

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2014 to June 30, 2015

July 1, 2015 to June 30, 2016

July 1, 2016 to June 30, 2017

Beaver County Children and Youth Agency

January 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Beaver County
Beaver County Children and Youth Services
1080 8th Avenue
Beaver Falls, PA 15010

Dear Commissioners:

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 Beaver County Children and Youth Agency (agency), legally known as Beaver County Children and Youth Services, 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, 2014 to June 30, 2015, July 1, 2015 to June 30, 2016, and July 1, 2016 to June 30, 2017. 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, 2015, June 30, 2016, and June 30, 2017.

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 required to be and was not conducted 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 Beaver 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 2014-2015, 2015-2016, and 2016-2017 fiscal years based on the accrual basis of accounting.¹

¹ The accrual basis of accounting is required by DHS.

Independent Auditor's Report (Continued)

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

- For the **2014-2015 fiscal year**, our engagement resulted in two 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 \$185,728. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$147,452. The two adjustments are detailed in our amended fiscal reports for fiscal year 2014-2015, as included in Section 1 of this report.
- For the **2015-2016 fiscal year**, our engagement resulted in two 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 \$118,986. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the county totaling \$88,036. The two adjustments are detailed in our amended fiscal reports for fiscal year 2015-2016, as included in Section 2 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in two 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 \$39,911. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$35,409. The two adjustments are detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

In addition, due to the timing of the conduct of our prior engagement, the agency was not able to implement corrective actions to comply with the recommendations in the finding included in our prior released engagement report, as detailed in Section 4 of this report. As a result, we concluded that this finding should be reissued as a repeat finding in the current section of our engagement report, as listed below and detailed in Section 5 of this report.

Finding – Unresolved Prior Audit Recommendations – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings Submitted by Contracted In-Home Purchased Service Providers

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 6 of this report.:

Observation – Significant Control Deficiencies Exist in DHS' Oversight of Children and Youth (C&Y) Agencies' Adherence with the Requirements of the Child Protective Services Law

Independent Auditor's Report (Continued)

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 21, 2020.

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 Beaver County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

January 29, 2020

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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 Beaver County Children and Youth Agency provided in-home and placement services to 4,276 children residing within the County during the 2017-2018 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, 2014 to JUNE 30, 2015

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	7,617,171
Supplemental Act 148			<u>0</u>
Total State Allocation			7,617,171
State Share (CY348) ²	\$		7,259,503
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	7,259,503
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	7,259,503
Actual Act 148 Revenues Received ⁴			<u>7,406,955</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(147,452)</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 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, 2014 TO JUNE 30, 2015
AMENDED CY3-8
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	258,333	53	51,961	0	0	0	0	0	206,319	206,319	0
02. 90% REIMBURSEMENT	274,590	2,971	12,597	0	0	0	0	0	259,022	233,120	25,902
03. 80% REIMBURSEMENT	9,994,719	53,296	1,584,635	610,437	194,801	0	0	0	7,551,550	6,041,239	1,510,311
04. 60% REIMBURSEMENT	1,294,838	20,016	166,404	0	0	0	0	7,762	1,100,656	660,394	440,262
05. 50% REIMBURSEMENT	274,390	17	0	0	0	37,511	0	0	236,862	118,431	118,431
06. TOTAL NET CHILD WELFARE EXPEND	12,096,870	76,353	1,815,597	610,437	194,801	37,511	0	7,762	9,354,409	7,259,503	2,094,906

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	143,424	707							142,717	85,630	57,087
08. NON-REIMBURSABLE EXPENDITURES	34,577	0							34,577		34,577

09. TOTAL EXPENDITURES	12,274,871	77,060	1,815,597	610,437	194,801	37,511	0	7,762	9,531,703	7,345,133	2,186,570
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10. TOTAL TITLE IV-D COLLECTIONS	31,944										
11. TITLE IV-D Collections for IV-E Children	640										
12. STATE ACT 148 - line 6	7,259,503										
13. STATE ACT 148 ALLOCATION	7,601,656										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	7,259,503										
INVOICE											
AMENDED STATE SHARE (ACT 148)	7,259,503										
ACT 148 AMOUNT RECEIVED	7,406,955										
ADJUSTMENT TO STATE SHARE	(147,452)										

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 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 Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	258,333	53		51,961	0			0	0	206,319	206,319	0
1-B ADOPTION ASSISTANCE	1,171,744	273	531,415					0	0	640,056	512,045	128,011
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	81,773	14	19,378	5,312				0	0	57,069	45,655	11,414
1-D COUNSELING - DEPENDENT	671,346	139		110,734	122,734			0	0	437,739	350,191	87,548
1-E COUNSELING - DELINQUENT	6,253	0		0	0			0	0	6,253	5,002	1,251
1-F DAY CARE	480	0		0	0			0	0	480	384	96
1-G DAY TREATMENT - DEPENDENT	184,895	62		0	81,135	0	0	0	0	103,698	82,958	20,740
1-H DAY TREATMENT - DELINQUENT	348,540	0		0	139,548	0	0	0	0	208,992	167,194	41,798
1-I HOMEMAKER SERVICE	44,758	8		7,626	0	0	0	0	0	37,124	29,699	7,425
1-J INTAKE & REFERRAL	102,705	22		20,632	0	0	0	0	0	82,051	65,641	16,410
1-K LIFE SKILLS - DEPENDENT	103,651	20		20,933	0	0	0	0	0	82,698	66,158	16,540
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,203,193	2,945		191,014	109,025	0		0	0	900,209	720,167	180,042
1-N PROTECTIVE SERVICE - GENERAL	4,255,791	835		389,647	157,995	194,801		0	0	3,512,513	2,810,010	702,503
1-O SERVICE PLANNING	125,121	20		24,932	0	0	0	0	0	100,169	80,135	20,034
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	90,164	17		0	0	37,511		0	0	52,636	26,318	26,318
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0		0	0	0	0	0
1-R SUBTOTAL IN-HOME	8,648,747	4,408	550,793	822,791	610,437	194,801	37,511	0	0	6,428,006	5,167,876	1,260,130
COMMUNITY BASED PLACEMENT												
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	13,388	456	1,011					0	0	11,921	9,537	2,384
2-D COMMUNITY RESIDENTIAL - DELINQUENT	480,558	17,725	1,669					0	0	461,164	368,931	92,233
2-E EMERGENCY SHELTER - DEPENDENT	34,492	1,612	7,088		0	0	0	0	0	25,792	23,213	2,579
2-F EMERGENCY SHELTER - DELINQUENT	240,098	1,359	5,509		0	0	0	0	0	233,230	209,907	23,323
2-G FOSTER FAMILY - DEPENDENT	1,075,361	30,777	59,558	179,104				0	0	805,922	644,738	161,184
2-H FOSTER FAMILY - DELINQUENT	19,372	0	0	0	0	0	0	0	0	19,372	15,498	3,874
2-I SUP. INDEPENDENT LIVING - DEPENDENT	105,790	0	0	21,670				0	0	84,120	67,296	16,824
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,969,059	51,929	74,835	200,774	0	0	0	0	0	1,641,521	1,339,120	302,401
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	184,226	0								184,226	92,113	92,113
3-B RESIDENTIAL SERVICE - DEPENDENT	1,447	1	1,447					0	0	1,446	868	578
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	470,966	6,889	0					0	0	464,077	278,446	185,631
3-D SECURE RES. SERVICE (EXCEPT YDC)	2,880	0						0	0	2,880	1,728	1,152
3-E YDC SECURE	143,424	707								142,717	85,630	57,087
3-F SUBTOTAL INSTITUTIONAL	802,943	7,597	0	0	0	0	0	0	0	795,346	458,785	336,561
4 ADMINISTRATION	819,545	13,126		166,404		0	0	0	7,762	632,253	379,352	252,901
5 TOTAL REVENUES	12,240,294	77,060	625,628	1,189,969	610,437	194,801	37,511	0	7,762	9,497,126	7,345,133	2,151,993

