AMENDED FISCAL REPORTS
For Fiscal Years:

July 1, 2008 to June 30, 2009
And
July 1, 2009 to June 30, 2010

Beaver County
Children and Youth Agency

November 2015

Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DEPASQUALE
AUDITOR GENERAL

The Commissioners of Beaver County
Beaver County Courthouse
810 Third Street
Beaver, PA 15009

Dear Commissioners:

We have examined the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the Beaver County Children and Youth Agency for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the fiscal years July 1, 2008 to June 30, 2009 and July 1, 2009 to June 30, 2010, pursuant to authority derived from Act 148 of July 9, 1976, (P.L. 846, No. 148), as amended, 62 P.S. § 704.1(a)(4). The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2009 and June 30, 2010.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children resident within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code § 3140.1 *et seq*. and § 3170.1 *et seq*.). We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children within Beaver County.

The results of our procedures performed during this engagement were as follows:

- For the July 1, 2008 to June 30, 2009 fiscal year, our engagement resulted in ten adjustments being made to the agency's submitted fiscal reports. Nine of these adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by $136,774 and increasing revenue by $73,309. The one remaining adjustment had no effect on the agency's Final Net State Share. It was made to reconcile Title IV-D Collections for IV-E Eligible Children to actual amounts received. This reconciliation is provided at the request of DHS. Based on

the application of the state participation rates, the nine adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling $167,331. All ten adjustments are detailed in our amended fiscal reports for the July 1, 2008 to June 30, 2009 fiscal year, as included in Section 1 of this report, beginning on page 3.

- For the July 1, 2009 to June 30, 2010 fiscal year, our engagement resulted in eight adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by $100,674, and increasing revenue by $37,148. Based on the application of the state participation rates, the eight adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling $79,714. All eight adjustments are detailed in our amended fiscal reports for the July 1, 2009 to June 30, 2010 fiscal year, as included in Section 2 of this report, beginning on page 12.

In addition, due to the DHS' implementation of significant changes to the child social services' reporting system, we concluded that the reissuance of the finding included in our prior released audit report was not warranted, as detailed in Section 3 of this report, beginning on page 21.

In addition, we identified the following area of non-compliance, as detailed in Section 4 of this report, beginning on page 23:

Finding – Deficient Internal Controls Resulted in Violations of DHS Regulations and Receipt and Use of State Funds to Which the Agency Was Not Entitled

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on September 10, 2015. Subsequently, on October 1, 2015, agency management provided a written response detailing their position on the above listed Finding included in our report. The agency's response to the Finding is included in Section 4, beginning on page 27 of this report.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with 1 PA Code 31.1 *et seq.*, you will be afforded the opportunity by DHS to appeal their settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Beaver County Children and Youth Agency.

Sincerely,

October 21, 2015

Eugene A. DePasquale
Auditor General

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Public Welfare Code (62 P.S. § 704.1(a)(4)). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is "to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect." The Children and Youth Social Services Program is County-Administered and State-Supervised by the Department of Human Services (DHS) and thus, they are jointly responsible for achieving the Commonwealth's goal.

In accordance with the Public Welfare Code (62 P. S. § 703), the DHS is responsible for making and enforcing all rules and regulations necessary and appropriate to the proper accomplishment of the child welfare duties and functions vested by law in the county institution districts or their successors. Title 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, outlines the rules and regulations relative to the County Administration of the Children and Youth Social Service Programs. Specifically, in compliance with 55 Pa. Code § 3140.31, the Counties must report their cumulative actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DHS through the Act 148 Invoice package. The expenditures reported in the Act 148 Invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by the DHS.

As part of our engagement, we reviewed the County Children and Youth Agency's submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4th Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency's related financial records and supporting documentation, to determine whether the County Children and Youth Agency's actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). The variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency's actual related costs and revenues for those years and those costs and revenues impact on the County Children and Youth Agency's corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2008 to JUNE 30, 2009

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED
COMPUTATION OF FINAL NET STATE SHARE

Approved State Allocation[1]		$ 8,600,823
Supplemental Act 148		0
Total State Allocation		8,600,823
State Share (CY348)[2]	$ 7,959,867	
Less: Major Service Category Adjustment	0	
Net State Share		$ 7,959,867
Less: Expenditures in Excess of the Approved State Allocation		0
Final Net State Share Payable[3]		$ 7,959,867
Actual Act 148 Revenues Received[4]		8,127,198
Net Amount Due County/(State)[5]		$ (167,331)

[1] Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

[2] State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

[3] Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

[4] Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

[5] Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED CY348
FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	337,847	397	68,872	0	0	0	0	0	268,578	268,578	0
02. 90% REIMBURSEMENT	278,795	838	5,047	0	0	0	0	0	272,910	245,619	27,291
03. 80% REIMBURSEMENT	10,256,550	399,184	1,813,341	708,251	194,801	0	0	0	7,140,973	5,712,779	1,428,194
04. 60% REIMBURSEMENT	1,776,361	39,309	214,626	0	0	0	0	4,978	1,517,448	910,468	606,980
05. 50% REIMBURSEMENT	1,690,353	5,676	0	0	0	39,833	0	0	1,644,844	822,423	822,421
06. TOTAL NET CHILD WELFARE EXPEND.	14,339,906	445,404	2,101,886	708,251	194,801	39,833	0	4,978	10,844,753	7,959,867	2,884,886
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	373,323	13,518							359,805	215,883	143,922
08. NON-REIMBURSABLE EXPENDITURES	7,905	0	0						7,905		7,905
09. TOTAL EXPENDITURES	14,721,134	458,922	2,101,886	708,251	194,801	39,833	0	4,978	11,212,463	8,175,750	3,036,713

10. IL Grant Funds Reported	58,238
11. TOTAL HSDF used for Child Welfare	0
12. TOTAL TITLE IV-D COLLECTIONS	106,414
13. TITLE IV-D Collections for IV-E Children	9,216
14. STATE ACT 148 - line 6	7,959,867
15. STATE ACT 148 ALLOCATION	8,600,823
16. ADJUSTED STATE SHARE (lower of 14 or 15)	7,959,867

INVOICE	
AMENDED STATE SHARE (ACT 148)	7,959,867
ACT 148 AMOUNT RECEIVED	8,127,198
ADJUSTMENT TO STATE SHARE	(167,331)

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	6,205	365	1

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES											
		1	2	3	4	5	6	7	8	9	10	11	12
	IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A	ADOPTION SERVICE	337,847	397		68,872	0		0	0	0	268,578	268,578	0
1-B	ADOPTION ASSISTANCE	1,176,862	5,630	625,712	0			0		0	545,520	436,416	109,104
1-C	COUNSELING - DEPENDENT	822,178	958		113,638	0	0	0	0	0	707,582	566,066	141,516
1-D	COUNSELING - DELINQUENT	4,250	3		0	0	0	0	0	0	4,247	3,398	849
1-E	DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-F	DAY TREATMENT - DEPENDENT	160,966	210		0	55,607	0	0	0	0	105,149	84,119	21,030
1-G	DAY TREATMENT - DELINQUENT	647,396	677		0	504,948	0	0	0	0	141,771	113,417	28,354
1-H	HOMEMAKER SERVICE	65,723	82		9,529	0	0	0	0	0	56,112	44,890	11,222
1-I	INTAKE & REFERRAL	131,011	156		26,557	0	0	0	0	0	104,298	83,438	20,860
1-J	LIFE SKILLS - DEPENDENT	86,926	79		17,158	0	0	0	0	0	69,689	55,751	13,938
1-K	LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L	PROTECTIVE SERVICE - CHILD ABUSE	958,256	1,128		133,590	0	194,801		0	0	628,737	502,990	125,747
1-M	PROTECTIVE SERVICE - GENERAL	2,791,779	244,381		297,139	147,696	0		0	0	2,102,563	1,682,050	420,513
1-N	SERVICE PLANNING	91,064	119		18,202	0	0	0	0	0	72,743	58,194	14,549
1-O	JUVENILE ACT PROCEEDINGS - DEPENDENT	86,170	109		0	0		0	0	0	86,061	43,031	43,030
1-P	JUVENILE ACT PROCEEDINGS - DELINQUENT	93,829	38		0	0		39,833	0	0	53,958	26,979	26,979
1-Q	**SUBTOTAL IN-HOME**	7,454,257	253,967	625,712	684,685	708,251	194,801	39,833	0	0	4,947,008	3,969,317	977,691

	COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0		0	0		0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0		0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	411,144	19,918	9,204	0		0	0		0	382,022	305,618	76,404
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	472,154	10,227	24,828	62		0	0		0	437,037	349,630	87,407
2-E	EMERGENCY SHELTER - DEPENDENT	278,795	838	5,047	0	0	0	0	0	0	272,910	245,619	27,291
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	1,899,805	102,134	168,877	285,308		0	0	0	0	1,343,486	1,074,789	268,697
2-H	FOSTER FAMILY - DELINQUENT	5,544	16	1,590	0		0	0		0	3,938	3,150	788
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	218,586	276	58,238	23,709		0	0		0	136,363	109,090	27,273
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	312,906	13,190	0	0		0	0		0	299,716	239,773	59,943
2-K	**SUBTOTAL CBP**	3,598,934	146,599	267,784	309,079	0	0	0	0	0	2,875,472	2,327,669	547,803

	INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A	JUVENILE DETENTION SERVICE	1,510,354	5,529						0	0	1,504,825	752,413	752,412
3-B	RESIDENTIAL SERVICE - DEPENDENT	36,216	3,804	0	0		0	0		0	32,412	19,447	12,965
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	859,752	34,148	50,734	0		0	0		0	774,870	464,922	309,948
3-D	SECURE RES. SERVICE (EXCEPT YDC)	88,806	692							0	88,114	52,868	35,246
3-E	YDC/YFC (NON-SECURE)-Institutional	29,016	0								29,016	17,410	11,606
3-F	YDC SECURE	344,307	13,518								330,789	198,473	132,316
3-G	**SUBTOTAL INSTITUTIONAL**	2,868,451	57,691	50,734	0	0	0	0	0	0	2,760,026	1,505,533	1,254,493

4	**ADMINISTRATION**	791,587	665		163,892		0	0		4,978	622,052	373,231	248,821

5	**TOTAL REVENUES**	14,713,229	458,922	944,230	1,157,656	708,251	194,801	39,833	0	4,978	11,204,558	8,175,750	3,028,808

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		OBJECTS OF EXPENDITURE											
		1	2	3	4	5	6	7	8	9	10	11	12
	IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A	ADOPTION SERVICE	183,005	73,677		78,469	0	2,696	337,847	594	0	0	0	0
1-B	ADOPTION ASSISTANCE	0	0	1,176,862	0	0	0	1,176,862	0	946	0	0	0
1-C	COUNSELING - DEPENDENT	238,610	92,472		225,948	262,298	2,850	822,178	2,103	1,677	0	0	0
1-D	COUNSELING - DELINQUENT	0	0		0	4,250	0	4,250	0	8	0	0	0
1-E	DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-F	DAY TREATMENT - DEPENDENT	0	0		0	160,966	0	160,966	0	164	0	0	0
1-G	DAY TREATMENT - DELINQUENT	0	0		0	655,261	0	655,261	0	212	0	7,865	0
1-H	HOMEMAKER SERVICE	31,129	12,604		2,044	19,608	338	65,723	232	85	0	0	0
1-I	INTAKE & REFERRAL	61,327	20,546		48,429	0	709	131,011	1,745	0	0	0	0
1-J	LIFE SKILLS - DEPENDENT	56,523	22,051		2,821	4,988	543	86,926	300	1	0	0	0
1-K	LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L	PROTECTIVE SERVICE - CHILD ABUSE	409,148	171,683		60,692	310,949	5,784	958,256	1,253	2,134	0	0	0
1-M	PROTECTIVE SERVICE - GENERAL	791,541	328,309		361,454	1,299,526	10,949	2,791,779	1,845	846	0	0	0
1-N	SERVICE PLANNING	47,321	14,290		28,940	0	513	91,064	1,421	0	0	0	0
1-O	JUVENILE ACT PROCEEDINGS - DEPENDENT				0	86,170		86,170	0	375	0	0	0
1-P	JUVENILE ACT PROCEEDINGS - DELINQUENT				0	93,829		93,829	0	275	0	0	0
1-Q	**SUBTOTAL IN-HOME**	1,818,604	735,632	1,176,862	808,797	2,897,845	24,382	7,462,122			0	7,865	0
											Number of Children receiving **only** NON-PURCHASED IN-Home Services		1,560

	COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	411,144	0	411,144	1,992	23	0	0	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,219	470,935	0	472,154	2,606	24	0	0	0
2-E	EMERGENCY SHELTER - DEPENDENT	0	0	0	0	278,795	0	278,795	1,456	81	0	0	0
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	672,148	257,366	6,205	331,744	623,517	8,856	1,899,836	20,701	111	31	0	0
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	0	5,544	0	5,544	84	1	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	91,127	37,069	3,452	39,789	45,992	1,161	218,590	282	5	4	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	285	312,621	0	312,906	2,180	15	0	0	0
2-K	**SUBTOTAL CBP**	763,275	294,435	9,657	373,037	2,148,548	10,017	3,598,969	29,301	260	35	0	0

	INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A	JUVENILE DETENTION SERVICE	0	0		0	1,510,354	0	1,510,354	4,007	130	0	0	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	0	0		171	36,045	0	36,216	654	8	0	0	0
3-C	RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		1,959	857,793	0	859,752	5,592	47	0	0	0
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0		300	88,506	0	88,806	287	4	0	0	0
3-E	YDC/YFC (NON-SECURE)-Institutional	0	0		0	29,016	0	29,016	72	1	0	0	0
3-F	YDC SECURE	0	0		0	344,307	0	344,307	869	6	0	0	0
3-G	**SUBTOTAL INSTITUTIONAL**	0	0	0	2,430	2,866,021	0	2,868,451	11,481	196	0	0	0

4	**ADMINISTRATION**	314,330	98,351	0	375,657	0	3,254	791,592			5	0	0

5	**TOTAL EXPENDITURES**	2,896,209	1,128,418	1,186,519	1,559,921	7,912,414	37,653	14,721,134			40	7,865	0
			County Indirect Costs = $		208,815								

