

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

Allegheny County Children and Youth Agency

January 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

Mr. Rich Fitzgerald, Chief Executive
Allegheny County Courthouse
436 Grant Street, Room 101
Pittsburgh, Pa. 15219

Dear Mr. Fitzgerald:

We have fulfilled the requirements pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)) for 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 Allegheny County Children and Youth Agency (agency), legally known as Allegheny County Office of Children, Youth and Families, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2017 to June 30, 2018, and July 1, 2018 to June 30, 2019. 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, 2018, and June 30, 2019.

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 residing 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.*), but was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Allegheny County.

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2017-2018 and 2018-2019 fiscal years based on the accrual basis of accounting.¹

Adjustments to the agency's submitted fiscal reports resulting from the procedures we performed during this engagement are as follows:

- For the **2017-2018 fiscal year**, our engagement resulted in four adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$779,171, increasing non-reimbursable expenditures by \$2,723,921 and increasing revenue by \$23,139. Based on the application of the state participation rates, the four adjustments resulted in an amount due to the state totaling \$749,844. All four adjustments are detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in five 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 \$186,979, increasing non-reimbursable expenditures by \$3,228,367 and increasing revenue by \$84,474. Based on the application of the state participation rates, the five adjustments resulted in an amount due to the state totaling \$2,723,480. All five adjustments are detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that the agency failed to comply with both the findings included in our prior engagement report, as detailed in Section 3 of this report. This resulted in our issuance of repeat findings, as detailed in Section 4 of this report.

Finding No. 1 – Repeat Finding – Allegheny County Children and Youth Agency Failed to Execute Contracts with Legal Service Providers and Failed to Maintain Required Records

Finding No. 2 – Repeat Finding - Allegheny County Children and Youth Agency Failed to Obtain Written Approval from the Commonwealth Department of Human Services – Office of Children, Youth and Families' Regional Office Prior to Contracting With Members of its Own Staff to Serve as Foster Care and Adoptive Parents

Furthermore, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 5 of this report.

Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home

¹ In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures made from other appropriations or grant funds.

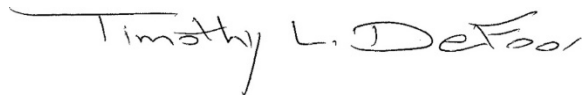
Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements.

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on June 23, 2021.

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 recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of the adjustment amounts during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Allegheny County Children and Youth Agency. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first name.

Timothy L. DeFoor
Auditor General
December 28, 2021

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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 Human Services 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.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Allegheny County Children and Youth Agency provided in-home and placement services to 15,298 children residing within the County during the 2018-2019 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), 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 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 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 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 DHS for the respective fiscal years (FYs). Any 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. The reports also include the impact of those costs and revenues on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 132,051,956
Supplemental Act 148		<u>5,356,561</u>
Total State Allocation		137,408,517
State Share (CY348) ²	\$ 136,658,673	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 136,658,673
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 136,658,673
Actual Act 148 Revenues Received ⁴		<u>137,408,517</u>
Net Amount Due County/(State) ⁵		<u><u>\$ (749,844)</u></u>

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 auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's 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.

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	6,185,285	0	76,402	0	0	0	441,174	0	5,667,709	5,667,709	0
02. 90% REIMBURSEMENT	7,568,912	119,186	24,019	0	0	0	264,644	0	7,161,063	6,444,957	716,106
03. 80% REIMBURSEMENT	175,503,048	745,184	12,337,643	7,373,893	254,253	256,297	15,302,759	0	139,233,019	111,386,414	27,846,605
04. 60% REIMBURSEMENT	14,794,644	171,146	130,957	0	927,458	617,798	3,143,404	99,316	9,704,565	5,822,739	3,881,826
05. 50% REIMBURSEMENT	14,820,929	0	14,003	0	0	0	133,220	0	14,673,706	7,336,854	7,336,852
06. TOTAL NET CHILD WELFARE EXPEND.	218,872,818	1,035,516	12,583,024	7,373,893	1,181,711	874,095	19,285,200	99,316	176,440,063	136,658,673	39,781,390

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	3,593,556	0							3,593,556	2,156,134	1,437,422
08. NON-REIMBURSABLE EXPENDITURES	2,723,921	0							2,723,921		2,723,921

09. TOTAL EXPENDITURES	225,190,295	1,035,516	12,583,024	7,373,893	1,181,711	874,095	19,285,200	99,316	182,757,540	138,814,807	43,942,733
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10. TOTAL TITLE IV-D COLLECTIONS 744,319

11. TITLE IV-D Collections for IV-E Children 114,339

12. STATE ACT 148 - line 6 136,658,673

13. STATE ACT 148 ALLOCATION 137,408,517

14. ADJUSTED STATE SHARE (lower of 12 or 13) 136,658,673

INVOICE	
AMENDED STATE SHARE (ACT 148)	136,658,673
ACT 148 AMOUNT RECEIVED	137,408,517
ADJUSTMENT TO STATE SHARE	(749,844)

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	6,183,285	0	0	76,402	0	0	0	441,174	0	5,667,709	5,667,709	0
1-B ADOPTION ASSISTANCE	21,715,285	0	9,245,601	0	0	0	0	0	0	12,467,684	9,974,147	2,493,537
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	6,516,475	0	2,282,887	0	0	0	0	0	0	4,233,588	3,386,870	846,718
1-D COUNSELING - DEPENDENT	9,303,880	0	0	14,411	941,984	0	0	83,719	0	8,263,766	6,611,012	1,652,754
1-E COUNSELING - DELINQUENT	4,832,764	0	0	3,587	0	0	0	20,786	0	4,808,391	3,846,713	961,678
1-F DAY CARE	2,110,130	0	0	2,312	198,057	0	0	13,662	0	1,896,099	1,516,879	379,220
1-G DAY TREATMENT - DEPENDENT	163,928	0	0	2,251	0	0	0	12,812	0	148,865	119,092	29,773
1-H DAY TREATMENT - DELINQUENT	154,763	0	0	1,734	0	0	0	9,415	0	143,614	114,891	28,723
1-I HOMEMAKER SERVICE	21,885	0	0	0	2,364	0	0	0	0	19,521	15,617	3,904
1-J INTAKE & REFERRAL	10,174,710	0	0	142,309	0	0	0	827,806	0	9,204,595	7,363,676	1,840,919
1-K LIFE SKILLS - DEPENDENT	11,152,564	0	0	30,875	1,648,043	0	0	181,872	0	9,291,774	7,433,419	1,858,355
1-L LIFE SKILLS - DELINQUENT	7,919,719	0	0	1,575	0	0	0	8,629	0	7,909,515	6,327,612	1,581,903
1-M PROTECTIVE SERVICE - CHILD ABUSE	16,099	0	0	226	0	0	0	1,309	0	14,564	11,651	2,913
1-N PROTECTIVE SERVICE - GENERAL	51,138,901	0	0	334,000	4,583,445	0	0	10,645,518	0	35,575,938	28,460,750	7,115,188
1-O SERVICE PLANNING	4,217,852	0	0	57,551	0	0	0	335,900	0	3,824,401	3,059,521	764,880
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	273,961	0	0	1,403	0	0	0	63,443	0	209,115	104,558	104,557
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	1,491,297	0	0	12,600	0	0	0	69,777	0	1,408,920	704,460	704,460
1-R SUBTOTAL IN-HOME	137,387,498	0	11,528,488	681,236	7,373,893	0	0	12,715,823	0	105,088,058	84,718,577	20,369,481
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	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	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	6,877,333	99,545	24,431	4,835	0	0	0	1,427,711	0	5,320,811	4,256,649	1,064,162
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,420,548	68,970	0	2,729	0	0	0	15,469	0	3,333,380	2,666,704	666,676
2-E EMERGENCY SHELTER - DEPENDENT	6,096,292	92,005	16,719	6,269	0	0	0	258,777	0	5,722,522	5,150,270	572,252
2-F EMERGENCY SHELTER - DELINQUENT	1,472,620	27,181	0	1,031	0	0	0	5,867	0	1,438,541	1,294,687	143,854
2-G FOSTER FAMILY - DEPENDENT	32,653,680	511,257	92,752	86,941	0	254,253	256,297	1,639,894	0	29,812,286	23,849,829	5,962,457
2-H FOSTER FAMILY - DELINQUENT	61,648	1,314	0	340	0	0	0	2,106	0	57,888	46,310	11,578
2-I SUP. INDEPENDENT LIVING - DEPENDENT	1,741,780	37,575	5,608	97	0	0	0	72,797	0	1,625,703	1,300,563	325,140
2-J SUP. INDEPENDENT LIVING - DELINQUENT	1,311,104	26,523	0	591	0	0	0	3,353	0	1,280,637	1,024,509	256,128
2-K SUBTOTAL CBP	53,635,005	864,370	139,510	102,833	0	254,253	256,297	3,423,973	0	48,591,769	39,589,521	9,002,248
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	13,055,671	0	0	0	0	0	0	0	0	13,055,671	6,527,836	6,527,835
3-B RESIDENTIAL SERVICE - DEPENDENT	1,809,285	20,950	8,756	9	0	927,458	617,798	76,393	0	157,921	94,753	63,168
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	7,275,994	150,196	0	5,708	0	0	0	32,297	0	7,087,793	4,252,676	2,835,117
3-D SECURE RES. SERVICE (EXCEPT YDC)	2,492,559	0	0	0	0	0	0	0	0	2,492,559	1,495,535	997,024
3-E YDC SECURE	3,593,556	0	0	0	0	0	0	0	0	3,593,556	2,156,134	1,437,422
3-F SUBTOTAL INSTITUTIONAL	28,227,065	171,146	8,756	5,717	0	927,458	617,798	108,690	0	26,387,500	14,526,934	11,860,566
4 ADMINISTRATION	3,216,806	0	0	116,484	0	0	0	3,034,714	99,316	(33,708)	(20,225)	(13,483)
5 TOTAL REVENUES	222,466,374	1,035,516	11,676,754	906,270	7,373,893	1,181,711	874,095	19,285,200	99,316	180,033,619	138,814,807	41,218,812

