

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

Fayette County

Children and Youth Agency

January 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Fayette County
Fayette County Courthouse
61 East Main Street
Uniontown, PA 15401

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 Fayette County Children and Youth Agency (agency), legally known as Fayette 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 compliance¹ 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 Fayette County.

¹ The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, 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 their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and the Commonwealth DHS. Details regarding these deficiencies are further outlined in the Observation included in this report.

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.²

The procedures we performed during this engagement resulted in no adjustments to the agency's submitted fiscal reports for the fiscal years included in our engagement scope period. The fiscal reports are included in the following sections of the report:

- Section 1 for the 2014-2015 fiscal year
- Section 2 for the 2015-2016 fiscal year
- Section 3 for the 2016-2017 fiscal year

In addition, we found that the agency complied with the finding included in our prior released audit report, as detailed in Section 4 of this report.

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on December 20, 2018.

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 the 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 Fayette County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

December 21, 2018

² The accrual basis of accounting is required by DHS.

CONTENTS

	Page
Background.....	1
Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2014 to June 30, 2015	
Amended Computation of Final Net State Share.....	3
Amended CY-348 - Fiscal Summary.....	4
Amended CY-370A - Revenue Report	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments	7
Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2015 to June 30, 2016	
Amended Computation of Final Net State Share.....	9
Amended CY-348 - Fiscal Summary.....	10
Amended CY-370A - Revenue Report	11
Amended CY-370 - Expenditure Report.....	12
Amended Summary of Expense and Expense Adjustments	13
Section 3 – Amended Fiscal Reports for the Fiscal Year July 1, 2016 to June 30, 2017	
Amended Computation of Final Net State Share.....	15
Amended CY-348 - Fiscal Summary.....	16
Amended CY-370A - Revenue Report	17
Amended CY-370 - Expenditure Report.....	18
Amended Summary of Expense and Expense Adjustments	19
Section 4 – Status of Prior Engagement Finding and Recommendations	21
Section 5 – Current Engagement Observation.....	24
Report Distribution List	29

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 Fayette County Children and Youth Agency provided in-home and placement services to 1,993 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4th Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). 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 and those costs and revenues’ impact on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2014 to JUNE 30, 2015

**FAYETTE 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		\$	7,123,676
Supplemental Act 148			<u>0</u>
Total State Allocation			7,123,676
State Share (CY348) ²	\$		5,365,583
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	5,365,583
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	5,365,583
Actual Act 148 Revenues Received ⁴			<u>5,365,583</u>
Net Amount Due County/(State) ⁵		\$	<u>0</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.

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 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	75,072	0	12,120	0	0	0	0	0	62,952	62,952	0
02. 90% REIMBURSEMENT	298,951	0	85,779	0	0	0	0	0	213,172	191,855	21,317
03. 80% REIMBURSEMENT	8,489,460	118,586	2,223,799	306,875	116,955	20,343	0	0	5,702,902	4,562,324	1,140,578
04. 60% REIMBURSEMENT	961,245	12,959	143,305	0	0	0	0	3,981	801,000	480,600	320,400
05. 50% REIMBURSEMENT	135,702	0	0	0	0	0	0	0	135,702	67,852	67,850
06. TOTAL NET CHILD WELFARE EXPEND.	9,960,430	131,545	2,465,003	306,875	116,955	20,343	0	3,981	6,915,728	5,365,583	1,550,145
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	20,468	0							20,468		20,468
09. TOTAL EXPENDITURES	9,980,898	131,545	2,465,003	306,875	116,955	20,343	0	3,981	6,936,196	5,365,583	1,570,613
10. TOTAL TITLE IV-D COLLECTIONS	53,748										
11. TITLE IV-D Collections for IV-E Children	19,711										
12. STATE ACT 148 - line 6	5,365,583										
13. STATE ACT 148 ALLOCATION	7,123,676										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	5,365,583										
INVOICE											
AMENDED STATE SHARE (ACT 148)	5,365,583										
ACT 148 AMOUNT RECEIVED	5,365,583										
ADJUSTMENT TO STATE SHARE	0										