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING 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	144,877	63,032	1,171,744	47,900	0	2,524	258,333	85	0	0	0	0
1-A ADOPTION SERVICE	0	0	1,171,744	0	0	0	1,171,744	0	217	0	0	0
1-B ADOPTION ASSISTANCE	17,490	7,601	55,444	931	0	307	81,773	0	6	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHI	178,227	93,401	220,006	175,510	4,202	0	671,346	839	38	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	6,253	0	6,253	0	4	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	480	0	480	0	2	0	0	0
1-F DAY CARE	0	0	0	0	184,895	0	184,895	0	112	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	350,927	0	350,927	0	91	0	2,387	0
1-H DAY TREATMENT - DELINQUENT	23,742	12,222	1,290	1,290	7,014	490	44,758	79	8	0	0	0
1-I HOMEMAKER SERVICE	39,050	16,300	46,694	46,694	0	661	102,705	881	0	0	0	0
1-J INTAKE & REFERRAL	68,682	30,513	3,088	3,088	0	1,368	103,651	92	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	622,352	269,080	57,542	57,542	242,515	11,704	1,203,193	424	1,823	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,107,119	500,385	539,958	539,958	2,085,251	23,078	4,255,791	815	675	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	63,220	32,519	28,034	28,034	0	1,348	125,121	513	0	0	0	0
1-O SERVICE PLANNING	0	0	0	0	90,164	0	90,164	0	129	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	1,050	0	1,050	0	4	0	1,050	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	2,264,759	1,025,053	1,227,188	945,443	3,144,059	45,682	8,652,184	0	0	0	3,437	0
1-R SUBTOTAL IN-HOME												
Number of Children receiving only NON-PURCHASED IN-Home Services 2,944												
COMMUNITY BASED PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
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	13,388	0	13,388	73	3	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	3,764	0	480,558	2,691	39	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	0	0	34,492	1,157	50	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	240,098	0	240,098	1,542	80	0	0	0
2-G FOSTER FAMILY - DEPENDENT	384,834	157,444	0	318,341	208,524	6,218	1,075,361	8,454	67	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	19,372	0	19,372	219	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	44,811	35,673	0	21,160	0	4,146	105,790	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	429,645	193,117	0	343,265	992,668	10,364	1,969,059	14,136	240	0	0	0
INSTITUTIONAL PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	0	0	0	64,856	150,510	0	215,366	1,038	44	0	31,140	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	1,447	0	1,447	7	1	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,689	469,277	0	470,966	2,394	20	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	2,880	0	2,880	18	1	0	0	0
3-E YDC SECURE	0	0	0	0	143,424	0	143,424	288	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	66,545	767,538	0	834,083	3,745	67	0	31,140	0
ADMINISTRATION	278,292	140,195	0	376,547	0	24,511	819,545	0	0	0	0	0
TOTAL EXPENDITURES	2,972,696	1,358,365	1,227,188	1,731,800	4,904,265	80,557	12,274,871	0	0	0	34,577	0
County Indirect Costs = \$ 172,325												

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 258,261	\$ 72	\$ 258,333
Adoption Assistance	1,171,744	0	1,171,744
Subsidized Permanent Legal Custodianship	81,803	(30)	81,773
Counseling	788,508	(110,909)	677,599
Day Care	480	0	480
Day Treatment	535,825	(3)	535,822
Homemaker Service	44,810	(52)	44,758
Intake and Referral	102,511	194	102,705
Life Skills	103,795	(144)	103,651
Protective Service - Child Abuse	1,200,025	3,168	1,203,193
Protective Service - General	4,324,894	(69,103)	4,255,791
Service Planning	125,264	(143)	125,121
Juvenile Act Proceedings	90,914	300	91,214
Alternative Treatment	0	0	0
Community Residential	493,946	0	493,946
Emergency Shelter	274,590	0	274,590
Foster Family	1,094,533	200	1,094,733
Supervised Independent Living	109,026	(3,236)	105,790
Juvenile Detention Service	215,366	0	215,366
Residential Service	472,413	0	472,413
Secure Residential Service (Except YDC)	2,880	0	2,880
YDC Secure	143,424	0	143,424
Administration	825,587	(6,042)	819,545
Combined Total Expense	<u>12,460,599</u>	<u>(185,728)</u>	<u>12,274,871</u>
Less Non-reimbursables	<u>34,577</u>	<u>0</u>	<u>34,577</u>
Total Net Expense	<u>\$ 12,426,022</u>	<u>\$ (185,728)</u>	<u>\$ 12,240,294</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,971,992	\$ 704	\$ 2,972,696
Employee Benefits	1,356,262	2,103	1,358,365
Subsidies	1,227,188	0	1,227,188
Operating	1,686,286	45,514	1,731,800
Purchased Services	5,138,334	(234,069)	4,904,265
Fixed Assets	80,537	20	80,557
Combined Total Expense	<u>12,460,599</u>	<u>(185,728)</u>	<u>12,274,871</u>
Less Non-reimbursables	<u>34,577</u>	<u>0</u>	<u>34,577</u>
Total Net Expense	<u>\$ 12,426,022</u>	<u>\$ (185,728)</u>	<u>\$ 12,240,294</u>