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	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
IN-HOME												
1-A ADOPTION SERVICE	2,273,759	980,090		2,337,513	590,325	3,598	6,185,285	24	111	0	0	0
1-B ADOPTION ASSISTANCE	0	0	21,713,285	0	0	0	21,713,285	0	10,677	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	6,516,475	0	0	0	6,516,475	0	3,349	0	0	0
1-D COUNSELING - DEPENDENT	461,781	197,484		536,209	8,107,825	581	9,303,880	0	5,012	0	0	0
1-E COUNSELING - DELINQUENT	0	0		193,367	4,639,397	0	4,832,764	0	4,144	0	0	0
1-F DAY CARE	72,592	31,120		103,357	1,902,840	221	2,110,130	0	4,685	0	0	0
1-G DAY TREATMENT - DEPENDENT	66,006	28,593		69,300	0	29	163,928	15,089	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		154,763	0	0	154,763	0	0	0	0	0
1-I HOME MAKER SERVICE	0	0		313	21,572	0	21,885	0	113	0	0	0
1-J INTAKE & REFERRAL	4,214,696	1,817,068		4,132,812	0	10,134	10,174,710	12,247	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	732,057	319,902		1,414,100	8,684,282	2,223	11,152,564	0	8,024	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		22,426	7,897,293	0	7,919,719	0	180	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	0	0		16,099	0	0	16,099	15,969	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	9,998,461	4,308,137		13,598,494	23,212,748	21,061	51,138,901	0	27,013	0	0	0
1-O SERVICE PLANNING	1,745,664	752,659		1,714,079	0	5,450	4,217,852	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				105,375	168,586		273,961	0	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				934,867	556,430		1,491,297	0	0	0	0	0
1-R SUBTOTAL IN-HOME	19,565,016	8,435,053	28,229,760	25,333,074	55,781,298	43,297	137,387,498					
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
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	148,248	63,535	0	310,657	6,354,170	723	6,877,333	18,459	324	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	194,659	3,225,889	0	3,420,548	20,202	534	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	180,601	78,218	0	316,878	5,520,595	0	6,096,292	12,584	258	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	75,107	1,397,513	0	1,472,620	139	5	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,648,893	711,774	0	3,619,941	26,668,197	4,875	32,653,680	478,686	12,469	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	61,648	0	0	61,648	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	149,208	1,592,572	0	1,741,780	9,320	169	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	39,303	1,271,801	0	1,311,104	4,352	72	0	0	0
2-K SUBTOTAL CBP	1,977,742	853,527	0	4,767,401	46,030,737	5,598	53,655,005	543,742	13,831	0	0	0
ADMINISTRATION	2,543,754	1,094,006	0	2,290,602	0	12,365	5,940,727			2,723,921	0	0
TOTAL EXPENDITURES	24,086,512	10,382,586	28,229,760	32,959,526	129,470,651	61,260	225,190,295			2,723,921	0	0
County Indirect Costs = \$ 2,282,140												

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 6,077,691	\$ 107,594	\$ 6,185,285
Adoption Assistance	21,728,616	(15,331)	21,713,285
Subsidized Permanent Legal Custodianship	6,518,992	(2,517)	6,516,475
Counseling	13,445,111	691,533	14,136,644
Day Care	2,033,726	76,404	2,110,130
Day Treatment	283,025	35,666	318,691
Homemaker Service	21,572	313	21,885
Intake and Referral	10,277,870	(103,160)	10,174,710
Life Skills	18,750,137	322,146	19,072,283
Protective Service - Child Abuse	15,930	169	16,099
Protective Service - General	50,316,142	822,759	51,138,901
Service Planning	4,155,014	62,838	4,217,852
Juvenile Act Proceedings	1,033,321	731,937	1,765,258
Alternative Treatment	0	0	0
Community Residential	10,534,973	(237,092)	10,297,881
Emergency Shelter	7,435,507	133,405	7,568,912
Foster Family	32,160,090	555,238	32,715,328
Supervised Independent Living	3,058,562	(5,678)	3,052,884
Juvenile Detention Service	12,900,625	155,046	13,055,671
Residential Service	9,106,673	(21,394)	9,085,279
Secure Residential Service (Except YDC)	2,502,050	(9,491)	2,492,559
YDC Secure	3,593,556	0	3,593,556
Administration	8,461,941	(2,521,214)	5,940,727
Combined Total Expense	<u>224,411,124</u>	<u>779,171</u>	<u>225,190,295</u>
Less Non-reimbursables	<u>0</u>	<u>2,723,921</u>	<u>2,723,921</u>
Total Net Expense	<u>\$ 224,411,124</u>	<u>\$ (1,944,750)</u>	<u>\$ 222,466,374</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 24,086,512	\$ 0	\$ 24,086,512
Employee Benefits	10,921,818	(539,232)	10,382,586
Subsidies	28,247,608	(17,848)	28,229,760
Operating	32,618,803	340,723	32,959,526
Purchased Services	128,475,123	995,528	129,470,651
Fixed Assets	61,260	0	61,260
Combined Total Expense	<u>224,411,124</u>	<u>779,171</u>	<u>225,190,295</u>
Less Non-reimbursables	<u>0</u>	<u>2,723,921</u>	<u>2,723,921</u>
Total Net Expense	<u>\$ 224,411,124</u>	<u>\$ (1,944,750)</u>	<u>\$ 222,466,374</u>

