10.569 Emergency Food Assistance Program

See current year findings 11-4; this matter was also listed as a finding in the 2010 Single Audit.

County of Centre, Pennsylvania

Summary Schedule of Prior Audit Findings
December 31, 2011

10-4 U.S. Department of Agriculture Passed Through the Pennsylvania Department of Agriculture

CFDA # 10.568 & 10.569 Emergency Food Assistance Program

Criteria:	ARRA Requirements: (1) agree to maintain records that identify adequately the source and application of ARRA awards; (2) separately identify to each subrecipient, and document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds; and (3) require their subrecipients to provide similar identification in their SEFA and SF-SAC.
Condition:	The County's Lead Agency did not maintain records that identified adequately ARRA funds. A contract was not drafted with the Lead Agency and therefore, did not separately identify to the subrecipient the required ARRA award identifications.
Cause:	County did not draft an agreement with subrecipient. Suprecipient did not report ARRA funding separately.
Effect:	Possible incorrect reporting by subrecipient of federal funding on their SEFA and SF-SAC.
Recommendation:	Draft an annual agreement and/or Plan of Operations with the Lead Agency annually with required identifications.
Resolution:	A letter was provided to follow the specified ARRA requirements.

County of Centre, Pennsylvania

Summary Schedule of Prior Audit Findings
December 31, 2011

10-5 U.S. Department of Housing and Urban Development Passed Through the Pennsylvania Department of Community and Economic Development

CFDA # 14.257 Homeless Prevention and Rapid Re-Housing Program (HPRP)

Criteria:	<p><i>Award Identification</i> – At the time of the award, identifying to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) and applicable compliance requirements.</p> <p>ARRA Requirements: (1) separately identify to each subrecipient, and document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds; and (2) require their subrecipients to provide similar identification in their SEFA and SF-SAC.</p>
Condition:	Contracts with subrecipients were provided and the funding was identified as part of the Recovery Act, however the CFDA numbers were not included thus proper <i>Award Identification</i> was not made.
Cause:	Contracts with subrecipients were not properly developed.
Effect:	Possible incorrect reporting by subrecipient of federal funding on their SEFA and SF-SAC.
Recommendation:	A control procedure needs to be implemented to ensure CFDA numbers are included in contracts with subrecipients.
Resolution:	A letter was provided to follow the specified ARRA requirements.

County of Centre, Pennsylvania

Summary Schedule of Prior Audit Findings
December 31, 2011

10-6 U.S. Department of Housing and Urban Development Passed Through the Pennsylvania Department of Community and Economic Development

CFDA # 14.257 Homeless Prevention and Rapid Re-Housing Program (HPRP)

Criteria:	<i>During-the-Award Monitoring</i> – Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
Condition:	As a condition of the contract the subrecipient was required to submit monthly reconciliations of fund balance for the prior month in addition to its monthly advance payment requests. The reconciliations of fund balances were not received by the county thus proper <i>During-the-Award Monitoring</i> of financial activity were not performed.
Cause:	Procedure not in place for during-the-award monitoring.
Effect:	Subrecipients had requested draw downs of federal funding before previous funds had been spent which is not in compliance with cash management procedures.
Recommendation:	A control procedure needs to be implemented to ensure the requested monthly fund balances reconciliations are received and reviewed before future funds are disbursed.
Resolution:	A procedure has been put in place to monitor fund balances monthly.