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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-D	1	1	Counseling - Dependent - Wages and Salaries	\$ 175,697	\$ 2,530	\$ 178,227
CY-370	1-N	1		Protective Service - General - Wages and Salaries	\$ 1,105,602	\$ 1,517	\$ 1,107,119
CY-370	2-I	1		Supervised Independent Living - Dependent - Wages and Salaries	\$ 48,154	\$ (3,343)	\$ 44,811
CY-370	1-D	2		Counseling - Dependent - Employee Benefits	\$ 92,716	\$ 685	\$ 93,401
CY-370	1-N	2		Protective Service - General - Employee Benefits	\$ 499,435	\$ 950	\$ 500,385
CY-370	2-I	2		Supervised Independent Living - Dependent - Employee Benefits	\$ 35,205	\$ 468	\$ 35,673
CY-370	1-A	4		Adoption Service - Operating	\$ 47,829	\$ 71	\$ 47,900
CY-370	1-C	4		Subsidized Legal Custodianship - Operating	\$ 961	\$ (30)	\$ 931
CY-370	1-D	4		Counseling - Dependent - Operating	\$ 278,667	\$ (58,661)	\$ 220,006
CY-370	1-I	4		Homemaker Service - Operating	\$ 1,342	\$ (52)	\$ 1,290
CY-370	1-J	4		Intake & Referral - Operating	\$ 46,501	\$ 193	\$ 46,694
CY-370	1-K	4		Life Skills - Dependent - Operating	\$ 3,232	\$ (144)	\$ 3,088
CY-370	1-M	4		Protective Service - Child Abuse - Operating	\$ 58,340	\$ (798)	\$ 57,542
CY-370	1-N	4		Protective Service - General - Operating	\$ 428,276	\$ 111,682	\$ 539,958
CY-370	1-O	4		Service Planning - Operating	\$ 28,178	\$ (144)	\$ 28,034
CY-370	2-G	4		Foster Family - Dependent - Operating	\$ 318,534	\$ (193)	\$ 318,341
CY-370	2-I	4		Supervised Independent Living - Dependent - Operating	\$ 21,522	\$ (362)	\$ 21,160
CY-370	4	4		Administration - Operating	\$ 382,595	\$ 503	\$ 383,098
CY-370	1-D	5		Counseling - Dependent - Purchased Services	\$ 230,974	\$ (55,464)	\$ 175,510
CY-370	1-H	5		Day Treatment - Delinquent - Purchased Services	\$ 350,930	\$ (3)	\$ 350,927
CY-370	1-M	5		Protective Service - Child Abuse - Purchased Services	\$ 238,552	\$ 3,963	\$ 242,515
CY-370	1-N	5		Protective Service - General - Purchased Services	\$ 2,268,508	\$ (183,257)	\$ 2,085,251
CY-370	1-P	5		Juvenile Act Proceedings - Dependent - Purchased Services	\$ 89,864	\$ 300	\$ 90,164
CY-370	2-H	5		Foster Family - Dependent - Purchased Services	\$ 208,132	\$ 392	\$ 208,524
CY-370	1-A	6		Adoption Service - Fixed Assets	\$ 2,523	\$ 1	\$ 2,524
CY-370	1-D	6		Counseling - Dependent - Fixed Assets	\$ 4,201	\$ 1	\$ 4,202
CY-370	1-J	6		Intake & Referral - Fixed Assets	\$ 660	\$ 1	\$ 661
CY-370	1-M	6		Protective Service - Child Abuse - Fixed Assets	\$ 11,701	\$ 3	\$ 11,704
CY-370	1-N	6		Protective Service - General - Fixed Assets	\$ 23,073	\$ 5	\$ 23,078
CY-370	1-O	6		Service Planning - Fixed Assets	\$ 1,347	\$ 1	\$ 1,348
CY-370	2-G	6		Foster Family - Dependent - Fixed Assets	\$ 6,217	\$ 1	\$ 6,218
CY-370	2-H	6		Foster Family - Delinquent - Fixed Assets	\$ 4,145	\$ 1	\$ 4,146
CY-370	4	6		Administration - Fixed Assets	\$ 24,505	\$ 6	\$ 24,511
						\$ (179,177)	
<p>To decrease expenditures by a net \$179,177 because the agency paid a provider \$40,285 more than the executed contract terms and reported the additional amount on the submitted CY-370 Expenditure Report. In addition, expenditures were decreased by \$138,892 to include revisions made to the agency's expenditure ledger subsequent to the submission of the Act 148 Invoice to Commonwealth DHS.</p> <p>Title 55 PA Code, Chapter 3170.23(b) Title 55 PA Code, Chapter 3170.95(a)(b)</p>							
CY-370	4	4	2	Administration - Operating	\$ 383,098	\$ (6,551)	\$ 376,547
<p>To decrease Indirect Costs by \$6,551 to reconcile to the County Cost Allocation Plan.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>							

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	8,158,420
Supplemental Act 148			<u>0</u>
Total State Allocation			8,158,420
State Share (CY348) ²	\$		6,965,325
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	6,965,325
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	6,965,325
Actual Act 148 Revenues Received ⁴			<u>6,877,289</u>
Net Amount Due County/(State) ⁵		\$	<u><u>88,036</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 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, 2015 TO JUNE 30, 2016
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	210,463	0	43,032	0	0	0	0	0	167,431	167,431	0
02. 90% REIMBURSEMENT	204,082	1,661	11,829	0	0	0	0	0	190,592	171,533	19,059
03. 80% REIMBURSEMENT	9,759,982	50,497	1,557,943	610,437	194,801	0	0	0	7,346,304	5,877,043	1,469,261
04. 60% REIMBURSEMENT	1,262,797	20,675	168,807	0	0	0	0	7,244	1,066,071	639,642	426,429
05. 50% REIMBURSEMENT	265,010	0	8,149	0	0	37,511	0	0	219,350	109,676	109,674
06. TOTAL NET CHILD WELFARE EXPEND.	11,702,334	72,833	1,789,760	610,437	194,801	37,511	0	7,244	8,989,748	6,965,325	2,024,423

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	23,618	102							23,516	14,110	9,406

08. NON-REIMBURSABLE EXPENDITURES	33,705	0							33,705		33,705
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09. TOTAL EXPENDITURES	11,759,657	72,935	1,789,760	610,437	194,801	37,511	0	7,244	9,046,969	6,979,435	2,067,534
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10. TOTAL TITLE IV-D COLLECTIONS 23,941

11. TITLE IV-D Collections for IV-E Children 652

12. STATE ACT 148 - line 6 6,965,325

13. STATE ACT 148 ALLOCATION 8,158,420

14. ADJUSTED STATE SHARE (lower of 12 or 13) 6,965,325

INVOICE											
AMENDED STATE SHARE (ACT 148)	6,965,325										
ACT 148 AMOUNT RECEIVED	6,877,289										
ADJUSTMENT TO STATE SHARE	88,036										