FAYETTE 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 Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
IN-HOME												
1-A ADOPTION SERVICE	75,072	0		12,120	0		0	0	62,952		0	
1-B ADOPTION ASSISTANCE	1,656,398	0	777,243	2,000			0	0	877,155	701,724	175,431	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	441,690	0	82,933				0	0	358,757	287,006	71,751	
1-D COUNSELING - DEPENDENT	1,068,345	4,884			306,875		0	0	756,586	605,269	151,317	
1-E COUNSELING - DELINQUENT	358,852	0			0		0	0	358,852	287,082	71,770	
1-F DAY CARE	0	0			0		0	0	0	0	0	
1-G DAY TREATMENT - DEPENDENT	0	0			0		0	0	0	0	0	
1-H DAY TREATMENT - DELINQUENT	0	0			0		0	0	0	0	0	
1-I HOMEMAKER SERVICE	0	0			0		0	0	0	0	0	
1-J INTAKE & REFERRAL	146,065	0		28,593	0		0	0	117,472	93,978	23,494	
1-K LIFE SKILLS - DEPENDENT	2,993	0			0		0	0	2,993	2,394	599	
1-L LIFE SKILLS - DELINQUENT	776	0			0		0	0	776	621	155	
1-M PROTECTIVE SERVICE - CHILD ABUSE	228,076	0		41,999	0		0	0	186,077	148,862	37,215	
1-N PROTECTIVE SERVICE - GENERAL	1,242,255	0		244,300	0		0	0	997,955	798,364	199,591	
1-O SERVICE PLANNING	0	0			0		0	0	0	0	0	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	97,639	0			0		0	0	97,639	48,820	48,819	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0		0	0	0	0	0	
1-R SUBTOTAL IN-HOME	5,318,161	4,884	860,176	329,012	306,875	0	0	0	3,817,214	3,037,072	780,142	

COMMUNITY BASED PLACEMENT	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	
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	1,210,447	49,701	323,406	14,668			0	0	822,672	658,138	164,534	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	72,458	1,164	20,612				0	0	50,682	40,546	10,136	
2-E EMERGENCY SHELTER - DEPENDENT	266,870	0	56,303	26,970	0		0	0	183,597	165,237	18,360	
2-F EMERGENCY SHELTER - DELINQUENT	32,081	0	2,506		0		0	0	29,575	26,618	2,957	
2-G FOSTER FAMILY - DEPENDENT	2,061,105	62,837	320,137	367,908		116,955	20,343	0	1,172,925	938,340	234,585	
2-H FOSTER FAMILY - DELINQUENT	0	0					0	0	0	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0					0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0					0	0	0	0	0	
2-K SUBTOTAL CBP	3,642,961	113,702	722,964	409,546	0	116,955	20,343	0	2,259,451	1,828,879	430,572	

INSTITUTIONAL PLACEMENT	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	
3-A JUVENILE DETENTION SERVICE	38,063	0					0	0	38,063	19,032	19,031	
3-B RESIDENTIAL SERVICE - DEPENDENT	156,264	29	27,176	1,578			0	0	127,481	76,489	50,992	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	247,226	12,044	10,707				0	0	224,475	134,685	89,790	
3-D SECURE RES. SERVICE (EXCEPT YDC)	25,556	886					0	0	24,670	14,802	9,868	
3-E YDC SECURE	0	0					0	0	0	0	0	
3-F SUBTOTAL INSTITUTIONAL	467,109	12,959	37,883	1,578	0	0	0	0	414,689	245,008	169,681	
4 ADMINISTRATION	532,199	0		103,844		0	0	0	3,981	424,374	254,624	169,750
TOTAL REVENUES	9,960,430	131,545	1,621,023	843,980	306,875	116,955	20,343	3,981	6,915,728	5,365,583	1,550,145	

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 AMENDED CY170
 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 SUBSIDIES	OPERATING SUBSIDIES	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												
I-A ADOPTION SERVICE	32,751	9,890		19,678	12,704	49	75,072	51	14	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,676,866	0	0	0	1,676,866	0	219	0	20,468	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	441,690	0	0	0	441,690	0	51	0	0	0
I-D COUNSELING - DEPENDENT	0	0	21,297	1,047,048	0	0	1,068,345	0	241	0	0	0
I-E COUNSELING - DELINQUENT	0	0	6,974	351,878	0	0	358,852	0	106	0	0	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	89,278	39,969		16,645	0	173	146,065	1,443	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	2,993	0	2,993	0	16	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	776	0	776	0	5	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	151,397	27,457		36,500	12,500	222	228,076	242	6,865	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	773,484	286,450		180,603	0	1,718	1,242,255	1,212	0	0	0	0
I-O SERVICE PLANNING	0	0		0	0	0	0	0	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				5,552	92,087		97,639	0	440	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,046,910	363,766	2,118,556	287,249	1,519,986	2,162	5,338,629			0	20,468	0
	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	46,187	16,080	0	14,387	1,133,675	118	1,210,447	6,342	39	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	387	72,071	0	72,458	333	3	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	40,736	15,899	0	18,322	191,844	69	266,870	3,252	146	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	32,081	0	32,081	138	22	0	0	0
2-G FOSTER FAMILY - DEPENDENT	373,330	133,693	0	102,412	1,450,988	682	2,061,105	32,719	178	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	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	460,253	165,672	0	135,508	2,880,659	869	3,642,961	42,784	388	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	93	37,970	0	38,063	206	23	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	4,758	2,552	0	1,404	147,540	10	156,264	699	11	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/FC)	0	0	0	414	246,812	0	247,226	1,531	10	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	25,556	0	25,556	79	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	4,758	2,552	0	1,911	457,878	10	467,109	2,515	45	0	0	0
ADMINISTRATION	242,683	66,299	0	222,795	0	422	532,199			0	0	0
TOTAL EXPENDITURES	1,754,604	596,289	2,118,556	647,463	4,858,523	3,463	9,980,898			0	20,468	0
	County Indirect Costs = \$ 155,971											