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments							
CY-370	1-J	2	1	Intake and Referral - Employee Benefits	\$ 2,086,684	\$ (269,616)	\$ 1,817,068
	1-N	2		Protective Services General - Employee Benefits	\$ 4,577,753	\$ (269,616)	\$ 4,308,137
	1-B	3		Adoption Assistance - Subsidies	\$ 21,728,616	\$ (15,331)	\$ 21,713,285
	1-C	3		Subsidized Permanent Legal Custodianship - Subsidies	\$ 6,518,992	\$ (2,517)	\$ 6,516,475
	1-A	4		Adoption Service - Operating	\$ 2,241,798	\$ 95,715	\$ 2,337,513
	1-D	4		Counseling (Dependent) - Operating	\$ 426,449	\$ 109,760	\$ 536,209
	1-E	4		Counseling (Delinquent) - Operating	\$ 259,938	\$ (66,571)	\$ 193,367
	1-F	4		Day Care - Operating	\$ 65,581	\$ 37,776	\$ 103,357
	1-G	4		Day Treatment (Dependent) - Operating	\$ 66,165	\$ 3,135	\$ 69,300
	1-H	4		Day Treatment (Delinquent) - Operating	\$ 122,232	\$ 32,531	\$ 154,763
	1-I	4		Homemaker - Operating	\$ -	\$ 313	\$ 313
	1-J	4		Intake and Referral - Operating	\$ 3,966,356	\$ 166,456	\$ 4,132,812
	1-K	4		Life Skills (Dependent) - Operating	\$ 1,226,010	\$ 188,090	\$ 1,414,100
	1-L	4		Life Skills (Delinquent) - Operating	\$ 102,838	\$ (80,412)	\$ 22,426
	1-M	4		Protective Services Child Abuse - Operating	\$ 15,930	\$ 169	\$ 16,099
	1-N	4		Protective Services General- Operating	\$ 11,981,659	\$ 1,616,835	\$ 13,598,494
	1-O	4		Service Planning - Operating	\$ 1,651,241	\$ 62,838	\$ 1,714,079
	1-P	4		Juvenile Act Proceedings (Dependent) - Operating	\$ 104,731	\$ 644	\$ 105,375
	1-Q	4		Juvenile Act Proceedings (Delinquent) - Operating	\$ 928,590	\$ 6,277	\$ 934,867
	2-C	4		Community Residential (Dependent) - Operating	\$ 186,483	\$ 124,174	\$ 310,657
	2-D	4		Community Residential (Delinquent) -Operating	\$ 208,796	\$ (14,137)	\$ 194,659
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 190,022	\$ 126,856	\$ 316,878
	2-F	4		Emergency Shelter (Delinquent) - Operating	\$ 81,336	\$ (6,229)	\$ 75,107
	2-G	4		Foster Family (Dependent) - Operating	\$ 3,156,438	\$ 463,503	\$ 3,619,941
	2-H	4		Foster Family (Delinquent) - Operating	\$ 61,635	\$ 13	\$ 61,648
	2-I	4		Supervised Independent Living (Dependent) - Operating	\$ 114,846	\$ 34,362	\$ 149,208
	2-J	4		Supervised Independent Living (Delinquent) - Operating	\$ 42,562	\$ (3,259)	\$ 39,303
	3-B	4		Residential Services (Dependent) - Operating	\$ 3,423	\$ 4,106	\$ 7,529
	3-C	4		Residential Services (Delinquent) - Operating	\$ 469,153	\$ (30,876)	\$ 438,277
	3-D	4		Secure Residential Service - Operating	\$ 132,775	\$ (10,132)	\$ 122,643
	4	4		Administration - Operating	\$ 4,811,816	\$ (2,340,110)	\$ 2,471,706
	1-A	5		Adoption Service - Purchased Services	\$ 578,446	\$ 11,879	\$ 590,325
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 7,464,227	\$ 643,598	\$ 8,107,825
	1-E	5		Counseling (Delinquent) - Purchased Services	\$ 4,634,651	\$ 4,746	\$ 4,639,397
	1-F	5		Day Care - Purchased Services	\$ 1,864,212	\$ 38,628	\$ 1,902,840
	1-K	5		Life Skills (Dependent) - Purchased Services	\$ 8,654,926	\$ 29,356	\$ 8,684,282
	1-L	5		Life Skills (Delinquent) - Purchased Services	\$ 7,712,181	\$ 185,112	\$ 7,897,293
	1-N	5		Protective Services General - Purchased Services	\$ 23,737,208	\$ (524,460)	\$ 23,212,748
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ -	\$ 168,586	\$ 168,586
	1-Q	5		Juvenile Act Proceedings (Delinquent) - Purchased Services	\$ -	\$ 556,430	\$ 556,430
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 6,701,237	\$ (347,067)	\$ 6,354,170
	2-D	5		Community Residential (Delinquent) - Purchased Services	\$ 3,225,951	\$ (62)	\$ 3,225,889
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 5,514,317	\$ 6,278	\$ 5,520,595
	2-F	5		Emergency Shelter (Delinquent) - Purchased Services	\$ 1,391,013	\$ 6,500	\$ 1,397,513
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 26,576,475	\$ 91,722	\$ 26,668,197
	2-I	5		Supervised Independent Living (Dependent) - Purchased Services	\$ 1,629,353	\$ (36,781)	\$ 1,592,572
	3-A	5		Juvenile Detention Service - Purchased Services	\$ 12,900,625	\$ 155,046	\$ 13,055,671
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 1,794,273	\$ 7,483	\$ 1,801,756
	3-C	5		Residential Service (Delinquent) - Purchased Services	\$ 6,839,824	\$ (2,107)	\$ 6,837,717
	3-D	5		Secure Residential Service - Purchased Services	\$ 5,962,831	\$ 641	\$ 5,963,472
				Total Adjustment Amount		\$ 960,275	
				To increase expenditures by a net \$960,275 to reconcile to the agency's final expenditure ledger. This is due to invoices received subsequent to the agency's submission of the Act 148 Invoice to Commonwealth DHS. Employee Benefits decreased by \$539,232; Subsidies decreased by \$17,848; Operating increased by \$521,827; and Purchased Services increased by \$995,528.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments (Continued)							
CY-370	4	4	2	Administration - Operating To decrease indirect costs by \$181,104 to reconcile to the County Cost Allocation Plan. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12	\$ 2,471,706	\$ (181,104)	\$ 2,290,602
CY-370	4	10	3	Administration - Non-Reimbursable Non-PS/Sub. To increase non-reimbursable expenditures by \$2,723,921 to properly report the amount of indirect costs which exceed the 2% cost limitation amount. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12	\$ -	\$ 2,723,921	\$ 2,723,921
CY-370A Adjustment							
CY-370A	2-C	2	4	Community Residential (Dependent) - Program Income	\$ 97,321	\$ 2,224	\$ 99,545
	2-D	2		Community Residential (Delinquent) - Program Income	\$ 67,429	\$ 1,541	\$ 68,970
	2-E	2		Emergency Shelter (Dependent) - Program Income	\$ 89,949	\$ 2,056	\$ 92,005
	2-F	2		Emergency Shelter (Delinquent) - Program Income	\$ 26,574	\$ 607	\$ 27,181
	2-G	2		Foster Family (Dependent) - Program Income	\$ 499,832	\$ 11,425	\$ 511,257
	2-H	2		Foster Family (Delinquent) - Program Income	\$ 1,285	\$ 29	\$ 1,314
	2-I	2		Supervised Independent Living (Dependent) - Program Income	\$ 36,735	\$ 840	\$ 37,575
	2-J	2		Supervised Independent Living (Delinquent) - Program Income	\$ 25,930	\$ 593	\$ 26,523
	3-B	2		Residential Service (Dependent) - Program Income	\$ 20,482	\$ 468	\$ 20,950
	3-C	2		Residential Service (Delinquent) (Non YDC/YFC) - Program Income	\$ 146,840	\$ 3,356	\$ 150,196
					Total Adjustment Amount		\$ 23,139
				To increase Program Income by \$23,139 to properly report the total amount received and reconcile to the agency's final Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2018 to JUNE 30, 2019