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	$ 349,068	$ (11,221)	$ 337,847
Adoption Assistance	1,176,862	0	1,176,862
Counseling	841,576	(15,148)	826,428
Day Care	0	0	0
Day Treatment	816,227	0	816,227
Homemaker Service	67,784	(2,061)	65,723
Intake and Referral	134,053	(3,042)	131,011
Life Skills	90,653	(3,727)	86,926
Protective Service - Child Abuse	986,223	(27,967)	958,256
Protective Service - General	2,803,480	(11,701)	2,791,779
Service Planning	93,249	(2,185)	91,064
Juvenile Act Proceedings	177,249	2,750	179,999
Alternative Treatment	0	0	0
Community Residential	883,299	(1)	883,298
Emergency Shelter	278,795	0	278,795
Foster Family	1,943,570	(38,190)	1,905,380
Supervised Independent Living	538,335	(6,839)	531,496
Juvenile Detention Service	1,510,354	0	1,510,354
Residential Service	895,968	0	895,968
Secure Residential Service (Except YDC)	88,806	0	88,806
YDC/YFC (Non-Secure) - Institutional	29,016	0	29,016
YDC Secure	344,307	0	344,307
Administration	809,034	(17,442)	791,592
Combined Total Expense	14,857,908	(136,774)	14,721,134
Less Non-reimbursables	7,905	0	7,905
Total Net Expense	$ 14,850,003	$ (136,774)	$ 14,713,229

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	$ 2,886,802	$ 9,407	$ 2,896,209
Employee Benefits	1,314,776	(186,358)	1,128,418
Subsidies	1,186,519	0	1,186,519
Operating	1,523,508	36,413	1,559,921
Purchased Services	7,908,650	3,764	7,912,414
Fixed Assets	37,653	0	37,653
Combined Total Expense	14,857,908	(136,774)	14,721,134
Less Non-reimbursables	7,905	0	7,905
Total Net Expense	$ 14,850,003	$ (136,774)	$ 14,713,229

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	ADJUSTED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
				CY-370 Adjustments			
CY-370	1-A	1	1	Adoption Service-Wages and Salaries	$ 181,413	$ 1,592	$ 183,005
	1-C	1		Counseling-Dependent-Wages and Salaries	$ 237,709	$ 901	$ 238,610
	1-H	1		Homemaker Service-Wages and Salaries	$ 31,001	$ 128	$ 31,129
	1-I	1		Intake and Referral-Wages and Salaries	$ 60,811	$ 516	$ 61,327
	1-J	1		Life Skills-Dependent-Wages and Salaries	$ 56,448	$ 75	$ 56,523
	1-L	1		Protective Service-Child Abuse-Wages and Salaries	$ 408,052	$ 1,096	$ 409,148
	1-M	1		Protective Service-General-Wages and Salaries	$ 789,444	$ 2,097	$ 791,541
	1-N	1		Service Planning-Wages and Salaries	$ 47,020	$ 301	$ 47,321
	2-G	1		Foster Family-Dependent-Wages and Salaries	$ 669,207	$ 2,941	$ 672,148
	4	1		Administration-Wages and Salaries	$ 314,570	$ 1,162	$ 315,732
				Total Adjustment Amount		$ 10,809	
				To increase Wages and Salaries by $10,809 to reconcile to the agency's general ledger and properly report expenditures.			
				Title 55 Pa Code, Chapter 3170.95(a)(b)			
CY-370	4	1	2	Administration-Wages and Salaries	$ 315,732	$ (1,402)	$ 314,330
				To decrease Wages and Salaries by $1,402 to eliminate employee salaries over the total maximum compensation allowed for an equivalent Commonwealth position. A review of the agency's Roster of Personnel by the State Department of Human Services, Bureau of Human Resources, cited two agency employees whose salaries exceeded the maximum compensation limits.			
				Title 55 Pa Code, Chapter 3170.42(a) OCYF Bulletin 3140-06-06			
CY-370	1-A	2	3	Adoption Service-Employee Benefits	$ 85,766	$ 121	$ 85,887
	1-C	2		Counseling-Dependent-Employee Benefits	$ 107,741	$ 70	$ 107,811
	1-H	2		Homemaker Service-Employee Benefits	$ 14,685	$ 10	$ 14,695
	1-I	2		Intake and Referral-Employee Benefits	$ 23,911	$ 39	$ 23,950
	1-J	2		Life Skills-Dependent-Employee Benefits	$ 25,704	$ 6	$ 25,710
	1-L	2		Protective Service-Child Abuse-Employee Benefits	$ 200,086	$ 83	$ 200,169
	1-M	2		Protective Service-General-Employee Benefits	$ 382,621	$ 160	$ 382,781
	1-N	2		Service Planning-Employee Benefits	$ 16,635	$ 23	$ 16,658
	2-G	2		Foster Family-Dependent-Employee Benefits	$ 299,826	$ 225	$ 300,051
	4	2		Administration-Employee Benefits	$ 114,579	$ 85	$ 114,664
				Total Adjustment Amount		$ 822	
				To increase Employee Benefits by $822 to reconcile to the agency's general ledger and properly report expenditures.			
				Title 55 Pa Code Chapter 3170.95(a)(b)			