**FAYETTE 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	\$ 75,072	\$ 0	\$ 75,072
Adoption Assistance	1,676,866	0	1,676,866
Subsidized Permanent Legal Custodianship	441,690	0	441,690
Counseling	1,427,197	0	1,427,197
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	146,065	0	146,065
Life Skills	3,769	0	3,769
Protective Service - Child Abuse	228,076	0	228,076
Protective Service - General	1,242,255	0	1,242,255
Service Planning	0	0	0
Juvenile Act Proceedings	97,639	0	97,639
Alternative Treatment	0	0	0
Community Residential	1,282,905	0	1,282,905
Emergency Shelter	298,951	0	298,951
Foster Family	2,061,105	0	2,061,105
Supervised Independent Living	0	0	0
Juvenile Detention Service	38,063	0	38,063
Residential Service	403,490	0	403,490
Secure Residential Service (Except YDC)	25,556	0	25,556
YDC Secure	0	0	0
Administration	532,199	0	532,199
Combined Total Expense	<u>9,980,898</u>	<u>0</u>	<u>9,980,898</u>
Less Non-reimbursables	<u>20,468</u>	<u>0</u>	<u>20,468</u>
Total Net Expense	<u>\$ 9,960,430</u>	<u>\$ 0</u>	<u>\$ 9,960,430</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,754,604	\$ 0	\$ 1,754,604
Employee Benefits	598,289	0	598,289
Subsidies	2,118,556	0	2,118,556
Operating	647,463	0	647,463
Purchased Services	4,858,523	0	4,858,523
Fixed Assets	3,463	0	3,463
Combined Total Expense	<u>9,980,898</u>	<u>0</u>	<u>9,980,898</u>
Less Non-reimbursables	<u>20,468</u>	<u>0</u>	<u>20,468</u>
Total Net Expense	<u>\$ 9,960,430</u>	<u>\$ 0</u>	<u>\$ 9,960,430</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**FAYETTE 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		\$	7,079,073
Supplemental Act 148			<u>0</u>
Total State Allocation			7,079,073
State Share (CY348) ²	\$		5,912,935
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	5,912,935
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	5,912,935
Actual Act 148 Revenues Received ⁴			<u>5,912,935</u>
Net Amount Due County/(State) ⁵		\$	<u>0</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.

FAYETTE 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	160,608	0	23,338	0	0	0	0	0	135,270	135,270	0
02. 90% REIMBURSEMENT	288,022	0	69,739	0	0	0	0	0	218,283	196,455	21,828
03. 80% REIMBURSEMENT	8,945,604	76,097	2,242,695	306,875	116,955	20,343	0	0	6,182,639	4,946,112	1,236,527
04. 60% REIMBURSEMENT	1,235,790	11,911	268,904	0	0	0	0	5,002	949,973	569,984	379,989
05. 50% REIMBURSEMENT	130,228	0	0	0	0	0	0	0	130,228	65,114	65,114
06. TOTAL NET CHILD WELFARE EXPEND.	10,760,252	88,008	2,606,676	306,875	116,955	20,343	0	5,002	7,616,393	5,912,935	1,703,458

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0

08. NON-REIMBURSABLE EXPENDITURES	21,668	0							21,668		21,668
-----------------------------------	--------	---	--	--	--	--	--	--	--------	--	--------

09. TOTAL EXPENDITURES	10,781,920	88,008	2,606,676	306,875	116,955	20,343	0	5,002	7,638,061	5,912,935	1,725,126
------------------------	------------	--------	-----------	---------	---------	--------	---	-------	-----------	-----------	-----------

10. TOTAL TITLE IV-D COLLECTIONS 53,231

11. TITLE IV-D Collections for IV-E Children 13,209

12. STATE ACT 148 - line 6 5,912,935

13. STATE ACT 148 ALLOCATION 7,079,073

14. ADJUSTED STATE SHARE (lower of 12 or 13) 5,912,935

INVOICE											
AMENDED STATE SHARE (ACT 148)	5,912,935										
ACT 148 AMOUNT RECEIVED	0										
ADJUSTMENT TO STATE SHARE	5,912,935										