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 139,045,867
Supplemental Act 148		<u>2,717,593</u>
Total State Allocation		141,763,460
State Share (CY348) ²	\$ 139,039,980	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 139,039,980
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 139,039,980
Actual Act 148 Revenues Received ⁴		<u>141,763,460</u>
Net Amount Due County/(State) ⁵		<u><u>\$ (2,723,480)</u></u>

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 auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's 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.

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
 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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	7,382,512	95,179	0	0	0	615,579	0	6,671,754	6,671,754	(0)
02. 90% REIMBURSEMENT	8,574,048	8,109	0	0	0	272,917	0	8,158,815	7,342,934	815,881
03. 80% REIMBURSEMENT	174,049,791	12,500,153	7,373,893	0	0	14,302,127	0	139,122,022	111,297,618	27,824,404
04. 60% REIMBURSEMENT	16,977,167	94,150	0	1,181,711	874,095	3,919,515	46,424	10,703,967	6,422,380	4,281,587
05. 50% REIMBURSEMENT	14,705,934	0	0	0	0	82,771	0	14,610,587	7,305,294	7,305,293
06. TOTAL NET CHILD WELFARE EXPEND.	221,689,452	12,710,167	7,373,893	1,181,711	874,095	19,192,909	46,424	179,267,146	139,039,980	40,227,166

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	5,090,877	0						5,090,877	3,054,526	2,036,351
08. NON-REIMBURSABLE EXPENDITURES	3,228,367	0						3,228,367		3,228,367

09. TOTAL EXPENDITURES	230,008,696	12,710,167	7,373,893	1,181,711	874,095	19,192,909	46,424	187,586,390	142,094,506	45,491,884
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10. TOTAL TITLE IV-D COLLECTIONS 766,213

11. TITLE IV-D Collections for IV-E Children 63,598

12. STATE ACT 148 - line 6 139,039,980

13. STATE ACT 148 ALLOCATION 141,763,460

14. ADJUSTED STATE SHARE (lower of 12 or 13) 139,039,980

INVOICE	
AMENDED STATE SHARE (ACT 148)	139,039,980
ACT 148 AMOUNT RECEIVED	141,763,460
ADJUSTMENT TO STATE SHARE	(2,723,480)

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
 AMENDED CY370A
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	7,382,512	0		95,179	0			615,579	0	6,671,754	10,066,756	2,516,689
1-B ADOPTION ASSISTANCE	21,929,095	0	9,345,650	0				0	0	12,583,445	3,723,690	9,309,233
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	7,047,130	0	2,392,517	0				0	0	4,654,613	4,865,142	1,216,285
1-D COUNSELING - DEPENDENT	7,153,621	0		14,678	963,741	0	0	93,774	0	4,938,228	3,966,583	991,645
1-E COUNSELING - DELINQUENT	4,978,463	0		2,655	245,394	0	0	22,960	0	1,525,003	1,220,003	305,000
1-F DAY CARE	1,796,990	0		3,633	0	0	0	11,526	0	110,666	88,533	22,133
1-G DAY TREATMENT - DEPENDENT	123,918	0		1,726	0	0	0	14,034	0	141,025	112,820	28,205
1-H DAY TREATMENT - DELINQUENT	157,182	0		2,123	0	0	0	35	0	18,122	14,497	3,625
1-I HOMEMAKER SERVICE	22,842	0		6	4,679	0	0	962,966	0	9,693,650	7,754,920	1,938,730
1-J INTAKE & REFERRAL	10,808,721	0		152,105	0	0	0	203,777	0	9,286,046	7,428,837	1,857,209
1-K LIFE SKILLS - DEPENDENT	10,773,803	0		32,186	1,251,794	0	0	2,053	0	6,639,494	5,327,595	1,331,899
1-L LIFE SKILLS - DELINQUENT	6,661,857	0		310	0	0	0	1,877	0	83,493	66,794	16,699
1-M PROTECTIVE SERVICE - CHILD ABUSE	85,663	0		293	0	0	0	9,341,195	0	40,783,338	32,626,671	8,156,667
1-N PROTECTIVE SERVICE - GENERAL	55,422,248	0		389,430	4,908,285	0	0	414,675	0	4,162,874	3,330,299	832,575
1-O SERVICE PLANNING	4,643,200	0		65,651	0	0	0	6,455	0	474,059	237,030	237,029
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	481,513	0		999	0	0	0	76,316	0	1,220,028	610,014	610,014
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	1,307,921	0		11,577	0	0	0	11,784,802	0	109,107,265	88,111,938	20,995,327
1-R SUBTOTAL IN-HOME	140,776,679	0	11,738,167	772,551	7,373,893	0	0					
COMMUNITY BASED												
PLACEMENT												
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	6,822,030	105,657	0	7,388	0	0	0	1,499,289	0	5,209,696	4,167,757	1,041,939
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,609,023	65,629	0	2,290	0	0	0	15,823	0	3,525,281	2,820,225	705,056
2-E EMERGENCY SHELTER - DEPENDENT	6,908,828	109,627	0	7,064	0	0	0	265,991	0	6,526,146	5,873,532	652,614
2-F EMERGENCY SHELTER - DELINQUENT	1,665,220	24,580	0	1,045	0	0	0	6,926	0	1,632,669	1,469,402	163,267
2-G FOSTER FAMILY - DEPENDENT	30,051,713	518,622	0	85,556	0	0	0	1,640,210	0	27,807,325	22,245,860	5,561,465
2-H FOSTER FAMILY - DELINQUENT	63,337	1,157	0	504	0	0	0	3,162	0	58,514	46,811	11,703
2-I SUP. INDEPENDENT LIVING - DEPENDENT	1,378,028	49,360	0	913	0	0	0	53,623	0	1,274,132	1,019,306	254,826
2-J SUP. INDEPENDENT LIVING - DELINQUENT	520,927	11,170	0	539	0	0	0	3,569	0	505,649	404,519	101,130
2-K SUBTOTAL CBP	51,019,106	885,802	0	105,299	0	0	0	3,488,592	0	46,539,413	38,047,412	8,492,001
INSTITUTIONAL												
PLACEMENT												
3-A JUVENILE DETENTION SERVICE	12,916,500	0								12,916,500	6,458,250	6,458,250
3-B RESIDENTIAL SERVICE - DEPENDENT	3,033,141	50,464	0	1,052	0	0	0	431,198	0	494,621	296,773	197,848
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	5,293,649	106,841	0	5,295	0	0	0	35,139	0	5,146,374	3,087,824	2,058,550
3-D SECURE RES. SERVICE (EXCEPT YDC)	2,794,362	0								2,794,362	1,676,617	1,117,745
3-E YDC SECURE	5,090,877	0								5,090,877	3,054,526	2,036,351
3-F SUBTOTAL INSTITUTIONAL	29,128,529	157,305	0	6,347	0	0	0	466,337	0	26,442,734	14,573,990	11,868,744
4 ADMINISTRATION	5,856,015	0		87,803	0	0	0	3,453,178	46,424	2,268,610	1,361,166	907,444
TOTAL REVENUES	226,780,329	1,043,107	11,738,167	972,000	7,373,893	1,181,711	874,095	19,192,909	46,424	184,358,023	142,094,506	42,263,517