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	ADJUSTED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
CY-370	1-A	2	4	Adoption Service-Employee Benefits	$ 85,887	$ (12,210)	$ 73,677
	1-C	2		Counseling Dependent-Employee Benefits	$ 107,811	$ (15,339)	$ 92,472
	1-H	2		Homemaker Service-Employee Benefits	$ 14,695	$ (2,091)	$ 12,604
	1-I	2		Intake and Referral-Employee Benefits	$ 23,950	$ (3,404)	$ 20,546
	1-J	2		Life Skills-Dependent-Employee Benefits	$ 25,710	$ (3,659)	$ 22,051
	1-L	2		Protective Service-Child Abuse-Employee Benefits	$ 200,169	$ (28,486)	$ 171,683
	1-M	2		Protective Service-General-Employee Benefits	$ 367,344	$ (54,472)	$ 312,872
	1-N	2		Service Planning-Employee Benefits	$ 16,658	$ (2,368)	$ 14,290
	2-G	2		Foster Family-Dependent-Employee Benefits	$ 300,051	$ (42,685)	$ 257,366
	2-I	2		Supervised Independent Living-Dependent-Employee Benefits	$ 43,222	$ (6,153)	$ 37,069
	4	2		Administration-Employee Benefits	$ 114,664	$ (16,313)	$ 98,351
				Total Adjustment Amount		$ (187,180)	
				To decrease Employee Benefits by $187,180 to properly report the agency's allocation of the county pension contribution, as there was an error in the calculation of the agency's share of retirement costs for the 2008-2009 fiscal year.			
				Title 55 Pa Code, Chapter 3170.47(f)			
CY-370	1-A	4	5	Adoption Service-Operating	$ 79,193	$ (724)	$ 78,469
	1-C	4		Counseling-Dependent-Operating	$ 226,728	$ (780)	$ 225,948
	1-H	4		Homemaker Service-Operating	$ 2,152	$ (108)	$ 2,044
	1-I	4		Intake and Referral-Operating	$ 48,622	$ (193)	$ 48,429
	1-J	4		Life Skills-Dependent-Operating	$ 2,970	$ (149)	$ 2,821
	1-L	4		Protective Service-Child Abuse-Operating	$ 62,277	$ (1,585)	$ 60,692
	1-M	4		Protective Service-General-Operating	$ 321,029	$ 40,425	$ 361,454
	1-N	4		Service Planning-Operating	$ 29,081	$ (141)	$ 28,940
	2-D	4		Community Residential-Delinquent-Operating	$ 1,220	$ (1)	$ 1,219
	2-G	4		Foster Family-Dependent-Operating	$ 330,415	$ 1,329	$ 331,744
	2-I	4		Supervised Independent Living-Dependent-Operating	$ 40,475	$ (686)	$ 39,789
	4	4		Administration-Operating	$ 376,631	$ 11,742	$ 388,373
				Total Adjustment Amount		$ 49,129	
				To increase Operating expenditures by $49,129 to include invoices not reported by the agency and to reconcile to the agency's general ledger.			
				Title 55 Pa Code, Chapter 3170.95(a)(b)			
CY-370	1-L	5	6	Protective Service-Child Abuse-Purchased Services	$ 310,024	$ 925	$ 310,949
	1-M	5		Protective Service-General-Purchased Services	$ 1,299,437	$ 89	$ 1,299,526
	1-O	5		Juvenile Act Proceedings-Dependent-Purchased Services	$ 83,420	$ 2,750	$ 86,170
				Total Adjustment Amount		$ 3,764	
				To increase Purchased Services by $3,764 to include invoices not reported by the agency and to reconcile to the agency's general ledger.			
				Title 55 Pa Code, Chapter 3170.95 (a)(b)			
CY-370	4	4	7	Administration-Operating	$ 388,373	$ (12,716)	$ 375,657
				To decrease Indirect Costs by $12,716 to reconcile to the County Cost Allocation Plan and properly report indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	ADJUSTED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
				CY-370A Adjustments			
CY-370A	1-M	2	8	Protective Service-General-Program Income	$ 182,804	$ 61,577	$ 244,381
				To increase Program Income by $61,577 to include revenues the agency received, but had not reported due to a formula error within a revenue spreadsheet.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A	3-C	3	9	Res. Service-Delinquent-Title IV-E Maintenance	$ 52,051	$ (1,317)	$ 50,734
	1-A	4		Adoption Service-Title IV-E Administration	$ 68,667	$ 205	$ 68,872
	1-C	4		Counseling - Dependent-Title IV-E Administration	$ 113,598	$ 40	$ 113,638
	1-H	4		Homemaker Service -Title IV-E Administration	$ 9,523	$ 6	$ 9,529
	1-I	4		Intake and Referral-Title IV-E Administration	$ 26,482	$ 75	$ 26,557
	1-J	4		Life Skills - Dependent-Title IV-E Administration	$ 17,172	$ (14)	$ 17,158
	1-L	4		Protective Service - Child Abuse-Title IV-E Administration	$ 133,675	$ (85)	$ 133,590
	1-M	4		Protective Service - General-Title IV-E Administration	$ 288,251	$ 8,888	$ 297,139
	1-N	4		Service Planning-Title IV-E Administration	$ 18,164	$ 38	$ 18,202
	2-G	4		Foster Family - Dependent-Title IV-E Administration	$ 284,372	$ 936	$ 285,308
	2-I	4		Supervised Ind. Living - Dependent-Title IV-E Administration	$ 23,852	$ (143)	$ 23,709
	4	4		Administration-Title IV-E Administration	$ 160,789	$ 3,103	$ 163,892
				Total Adjustment Amount		$ 11,732	
				To increase Title IV-E revenue by $11,732 to include eight supplemental invoices which had not been reported.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
				CY-348 Adjustment			
CY-348	13	A	10	Total Title IV-D Collections for IV-E Children	$ 13,450	$ (4,234)	$ 9,216
				To decrease Title IV-D Collections for IV-E Children by $4,234 to properly report the total amount received. There is no effect on state share reimbursement.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2009 to JUNE 30, 2010

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED
COMPUTATION OF FINAL NET STATE SHARE

Approved State Allocation[1]		$ 7,185,019
Supplemental Act 148		0
Total State Allocation		7,185,019
State Share (CY348)[2]	$ 5,991,832	
Less: Major Service Category Adjustment	0	
Net State Share		$ 5,991,832
Less: Expenditures in Excess of the Approved State Allocation		0
Final Net State Share Payable[3]		$ 5,991,832
Actual Act 148 Revenues Received[4]		6,071,546
Net Amount Due County/(State)[5]		$ (79,714)

[1] Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

[2] State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

[3] Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

[4] Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

[5] Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY348
FISCAL SUMMARY

	A GRAND TOTAL	B PROGRAM INCOME	C TITLE IV-E	D TANF	E TITLE XX	F TITLE IV-B	G OTHER FUNDING	H MEDICAL ASSISTANCE	I NET TOTAL	J STATE ACT 148	K LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	323,587	116	62,606	0	0	0	0	0	260,865	260,865	0
02. 90% REIMBURSEMENT	133,277	362	33,789	0	0	0	0	0	99,126	89,214	9,912
03. 80% REIMBURSEMENT	9,101,389	233,700	1,786,635	708,251	194,800	7,451	0	0	6,170,552	4,936,444	1,234,108
04. 60% REIMBURSEMENT	1,072,037	22,824	210,181	0	0	0	0	8,727	830,305	498,183	332,122
05. 50% REIMBURSEMENT	446,707	75	0	0	0	32,381	0	0	414,251	207,126	207,125
06. TOTAL NET CHILD WELFARE EXPEND.	11,076,997	257,077	2,093,211	708,251	194,800	39,832	0	8,727	7,775,099	5,991,832	1,783,267
YDC/YFC PLACEMENT COSTS											
07. 60% DPW PARTICIPATION	334,562	15,666							318,896	191,338	127,558
08. NON-REIMBURSABLE EXPENDITURES	56,816	0	0						56,816		56,816
09. TOTAL EXPENDITURES	11,468,375	272,743	2,093,211	708,251	194,800	39,832	0	8,727	8,150,811	6,183,170	1,967,641

10. IL Grant Funds Reported	0
11. TOTAL HSDF used for Child Welfare	0
12. TOTAL TITLE IV-D COLLECTIONS	58,281
13. TITLE IV-D Collections for IV-E Children	8,902
14. STATE ACT 148 - line 6	5,991,832
15. STATE ACT 148 ALLOCATION	7,185,019
16. ADJUSTED STATE SHARE (lower of 14 or 15)	5,991,832

INVOICE	
AMENDED STATE SHARE (ACT 148)	5,991,832
ACT 148 AMOUNT RECEIVED	6,071,546
ADJUSTMENT TO STATE SHARE	(79,714)

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	6,205	365	1

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES											
		1	2	3	4	5	6	7	8	9	10	11	12
	IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A	ADOPTION SERVICE	323,587	116		62,606	0		0	0	0	260,865	260,865	0
1-B	ADOPTION ASSISTANCE	1,300,471	1,931	701,365	0			0		0	597,175	477,740	119,435
1-C	COUNSELING - DEPENDENT	708,374	286		84,157	133,925	0	7,451	0	0	482,555	386,044	96,511
1-D	COUNSELING - DELINQUENT	5,750	3		0	0	0	0	0	0	5,747	4,598	1,149
1-E	DAY CARE	140	0		0	0	0	0	0	0	140	112	28
1-F	DAY TREATMENT - DEPENDENT	154,158	53		831	83,484	0	0	0	0	69,790	55,832	13,958
1-G	DAY TREATMENT - DELINQUENT	26,246	12		327	0	0	0	0	0	25,907	20,726	5,181
1-H	HOMEMAKER SERVICE	79,606	30		13,382	0	0	0	0	0	66,194	52,955	13,239
1-I	INTAKE & REFERRAL	115,937	41		22,524	0	0	0	0	0	93,372	74,698	18,674
1-J	LIFE SKILLS - DEPENDENT	127,670	51		24,674	0	0	0	0	0	102,945	82,356	20,589
1-K	LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L	PROTECTIVE SERVICE - CHILD ABUSE	1,089,609	401		147,854	2,904	194,800		0	0	743,650	594,920	148,730
1-M	PROTECTIVE SERVICE - GENERAL	2,595,205	110,655		303,245	487,938	0		0	0	1,693,367	1,354,694	338,673
1-N	SERVICE PLANNING	210,768	82		39,979	0	0	0	0	0	170,707	136,566	34,141
1-O	JUVENILE ACT PROCEEDINGS - DEPENDENT	68,320	24		0	0		32,381	0	0	35,915	17,958	17,957
1-P	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-Q	**SUBTOTAL IN-HOME**	6,805,841	113,685	701,365	699,579	708,251	194,800	39,832	0	0	4,348,329	3,520,064	828,265

	COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0		0	0		0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0		0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	230,932	15,851	11,527	0		0	0		0	203,554	162,843	40,711
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	715,352	20,395	69,960	0		0	0		0	624,997	499,998	124,999
2-E	EMERGENCY SHELTER - DEPENDENT	48,747	24	12,443	78	0	0	0	0	0	36,202	32,582	3,620
2-F	EMERGENCY SHELTER - DELINQUENT	84,530	338	21,268	0	0	0	0	0	0	62,924	56,632	6,292
2-G	FOSTER FAMILY - DEPENDENT	1,721,314	83,365	109,119	255,412		0	0	0	0	1,273,418	1,018,734	254,684
2-H	FOSTER FAMILY - DELINQUENT	19,825	544	2,202	77		0	0		0	17,002	13,602	3,400
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	32	0	0	0		0	0		0	32	26	6
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0		0	0	0	0
2-K	**SUBTOTAL CBP**	2,820,732	120,517	226,519	255,567	0	0	0	0	0	2,218,129	1,784,417	433,712

	INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A	JUVENILE DETENTION SERVICE	378,387	51						0	0	378,336	189,168	189,168
3-B	RESIDENTIAL SERVICE - DEPENDENT	19,566	4,209	10,666	0		0	0		0	4,691	2,815	1,876
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	561,994	18,078	82,417	87		0	0		0	461,412	276,847	184,565
3-D	SECURE RES. SERVICE (EXCEPT YDC)	45,273	235							0	45,038	27,023	18,015
3-E	YDC/YFC (NON-SECURE)-Institutional	86,299	3,584								82,715	49,629	33,086
3-F	YDC SECURE	248,263	12,082								236,181	141,709	94,472
3-G	**SUBTOTAL INSTITUTIONAL**	1,339,782	38,239	93,083	87	0	0	0	0	0	1,208,373	687,191	521,182

4	**ADMINISTRATION**	445,204	302		117,011		0	0		8,727	319,164	191,498	127,666

5	**TOTAL REVENUES**	11,411,559	272,743	1,020,967	1,072,244	708,251	194,800	39,832	0	8,727	8,093,995	6,183,170	1,910,825

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

MAJOR SERVICE CATEGORIES & COST CENTERS		OBJECTS OF EXPENDITURE											
		1	2	3	4	5	6	7	8	9	10	11	12
	IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A	ADOPTION SERVICE	168,384	90,352		64,780	0	71	323,587	544	11	0	0	0
1-B	ADOPTION ASSISTANCE	0	0	1,300,471	0	0	0	1,300,471	0	251	0	0	0
1-C	COUNSELING - DEPENDENT	162,879	90,573		179,792	275,063	67	708,374	1,769	1,570	0	0	0
1-D	COUNSELING - DELINQUENT	0	0		0	5,750	0	5,750	0	4	0	0	0
1-E	DAY CARE	0	0		0	140	0	140	0	1	0	0	0
1-F	DAY TREATMENT - DEPENDENT	3,172	1,094		0	149,892	0	154,158	129	192	0	0	0
1-G	DAY TREATMENT - DELINQUENT	0	0		1,670	27,003	0	28,673	0	87	0	2,427	0
1-H	HOMEMAKER SERVICE	44,478	23,110		1,662	10,356	0	79,606	269	35	0	0	0
1-I	INTAKE & REFERRAL	46,081	24,055		45,780	0	21	115,937	1,292	0	0	0	0
1-J	LIFE SKILLS - DEPENDENT	84,385	41,262		2,004	0	19	127,670	227	0	0	0	0
1-K	LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L	PROTECTIVE SERVICE - CHILD ABUSE	451,414	265,222		49,694	323,078	201	1,089,609	712	3,561	0	0	0
1-M	PROTECTIVE SERVICE - GENERAL	801,653	470,973		293,375	1,028,818	391	2,595,210	1,815	859	0	5	0
1-N	SERVICE PLANNING	111,184	52,701		46,855	0	28	210,768	195	0	0	0	0
1-O	JUVENILE ACT PROCEEDINGS - DEPENDENT				0	68,320		68,320	0	303	0	0	0
1-P	JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-Q	**SUBTOTAL IN-HOME**	1,873,630	1,059,342	1,300,471	685,612	1,888,420	798	6,808,273			0	2,432	0
								Number of Children receiving **only** NON-PURCHASED IN-Home Services					1,114
	COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	230,943	0	230,943	1,270	13	0	11	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,660	713,692	0	715,352	4,229	32	0	0	0
2-E	EMERGENCY SHELTER - DEPENDENT	0	0	0	450	48,297	0	48,747	1,224	50	0	0	0
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	84,530	0	84,530	550	27	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	595,819	320,806	6,205	317,542	480,717	259	1,721,348	15,522	85	0	34	0
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	394	19,431	0	19,825	382	3	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	32	0	0	32	0	0	0	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K	**SUBTOTAL CBP**	595,819	320,806	6,205	320,078	1,577,610	259	2,820,777	23,177	210	0	45	0
	INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A	JUVENILE DETENTION SERVICE	0	0		28,724	403,888	0	432,612	2,714	93	0	54,225	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	0	0		0	19,566	0	19,566	576	4	0	0	0
3-C	RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		2,320	559,674	0	561,994	3,330	41	0	0	0
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	45,273	0	45,273	148	3	0	0	0
3-E	YDC/YFC (NON-SECURE)-Institutional	0	0		0	86,299	0	86,299	211	1	0	0	0
3-F	YDC SECURE	0	0		0	248,263	0	248,263	607	3	0	0	0
3-G	**SUBTOTAL INSTITUTIONAL**	0	0	0	31,044	1,362,963	0	1,394,007	7,586	145	0	54,225	0
4	**ADMINISTRATION**	36,298	41,910	0	366,981	0	129	445,318			0	114	0
5	**TOTAL EXPENDITURES**	2,505,747	1,422,058	1,306,676	1,403,715	4,828,993	1,186	11,468,375			0	56,816	0
			County Indirect Costs = $		228,360								

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	$ 319,355	$ 4,232	$ 323,587
Adoption Assistance	1,300,471	0	1,300,471
Counseling	709,887	4,237	714,124
Day Care	140	0	140
Day Treatment	169,930	12,901	182,831
Homemaker Service	78,609	997	79,606
Intake and Referral	114,895	1,042	115,937
Life Skills	125,751	1,919	127,670
Protective Service - Child Abuse	1,075,550	14,059	1,089,609
Protective Service - General	2,641,883	(46,673)	2,595,210
Service Planning	208,318	2,450	210,768
Juvenile Act Proceedings	68,318	2	68,320
Alternative Treatment	0	0	0
Community Residential	937,024	9,271	946,295
Emergency Shelter	133,277	0	133,277
Foster Family	1,695,119	46,054	1,741,173
Supervised Independent Living	0	32	32
Juvenile Detention Service	426,943	5,669	432,612
Residential Service	591,380	(9,820)	581,560
Secure Residential Service (Except YDC)	45,273	0	45,273
YDC/YFC (Non-Secure) - Institutional	86,299	0	86,299
YDC Secure	248,263	0	248,263
Administration	592,364	(147,046)	445,318
Combined Total Expense	11,569,049	(100,674)	11,468,375
Less Non-reimbursables	56,816	0	56,816
Total Net Expense	$ 11,512,233	$ (100,674)	$ 11,411,559

