

County of Centre, Pennsylvania

Single Audit

December 31, 2010

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County of Centre, Pennsylvania
 Schedule of Expenditures of Federal Awards
 December 31, 2010

Grants/Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	Total Received for the Year	Accrued of (Deferred) Revenue at 7/1/10	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/10
U.S. Department of Agriculture							
Passed through Pennsylvania Department of Agriculture:							
Emergency Food Assistance Program (Administrative Costs)	10.568	ME441857	\$ 37,285	\$ 21,340	\$ 27,627	\$ 27,627	\$ 11,701
ARRA - Emergency Food Assistance Program (Administrative Costs)	10.568	ME441857	3,003	2,137	1,758	1,758	892
Emergency Food Assistance Program (Food Commodities)	10.569	ME441857	215,856	-	220,226	220,226	4,370
ARRA - Emergency Food Assistance Program (Food Commodities)	10.569	ME441857	25,243	-	25,243	25,243	-
Total U.S. Department of Agriculture			281,387	23,477	274,854	274,854	16,963
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	26,313	21,034	5,279	5,279	-
Community Development Block Grants/State's Program	14.228	C000028819	18,883	18,883	-	-	-
Community Development Block Grants/State's Program	14.228	C000036507	62,476	1,160	91,915	91,915	30,599
Community Development Block Grants/State's Program	14.228	C000043402	425,468	42,854	384,114	384,114	1,300
Community Development Block Grants/State's Program	14.228	C000046526	23,095	-	23,095	-	-
ARRA - Community Development Block Grants/State's Program	14.255	C000046309	73,689	-	78,409	78,409	4,740
ARRA - Homeless Prevention and Re-development Program	14.257	C000048146	243,773	-	203,488	203,488	(40,285)
ARRA - Homeless Prevention and Re-development Program	14.257	C000048130	41,485	-	41,485	41,485	-
Total U.S. Department of Housing and Urban Development			915,192	83,731	827,785	827,785	(3,646)
U.S. Department of the Interior							
Payments in Lieu of Taxes	15.226	N/A	18,042	-	18,042	18,042	-
U.S. Department of Justice							
Passed through Pennsylvania Commission on Crime and Delinquency:							
Violence Against Women Formula Grants	16.588	2008/09-VA-06-19197	37,701	37,701	-	-	-
Violence Against Women Formula Grants	16.588		61,696	-	62,545	62,545	849
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008/09-JG-05-18941	7,279	-	15,189	15,189	7,910
Total U.S. Department of Justice			106,676	37,701	77,734	77,734	8,759
U.S. Department of Transportation							
Passed through Pennsylvania Department of Transportation:							
Intragency Hazardous Materials Public Sector Training and Planning Grant	20.703	N/A	22,237	10,850	202	202	(11,185)
Environmental Protection Agency							
Passed through Pennsylvania Department of Environmental Protection:							
Nonpoint Source Implementation Grants	66.460	ME410034232	12,867	(2,298)	15,165	15,165	-
Chesapeake Bay Program	66.466	ME4100045803	19,592	-	19,592	19,592	-
Chesapeake Bay Program	66.466	ME4100050076	19,206	-	16,206	16,206	-
Total Environmental Protection Agency			48,665	(2,298)	50,963	50,963	-
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	96,125	-	96,125	96,125	-
ARRA - Special Education - Grants for Infants and Families with Disabilities	84.393	N/A	20,329	-	15,885	15,885	(4,444)
Total U.S. Department of Education			116,454	-	112,010	112,010	(4,444)

County of Centre, Pennsylvania
Schedule of Expenditures of Federal Awards
December 31, 2010