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
 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	210,463	0		43,032	0		0	0	0	167,431	167,431	0
1-B ADOPTION ASSISTANCE	1,092,089	523	461,241	0			0	0	0	630,325	504,260	126,065
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	73,209	0	21,682	3,284			0	0	0	48,243	38,594	9,649
1-D COUNSELING - DEPENDENT	730,439	1		107,362	115,576		0	0	0	507,500	406,000	101,500
1-E COUNSELING - DELINQUENT	0	0					0	0	0	0	0	0
1-F DAY CARE	0	0					0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	135,960	0			54,273		0	0	0	81,687	65,350	16,337
1-H DAY TREATMENT - DELINQUENT	335,311	0			0		0	0	0	335,311	268,249	67,062
1-I HOMEMAKER SERVICE	57,964	0		8,892			0	0	0	49,072	39,258	9,814
1-J INTAKE & REFERRAL	105,487	0		21,789			0	0	0	83,698	66,958	16,740
1-K LIFE SKILLS - DEPENDENT	101,045	0		21,090			0	0	0	79,955	63,964	15,991
1-L LIFE SKILLS - DELINQUENT	0	0					0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,359,080	2		228,434			0	0	0	1,130,644	904,515	226,129
1-N PROTECTIVE SERVICE - GENERAL	4,475,779	5		437,586	440,588	194,801	0	0	0	3,402,799	2,722,239	680,560
1-O SERVICE PLANNING	153,191	0		31,317			0	0	0	121,874	97,499	24,375
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	87,507	0				37,511	0	0	0	49,996	24,998	24,998
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	51,442	0		8,149			0	0	0	43,293	21,647	21,646
1-R SUBTOTAL IN-HOME	8,968,966	531	482,923	910,935	610,437	194,801	37,511	0	0	6,731,828	5,390,962	1,340,866
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0					0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0					0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	26,145	61	5,725	0			0	0	0	20,359	16,287	4,072
2-D COMMUNITY RESIDENTIAL - DELINQUENT	168,541	4,883	2,411	0			0	0	0	161,247	128,998	32,249
2-E EMERGENCY SHELTER - DEPENDENT	50,416	1,399	9,637	0			0	0	0	39,380	35,442	3,938
2-F EMERGENCY SHELTER - DELINQUENT	153,666	262	2,192	0			0	0	0	151,212	136,091	15,121
2-G FOSTER FAMILY - DEPENDENT	896,684	45,022	60,669	137,434			0	0	0	653,559	522,847	130,712
2-H FOSTER FAMILY - DELINQUENT	1,245	0	0	0			0	0	0	1,245	996	249
2-I SUP. INDEPENDENT LIVING - DEPENDENT	47,813	0	0	9,027			0	0	0	38,786	31,029	7,757
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUBTOTAL CBP	1,344,510	51,627	80,634	146,461	0	0	0	0	0	1,065,788	871,690	194,098
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	126,061	0							0	126,061	63,031	63,030
3-B RESIDENTIAL SERVICE - DEPENDENT	810	0	0	0			0	0	0	810	486	324
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	372,323	17,903	0	28			0	0	0	354,392	212,635	141,757
3-D SECURE RES. SERVICE (EXCEPT YDC)	64,128	1,613							0	62,515	37,509	25,006
3-E YDC SECURE	23,618	102								23,516	14,110	9,406
3-F SUBTOTAL INSTITUTIONAL	586,940	19,618	0	28	0	0	0	0	0	567,294	327,771	239,523
4 ADMINISTRATION	825,536	1,159		168,779		0	0	0	7,244	648,354	389,012	259,342
5 TOTAL REVENUES	11,725,952	72,935	563,557	1,226,203	610,437	194,801	37,511	0	7,244	9,013,264	6,979,435	2,033,829

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 209,333	\$ 1,130	\$ 210,463
Adoption Assistance	1,092,090	(1)	1,092,089
Subsidized Permanent Legal Custodianship	73,186	23	73,209
Counseling	743,443	(13,004)	730,439
Day Care	0	0	0
Day Treatment	471,271	0	471,271
Homemaker Service	57,903	61	57,964
Intake and Referral	105,282	205	105,487
Life Skills	100,881	164	101,045
Protective Service - Child Abuse	1,350,012	9,068	1,359,080
Protective Service - General	4,402,680	73,099	4,475,779
Service Planning	153,031	160	153,191
Juvenile Act Proceedings	126,152	13,772	139,924
Alternative Treatment	0	0	0
Community Residential	194,686	0	194,686
Emergency Shelter	204,084	(2)	204,082
Foster Family	882,989	14,940	897,929
Supervised Independent Living	44,668	3,145	47,813
Juvenile Detention Service	158,791	0	158,791
Residential Service	373,133	0	373,133
Secure Residential Service (Except YDC)	64,128	0	64,128
YDC Secure	23,618	0	23,618
Administration	809,310	16,226	825,536
Combined Total Expense	<u>11,640,671</u>	<u>118,986</u>	<u>11,759,657</u>
Less Non-reimbursables	<u>33,705</u>	<u>0</u>	<u>33,705</u>
Total Net Expense	<u>\$ 11,606,966</u>	<u>\$ 118,986</u>	<u>\$ 11,725,952</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,983,575	\$ 0	\$ 2,983,575
Employee Benefits	1,521,074	3	1,521,077
Subsidies	1,149,426	(1)	1,149,425
Operating	1,465,299	65,622	1,530,921
Purchased Services	4,520,148	53,362	4,573,510
Fixed Assets	1,149	0	1,149
Combined Total Expense	<u>11,640,671</u>	<u>118,986</u>	<u>11,759,657</u>
Less Non-reimbursables	<u>33,705</u>	<u>0</u>	<u>33,705</u>
Total Net Expense	<u>\$ 11,606,966</u>	<u>\$ 118,986</u>	<u>\$ 11,725,952</u>