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	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
IN-HOME												
1-A ADOPTION SERVICE	2,568,867	1,064,187		3,102,328	629,195	17,935	7,382,512	4	210	0	0	0
1-B ADOPTION ASSISTANCE	0	0	21,929,095	0	0	0	21,929,095	0	10,724	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	7,047,130	0	0	0	7,047,130	0	3,559	0	0	0
1-D COUNSELING - DEPENDENT	374,627	154,913		377,834	6,243,468	2,779	7,153,621	0	4,583	0	0	0
1-E COUNSELING - DELINQUENT	0	0		196,387	4,782,076	0	4,978,463	0	1,600	0	0	0
1-F DAY CARE	96,115	40,029		88,346	1,571,836	664	1,796,990	0	2,095	0	0	0
1-G DAY TREATMENT - DEPENDENT	54,281	22,405		46,883	0	349	123,918	7,143	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		157,182	0	0	157,182	0	0	0	0	0
1-I HOME MAKER SERVICE	0	0		0	22,842	0	22,842	0	94	0	0	0
1-J INTAKE & REFERRAL	4,611,488	1,914,308		4,248,136	0	34,789	10,808,721	13,728	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	626,663	346,100		1,058,569	8,735,854	6,617	10,773,803	0	6,849	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		22,150	6,639,707	0	6,661,857	0	195	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	0	0		85,663	0	0	85,663	17,111	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	11,092,897	4,594,260		12,388,602	27,276,390	70,099	55,422,248	0	30,530	0	0	0
1-O SERVICE PLANNING	1,979,833	820,441		1,829,936	0	12,990	4,643,200	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				23,315	458,198		481,513	0	193	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				988,581	319,340		1,307,921	0	0	0	0	0
SUBTOTAL IN-HOME	21,404,771	8,956,643	28,976,225	24,613,912	56,678,906	146,222	140,776,679					
Number of Children receiving only NON-PURCHASED IN-Home Services 5,265												
COMMUNITY BASED PLACEMENT												
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	182,222	74,937		175,736	6,387,834	1,301	6,822,030	20,316	304	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	206,520	3,402,503	0	3,609,023	19,569	346	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	143,789	59,473		140,367	6,564,190	1,009	6,908,828	32,413	557	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	76,280	1,588,940	0	1,665,220	256	5	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,929,100	798,811	607	3,570,067	23,739,859	13,269	30,051,713	447,646	11,315	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	63,337	0	0	63,337	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	15,256	1,362,772	0	1,378,028	8,053	124	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	40,610	480,317	0	520,927	2,614	56	0	0	0
SUBTOTAL CBP	2,255,111	933,221	607	4,288,173	43,526,415	15,579	51,019,106	530,867	12,707	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	12,916,500	0	12,916,500	16,703	1,124	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	4,275	3,028,866	0	3,033,141	12,113	185	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	426,093	4,867,556	0	5,293,649	37,203	1,034	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	124,953	2,669,409	0	2,794,362	9,860	135	0	0	0
3-E YDC SECURE	0	0	0	0	5,090,877	0	5,090,877	9,273	158	0	0	0
SUBTOTAL INSTITUTIONAL	0	0	0	555,321	28,573,208	0	29,128,529	85,152	2,636	0	0	0
4 ADMINISTRATION	2,744,854	1,134,739	0	5,186,006	0	18,783	9,084,382			3,228,367	0	0
5 TOTAL EXPENDITURES	26,404,736	11,024,603	28,976,832	34,643,412	128,778,529	180,584	230,008,696			3,228,367	0	0
County Indirect Costs = \$ 2,833,868												

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 7,605,402	\$ (222,890)	\$ 7,382,512
Adoption Assistance	21,966,297	(37,202)	21,929,095
Subsidized Permanent Legal Custodianship	7,047,130	0	7,047,130
Counseling	12,982,212	(850,128)	12,132,084
Day Care	2,046,219	(249,229)	1,796,990
Day Treatment	281,496	(396)	281,100
Homemaker Service	21,144	1,698	22,842
Intake and Referral	11,016,401	(207,680)	10,808,721
Life Skills	17,962,595	(526,935)	17,435,660
Protective Service - Child Abuse	21,193	64,470	85,663
Protective Service - General	54,511,232	911,016	55,422,248
Service Planning	4,735,240	(92,040)	4,643,200
Juvenile Act Proceedings	1,502,043	287,391	1,789,434
Alternative Treatment	0	0	0
Community Residential	10,425,437	5,616	10,431,053
Emergency Shelter	8,239,422	334,626	8,574,048
Foster Family	32,035,791	(1,920,741)	30,115,050
Supervised Independent Living	1,949,715	(50,760)	1,898,955
Juvenile Detention Service	12,914,646	1,854	12,916,500
Residential Service	8,695,057	(368,267)	8,326,790
Secure Residential Service (Except YDC)	2,786,210	8,152	2,794,362
YDC Secure	5,090,877	0	5,090,877
Administration	6,359,915	2,724,467	9,084,382
Combined Total Expense	<u>230,195,674</u>	<u>(186,979)</u>	<u>230,008,696</u>
Less Non-reimbursables	<u>0</u>	<u>3,228,367</u>	<u>3,228,367</u>
Total Net Expense	<u>\$ 230,195,674</u>	<u>\$ (3,415,346)</u>	<u>\$ 226,780,329</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 26,404,736	\$ 0	\$ 26,404,736
Employee Benefits	11,024,603	0	11,024,603
Subsidies	29,013,427	(36,595)	28,976,832
Operating	34,697,890	(54,478)	34,643,412
Purchased Services	128,872,180	(93,652)	128,778,529
Fixed Assets	182,838	(2,254)	180,584
Combined Total Expense	<u>230,195,674</u>	<u>(186,979)</u>	<u>230,008,696</u>
Less Non-reimbursables	<u>0</u>	<u>3,228,367</u>	<u>3,228,367</u>
Total Net Expense	<u>\$ 230,195,674</u>	<u>\$ (3,415,346)</u>	<u>\$ 226,780,329</u>