FAYETTE 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
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	160,608	0	0	25,338	0	0	0	0	0	135,270	135,270	0
1-B ADOPTION ASSISTANCE	1,810,031	0	851,500	0	0	0	0	0	0	958,531	766,825	191,706
1-C SUBSIZED PERMANENT LEGAL CUSTODIANS	458,415	0	83,893	0	0	0	0	0	0	374,522	299,618	74,904
1-D COUNSELING - DEPENDENT	909,247	0	0	0	306,875	0	0	0	0	602,372	481,898	120,474
1-E COUNSELING - DELINQUENT	281,809	0	0	0	0	0	0	0	0	281,809	225,447	56,362
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	301,238	0	0	56,827	0	0	0	0	0	244,411	195,529	48,882
1-K LIFE SKILLS - DEPENDENT	33,184	0	0	0	0	0	0	0	0	33,184	26,547	6,637
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	504,595	0	0	80,098	0	0	0	0	0	424,497	339,598	84,899
1-N PROTECTIVE SERVICE - GENERAL	1,561,047	0	0	293,445	0	0	0	0	0	1,267,602	1,014,082	253,520
1-O SERVICE PLANNING	0	0	0	0	0	0	0	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	110,106	0	0	0	0	0	0	0	0	110,106	55,053	55,053
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	6,130,280	0	935,393	455,708	306,875	0	0	0	0	4,432,304	3,539,867	892,437

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	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	673,692	24,444	142,731	24,837	0	0	0	0	0	481,660	385,328	96,332
2-D COMMUNITY RESIDENTIAL - DELINQUENT	162,271	0	21,623	0	0	0	0	0	0	140,648	112,518	28,130
2-E EMERGENCY SHELTER - DEPENDENT	246,267	0	46,811	20,056	0	0	0	0	0	179,400	161,460	17,940
2-F EMERGENCY SHELTER - DELINQUENT	41,755	0	2,872	0	0	0	0	0	0	38,883	34,995	3,888
2-G FOSTER FAMILY - DEPENDENT	2,250,075	51,653	341,087	346,634	0	116,955	20,343	0	0	1,373,403	1,098,722	274,681
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	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	3,374,060	76,097	555,124	391,547	0	116,955	20,343	0	0	2,213,994	1,793,023	420,971

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	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	20,122	0	0	0	0	0	0	0	0	20,122	10,061	10,061
3-B RESIDENTIAL SERVICE - DEPENDENT	279,902	475	105,215	1,358	0	0	0	0	0	172,854	103,712	69,142
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	233,691	7,720	39,135	0	0	0	0	0	0	186,836	112,102	74,734
3-D SECURE RES. SERVICE (EXCEPT YDC)	67,612	3,716	0	0	0	0	0	0	0	63,896	38,338	25,558
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	601,327	11,911	144,350	1,358	0	0	0	0	0	443,708	264,213	179,495

4 ADMINISTRATION	654,585	0	0	123,196	0	0	0	0	5,002	526,387	315,832	210,555
5 TOTAL REVENUES	10,760,252	88,008	1,634,867	971,809	306,875	116,955	20,343	0	5,002	7,616,393	5,912,935	1,703,458