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	$ 2,543,081	$ (37,334)	$ 2,505,747
Employee Benefits	1,359,254	62,804	1,422,058
Subsidies	1,306,676	0	1,306,676
Operating	1,546,876	(143,161)	1,403,715
Purchased Services	4,811,976	17,017	4,828,993
Fixed Assets	1,186	0	1,186
Combined Total Expense	11,569,049	(100,674)	11,468,375
Less Non-reimbursables	56,816	0	56,816
Total Net Expense	$ 11,512,233	$ (100,674)	$ 11,411,559

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

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	ADJUSTED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
				CY-370 Adjustments			
CY-370	1-M	1	1	Protective Service-General-Wages and Salaries	$ 838,987	$ (37,334)	$ 801,653
				To decrease Wages and Salaries by $37,334 to eliminate the special grant expenditures, as they were erroneously included due to a formula error.			
				Title 55 Pa Code, Chapter 3170.95(a)(b)			
CY-370	1-M	2	2	Protective Service-General- Employee Benefits	$ 452,404	$ (3,499)	$ 448,905
				To decrease Employee Benefits by $3,499 to eliminate the special grant expenditures, as they were erroneously included due to a formula error.			
				Title 55 Pa Code, Chapter 3170.95(a)(b)			
CY-370	1-A	2	3	Adoption Service-Employee Benefits	$ 86,150	$ 4,202	$ 90,352
	1-C	2		Counseling-Dependent-Employee Benefits	$ 86,360	$ 4,213	$ 90,573
	1-F	2		Day Treatment-Dependent-Employee Benefits	$ 1,043	$ 51	$ 1,094
	1-H	2		Homemaker Service-Employee Benefits	$ 22,035	$ 1,075	$ 23,110
	1-I	2		Intake and Referral-Employee Benefits	$ 22,936	$ 1,119	$ 24,055
	1-J	2		Life Skills-Dependent-Employee Benefits	$ 39,343	$ 1,919	$ 41,262
	1-L	2		Protective Service-Child Abuse-Employee Benefits	$ 252,886	$ 12,336	$ 265,222
	1-M	2		Protective Service-General-Employee Benefits	$ 448,905	$ 22,068	$ 470,973
	1-N	2		Service Planning-Employee Benefits	$ 50,250	$ 2,451	$ 52,701
	2-G	2		Foster Family-Dependent-Employee Benefits	$ 305,885	$ 14,921	$ 320,806
	4	2		Administration-Employee Benefits	$ 39,962	$ 1,948	$ 41,910
				Total Adjustment Amount		$ 66,303	
				To increase Employee Benefits by $66,303 to properly report the agency's allocation of the county pension contribution, as there was an error in the calculation of the agency's share of retirement costs for the 2009-2010 fiscal year.			
				Title 55 PA Code, Chapter 3170.47(f)			
CY-370	1-A	4	4	Adoption Service-Operating	$ 64,750	$ 30	$ 64,780
	1-C	4		Counseling-Dependent-Operating	$ 179,768	$ 24	$ 179,792
	1-H	4		Homemaker Service-Operating	$ 1,740	$ (78)	$ 1,662
	1-I	4		Intake and Referral-Operating	$ 45,857	$ (77)	$ 45,780
	1-L	4		Protective Service-Child Abuse-Operating	$ 49,658	$ 36	$ 49,694
	1-M	4		Protective Service-General-Operating	$ 323,764	$ (30,389)	$ 293,375
	1-N	4		Service Planning-Operating	$ 46,856	$ (1)	$ 46,855
	2-D	4		Community Residential-Delinquent-Operating	$ 2,207	$ (547)	$ 1,660
	2-G	4		Foster Family-Dependent-Operating	$ 286,408	$ 31,134	$ 317,542
	2-I	4		Supervised Ind. Living-Dependent-Operating	$ -	$ 32	$ 32
	3-A	4		Juvenile Detention Service-Operating	$ 23,055	$ 5,669	$ 28,724
	4	4		Administration-Operating	$ 515,975	$ (148,604)	$ 367,371
				Total Adjustment Amount		$ (142,771)	
				To decrease Operating expenditures by the net amount of $142,771 due to an increase in expenditures for additional invoices not reported by the agency and a decrease in expenditures to eliminate special grant expenditures, as they were erroneously included due to a formula error.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

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

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	ADJUSTED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
CY-370	1-F	5	5	Day Treatment-Dependent-Purchased Services	$ 134,606	$ 15,286	$ 149,892
	1-G	5		Day Treatment-Delinquent-Purchased Services	$ 29,439	$ (2,436)	$ 27,003
	1-L	5		Protective Service-Child Abuse-Purchased Services	$ 321,391	$ 1,687	$ 323,078
	1-M	5		Protective Service-General-Purchased Services	$ 1,026,337	$ 2,481	$ 1,028,818
	1-O	5		Juvenile Act Proceedings-Dependent-Purchased Services	$ 68,318	$ 2	$ 68,320
	2-C	5		Community Residential-Dependent-Purchased Services	$ 221,124	$ 9,819	$ 230,943
	2-D	5		Community Residential-Delinquent-Purchased Services	$ 713,693	$ (1)	$ 713,692
	2-G	5		Foster Family-Dependent-Purchased Services	$ 480,718	$ (1)	$ 480,717
	3-B	5		Residential Services-Dependent-Purchased Services	$ 29,385	$ (9,819)	$ 19,566
	3-C	5		Residential Services-Delinquent-Purchased Services	$ 559,675	$ (1)	$ 559,674
				Total Adjustment Amount		$ 17,017	
				To increase Purchased Services by $17,017 to include invoices not reported by the agency and to reconcile to the agency general ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	4	6	Administration-Operating	$ 367,371	$ (390)	$ 366,981
				To decrease Indirect Costs by $390 to reconcile to the County Cost Allocation Plan and properly report the indirect costs.			
				Title 55 PA Code, Chapter 3170.60			
				OCYF Bulletin 00-95-12			
				CY-370A Adjustments			
CY-370A	1-A	2	7	Adoption Service-Program Income	$ 89	$ 27	$ 116
	1-B			Adoption Assistance-Program Income	$ 1,834	$ 97	$ 1,931
	1-C			Counseling - Dependent-Program Income	$ 228	$ 58	$ 286
	1-D			Counseling - Delinquent-Program Income	$ 2	$ 1	$ 3
	1-F			Day Treatment-Dependent-Program Income	$ 42	$ 11	$ 53
	1-G			Day Treatment - Delinquent- Program Income	$ 8	$ 4	$ 12
	1-H			Homemaker Service-Program Income	$ 24	$ 6	$ 30
	1-I			Intake and Referral-Program Income	$ 32	$ 9	$ 41
	1-J			Life Skills-Dependent-Program Income	$ 39	$ 12	$ 51
	1-L			Protective Services-Child Abuse-Program Income	$ 311	$ 90	$ 401
	1-M			Protective Services-General-Program Income	$ 100,143	$ 10,512	$ 110,655
	1-N			Service Planning-Program Income	$ 63	$ 19	$ 82
	1-O			Juvenile Act Proceedings-Dependent-Program Income	$ 22	$ 2	$ 24
	2-C			Community Residential-Dependent-Program Income	$ 15,838	$ 13	$ 15,851
	2-D			Community Residential-Delinquent-Program Income	$ 20,368	$ 27	$ 20,395
	2-E			Emergency Shelter-Dependent.-Program Income	$ 22	$ 2	$ 24
	2-F			Emergency Shelter-Delinquent-Program Income	$ 330	$ 8	$ 338
	2-G			Foster Family-Dependent-Program Income	$ 83,215	$ 150	$ 83,365
	2-H			Foster Family-Delinquent-Program Income	$ 543	$ 1	$ 544
	3-A			Juvenile Detention Service-Program Income	$ 33	$ 18	$ 51
	3-B			Residential Service-Dependent-Program Income	$ 4,208	$ 1	$ 4,209
	3-C			Residential Service-Delinquent-Program Income	$ 18,033	$ 45	$ 18,078
	3-D			Secure Residential Service-Program Income	$ 234	$ 1	$ 235
	4			Administration-Program Income	$ 216	$ 86	$ 302
				Total Adjustment Amount		$ 11,200	
				To increase Program Income by $11,200 to include revenues the agency received, but had not reported.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