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustments			
CY-370	1-B	3	1	Adoption Assistance - Subsidies	\$ 21,966,297	\$ (37,202)	\$ 21,929,095
	2-G	3		Foster Family (Dependent) - Subsidies	\$ 7,047,130	\$ 607	\$ 7,047,737
	1-A	4		Adoption Service - Operating	\$ 3,239,326	\$ 4,564	\$ 3,243,890
	1-D	4		Counseling (Dependent) - Operating	\$ 545,673	\$ (14,066)	\$ 531,607
	1-H	4		Day Treatment (Delinquent) - Operating	\$ 155,182	\$ 2,000	\$ 157,182
	1-K	4		Life Skills (Dependent) - Operating	\$ 1,341,574	\$ (62,915)	\$ 1,278,659
	1-L	4		Life Skills (Delinquent) - Operating	\$ 22,651	\$ (501)	\$ 22,150
	1-M	4		Protective Services Child Abuse - Operating	\$ 21,193	\$ 64,872	\$ 86,065
	1-Q	4		Juvenile Act Proceedings (Delinquent) - Operating	\$ 958,115	\$ 30,466	\$ 988,581
	2-C	4		Community Residential (Dependent) - Operating	\$ 272,505	\$ 28,995	\$ 301,500
	2-D	4		Community Residential (Delinquent) - Operating	\$ 190,811	\$ 15,709	\$ 206,520
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 313,873	\$ (43,950)	\$ 269,923
	2-G	4		Foster Family (Dependent) - Operating	\$ 4,089,187	\$ 91,956	\$ 4,181,143
	2-I	4		Supervised Independent Living (Dependent) - Operating	\$ 72,793	\$ 1,544	\$ 74,337
	3-B	4		Residential Services (Dependent) - Operating	\$ 78,615	\$ 79	\$ 78,694
	3-C	4		Residential Services (Delinquent) - Operating	\$ 419,332	\$ 6,761	\$ 426,093
	4	4		Administration - Operating	\$ 2,461,539	\$ 7	\$ 2,461,546
	1-A	5		Adoption Service - Purchased Services	\$ 715,087	\$ (85,892)	\$ 629,195
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 7,000,521	\$ (757,053)	\$ 6,243,468
	1-E	5		Counseling (Delinquent) - Purchased Services	\$ 4,707,312	\$ 74,764	\$ 4,782,076
	1-F	5		Day Care - Purchased Services	\$ 1,782,473	\$ (210,637)	\$ 1,571,836
	1-I	5		Homemaker - Purchased Services	\$ 20,742	\$ 2,100	\$ 22,842
	1-K	5		Life Skills (Dependent) - Purchased Services	\$ 9,181,375	\$ (445,521)	\$ 8,735,854
	1-L	5		Life Skills (Delinquent) - Purchased Services	\$ 6,437,615	\$ 202,092	\$ 6,639,707
	1-N	5		Protective Services General - Purchased Services	\$ 25,364,503	\$ 1,911,887	\$ 27,276,390
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 471,604	\$ (13,406)	\$ 458,198
	1-Q	5		Juvenile Act Proceedings (Delinquent) - Purchased Services	\$ -	\$ 319,340	\$ 319,340
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 6,251,495	\$ 136,339	\$ 6,387,834
	2-D	5		Community Residential (Delinquent) - Purchased Services	\$ 3,452,166	\$ (49,663)	\$ 3,402,503
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 6,235,060	\$ 329,130	\$ 6,564,190
	2-F	5		Emergency Shelter (Delinquent) - Purchased Services	\$ 1,409,938	\$ 179,002	\$ 1,588,940
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 25,142,087	\$ (1,402,228)	\$ 23,739,859
	2-I	5		Supervised Independent Living (Dependent) - Purchased Services	\$ 1,349,082	\$ 13,690	\$ 1,362,772
	2-J	5		Supervised Independent Living (Delinquent) - Purchased Services	\$ 487,230	\$ (6,913)	\$ 480,317
	3-A	5		Juvenile Detention Service - Purchased Services	\$ 12,914,646	\$ 1,854	\$ 12,916,500
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 3,064,725	\$ (35,859)	\$ 3,028,866
	3-C	5		Residential Service (Delinquent) - Purchased Services	\$ 5,132,385	\$ (264,829)	\$ 4,867,556
	3-D	5		Secure Residential Service - Purchased Services	\$ 2,661,257	\$ 8,152	\$ 2,669,409
	1-O	6		Service Planning - Fixed Assets	\$ 15,244	\$ (2,254)	\$ 12,990
				Total Adjustment Amount		\$ (6,979)	
				To decrease expenditures by \$6,979 to include revisions made to the agency's expenditures ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to Commonwealth DHS. Subsidies decreased by \$36,595, Operating increased by \$125,521; Purchased Services decreased by \$93,651 and Fixed Assets decreased by \$2,254.00			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

**ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments (Continued)							
CY-370	1-A	4	2	Adoption Service - Operating	\$ 3,243,890	\$ (141,562)	\$ 3,102,328
	1-D	4		Counseling (Dependent) - Operating	\$ 531,607	\$ (153,773)	\$ 377,834
	1-F	4		Day Care - Operating	\$ 126,938	\$ (38,592)	\$ 88,346
	1-G	4		Day Treatment (Dependent) - Operating	\$ 49,279	\$ (2,396)	\$ 46,883
	1-I	4		Homemaker Service - Operating	\$ 402	\$ (402)	\$ (0)
	1-J	4		Intake & Referral - Operating	\$ 4,455,816	\$ (207,680)	\$ 4,248,136
	1-K	4		Life Skills (Dependent) - Operating	\$ 1,278,659	\$ (220,090)	\$ 1,058,569
	1-M	4		Protective Services Child Abuse - Operating	\$ 86,065	\$ (402)	\$ 85,663
	1-N	4		Protective Services General - Operating	\$ 13,389,473	\$ (1,000,871)	\$ 12,388,602
	1-O	4		Service Planning - Operating	\$ 1,919,722	\$ (89,786)	\$ 1,829,936
	1-P	4		Juvenile Act Proceedings (Dependent) - Operating	\$ 72,324	\$ (49,009)	\$ 23,315
	2-C	4		Community Residential (Dependent) - Operating	\$ 301,500	\$ (125,764)	\$ 175,736
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 269,923	\$ (129,556)	\$ 140,367
	2-G	4		Foster Family (Dependent) - Operating	\$ 4,181,143	\$ (611,076)	\$ 3,570,067
	2-I	4		Supervised Independent Living (Dependent) - Operating	\$ 74,337	\$ (59,081)	\$ 15,256
	3-B	4		Residential Services (Dependent) - Operating	\$ 78,694	\$ (74,419)	\$ 4,275
		4		4	Administration - Operating	\$ 2,461,546	\$ 2,904,460
				To reclassify \$2,904,460 of County Cost Allocation Plan (CAP) indirect costs from multiple cost centers to the Administration cost center. The agency erroneously reported indirect costs, from the CAP, as direct costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	4	4	3	Administration - Operating	\$ 5,366,006	\$ (180,000)	\$ 5,186,006
				To decrease indirect costs by \$180,000 to reconcile to the total County Cost Allocation Plan allocation amount for Children, Youth and Families.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	4	10	4	Administration - Non-Reimbursable Non-PS/Sub.	\$ -	\$ 3,228,367	\$ 3,228,367
				To increase non-reimbursable expenditures by \$3,228,367 to properly report the amount of indirect costs which exceed the 2% cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370A Adjustment							
CY-370A	2-C	2	5	Community Residential (Dependent) - Program Income	\$ 97,101	\$ 8,556	\$ 105,657
	2-D	2		Community Residential (Delinquent) - Program Income	\$ 60,314	\$ 5,315	\$ 65,629
	2-E	2		Emergency Shelter (Dependent) - Program Income	\$ 100,749	\$ 8,878	\$ 109,627
	2-F	2		Emergency Shelter (Delinquent) - Program Income	\$ 22,589	\$ 1,991	\$ 24,580
	2-G	2		Foster Family (Dependent) - Program Income	\$ 76,623	\$ 41,999	\$ 118,622
	2-H	2		Foster Family (Delinquent) - Program Income	\$ 1,063	\$ 94	\$ 1,157
	2-I	2		Supervised Independent Living (Dependent) - Program Income	\$ 45,363	\$ 3,997	\$ 49,360
	2-J	2		Supervised Independent Living (Delinquent) - Program Income	\$ 10,265	\$ 905	\$ 11,170
	3-B	2		Residential Service (Dependent) - Program Income	\$ 46,377	\$ 4,087	\$ 50,464
	3-C	2		Residential Service (Delinquent) (Non YDC/YFC) - Program Income	\$ 98,189	\$ 8,652	\$ 106,841
					Total Adjustment Amount		\$ 84,474
				To increase Program Income by \$84,474 to include revisions made to the Program Income ledger subsequent to the submission of the 4th quarter Act 148 Invoice Package to Commonwealth DHS.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Repeat Finding – Allegheny County Children and Youth Agency Failed to Execute Contracts with Legal Service Providers and Failed to Maintain Required Records (Unresolved)

In our three prior engagement reports, covering the fiscal years from July 1, 2008 to June 30, 2017, we cited the Allegheny County Children and Youth Agency for failing to maintain records of purchase of services agreements with legal service providers used for the provision of legal services in Juvenile Act Proceedings on behalf of at-risk children and their families.