Grantsors/Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	Total Received for the Year	Accrued or (Deferred) Revenue at 1/1/10	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/10
U.S. Election Assistance Commission Passed through Department of State, HAVA Requirements Payments	90.401	4100030/360/358/357	\$ 14,033	\$ 14,033	\$ -	\$ -	\$ -
U.S. Department of Health and Human Services Passed through Pennsylvania Department of Aging: Special Programs for the Aging - Title VII - Ombudsman Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers Special Programs for the Aging - Title III, Part C - Nutrition Services National Family Caregiver Support Program Nutrition Program for the Elderly Medicare Enrollment Assistance Program ARRA - Congregate Nutrition Services Medical Assistance Program (LAMP/OBRA) Medical Assistance Program (Title XIX) Medical Assistance Program (Direct Care) Medical Transportation Program (Title XIX) Medical Assistance Program (Nursing Home Transition) Medical Assistance Program (Aging & Disability Resource Center) Centers for Medicare and Medicaid Services Research, Demonstrations and Evaluations	93.042 93.043 93.044 93.045 93.052 93.053 93.071 93.077 93.778 93.778 93.778 93.778 93.778 93.778 93.779	N/A 20020413 20020413 20020413 20020413 20020413 4100034528 20020413 4100036747 N/A N/A 4100034528 4100034528 410002032	9,975 7,508 149,789 100,255 50,190 53,741 2,502 20,000 111,436 171,706 660 371,319 7,568 13,706 35,204	- - - (5,875) 2,098 - 20,000 20,368 87,085 78,024 - - - - 6,750	4,037 6,892 138,644 91,668 48,799 48,547 2,101 83,233 144,489 660 316,651 7,425 30,066	4,037 6,892 138,644 91,668 48,799 48,547 2,101 83,233 144,489 660 316,651 7,425 30,066	(5,838) (616) (11,125) (8,587) (8,075) (3,096) (401) (7,835) 39,868 - 23,356 (143) (13,706) 1,512
Total passed through Pennsylvania Department of Aging			1,105,447	187,650	923,212	923,212	5,414
Passed through Pennsylvania Department of Public Welfare: Substance Abuse and Mental Health Services Projects of Regional and National Significance Substance Abuse and Mental Health Services Projects of Regional and National Significance Drug-Free Communities Support Program Grants Temporary Assistance for Needy Families Child Support Enforcement Child Welfare Services - State Grants Foster Care - Title IV-E ARRA - Foster Care - Title IV-E Adoption Assistance ARRA - Adoption Assistance Social Services Block Grant Chafee Foster Care Independence Program Medical Assistance Program ARRA - Medical Assistance Program Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations National Bioterrorism Hospital Preparedness Program Block Grants for Community Mental Health Services	93.243 93.243 93.276 93.558 93.563 93.645 93.658 93.658 93.659 93.667 93.674 93.778 93.778 93.779 93.889 93.958	4100027132 4100027132 N/A N/A ME5323114014 N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	52,083 48,098 115,233 530,440 720,892 26,932 1,109,651 89,227 531,590 53,956 127,067 35,732 (246,232) 661 - 105,872 3,350,086	3,325 - 13,889 329,601 107,739 - 585,388 43,660 207,950 21,167 - - (106,772) (259,656) - (2,645) - 921,626	25,358 48,098 133,047 312,921 724,821 26,932 911,242 52,167 434,787 43,830 127,067 85,509 192,981 13,424 1,630 105,872 3,239,686	25,358 48,098 133,047 312,921 724,821 26,932 911,242 52,167 434,787 43,830 127,067 85,509 192,981 13,424 1,630 105,872 3,239,686	(24,000) 31,883 112,082 111,868 - - 386,976 26,900 111,148 11,041 - 49,777 15,946 - 949 (2,645) 811,225
Total passed through Pennsylvania Department of Public Welfare			6,567	6,567	-	-	-
Passed through Pennsylvania Department of State, Voting Access for Individuals with Disabilities - Grants to States	93.959 93.959	4100027132 4100027132	189,506 214,921	- 18,648	188,186 196,273	188,186 196,273	(1,320)
Total passed through Pennsylvania Department of Health			404,427	18,648	384,459	384,459	(1,320)
Total U.S. Department of Health and Human Services			4,866,927	1,134,491	4,547,357	4,547,357	815,319

County of Centre, Pennsylvania

Schedule of Expenditures of Federal Awards
December 31, 2010

Grants/Program Title	Federal CFDA Number	Pass-Through Entity Identification Number	Total Received for the Year	Accrued of (Deferred) Revenue at 1/1/10	Revenue Recognized	Federal Expenditures	Accrued or (Deferred) Revenue at 12/31/10
Corporation for National Community Services, Passed through Pennsylvania Department of Corporation for National and Community Service, Retired and Senior Volunteer Program	94-002	035FRAPA	\$ 65,875	\$ 13,256	\$ 66,258	\$ 66,258	\$ 13,639
U.S. Department of Homeland Security Passed through Pennsylvania Emergency Management Agency: Emergency Management Performance Grants Homeland Security Grant Program	97-042 97-067	N/A N/A	90,564 23,223	22,273 23,101	91,500	91,500	23,209 (122)
Total U.S. Department of Homeland Security			113,787	45,374	91,500	91,500	23,087
Total			\$ 6,565,625	\$ 1,360,615	\$ 6,066,705	\$ 6,066,705	\$ 658,492

** The County's calendar year spans two program years; therefore, two pass-through entity identification number are provided.