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

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	ADJUSTED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
CY-370A	2-D	3	8	Community Residential Delinquent. - Title IV-E Maintenance	$ 63,439	$ 6,521	$ 69,960
	2-F	3		Emerg. Shelter - Delinquent - Title IV-E Maintenance	$ 11,727	$ 9,541	$ 21,268
	2-G	3		Foster Family - Dependent. - Title IV-E Maintenance	$ 106,995	$ 2,124	$ 109,119
	3-C	3		Res. Service. - Delinquent. - Title IV-E Maintenance	$ 2,202	$ 3,909	$ 6,111
	1-A	4		Adoption Service - Title IV-E Admin.	$ 62,600	$ 6	$ 62,606
	1-C	4		Counseling - Dependent. - Title IV-E Admin.	$ 84,152	$ 5	$ 84,157
	1-I	4		Intake & Referral - Title IV-E Admin.	$ 22,520	$ 4	$ 22,524
	1-L	4		Protective Service - Child Abuse - Title IV-E Admin.	$ 147,847	$ 7	$ 147,854
	1-M	4		Protective Service - General. - Title IV-E Admin.	$ 308,451	$ (5,206)	$ 303,245
	1-N	4		Service Planning - Title IV-E Admin.	$ 40,846	$ (867)	$ 39,979
	2-G	4		Foster Family - Dependent. - Title IV-E Admin.	$ 246,349	$ 9,063	$ 255,412
	4	4		Administration - Title IV-E Admin.	$ 116,170	$ 841	$ 117,011
				Total Adjustment Amount		$ 25,948	
				To increase Title IV-E Revenue by $25,948 to include eleven supplemental invoices which had not been reported.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

STATUS OF PRIOR ENGAGEMENT FINDING FOR FISCAL YEAR JULY 1, 2006 TO JUNE 30, 2007

Finding – Beaver County Children and Youth Services Did Not File its Quarterly Reports on Time

Even though the Beaver County Children and Youth Agency did not file all of its Act 148 fiscal reports with the State Department of Human Services (DHS) in a timely manner during the current engagement period, as a result of DHS implementing significant changes to the child social services' reporting system which caused unavoidable delays in the filing of these reports, we concluded that a reissuance of this finding was not warranted.

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

Finding – Deficient Internal Controls Resulted in Violations of DHS Regulations and Receipt and Use of State Funds to Which the Agency Was Not Entitled

Condition: We found deficiencies in the Beaver County Children and Youth Agency's (agency) internal controls related to the agency's accounting and reporting of the agency's financial information. As a result, we had to make numerous audit adjustments to the information obtained from the agency's financial records in order to provide amounts that we were able to certify as being the actual expenditures incurred on behalf of children resident within the County, in accordance with Act 148 of July 9, 1976, (P.L. 846, No. 148), as amended, 62 P.S. § 704.1(a)(4). The internal control deficiencies and audit adjustments are described below:

- For the 2008-2009 fiscal year, we determined a formula error existed within the agency's excel spreadsheet used to complete its submitted CY-370A Revenue Report, which resulted in an understatement of $61,577 in Program Income. Furthermore, for the 2009-2010 fiscal year, the specific income category totals detailed in the County's financial records did not reconcile to the total Program Income the agency reported on its submitted CY-370A Revenue Report, resulting in an additional understatement of $11,200 in Program Income. Because the Program Income amounts were understated on the agency's FY 2008-2009 and 2009-2010 CY-370A Revenue Reports submitted to DHS, the agency received, and had the use of, Act 148 funds to which it was not entitled. Therefore, we issued audit adjustments for the respective fiscal years, as detailed in Adjustment No. 8 on page 10 and Adjustment No. 7 on page 18 of this report to recapture these excess Act 148 state funds.

- For the 2008-2009 fiscal year, the agency failed to include the correct amount of Title IV-D Collections for IV-E Children revenue on its submitted CY-348 Fiscal Summary Report. Based upon a review of the agency's Title IV-E Invoices, we determined the correct amount of this revenue item and made the appropriate adjustment, as detailed in Adjustment 10 on page 10 of this report. While this revenue amount was accurately reported as Program Income and properly included in the State Act 148 payment calculation, the total listed as Title IV-D Collections for IV-E Children income at the bottom of the CY-348 Fiscal Summary report did not agree to the amount included in Program Income. The agency's failure to accurately report revenue on its submitted CY-348 Fiscal Summary is a violation of DHS regulations and negatively impacted the validity of the agency's financial records and could negatively impact subsequent fiscal year budgeting if the agency relied on its inaccurate reported amounts.

Finding – Failure to Implement Monitoring Procedures Resulted in Deficient Internal Controls, Violations of DHS Regulations, and Receipt and Use of State Funds to Which the Agency Was Not Entitled (continued)

For the 2008-2009 and 2009-2010 fiscal years, the retirement expenses that the agency included in Employee Benefits on the CY-370 expenditure report submitted to DHS were inaccurate as a result of the County improperly calculating these expenses. The agency submits for reimbursement the amount that the County provides to the agency at the end of the second quarter, as the County calculates the retirement expenses based on the calendar year rather than the fiscal year. However, in reviewing the County's retirement calculations for calendar years 2008 and 2009, which were used in preparing the agency's CY-370 Expenditure Reports for the 2008-2009 and 2009-2010 fiscal years, respectively, we determined that the County inadvertently used an incorrect annual salary amount when calculating the agency's portion of the County's required pension contribution, thus, improperly reporting the agency's retirement costs on the CY-370 Expenditure Reports submitted to DHS. For the 2008-2009 fiscal year, the retirement costs were overstated by $187,180 and for the 2009-2010 fiscal year, the retirement costs were understated by $66,303. Therefore, we issued audit adjustments for the respective fiscal years, as detailed in Adjustment No. 4, on page 9 and Adjustment No. 3 on page 17 of this report.

- For the 2009-2010 fiscal year, we determined that several formula errors existed within the excel spreadsheets used by the agency to complete its submitted CY-370 Expenditure Report, which resulted in overstatements in the following Objects of Expenditure: Wages and Salaries, Employee Benefits, and Operating Expenses. Because these expenditures were overstated on the FY 2009-2010 CY-370 Expenditure Report submitted to DHS, the agency received, and had the use of, Act 148 funds to which it was not entitled. Therefore, we issued audit adjustments as detailed in Adjustment Nos. 1, 2, and 4 on page 17 of this report to recapture these excess Act 148 state funds.