During our current engagement, we determined that the agency failed to execute contracts with attorneys paid less than \$30,000 to provide legal services in Juvenile Act Proceedings, and again failed to comply with our recommendations in the prior engagement report to review the applicable DHS regulatory requirements and to establish policies and procedures to ensure that purchase of service agreements are properly executed with all legal service providers. Therefore, we issued a repeat finding in the Current Engagement Findings and Recommendations section (Section 4) of this report.

Finding No. 2 – Repeat Finding– Allegheny County Children and Youth Agency Failed to Obtain Written Approval from the Commonwealth Department of Human Services – Office of Children, Youth and Families’ Regional Office Prior to Contracting With Members of its Own Staff to Serve as Foster Care and Adoptive Parents (Unresolved)

In our three prior engagement reports, covering the fiscal years from July 1, 2008, to June 30, 2017, we cited the Allegheny County Children and Youth Agency for failing to obtain written approval from the Commonwealth Department of Human Services - Office of Children, Youth and Families’ Regional Office (DHS, OCYF) prior to contracting with members of its own staff to serve as Foster Care and Adoptive parents.

During our current engagement, we determined that the agency again failed to comply with DHS regulations that require the agency to obtain prior approval from the Regional Office of DHS, OCYF for agency staff members serve as foster care and adoptive parents. Therefore, we issued a repeat finding in the Current Engagement Findings and Recommendations section (Section 4) of this report.

SECTION 4

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding No. 1 – Repeat Finding – Allegheny County Children and Youth Agency Failed to Maintain Executed Contracts with Legal Service Providers

Condition: In our three prior engagement reports, we cited the Allegheny County Children and Youth Agency (agency) for failing to maintain executed contracts with legal service providers, as detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report. During the conduct of our prior audit, agency management informed us the agency adheres to an administrative policy adopted by Allegheny County for use by all of its agencies, whereby contracts only are executed with providers in cases where the agency anticipates the total annual costs paid to that provider will exceed \$30,000.

To test whether the agency continued to adhere to the county policy during the current engagement period, we requested copies of contracts for the nine legal services providers paid in excess of \$30,000 during the 2017-2018 and 2018-2019 fiscal years and contracts for the eight legal services providers paid below that amount. While the agency provided signed contracts with providers paid more than \$30,000 (in accordance with the county policy), agency management said the agency did not execute contracts with the providers who were paid less than \$30,000. Agency management informed us that it adhered to the county policy for the two fiscal years in our current engagement period. As such, we found that the agency again violated the Commonwealth Department of Human Services' (DHS) regulations requiring that written contracts be signed annually with providers to which clients are regularly referred, or with which the agency, juvenile court, and juvenile probation office have a continuing relationship, and that the agency must maintain records to justify payment for expenses.

Criteria: Title 55, Pa. Code 3170.23(b) and 3170.93(b) related to purchase of service and contract requirements, state, in part:

- *Section 3170.23(b).Purchase of Service.* A written agreement complying with Section 3170.93 (relating to contracts) shall be signed by the county and those providers to which clients are regularly referred or with which the public agency, the juvenile court, and juvenile probation office have a continuing relationship. This requirement shall apply to both unit of service and program-funded agencies.
- *Section 3170.93(b).Contracts.* In addition to restating the language of Section 3170.23, this section states the contract shall represent a legally binding agreement between the county and the provider, and shall be renewed annually.

Title 55, Pa. Code 3170.92(b) related to records maintenance, states, in part:

- *Section 3170.92. (b) Records maintenance.* County agency shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department.

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Cause: The agency adheres to an administrative policy adopted by Allegheny County for use by all of its agencies whereby contracts only have to be executed with providers in cases where the agency anticipates the total annual costs paid to that provider will exceed \$30,000. Agency management informed us that because they did not expect the annual costs to exceed the \$30,000 threshold for three of the providers of legal services we selected for testing, contracts were not executed.

Effect: Because services were rendered in the absence of legally binding contracts, these violations could have resulted in misunderstandings between the agency and the service providers as to the terms of services and the rates to be charged for each respective service. However, based on DHS' position that because the legal service costs were incurred by the agency and were considered allowable expenses during the aforementioned time frames, we did not issue adjustments to disallow these legal service costs.

Recommendation: The agency, in coordination with Allegheny County, should review the applicable DHS regulations and establish procedures to ensure that contracts or purchase of service agreements are executed with all providers to which clients are regularly referred or with which the public agency, the juvenile court, or juvenile probation office have a continuing relationship, and that records of such contracts or agreements are maintained in accordance with DHS regulations. Also, the agency should define in writing their interpretation of how a provider is determined to be a "regularly referred" provider and how it is determined the agency has a "continuing relationship" with a provider

Agency Management Response: Allegheny County maintains executed contracts for conflict counsel that are robust and able to meet the need for juvenile and family legal representation in Juvenile Court proceedings. The expenses for attorneys not under contract arose following a state court ruling in 2017, which caused confusion in Termination of Parental Rights (TPR)/Adoption practice. This has since been resolved and it is very rare that judges assign legal counsel outside of our contracts.

Auditor's Conclusion: Even though the agency anticipates receiving legal services from providers which are already under contract, we continue to recommend that the agency implement policy and procedures to ensure the Commonwealth's Department of Human Services (DHS) contract regulations are not violated. We will follow-up with the agency management during our next engagement to determine whether properly executed contracts are maintained with all legal service providers required by DHS regulations.

ALLEGHENY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding No. 2 – Repeat Finding - Allegheny County Children and Youth Agency Failed to Obtain Written Approval from the Commonwealth Department of Human Services – Office of Children, Youth and Families’ Regional Office Prior to Contracting With Members of its Own Staff to Serve as Foster Care and Adoptive Parents

Condition: In our prior three engagement reports, covering the fiscal years from July 1, 2008, to June 30, 2017, we cited the Allegheny County Children and Youth Agency (agency) for failing to obtain written approval from the Commonwealth Department of Human Services – Office of Children, Youth and Families’ (DHS-OCYF) regional office prior to contracting with members of its own staff to serve as foster care and adoptive parents.

During our current engagement, agency management informed us during the 2017-2018 and 2018-2019 fiscal years they contracted with five agency staff members to serve as foster parents and/or adoptive parents. The agency provided copies of the “Request for Waiver of Regulation” forms for each of the five agency staff members, dated November 1, 2018, and explained the forms were forwarded to the DHS-OCYF Western Region Office for approval. However, the agency did not receive a response and did not follow-up with the DHS-OCYF Western Region Office to determine why a response was not received. During the conduct of our engagement, the agency submitted Request for Waiver of Regulation forms to the DHS-OCYF Regional Office for all agency employees which serve as foster care and adoptive parents.

Criteria: Title 55, Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth

- *Section 3170.93(g). Contracts. Conflict of Interest.* The appropriate county authority shall not make any contract or agreement with a person, company, or organization in which a member of the county children and youth staff has a financial interest; nor, shall the county authority contract with members in its own staff or their immediate families, except with the clear prior written approval of the regional office.

