

Petty Cash Audit Report  
York/Adams HealthChoices Management Unit  
For the Calendar Year 2019



County of York, Pennsylvania

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Controller

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**County of York, Pennsylvania**  
**Petty Cash Audit Report (York/Adams HealthChoices Management Unit)**  
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**Background Information**  
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**Background and Reporting Entity:**

The York/Adams HealthChoices Management Unit (HCMU) was created in 2001 as one of the Human Services departments which oversees the drug and alcohol and mental health services funded through the Medicaid HealthChoices Program.

The HealthChoices Program is the Commonwealth of Pennsylvania's mandatory Medicaid managed care program that is administered by the Department of Human Services. While the Department of Human Services contracts directly with managed care organizations for the delivery of the physical health components of the program, the Department allowed many Counties to contract directly with them for the purpose of delivering the behavioral health services provided under the program.

While the York/Adams HealthChoices department participates in quality assurance activities, oversees the fiscal reporting requirements, identifies gaps in services, work on assisting individuals with special needs and plans for the use of reinvestment dollars, many of the day to day activities that meet members' needs are sub-contracted to a managed care organization. York and Adams Counties have contracted with Community Care Behavioral Health Organization to provide care management, network management, member services and claims management as well as other support services.

**Objectives:**

The objectives of our audit were to determine if:

- Internal controls over petty cash and change funds follow best practices.
- Total cash on hand plus receipts for petty cash funds equals the amount recorded in the financial system.

**Scope and Methodology:**

Our audit procedures included:

- Performing an unscheduled visit to each selected office.
- Reviewing receipts and cash on hand and comparing to fund balances recorded in the financial system.
- Reviewing fund security.

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**Report on Internal Control over Petty Cash Compliance**  
**For the Calendar Year 2019**

In planning and performing our audit of the petty cash of the York/Adams HealthChoices Management Unit in accordance with auditing standards generally accepted in the United States of America for the year ended December 31, 2019, we considered the York/Adams HealthChoices Management Unit's internal control over petty cash (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the reconciliation sheet, but not for the purpose of expressing an opinion on the effectiveness of the York/Adams HealthChoices Management Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the York/Adams HealthChoices Management Unit's internal control.

*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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's reconciliation sheet will not be prevented, or detected and corrected on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

As part of obtaining reasonable assurance about whether the York/Adams HealthChoices Management Unit's reconciliation sheet is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect in the determination of petty cash 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 report is intended solely for the information and use by the management of the York/Adams HealthChoices Management Unit and other affected county offices, and is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

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**Audit Findings and Recommendation**  
**For the Calendar Year 2019**

This section of the report presents the findings and observations that resulted from our examination of petty cash compliance. Following any of the findings and observations noted, we provide recommendations to correct or better the described occurrence.

It was observed that the \$200 in petty cash has not been used for multiple years. We recommend this office submitting all \$200 back to the County.