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
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	4	2	1	Administration - Employee Benefits	\$ 177,730	\$ 3	\$ 177,733
CY-370	1-B	3		Adoption Assistance - Subsidies	\$ 1,092,090	\$ (1)	\$ 1,092,089
CY-370	1-A	4		Adoption Service - Operating	\$ 39,479	\$ 1,130	\$ 40,609
CY-370	1-C	4		Subsidized Permanent Legal Custodianship - Operating	\$ 494	\$ 23	\$ 517
CY-370	1-D	4		Counseling - Dependent - Operating	\$ 227,055	\$ 1,115	\$ 228,170
CY-370	1-H	4		Homemaker Service - Operating	\$ 920	\$ 61	\$ 981
CY-370	1-J	4		Intake & Referral - Operating	\$ 45,445	\$ 205	\$ 45,650
CY-370	1-K	4		Life Skills - Dependent - Operating	\$ 2,192	\$ 164	\$ 2,356
CY-370	1-M	4		Protective Service - Child Abuse - Operating	\$ 49,542	\$ 1,688	\$ 51,230
CY-370	1-N	4		Protective Service - General - Operating	\$ 2,226,709	\$ 13,572	\$ 2,240,281
CY-370	1-O	4		Service Planning - Operating	\$ 42,106	\$ 160	\$ 42,266
CY-370	1-Q	4		Juvenile Act Proceedings - Delinquent - Operating	\$ 38,435	\$ 13,007	\$ 51,442
CY-370	2-G	4		Foster Family - Dependent - Operating	\$ 278,010	\$ 13,996	\$ 292,006
CY-370	2-I	4		Supervised Independent Living - Dependent - Operating	\$ 26,159	\$ 4,278	\$ 30,437
CY-370	4	4		Administration - Operating	\$ 331,677	\$ 10,239	\$ 341,916
CY-370	1-D	5		Counseling - Dependent - Purchased Services	\$ 218,147	\$ (14,119)	\$ 204,028
CY-370	1-M	5		Protective Service - Child Abuse - Purchased Services	\$ 252,917	\$ 7,380	\$ 260,297
CY-370	1-N	5		Protective Service - General - Purchased Services	\$ 2,226,709	\$ 59,527	\$ 2,286,236
CY-370	1-P	5		Juvenile Act Proceedings - Dependent - Purchased Services	\$ 86,742	\$ 765	\$ 87,507
CY-370	2-E	5		Emergency Shelter - Dependent - Purchased Services	\$ 50,417	\$ (1)	\$ 50,416
CY-370	2-F	5		Emergency Shelter - Delinquent - Purchased Services	\$ 153,667	\$ (1)	\$ 153,666
CY-370	2-G	5		Foster Family - Dependent - Purchased Services	\$ 231,307	\$ (1)	\$ 231,306
CY-370	2-H	5		Foster Family - Delinquent - Purchased Services	\$ -	\$ 945	\$ 945
CY-370	2-I	5		Supervised Independent Living - Dependent - Purchased Services	\$ -	\$ (1,133)	\$ (1,133)
				Total Adjustment Amount		\$ 113,002	
				<p>To increase expenditures by a net \$113,002 because the agency paid a provider \$14,119 more than the executed contract terms and reported the additional amount on the submitted CY-370 Expenditure Report. In addition, expenditures were increased by \$127,121 to include revisions made to the agency's expenditure ledger subsequent to the submission of the Act 148 Invoice to Commonwealth DHS.</p> <p>Title 55 PA Code, Chapter 3170.23(b) Title 55 PA Code, Chapter 3170.95(a)(b)</p>			
CY-370	4	4	2	Administration - Operating	\$ 341,916	\$ 5,984	\$ 347,900
				<p>To increase Indirect Costs by \$5,984 to reconcile to the County Cost Allocation Plan.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>			

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 8,107,640
Supplemental Act 148		<u>0</u>
Total State Allocation		8,107,640
State Share (CY348) ²	\$ 7,694,501	
Less: Major Service Category Adjustment		<u>0</u>
Net State Share		\$ 7,694,501
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 7,694,501
Actual Act 148 Revenues Received ⁴		<u>7,729,910</u>
Net Amount Due County/(State) ⁵		<u><u>\$ (35,409)</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 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, 2016 TO JUNE 30, 2017
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	146,041	0	28,173	0	0	0	0	0	117,868	117,868	0
02. 90% REIMBURSEMENT	210,727	779	9,779	0	0	0	0	0	200,169	180,153	20,016
03. 80% REIMBURSEMENT	10,625,741	40,497	1,568,235	610,437	194,801	0	0	0	8,211,771	6,569,418	1,642,353
04. 60% REIMBURSEMENT	1,439,295	15,182	176,036	0	0	0	0	7,894	1,240,183	744,110	496,073
05. 50% REIMBURSEMENT	203,744	330	0	0	0	37,511	0	0	165,903	82,952	82,951
06. TOTAL NET CHILD WELFARE EXPEND.	12,625,548	56,788	1,782,223	610,437	194,801	37,511	0	7,894	9,935,894	7,694,501	2,241,393
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,530	0							1,530	918	612
08. NON-REIMBURSABLE EXPENDITURES	28,937	0							28,937		28,937
09. TOTAL EXPENDITURES	12,656,015	56,788	1,782,223	610,437	194,801	37,511	0	7,894	9,966,361	7,695,419	2,270,942
10. TOTAL TITLE IV-D COLLECTIONS	20,047										
11. TITLE IV-D Collections for IV-E Children	1,017										
12. STATE ACT 148 - line 6	7,694,501										
13. STATE ACT 148 ALLOCATION	8,107,640										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	7,694,501										
INVOICE											
AMENDED STATE SHARE (ACT 148)	7,694,501										
ACT 148 AMOUNT RECEIVED	7,729,910										
ADJUSTMENT TO STATE SHARE	(35,409)										