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
I-A	71,475	30,105	1,831,699	23,746	26,135	9,147	1,831,699	50	21	0	0	0
I-B	0	0	1,831,699	0	0	0	1,831,699	0	228	0	21,668	0
I-C	0	0	458,415	0	0	0	458,415	0	53	0	0	0
I-D	0	0	20,467	888,780	0	0	909,247	0	126	0	0	0
I-E	0	0	4,044	277,765	0	0	281,809	0	132	0	0	0
I-F	0	0	0	0	0	0	0	0	0	0	0	0
I-G	0	0	0	0	0	0	0	0	0	0	0	0
I-H	0	0	0	0	0	0	0	0	0	0	0	0
I-I	173,582	73,161	32,283	0	0	22,212	301,238	1,090	0	0	0	0
I-K	0	0	0	0	33,184	0	33,184	0	16	0	0	0
I-L	0	0	0	0	0	0	0	0	0	0	0	0
I-M	238,931	100,592	55,497	79,000	30,575	0	504,595	153	7,803	0	0	0
I-N	880,164	370,730	197,524	0	112,629	0	1,561,047	960	0	0	0	0
I-O	0	0	0	0	105,547	0	110,106	0	538	0	0	0
I-P	0	0	0	0	0	0	0	0	0	0	0	0
I-Q	0	0	0	0	0	0	0	0	0	0	0	0
I-R	1,364,152	574,588	2,290,114	338,120	1,410,411	174,563	6,151,948	0	0	0	21,668	0
SUBTOTAL IN-HOME												
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A	0	0	0	0	0	0	0	0	0	0	0	0
2-B	0	0	0	0	0	0	0	0	0	0	0	0
2-C	75,559	31,826	0	15,251	541,387	9,669	673,692	3,011	28	0	0	0
2-D	0	0	0	200	162,071	0	162,271	641	6	0	0	0
2-E	22,464	9,462	0	16,870	194,597	2,874	246,267	3,840	177	0	0	0
2-F	0	0	0	0	41,755	0	41,755	169	19	0	0	0
2-G	316,533	133,325	0	136,397	1,623,316	40,504	2,250,075	39,183	206	0	0	0
2-H	0	0	0	0	0	0	0	0	0	0	0	0
2-I	0	0	0	0	0	0	0	0	0	0	0	0
2-J	0	0	0	0	0	0	0	0	0	0	0	0
2-K	414,556	174,613	0	168,718	2,563,126	53,047	3,374,060	46,844	436	0	0	0
SUBTOTAL CBP												
Number of Children receiving only NON-PURCHASED IN-Home Services												
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A	0	0	0	20	20,102	0	20,122	113	18	0	0	0
3-B	4,084	1,720	0	1,533	272,042	523	279,902	1,302	13	0	0	0
3-C	0	0	0	1,674	232,017	0	233,691	934	13	0	0	0
3-D	0	0	0	0	67,612	0	67,612	209	1	0	0	0
3-E	0	0	0	0	0	0	0	0	0	0	0	0
3-F	4,084	1,720	0	3,227	591,773	523	601,327	2,558	45	0	0	0
SUBTOTAL INSTITUTIONAL												
4. ADMINISTRATION	259,352	109,241	0	252,804	0	33,188	654,585	0	0	0	0	0
SUBTOTAL EXPENDITURES												
5	2,042,144	860,162	2,290,114	762,869	4,565,310	261,321	10,781,920	0	0	0	21,668	0
County Indirect Costs = \$ 191,299												

**FAYETTE 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	\$ 160,608	\$ 0	\$ 160,608
Adoption Assistance	1,831,699	0	1,831,699
Subsidized Permanent Legal Custodianship	458,415	0	458,415
Counseling	1,191,056	0	1,191,056
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	301,238	0	301,238
Life Skills	33,184	0	33,184
Protective Service - Child Abuse	504,595	0	504,595
Protective Service - General	1,561,047	0	1,561,047
Service Planning	0	0	0
Juvenile Act Proceedings	110,106	0	110,106
Alternative Treatment	0	0	0
Community Residential	835,963	0	835,963
Emergency Shelter	288,022	0	288,022
Foster Family	2,250,075	0	2,250,075
Supervised Independent Living	0	0	0
Juvenile Detention Service	20,122	0	20,122
Residential Service	513,593	0	513,593
Secure Residential Service (Except YDC)	67,612	0	67,612
YDC Secure	0	0	0
Administration	654,585	0	654,585
Combined Total Expense	<u>10,781,920</u>	<u>0</u>	<u>10,781,920</u>
Less Non-reimbursables	<u>21,668</u>	<u>0</u>	<u>21,668</u>
Total Net Expense	<u>\$ 10,760,252</u>	<u>\$ 0</u>	<u>\$ 10,760,252</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,042,144	\$ 0	\$ 2,042,144
Employee Benefits	860,162	0	860,162
Subsidies	2,290,114	0	2,290,114
Operating	762,869	0	762,869
Purchased Services	4,565,310	0	4,565,310
Fixed Assets	261,321	0	261,321
Combined Total Expense	<u>10,781,920</u>	<u>0</u>	<u>10,781,920</u>
Less Non-reimbursables	<u>21,668</u>	<u>0</u>	<u>21,668</u>
Total Net Expense	<u>\$ 10,760,252</u>	<u>\$ 0</u>	<u>\$ 10,760,252</u>

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**FAYETTE 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	\$	6,559,849
Supplemental Act 148		<u>0</u>
Total State Allocation		6,559,849
State Share (CY348) ²	\$	6,112,712
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	6,112,712
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	6,112,712
Actual Act 148 Revenues Received ⁴		<u>6,112,712</u>
Net Amount Due County/(State) ⁵	\$	<u>0</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.