Cause: As noted above, agency management stated that they attempted to obtain DHS-OCYF approval but did not receive a response and did not follow-up with DHS-OCYF to determine why a response was not received.

Effect: The agency’s failure to obtain written approval from the DHS-OCYF regional office prior to contracting with members of their own staff to serve as foster care and/or adoptive parents is a violation of Commonwealth DHS regulations and represents a conflict of interest.

Recommendation: We again recommend that the County of Allegheny Department of Human Services, Office of Children, Youth, and Families, ensure that their DHS-OCYF regional office

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is contacted and written approval is received prior to contracting with members of its own staff or their immediate families to serve as foster care or adoptive parents. In addition, we again recommend that agency management familiarize themselves with DHS regulations related to the requirements, which must be met prior to contracting with agency staff members.

Agency Management Response: Thank you for calling this to our attention. Allegheny County recently submitted waiver requests, in accordance with OCYF Bulletin 3130-20-04.

Auditor's Conclusion: During our next engagement, we will determine whether the agency obtained appropriate written approval from the DHS-OCYF for any agency employees who serve as foster care and/or adoptive parents.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

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Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements.

The vast majority of Pennsylvania’s County Children and Youth (C&Y) Agencies contract with non-government In-Home Preventative Service Providers (Contracted Providers) to deliver services to children outside of an institutional or community-based setting, and those services are referred to as In-Home Purchased Services.² The Child Protective Services Law (CPSL) requires the conduct of Criminal Background Checks and Child Abuse History Clearances (Certifications) for all Contracted Providers’ (and their respective subcontractors’) employees and direct volunteers.³

Since 2016, we have communicated concerns to the Pennsylvania Department of Human Services (DHS) that these Contracted Providers were not being monitored for compliance with the CPSL certification mandates. Specifically, this needed monitoring relates to obtaining assurance as to the sufficiency of each C&Y Agency’s procedures for reviewing the Certifications of Contracted Providers’ employees and volunteers and their respective subcontractors, whose duties require them to come into direct contact with children and taking appropriate corrective actions when disqualifying incidents are identified. Furthermore, these Contracted Providers are not subject to licensure nor annual inspections under the Human Services Code (Code).⁴ Our concerns have been, and continue to be, communicated through the inclusion of a standardized observation in our C&Y Program engagement reports and through correspondence with DHS.

In February 2018, DHS senior management staff affirmed that DHS is responsible for communicating contract monitoring expectations to the C&Y Agencies and for implementing a method to ensure that the certification monitoring is being performed adequately. DHS staff

² Institutional and community-based settings are those in which the child is outside of the home for the entire time (e.g., Juvenile Detention, Residential Services, Secure Residential, Youth Development Camps, Youth Forestry Camps, Foster Care, Emergency Shelter, Group Homes, etc.). In-Home supportive services are provided while the child is in their own home or supportive services provided to the child or child’s family while the child is in substitute care.

³ 23 Pa.C.S. §§ 6344 and 6344.2. Please note that CPSL 23 Pa.C.S. § 6344.4 now requires recertification of the required state and federal background checks and the child abuse clearance every 60 months.

⁴ Based on a recent communication with DHS in early September 2020, the state agency candidly indicated that it lacks sufficient budgetary resources, leading to inadequate staffing to provide for the licensure and inspection of these Contracted Providers, which includes a large population of not only these providers, but also their subcontractors. Further, the implication of these budgetary constraints is that it would not be reasonable to pursue or support related legislation to make these Contracted Providers and their subcontractors subject to licensure and inspection. Please see the Special Note in Endnote 1.

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also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. The major purpose of our letter was to express our concerns, as detailed above.

DHS Corrective Actions Taken

In an effort to further address our concerns, DHS expanded its CPSL adherence requirements for C&Y Agencies through the issuance of its 2019 revision of its Single Audit Supplement (Supplement) for counties, effective for the fiscal year ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and their auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor Contracted Provider adherence to the CPSL background check requirements to assure the safety of children receiving prevention, reunification, and aftercare services (services coded as in-home).
- Document these efforts and report them to DHS on a supplemental schedule included in each counties' Single Audit package.
- Create a listing of Contracted Providers that deliver in-home coded services.
- Monitor a sample of Contracted Providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to Contracted Providers and obtain a corrective action plan.
- Follow-up on implementation of the corrective action plan within six months.
- Document the results of the monitoring.

As part of the Single Audit, the auditors are required to perform Agreed-Upon Procedures with regard to the supplemental schedule noted above, including the following:

- Obtain a listing of Contracted Providers that deliver in-home coded services for the C&Y Agency.
- Test the listing of Contracted Providers for completeness.

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- Analyze the C&Y Agency’s documentation of monitoring activities for adequacy of monitoring, the C&Y Agency’s obtaining of any necessary corrective action plans, the C&Y Agency’s timely follow-up on corrective action plans, and the adequacy and accuracy of the monitoring documentation as represented on the supplemental schedule.
- Disclose any exceptions or findings within the Single Audit package for items not reflected on the supplemental schedule.

Our Current Position

We believe that the requirements that DHS included in its Supplement are great first steps in obtaining assurance of the C&Y Agencies’ compliance with the CPSL certification requirements. Specifically, having independent auditors reviewing the adequacy of the C&Y Agencies’ monitoring of the CPSL background check requirements for Contracted Providers annually, and reporting the C&Y Agencies’ monitoring efforts in a supplemental schedule of the Single Audit package that is provided to DHS appears to be effective. As part of the CPSL certification monitoring process, it is incumbent upon DHS to review the supplemental schedule and any exceptions or findings within the Single Audit packages to ascertain whether the C&Y Agencies are properly monitoring for CPSL certification requirements of its Contracted Providers. However, as of March 2021, DHS officials acknowledged that staff has not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS, as the oversight agency, is especially concerning considering DHS could remain unaware, despite receiving an audit report with the information, of a C&Y Agency failing to identify disqualifying incidents and/or take appropriate corrective actions when disqualifying convictions that would prohibit employees, volunteers, and subcontractors from having direct contact with children receiving services were identified. Therefore, we believe that it is imperative that DHS review the Single Audit packages for CPSL compliance by the C&Y Agencies in a timely manner.

Alternatively, DHS could implement its own monitoring process whereby it reviews the adequacy of the procedures each C&Y Agency has implemented related to ensuring its Contracted Providers and their subcontractors are complying with CPSL certification requirements and evaluate the results the C&Y Agencies found, including reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.¹

⁵ DHS informed us that they merely verbally inquire about the status of C&Y agencies’ respective corrective action plans during their monitoring process.

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Conclusion

As the oversight agency, it is our opinion that DHS should ensure that every C&Y Agency and their respective Contracted Providers are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the adequacy of each C&Y Agency's procedures for reviewing the Certifications of their Contracted Providers' employees and volunteers and their subcontractors (whose duties require them to come into direct contact with children) and taking appropriate corrective action when disqualifying incidents are identified. We continue to believe that these children remain particularly vulnerable because contracted in-home services are oftentimes provided outside the presence and view of others.

ⁱ **Special Note:** In marked contrast to contracted foster care parents/providers and day treatment centers/child residential facilities, as well as 12 other types of facilities and programs, these C&Y Contracted Providers are not subject to annual licensure and an inspection process in accordance with the Human Services Code (Code). As noted in an earlier footnote, DHS recently made the candid statement that it lacks sufficient budgetary resources, leading to inadequate staffing, to provide for the licensure and inspection of these Contracted Providers.

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y Agencies' Contracted Providers and their subcontractors.

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This report was originally distributed to the following:

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