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 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	146,041	0		28,173	0				0	117,868	0	0
1-B ADOPTION ASSISTANCE	1,078,749	0	439,582						0	639,167	511,334	127,833
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	58,695	0	20,589	648					0	37,458	29,966	7,492
1-D COUNSELING - DEPENDENT	727,155	0		96,693	201,236				0	429,226	343,381	85,845
1-E COUNSELING - DELINQUENT	0	0		0	0				0	0	0	0
1-F DAY CARE	0	0		0	0				0	0	0	0
1-G DAY TREATMENT - DEPENDENT	170,960	0		0	0				0	170,960	136,768	34,192
1-H DAY TREATMENT - DELINQUENT	441,214	0		0	0				0	441,214	352,971	88,243
1-I HOMEMAKER SERVICE	54,326	0		6,437	0				0	47,889	38,311	9,578
1-J INTAKE & REFERRAL	167,693	0		32,523	0				0	135,170	108,136	27,034
1-K LIFE SKILLS - DEPENDENT	143,808	0		27,778	0				0	116,030	92,824	23,206
1-L LIFE SKILLS - DELINQUENT	0	0		0	0				0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,628,744	0		246,078	125,630				0	1,257,036	1,005,629	251,407
1-N PROTECTIVE SERVICE - GENERAL	4,835,334	0		473,036	283,571	194,801			0	3,883,926	3,107,141	776,785
1-O SERVICE PLANNING	128,696	0		25,234	0				0	103,462	82,770	20,692
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	97,599	330		0	0		37,511		0	59,758	29,879	29,879
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0				0	0	0	0
1-R SUBTOTAL IN-HOME	9,679,014	330	460,171	936,600	610,437	194,801	37,511	0	0	7,459,164	5,956,978	1,482,186
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0				0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0				0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	26,283	177	2,910						0	23,196	18,557	4,639
2-D COMMUNITY RESIDENTIAL - DELINQUENT	247,383	3,134							0	244,249	195,399	48,850
2-E EMERGENCY SHELTER - DEPENDENT	40,307	0	5,342		0				0	34,965	31,469	3,496
2-F EMERGENCY SHELTER - DELINQUENT	170,420	779	4,437		0				0	165,204	148,684	16,520
2-G FOSTER FAMILY - DEPENDENT	881,694	33,470	64,098	132,629					0	651,497	521,198	130,299
2-H FOSTER FAMILY - DELINQUENT	34,493	3,716							0	30,777	24,622	6,155
2-I SUP. INDEPENDENT LIVING - DEPENDENT	514	0		0	0				0	514	411	103
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0				0	0	0	0
2-K SUBTOTAL CBP	1,401,094	41,276	76,787	132,629	0	0	0	0	0	1,150,402	940,340	210,062
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	106,145	0							0	106,145	53,073	53,072
3-B RESIDENTIAL SERVICE - DEPENDENT	60,820	45	1,268						0	59,507	35,704	23,803
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	367,930	5,373							0	362,557	217,534	145,023
3-D SECURE RES. SERVICE (EXCEPT YDC)	109,465	3,529							0	105,936	63,562	42,374
3-E YDC SECURE	1,530	0								1,530	918	612
3-F SUBTOTAL INSTITUTIONAL	645,890	8,947	1,268		0	0	0	0	0	633,675	370,791	264,884
4 ADMINISTRATION	901,080	6,235		174,768		0	0	0	7,894	712,183	427,310	284,873
5 TOTAL REVENUES	12,627,078	56,788	538,226	1,243,997	610,437	194,801	37,511	0	7,894	9,937,424	7,695,419	2,242,005

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
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	73,086	42,493		30,340	0	122	146,041	56	0	0	0	
1-B ADOPTION ASSISTANCE	0	0	1,078,749	0	0	0	1,078,749	0	195	0	0	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	1,926	1,101	55,340	325	3	3	58,695	5	8	0	0	
1-D COUNSELING - DEPENDENT	159,648	112,237		232,718	339	339	727,155	1,204	39	0	0	
1-E COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	170,960	0	64	0	0	
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	442,461	0	74	0	1,247	
1-I HOMEMAKER SERVICE	18,986	13,271		1,077	42	42	54,326	82	12	0	0	
1-J INTAKE & REFERRAL	78,634	40,186		48,772	101	101	167,693	2,725	0	0	0	
1-K LIFE SKILLS - DEPENDENT	88,272	51,973		3,412	151	151	143,808	221	0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	788,417	448,090		61,813	329,150	1,274	1,628,744	790	2,998	0	0	
1-N PROTECTIVE SERVICE - GENERAL	1,259,940	728,026		487,229	2,357,933	2,206	4,835,334	2,310	714	0	0	
1-O SERVICE PLANNING	50,631	35,388		42,563	114	114	128,696	177	0	0	0	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	0	0	97,599	0	108	0	0	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	
1-R SUBTOTAL IN-HOME	2,519,540	1,472,765	1,134,089	908,249	3,641,266	4,352	9,680,261		0	1,247	0	
Number of Children receiving only NON-PURCHASED IN-Home Services 5,358												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	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	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	26,283	4	26,283	150	4	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	794	246,589	0	247,383	1,555	19	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	40,307	0	40,307	901	35	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	170,420	0	170,420	1,096	58	0	0	
2-G FOSTER FAMILY - DEPENDENT	228,831	126,109	0	325,495	200,936	323	881,694	9,465	51	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	34,493	0	34,493	365	1	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	424	90	0	514	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	228,831	126,109	0	326,713	719,118	323	1,401,094	13,532	168	0	0	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	133,835	0	133,835	923	27	0	27,690	
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	60,820	0	60,820	420	7	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,402	366,528	0	367,930	2,026	11	0	0	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	109,465	0	109,465	357	3	0	0	
3-E YDC SECURE	0	0	0	0	1,530	0	1,530	3	1	0	0	
3-F SUBTOTAL INSTITUTIONAL	0	0	0	1,402	672,178	0	673,580	3,729	49	0	27,690	
4 ADMINISTRATION	281,990	175,356	0	441,670	0	2,064	901,080		0	0	0	
5 TOTAL EXPENDITURES	3,030,361	1,774,230	1,134,089	1,678,034	5,032,562	6,739	12,656,015		0	28,937	0	
County Indirect Costs = \$ 223,660												

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 145,891	\$ 150	\$ 146,041
Adoption Assistance	1,078,749	0	1,078,749
Subsidized Permanent Legal Custodianship	58,690	5	58,695
Counseling	726,813	342	727,155
Day Care	0	0	0
Day Treatment	613,421	0	613,421
Homemaker Service	54,288	38	54,326
Intake and Referral	167,569	124	167,693
Life Skills	143,674	134	143,808
Protective Service - Child Abuse	1,624,143	4,601	1,628,744
Protective Service - General	4,893,653	(58,319)	4,835,334
Service Planning	128,595	101	128,696
Juvenile Act Proceedings	86,589	11,010	97,599
Alternative Treatment	0	0	0
Community Residential	273,666	0	273,666
Emergency Shelter	210,727	0	210,727
Foster Family	915,839	348	916,187
Supervised Independent Living	0	514	514
Juvenile Detention Service	133,835	0	133,835
Residential Service	428,750	0	428,750
Secure Residential Service (Except YDC)	109,465	0	109,465
YDC Secure	1,530	0	1,530
Administration	900,039	1,041	901,080
Combined Total Expense	<u>12,695,926</u>	<u>(39,911)</u>	<u>12,656,015</u>
Less Non-reimbursables	<u>28,937</u>	<u>0</u>	<u>28,937</u>
Total Net Expense	<u>\$ 12,666,989</u>	<u>\$ (39,911)</u>	<u>\$ 12,627,078</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,049,276	\$ (18,915)	\$ 3,030,361
Employee Benefits	1,781,386	(7,156)	1,774,230
Subsidies	1,134,089	0	1,134,089
Operating	1,704,258	(26,224)	1,678,034
Purchased Services	5,020,178	12,384	5,032,562
Fixed Assets	6,739	0	6,739
Combined Total Expense	<u>12,695,926</u>	<u>(39,911)</u>	<u>12,656,015</u>
Less Non-reimbursables	<u>28,937</u>	<u>0</u>	<u>28,937</u>
Total Net Expense	<u>\$ 12,666,989</u>	<u>\$ (39,911)</u>	<u>\$ 12,627,078</u>