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY3-8
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare Demonstration Project Title IV-E	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B		ASSISTANCE	TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	128,543	0	19,727	0	0	0	0	0	108,816	108,816	0
02. 90% REIMBURSEMENT	197,283	0	42,112	0	0	0	0	0	155,171	139,654	15,517
03. 80% REIMBURSEMENT	9,249,032	101,129	2,222,658	306,875	116,955	20,343	0	0	6,481,072	5,184,859	1,296,213
04. 60% REIMBURSEMENT	1,218,034	27,935	189,083	0	0	0	0	4,296	996,720	598,032	398,688
05. 50% REIMBURSEMENT	162,700	0	0	0	0	0	0	0	162,700	81,351	81,349
06. TOTAL NET CHILD WELFARE EXPEND.	10,955,592	129,064	2,473,580	306,875	116,955	20,343	0	4,296	7,904,479	6,112,712	1,791,767

YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	37,230	0							37,230	22,338	14,892

08. NON-REIMBURSABLE EXPENDITURES	24,542	0							24,542		24,542
-----------------------------------	--------	---	--	--	--	--	--	--	--------	--	--------

09. TOTAL EXPENDITURES	11,017,364	129,064	2,473,580	306,875	116,955	20,343	0	4,296	7,966,251	6,135,050	1,831,201
------------------------	------------	---------	-----------	---------	---------	--------	---	-------	-----------	-----------	-----------

10. TOTAL TITLE IV-D COLLECTIONS 58,831

11. TITLE IV-D Collections for IV-E Children 10,872

12. STATE ACT 148 - line 6 6,112,712

13. STATE ACT 148 ALLOCATION 6,559,849

14. ADJUSTED STATE SHARE (lower of 12 or 13) 6,112,712

INVOICE											
AMENDED STATE SHARE (ACT 148)	6,112,712										
ACT 148 AMOUNT RECEIVED	6,112,712										
ADJUSTMENT TO STATE SHARE	0										

FAYETTE 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
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
I-A ADOPTION SERVICE	128,543	0	0	19,727	0	0	0	0	0	108,816	108,816	0
I-B ADOPTION ASSISTANCE	1,907,562	0	893,679	0	0	0	0	0	0	1,013,883	811,106	202,777
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	452,374	0	109,423	0	0	0	0	0	0	342,951	274,361	68,590
I-D COUNSELING - DEPENDENT	1,147,747	0	0	0	306,875	0	0	0	0	840,872	672,698	168,174
I-E COUNSELING - DELINQUENT	278,105	0	0	0	0	0	0	0	0	278,105	222,484	55,621
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	208,724	0	0	36,567	0	0	0	0	0	172,157	137,726	34,431
I-K LIFE SKILLS - DEPENDENT	18,401	0	0	0	0	0	0	0	0	18,401	14,721	3,680
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	450,766	0	65,124	0	0	0	0	0	0	385,642	308,514	77,128
I-N PROTECTIVE SERVICE - GENERAL	1,535,383	0	268,976	0	0	0	0	0	0	1,266,407	1,013,126	253,281
I-O SERVICE PLANNING	0	0	0	0	0	0	0	0	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	117,741	0	0	0	0	0	0	0	0	117,741	58,871	58,870
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	6,245,346	0	1,003,102	390,394	306,875	0	0	0	0	4,544,975	3,622,423	922,552

COMMUNITY BASED PLACEMENT	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	
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	833,685	6,784	205,978	20,203	0	0	0	0	600,720	480,576	120,144	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	97,471	6,356	0	0	0	0	0	0	91,115	72,892	18,223	0
2-E EMERGENCY SHELTER - DEPENDENT	185,021	0	22,355	19,227	0	0	0	0	143,439	129,095	14,344	0
2-F EMERGENCY SHELTER - DELINQUENT	12,262	0	530	0	0	0	0	0	11,732	10,559	1,173	0
2-G FOSTER FAMILY - DEPENDENT	2,318,569	87,989	323,361	299,347	116,955	20,343	0	0	1,470,574	1,176,459	294,115	0
2-H FOSTER FAMILY - DELINQUENT	245	0	0	0	0	0	0	0	245	196	49	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	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	3,447,253	101,129	552,224	338,777	0	116,955	20,343	0	2,317,825	1,869,777	448,048	0

INSTITUTIONAL PLACEMENT	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	
3-A JUVENILE DETENTION SERVICE	44,959	0	0	0	0	0	0	0	44,959	22,480	22,479	0
3-B RESIDENTIAL SERVICE - DEPENDENT	152,030	14,168	27,956	1	0	0	0	0	109,905	65,943	43,962	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	357,637	13,767	53,579	0	0	0	0	0	290,291	174,175	116,116	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	94,179	0	0	0	0	0	0	0	94,179	56,507	37,672	0
3-E YDC-SECURE	37,230	0	0	0	0	0	0	0	37,230	22,338	14,892	0
3-F SUBTOTAL INSTITUTIONAL	686,035	27,935	81,535	1	0	0	0	0	576,564	341,443	235,121	0
4 ADMINISTRATION	614,188	0	0	107,547	0	0	0	0	502,345	301,407	200,938	0
5 TOTAL REVENUES	10,992,822	129,064	1,656,861	836,719	306,875	116,955	20,343	0	4,296	7,941,709	6,135,050	1,806,659