- For the 2008-2009 fiscal year, we identified mathematical errors on the agency's submitted CY-383 Fee-For-Service Schedule, as the service rates multiplied by the number of units did not always equal the actual expenditures reflected on the submitted CY-383, which is a supporting schedule that details by provider and cost center the agency's Purchased Services expenditures. Furthermore, we determined that for 2 out of 18 contracts reviewed, the service rates detailed in these contracts did not agree to the service rates detailed on the submitted CY-383; however, despite these noted discrepancies, we determined that total expenditures for each cost center detailed on the submitted CY-383 agreed to total expenditures per the agency's corresponding ledgers.

Finding – Deficient Internal Controls Resulted in Violations of DHS Regulations and Receipt and Use of State Funds to Which the Agency Was Not Entitled (continued

Criteria: Title 55, Pa. Code, § 3170.23 related to provider contracts and § 3170.92 and § 3170.95 related to fiscal management of the County Agency, state, in part:

Section 3170.23(c). Purchase of Service.

(c) Unit of service funding is the reimbursement of providers based on a charge per service. This refers to service providers which are separately administered, and receive reimbursement by a contracted per diem or fee rate—funding based on a charge per service. Services which are not eligible for program funding may be purchased on a unit of service plan if they are included in the approved annual plan. The services may be contracted for in advance, to be paid for as used, or purchased as the occasion arises. The services shall meet the requirements set forth in §§ 3170.81—3170.86 (relating to unit of service funding) in order to qualify for reimbursement.

Section 3170.92(b). Accountability for Expenditures for Clients.

Records Maintenance. County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed.

Section 3170.95(a) and (b). Accounting.

(a) Agency directors shall follow standard accounting principles and procedures for recording financial activity, and maintain ledgers in sufficient detail for necessary fiscal management and adhere to the policies prescribed in§ 3170.92(b) and (c) (relating to accountability for expenditures for clients).

(b) Transactions entered in the records shall be identified in such a way as to permit them to be traced back to their source. Coding of these transactions shall be accomplished in a manner which shall enable county children and youth agencies to translate their financial accounts into the account structure prescribed by the Department for purposes of auditing and fiscal reporting.

Finding – Deficient Internal Controls Resulted in Violations of DHS Regulations and Receipt and Use of State Funds to Which the Agency Was Not Entitled (continued)

Cause: The agency failed to implement and maintain internal controls to ensure the proper calculation and recording of agency revenue and expenditure transactions and the inclusion of accurate financial information on the Act 148 fiscal reports submitted to DHS.

Effect: The deficiencies in the agency's internal controls allowed (1) inaccurate financial information to not be detected and be included on the Act 148 fiscal reports submitted to DHS; (2) violations of DHS regulations; and (3) the receipt and use of state, and matching federal, funds to which the agency was not entitled, as evidenced by several of the adjustments we made to the agency's submitted fiscal reports. Furthermore, a lack effective internal controls increases the likelihood that errors and/or misappropriation of agency assets will take place and go undetected.

Recommendation: The Beaver County Children and Youth Agency should establish and implement internal controls over financial reporting and ensure those controls operate effectively to ensure that all agency transactions are properly calculated and recorded and to ensure that all fiscal reports submitted to the DHS accurately reflect the actual revenues and expenditures of the agency, thus ensuring that the agency receives the Act 148 funds and matching federal funds to which it is entitled. More specifically, we recommend that the agency:

- Implement procedures to ensure that sufficient documentation is maintained to identify the source and total amounts of all specific income categories included in Program Income.

- Implement procedures to ensure that all Excel spreadsheets used by the agency to complete its submitted Act 148 fiscal reports are free of formula errors and result in the proper calculation of the revenue and expenditure amounts included on the fiscal reports submitted to DHS.

- Implement procedures to ensure that the total Title IV-D Collections for IV-E Children amount reported on the CY-348 Fiscal Summary is accurate.

Finding – Deficient Internal Controls Resulted in Violations of DHS Regulations and Receipt and Use of State Funds to Which the Agency Was Not Entitled (continued)

- Implement procedures to ensure that the county's yearly calculation of the agency's portion of retirement costs is accurate and that the proper amount is being reported on the agency's submitted CY-370 Expenditure Report.

- Implement procedures to ensure that the costs reflected on the agency's submitted CY-383 Fee-For-Service schedule are mathematically accurate and that the rates presented on the schedule agree to the contracted rates.

Agency Response: The agency took exception to the finding and provided a formal, written response on October 1, 2015 whereby they stated the following:

Beaver County follows different fiscal years and accounting system than the State reporting system. Both years and accounts have to be combined and adjusted accordingly. For example, Fixed Assets at the County are reported at the $5,000 threshold but under the State reporting system, it's a $300 threshold. Reconciliation is needed between County and State to reconcile for audit purposes. We code our documents in accordance to Beaver County Requirements. There are time lags and costs that overlap that need to be identified and reconciled quarterly and annually by Fiscal.

The AG office asked for information during the audit in formats that CYS does not keep nor is required to keep. After discussions with AG auditors, the information needed was presented in the manner in which was acceptable.

It should be noted that there are multiple counties with multiple accounting systems which need to be converted to satisfy a state reporting system. If the counties were to use a state accounting system, this conversion would not be necessary. Beaver County maintains and reconciles with our New World accounting system regularly, checking and balancing accounts.

Beaver County has a new Program Specialist that is addressing the comments of the AG report to implement for future contracting. The CY-383 will include extra lines if necessary to report accurate service rates and number of units to calculate proper expenditures.

Beaver County maintains an internal control that is in accordance with generally accepted accounting principles. Management integrity is communicated to the staff and competent personnel with many years of experience are part of the Fiscal team. The timeliness of the findings is in accordance with the two years in which we submitted revisions.

Finding – Deficient Internal Controls Resulted in Violations of DHS Regulations and Receipt and Use of State Funds to Which the Agency Was Not Entitled (continued)

In summary, Beaver County's internal controls found and adjusted improper calculations to the Act 148 invoice. Our internal controls worked in the adjustment period for resubmission of invoices to fiscal years audited. The remaining adjustments were found and corrected by AG staff.

Auditor's Conclusion: We understand that Beaver County and the Commonwealth have different reporting requirements with respect to the fiscal year and the accounting of transactions for the Children and Youth Agency, which does require quarterly and annual reconciliations of the County's financial records to those of the Children and Youth Agency prior to submission of the Act 148 fiscal reports to the DHS. As agency management referenced, though, there are many Counties that have different accounting systems and they too must perform reconciliations of the County records to the agency records prior to submission of the Act 148 fiscal reports to the DHS. However, the primary discrepancies we found with the Beaver County Children and Youth Agency's financial records were the result of miscalculations and formula errors which could have been prevented with appropriate internal controls over transactions and report preparation and review.

In addition, we recognize that the Commonwealth does not have a standardized accounting system for all Counties and/or Children and Youth Agencies to utilize and, therefore, many Counties' financial records are in different formats. However, as per the DHS regulations at *Section 3170.95(b). Accounting,* the agency's financial transactions must be recorded in a manner that can be traced back to the source documents and translated into the account structure prescribed by the Department for purposes of auditing and fiscal reporting. Relative to this regulation, our requests for specific types of financial records were to enable us to substantiate the revenues and expenditures reported on the Act 148 fiscal reports submitted to the DHS for reimbursement.

In closing, we appreciate your response and the additional steps you are taking to address the proper completion of the CY-383 Fee-For-Service Schedule. However, based on the above factors, the finding and all corresponding adjustments will stand as presented.

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
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