**BEAVER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY370 Adjustments			
CY-370	1-N	1	1	Protective Service - General - Wages and Salaries	\$ 1,278,855	\$ (18,915)	\$ 1,259,940
CY-370	1-N	2		Protective Service - General - Employee Benefits	\$ 735,182	\$ (7,156)	\$ 728,026
CY-370	1-A	4		Adoption Service - Operating	\$ 30,190	\$ 150	\$ 30,340
CY-370	1-C	4		Subsidized Permanent Legal Custodianship - Operating	\$ 320	\$ 5	\$ 325
CY-370	1-D	4		Counseling - Dependent - Operating	\$ 232,376	\$ 342	\$ 232,718
CY-370	1-I	4		Homemaker Service - Operating	\$ 1,039	\$ 38	\$ 1,077
CY-370	1-J	4		Intake & Referral - Operating	\$ 48,648	\$ 124	\$ 48,772
CY-370	1-K	4		Life Skills - Dependent - Operating	\$ 3,278	\$ 134	\$ 3,412
CY-370	1-M	4		Protective Service - Child Abuse - Operating	\$ 517,352	\$ 1,192	\$ 518,544
CY-370	1-N	4		Protective Service - General - Operating	\$ 517,352	\$ (30,123)	\$ 487,229
CY-370	1-O	4		Service Planning - Operating	\$ 42,462	\$ 101	\$ 42,563
CY-370	2-G	4		Foster Family - Dependent - Operating	\$ 325,147	\$ 348	\$ 325,495
CY-370	2-I	4		Supervised Independent Living - Dependent - Operating	\$ -	\$ 424	\$ 424
CY-370	4	4		Administration - Operating	\$ 440,629	\$ 479	\$ 441,108
CY-370	1-M	5		Protective Service - Child Abuse - Purchased Services	\$ 325,741	\$ 3,409	\$ 329,150
CY-370	1-N	5		Protective Service - General - Purchased Services	\$ 2,360,058	\$ (2,125)	\$ 2,357,933
CY-370	1-P	5		Juvenile Act Proceedings - Dependent - Purchased Services	\$ 86,589	\$ 11,010	\$ 97,599
CY-370	2-I	5		Supervised Independent Living - Dependent - Purchased Services	\$ -	\$ 90	\$ 90
				Total Adjustment Amount		\$ (40,473)	
				To decrease expenditures in the amount of \$40,473 to reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.41(a)			
CY-370	4	4	2	Administration - Operating	\$ 440,629	\$ 562	\$ 441,191
				To increase Indirect Costs by \$562 to reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – Beaver County Children and Youth Services Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Beaver County Children and Youth Agency (agency) for failure to obtain reasonable assurance that In-Home Purchased Service providers, responsible for providing In-Home services directly to at-risk children and their families, actually performed the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to executed contract terms between the agency and the respective provider. Agency management informed us that, during the fiscal years included in our prior engagement scope period, agency fiscal staff verified that all children listed on the Fee-for-Service providers' submitted invoices were authorized to receive the invoiced services, and the invoiced rates were compared to contracts. However, no fiscal-related monitoring procedures were performed to obtain reasonable assurance that the contracted services related to In-Home Purchased Service fees invoiced by Fee-for-Service In-Home providers were actually provided on the dates, and for the number of units, for each individual listed on the providers' submitted invoices or that contracted services.

Our current engagement scope period included the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until May 2018, eleven months after the end of our current engagement period (6/30/2017). Therefore, these control deficiencies and corresponding risks continued to exist for the three fiscal years included in our current engagement scope period. As such, we concluded that the issuance of a repeat finding is warranted. This repeat finding is included in the Current Engagement Finding and Recommendations section (Section 5) of this report.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – Unresolved Prior Audit Recommendations – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers

Condition: As detailed in our Status of Prior Engagement Finding and Recommendations section (Section 4) of this report, the Beaver County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-for-Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on these providers' submitted invoices.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management stated that they developed and implemented formal, written fiscal-related monitoring policy, and corresponding procedures, in May 2018, to obtain reasonable assurance that contracted In-Home services were actually provided and to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. Because agency management did not fully implement these updated policies and procedures until after the close of our current engagement scope period (June 30, 2017), we did not assess the sufficiency of these newly created monitoring policies and procedures during the conduct of our current engagement. During the conduct of our next regularly scheduled engagement of this agency, we will review and evaluate the agency's implemented monitoring policies and procedures and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided and that the number of units invoiced by contracted Fee-for-Service providers and contacted costs invoiced by contracted Program-Funded providers are properly substantiated, thus, reducing the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Criteria: The following section of 55 Pa. Code Chapter 3140, Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs:

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the [Human Services] (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the [Human Services] Code (62 P.S. § 709.3).”

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 6/30/2012; Bulletin 3140-13-01, applicable for fiscal year ended 6/30/2013; Bulletin 3140-13-05, applicable for fiscal year ended 6/30/2014 : Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report.* This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).

The following sections of 55 Pa. Code § 3170, Allowable Costs and Procedures for County Children and Youth:

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”
- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *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

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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...”

Cause: Due to the timing of our prior engagement, the agency was not notified of these internal control deficiencies until May 2018, eleven months after the end of our current engagement scope period. Agency management informed us that implementation of internal control procedures over payments to In-Home providers occurred in May 2018. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years included in our current engagement scope period.

Effect: The agency’s lack of internal control procedures, during the fiscal years included in our current engagement scope period, designed to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers, increased agency management’s risk of:

- Failure to detect fraudulent or erroneous In-Home provider billings (invoices).
- Failure to prevent or detect improper payments for such invoices.
- Inappropriately billing the Commonwealth DHS for such improper payments.
- Receipt of Act 148 funds to which the agency may not be entitled.