FAYETTE 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												
I-A ADOPTION SERVICE	61,222	28,596		22,694	16,031	0	128,543	62	18	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,932,104	0	0	0	1,932,104	0	240	0	24,542	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	452,374	0	0	0	452,374	0	59	0	0	0
I-D COUNSELING - DEPENDENT	0	0	0	19,985	1,127,762	0	1,147,747	0	352	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	1,465	276,640	0	278,105	0	123	0	0	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	126,818	59,234	0	22,672	0	0	208,724	1,743	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	18,401	0	18,401	0	13	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	220,838	103,148	0	47,780	79,000	0	450,766	380	5,883	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	920,522	429,954	0	184,907	0	0	1,535,383	1,375	0	0	0	0
I-O SERVICE PLANNING	0	0	0	0	0	0	0	0	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	7,703	110,038	0	117,741	0	471	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,329,400	620,932	2,384,478	307,206	1,627,872	0	6,269,888			0	24,542	0
Number of Children receiving only NON-PURCHASED IN-Home Services 1,698												
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	69,968	32,680	0	13,961	717,076	0	833,685	3,514	25	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	237	97,234	0	97,471	424	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	50,290	23,489	0	15,361	95,881	0	185,021	2,619	98	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	12,262	0	12,262	61	10	0	0	0
2-G FOSTER FAMILY - DEPENDENT	496,339	231,828	0	153,036	1,437,366	0	2,318,569	40,029	210	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	245	0	245	3	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	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	616,597	287,997	0	182,595	2,360,064	0	3,447,253	46,650	346	0	0	0
ADMINISTRATION	240,517	112,340	0	261,331	0	0	614,188			0	0	0
TOTAL EXPENDITURES	2,186,514	1,021,269	2,384,478	754,200	4,670,903	0	11,017,364			0	24,542	0
County Indirect Costs = \$ 209,466												

**FAYETTE 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	\$ 128,543	\$ 0	\$ 128,543
Adoption Assistance	1,932,104	0	1,932,104
Subsidized Permanent Legal Custodianship	452,374	0	452,374
Counseling	1,425,852	0	1,425,852
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	208,724	0	208,724
Life Skills	18,401	0	18,401
Protective Service - Child Abuse	450,766	0	450,766
Protective Service - General	1,535,383	0	1,535,383
Service Planning	0	0	0
Juvenile Act Proceedings	117,741	0	117,741
Alternative Treatment	0	0	0
Community Residential	931,156	0	931,156
Emergency Shelter	197,283	0	197,283
Foster Family	2,318,814	0	2,318,814
Supervised Independent Living	0	0	0
Juvenile Detention Service	44,959	0	44,959
Residential Service	509,667	0	509,667
Secure Residential Service (Except YDC)	94,179	0	94,179
YDC Secure	37,230	0	37,230
Administration	614,188	0	614,188
Combined Total Expense	<u>11,017,364</u>	<u>0</u>	<u>11,017,364</u>
Less Non-reimbursables	<u>24,542</u>	<u>0</u>	<u>24,542</u>
Total Net Expense	<u>\$ 10,992,822</u>	<u>\$ 0</u>	<u>\$ 10,992,822</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,186,514	\$ 0	\$ 2,186,514
Employee Benefits	1,021,269	0	1,021,269
Subsidies	2,384,478	0	2,384,478
Operating	754,200	0	754,200
Purchased Services	4,670,903	0	4,670,903
Fixed Assets	0	0	0
Combined Total Expense	<u>11,017,364</u>	<u>0</u>	<u>11,017,364</u>
Less Non-reimbursables	<u>24,542</u>	<u>0</u>	<u>24,542</u>
Total Net Expense	<u>\$ 10,992,822</u>	<u>\$ 0</u>	<u>\$ 10,992,822</u>

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding - Fayette County Children and Youth Agency Failed to Provide Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers (Resolved)

In our prior engagement report, covering the July 1, 2010, through the June 30, 2014, fiscal years, we cited the Fayette County Children and Youth Agency (agency) for failing to provide adequate supporting documentation evidencing that In-Home Purchased Services paid for were actually provided by the contracted In-Home Purchased Service providers and, if services were provided, that they were provided in adherence to key executed contract terms.

Our current engagement scope period included the 2014-15, 2015-16, and 2016-17 fiscal years. Due to the timing of the conduct of our prior engagement, we did not notify the agency of these internal control deficiencies until December 21, 2016; therefore, these control deficiencies and corresponding risks continued to exist until the agency took corrective action on February 1, 2017.