County of Centre, Pennsylvania

Note to Schedule of Expenditures of Federal Awards
December 31, 2010

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, 2010

<u>Grantor/Program Title</u>	<u>Combined Federal and State Expenditures</u>
Pennsylvania Department of Public Welfare:	
Mental Health/Mental Retardation	\$ 7,182,443 *
Children and Youth	7,321,507 *
Child Support Enforcement	724,821 *
Combined Homeless Assistance Program	439,441
Medical Assistance Transportation Program	663,002
Human Services Development Fund	<u>204,066</u>
Total Selected Pennsylvania Department of Public Welfare Assistance	<u>\$ 16,535,280</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, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 19, 2011. 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 consider the deficiency described in the accompany schedule of findings and questioned costs referenced as 10-1 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 awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ParenteBeard LLC

State College, Pennsylvania
September 19, 2011

**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; Schedule of Expenditures of
Federal Awards and Selected Commonwealth of
Pennsylvania Department of Public Welfare Assistance**

Board of Commissioners
County of Centre, Pennsylvania:

Compliance

We have audited the compliance of the County of Centre, Pennsylvania (the "County") 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 its major federal and DPW programs for the year ended December 31, 2010. 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, County of Centre 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 10-2 through 10-6.

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 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 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 10-2 through 10-6. 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.

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.

**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, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 19, 2011. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

ParenteBeard LLC

State College, Pennsylvania
September 19, 2011

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2010

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

UNQUALIFIED

Internal control over financial reporting:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 X yes none reported

Noncompliance material to financial statements noted?

 yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

 yes X no

Significant deficiency(ies) identified?

 X yes 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?

 X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.044, 93.045, 93.053, 93.707	Special Programs for the Aging Cluster
10.568, 10.569	Emergency Food Assistance Cluster
93.778	Medical Assistance Program
93.659	Adoption Assistance
14.257	Homeless Prevention and Rapid Re-Housing Program (HPRP)
84.181, 84.393	Special Education-Grants for Infants and Families, Recovery Act
93.959	Block Grants for Prevention and Treatment Of Substance Abuse
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, 2010

II. Financial Statements Findings

10-1 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:	<p>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.</p> <p>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.</p> <p>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.</p>

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2010

III. Federal Award Findings and Questioned Costs

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

CFDA # 93.044, 93.045, 93.053, 93.707 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 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 no controls are 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:	A 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, 2010

10-3 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 annual agreement and/or Plan of Operations with the Lead Agency annually.
- Management Response:** See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2010

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.
Management Response:	See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs

December 31, 2010

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: *Award Identification* – 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.

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.

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 *Award Identification* 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.

Management Response: See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2010

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:** *During-the-Award Monitoring* – 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 *During-the-Award Monitoring* 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.
- Management Response:** See corrective action plan.

County of Centre, Pennsylvania

Schedule of Findings and Questioned Costs
December 31, 2010

09-1 ICFR – Sheriff's Office Cash and Liability Reconciliation

See current year findings 10-1; this matter was also listed as a finding in the 2009 Single Audit.

09-2 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 10-2; this matter was also listed as a finding in the 2009 Single Audit.

09-3 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 invoices and inventory reports summarizing activity should be submitted 15 days after the close of each fiscal quarter. Fourth quarter invoices must be submitted by the County by November 15th of each year. These reports should be supported with appropriate documentation.

Condition:

No support for the quarterly reports are received from Central Pennsylvania Community Action, Inc.: therefore, supporting documentation is not being compared to quarterly reimbursement reports.

Cause:

County did not obtain the support needed.

Effect:

Actual amounts of reimbursement requested could be incorrect.

Recommendation:

Request and review supporting documentation for all quarterly reports.

Resolution:

The County now receives the quarterly reports including supporting documentation which is being reconciled.