Recommendation: We recommend that agency management ensure that the agency’s newly created and implemented monitoring procedures are sufficient in reducing the agency’s risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are sufficient in providing agency management reasonable assurance that the services related to the fees invoiced by contracted In-Home Purchased Service providers were actually provided, and provided in adherence to executed contract terms.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, must be sufficient to assess the validity of the number of units invoiced by Fee-for-Service providers and the invoiced contract costs of Program-Funded In-Home Purchased Service providers. Procedures typically performed to achieve these objectives are listed below for agency management’s consideration and comparison to its newly created and implemented procedures:

- Performance of on-site fiscal-related monitoring visits of In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the validity the number of units invoiced by Fee-for-Service providers and of

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

costs invoiced by Program-Funded providers, and that related services were actually provided according to executed contract terms.²

- Require In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Service costs were actually provided.

We further recommend that agency management ensure that:

- Agency staff responsible for reviewing and approving submitted In-Home Purchased Service providers' invoices for payment are made aware of the results of fiscal-related monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers.
- The agency maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to obtain reasonable assurance that contracted In-Home Purchased Services were provided in adherence to DHS regulations and executed contract terms and to reduce the agency's risk of overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Services providers going undetected.

Agency Response: Beaver County acknowledges the recommendations set forth in this audit and has created and implemented a monitoring procedure for In-Home Services in May 2018. The intent of this on-site monitoring procedure is to reduce the risk of inaccurate billing by contracted In-Home Service Providers and ensure that services were actually delivered in accordance to the contract. The results of the contract monitoring procedure will be reported to the fiscal department if deficiencies of an In-Home Service provider would affect payment.

Auditor's Conclusion: We commend Beaver County Children and Youth Agency management on their efforts to develop formal written fiscal-related monitoring policy and procedures for contracted In-Home Purchased Service providers. During our next engagement, we will review the agency's implemented policy and procedures and determine whether they are sufficient to reduce the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers and such erroneous payments going undetected.

² For any Program-Funded providers, fiscal-related monitoring should include substantiation of these providers' operating costs invoiced to the agency.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

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Observation – Significant Control Deficiencies Exist in the Commonwealth Department of Human Services’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)

The Child Protective Services Law (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).³ To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,⁴ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by DHS OCYF, the Beaver County Children and Youth Agency provided in-home and placement services to 4,276 children residing within the County during the 2017-2018 fiscal year.

Day Treatment Centers and Child Residential Facilities

Beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the

³ 23 Pa.C.S. §§ 6344 and 6344.2.

⁴ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2018, via Finding 2018-010).

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timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁵

Contracted In-Home Preventative Service Providers

For contracted In-Home Preventative Service providers, we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by DHS.⁶ DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring" in their provider executed contracts.⁷ Instead, all C&Y agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

Therefore, we concluded that DHS had not taken every action to obtain reasonable assurance that C&Y agencies were taking enough action to ensure the safety and welfare of the vulnerable, at risk children receiving in-home preventative services. Further, because DHS has not implemented a process to ensure that C&Y agencies are consistently monitoring the CPSL adherence of the contracted In-Home Preventative Service providers' employees and

⁵ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2018, via Finding 2018-010).

⁶ Please note that based on recent correspondence with DHS, these providers are referred to as "private providers delivering prevention and reunification services." We refer to them as *contracted In-Home Preventative Service providers* throughout our observation for ease of understanding.

⁷ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

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volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁸

DHS Senior Management Follow-Up Response

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers⁹ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

DHS senior management staff further stated that DHS recognizes that they are responsible for communicating contract monitoring expectations to the C&Y agencies and for implementing a method to ensure that contract monitoring is being performed adequately. DHS' OCYF has communicated DHS' expectation that C&Y agencies must monitor these private providers' compliance with the requirements of the CPSL. DHS has also reiterated this expectation during quarterly Pennsylvania Children and Youth Administrators (PCYA) meetings held between June 2016 and October 2017, as well as in general guidance regarding contract monitoring efforts included in OCYF Bulletins issued for the 2017-18 and 2018-19 fiscal years. Further, DHS stated that OCYF will issue additional guidance in its Needs-Based Plan and Budget instructions for this year to emphasize adherence to the CPSL requirements for these providers as part of the C&Y agencies' monitoring expectations.

Finally, DHS informed us that they will address the adequacy of C&Y agencies' monitoring through the July 2019 version of the DHS Single Audit Supplement (SAS) and will develop and require through the SAS a schedule that captures the details of each C&Y agency's monitoring efforts. This will include a listing of these private providers, whether they were monitored and if any CPSL violations were identified. The schedule will be submitted with the respective county's annual single audit report and will be subject to an Agreed Upon Procedures (AUP) engagement. DHS will also provide technical assistance to any C&Y agency that needs improvement.

We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken

⁸ The *2017 Annual Child Protective Services Report* notes that the DHS' Office of Children, Youth and Families (OCYF) and its regional offices (in Philadelphia, Scranton, Harrisburg, and Pittsburgh) have responsibilities that include, among others: "Monitoring, licensing, and providing technical assistance to CCYA and private children and youth agencies and facilities." [Emphasis added.], p. 7; http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf, accessed August 3, 2018.

⁹ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

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to address the issues we raised in our March 18, 2018, Position Statement letter to DHS would be a significant improvement. However, until DHS implements a process to ensure that all 67 C&Y agencies are routinely directly monitoring the CPSL adherence to the *certifications* of their contracted in-home preventative service providers' employees and volunteers, this Department, as indicated in our March 18, 2018, Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Greater Scrutiny of Arrest and Conviction Records

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained.¹⁰ However, recent amendments to the CPSL extend this time frame from one year to five years.¹¹ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

Auditor General Senior Management's Follow-up Conclusion Statement

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we also recognize that risks to these vulnerable children continue to exist. One such risk results from the potential delay of 9 to 21 months (or possibly longer) between the date of possible noncompliance by a *contracted In-Home Preventative Service provider* and/or inadequate monitoring by a county C&Y agency and DHS becoming aware of those issues.¹²

Furthermore, as previously stated, we have communicated to DHS that we believe that DHS should do more to assure that employees/volunteers of *contracted In-Home Preventative*

¹⁰ Please note that the previous one year validity of checks and clearances only applied to prospective employees, which is a requirement that was deleted by Act 153 of 2014.

¹¹ 23 Pa.C.S. § 6344.4.

¹² The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible noncompliance occurring at the beginning of the fiscal year. The period of delay would be higher when the Single Audit is not received within nine months from the end of the fiscal year.

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Service providers are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.¹³

Directly monitoring whether employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through a background check process is a crucial step towards protecting these at-risk children. Therefore, we will continue to monitor the adequacy of measures taken by DHS to monitor and address C&Y agencies' compliance with the requirements of the CPSL as it relates to their contracted in-home preventative service providers and their sub-recipients. Again, our Department re-emphasizes that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.

¹³ As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

BEAVER COUNTY CHILDREN AND YOUTH AGENCY
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This report was originally distributed to the following:

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