During the conduct of our current engagement, we found the agency followed our recommendation to develop formal, written monitoring procedures to obtain reasonable assurance that contracted services were actually provided. The agency provided documentation describing the internal control policies designed to reduce its risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers, which agency management indicated had been implemented on February 1, 2017. The policy requires In-Home providers to submit documents with each monthly invoice substantiating performance of services, including a requirement for client signatures to evidence each face-to-face contact for individuals named on the monthly invoice. The policy also requires program-funded providers to submit substantiation of the operating costs with each monthly invoice. In addition, an agency contract monitor selects a random sample of monthly invoices and corresponding supporting documentation and matches them together during once-a-year on-site monitoring visits. If a billing discrepancy is found, the agency contract monitor will inform the agency Chief Financial Officer, who will tie the discrepancy back to the invoice and request an adjustment.

To assess the implementation and effectiveness of the policy and procedures, we selected one of the invoices submitted by a Fee-for-Service provider for services provided in March 2017 and examined it for evidence of the agency using documentation submitted with the invoices to verify the number of units of service actually provided. During our review, we found evidence of agency fiscal staff tracing invoiced units of service to attached attendance logs signed by family members listed on the submitted invoices, as well as matching rates charged on the invoice to the provider's executed contract and verifying service authorization.

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

Finally, the agency's written internal control policy and procedures specify the consequences of providers failing to comply, and address our prior recommendation to develop a formal communication process that ensures agency staff responsible for reviewing and approving submitted invoices for payment are made aware of the results of monitoring reviews of providers.

Based on our review and evaluation, we concluded that the Fayette County Children and Youth Agency's monitoring policy and procedures implemented in February 2017 are sufficient to substantiate the number of units invoiced by Fee-for Service In-Home Purchased Providers and the operating costs invoiced by Program-Funded In-Home Purchased Providers, and thereby reduce its risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. Therefore, we concluded that issuing a repeat finding is not warranted.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

The Child Protective Services Law³ (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).⁴ 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,⁵ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Fayette County Children and Youth Agency provided in-home and placement services to 1,993 children residing within the County during the 2015-2016 fiscal year.

³ Please note that the CPSL was extensively amended in 2013, 2014, and 2015 with 24 pieces of legislation “[being] enacted, changing how Pennsylvania responds to child abuse. These changes will significantly impact the reporting, investigation, assessment, prosecution and judicial handling of child abuse and neglect cases. The new laws will expand and further define mandatory reporters and the reporting process, increase penalties for those mandated to report suspected child abuse who fail to do so, and provide protections from employment discrimination for filing a good faith report of child abuse.” See <http://keepkidssafe.pa.gov/laws/index.htm> last accessed on September 2, 2016. Please note that although this particular DHS’ keepkidssafe.pa.gov link only refers to 23, instead of 24, pieces of legislation, we were able to confirm that the link should actually refer to 24 pieces of legislation, just as in the following DHS’ link: <http://keepkidssafe.pa.gov/index.htm>

⁴ 23 Pa.C.S. §§ 6344 and 6344.2.

⁵ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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, the 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 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.⁶

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁷ 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 the DHS. 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 audit 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"⁸ in their provider executed contracts. Instead, all C&Y

⁶ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

⁷ 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.

⁸ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (no less frequently than quarterly) 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

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁹

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 providers¹⁰ 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.

and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

⁹ 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.

¹⁰ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 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. 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

¹¹ 23 Pa.C.S. § 6344.4.

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 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.

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).

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.

FAYETTE COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

The Honorable Teresa D. Miller
Acting Secretary
Department of Human Services

Ms. Cathy Utz
Deputy Secretary
Office of Children, Youth and Families
Department of Human Services

Ms. Gloria Gilligan
Bureau Director
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Ms. Stephanie Weigle
Division Director
Division of Administration
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Mr. Jim Flanagan
Section Chief
Financial Reporting and Payments Section
Division of Financial Policy and Operations
Bureau of Financial Operations
Department of Human Services

Mr. David Bryan, CPA, CGMA
Manager
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

The Commissioners of Fayette County

Ms. Gina D'Auria
Administrator
Fayette County Children & Youth Agency

Mr. Larry Dubos
Fiscal Officer
Fayette County Children & Youth Agency

Mr. Scott Abraham
Controller
Fayette County

Mr. Michael Burns, CPA
Director
Bureau of Accounting & Financial Management
Office of Comptroller Operations
Office of the Budget

Mr. R. Dennis Welker
Special Audit Services
Bureau of Audits
Office of the Budget

Ms. Melanie Retherford
Human Services Program Specialist Supervisor
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Ms. Linda Swick
Audit Specialist
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.