

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

Mifflin County Children and Youth Agency

March 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Mifflin County
Mifflin County Courthouse
20 North Wayne Street
Lewistown, PA 17044

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 Mifflin County Children and Youth Agency (agency), legally known as Mifflin 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 Mifflin 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

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 increasing agency expenditures by \$1,003 and increasing revenue by \$660. Based on the application of the state participation rates, these adjustments resulted in an amount due to the county totaling \$275. Both 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 one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing agency expenditures by \$694. Based on the application of the state participation rates, this adjustment resulted in an amount due to the state totaling \$556. This adjustment is 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 one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by increasing agency expenditures by \$40,001. Based on the application of the state participation rates, this adjustment resulted in an amount due to the county totaling \$26,658. This adjustment is 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 action to comply with the recommendations in the finding included in our prior released audit 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

² The accrual basis of accounting is required by DHS.

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 the Commonwealth 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 county representatives and agency management at an exit conference call held on March 13, 2019.

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 Mifflin County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

March 14, 2019

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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 Mifflin County Children and Youth Agency provided in-home and placement services to 1,417 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

**MIFFLIN 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		\$	3,719,121
Supplemental Act 148			<u>0</u>
Total State Allocation			3,719,121
State Share (CY348) ²	\$		3,582,865
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,582,865
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,582,865
Actual Act 148 Revenues Received ⁴			<u>3,582,590</u>
Net Amount Due County/(State) ⁵		\$	<u>275</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.

**MIFFLIN 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	734	5	0	0	0	0	0	729	729	0
02. 90% REIMBURSEMENT	38,091	6,659	0	0	0	0	0	31,432	28,289	3,143
03. 80% REIMBURSEMENT	4,570,884	26,453	713,602	29,537	0	0	0	3,801,292	3,041,035	760,257
04. 60% REIMBURSEMENT	845,495	36,737	50,336	0	36,827	24,215	0	695,000	417,000	278,000
05. 50% REIMBURSEMENT	191,645	0	22	0	0	0	0	191,623	95,812	95,811
06. TOTAL NET CHILD WELFARE EXPEND.	5,646,849	63,190	770,624	29,537	36,827	24,215	0	4,720,076	3,582,865	1,137,211
YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	454,176	0						454,176	272,506	181,670
08. NON-REIMBURSABLE EXPENDITURES	841	0						841		841
09. TOTAL EXPENDITURES	6,101,866	63,190	770,624	29,537	36,827	24,215	0	5,175,093	3,855,371	1,319,722
10. TOTAL TITLE IV-D COLLECTIONS	44,113									
11. TITLE IV-D Collections for IV-E Children	6,914									
12. STATE ACT 148 - line 6	3,582,865									
13. STATE ACT 148 ALLOCATION	3,719,121									
14. ADJUSTED STATE SHARE (lower of 12 or 13)	3,582,865									
INVOICE										
AMENDED STATE SHARE (ACT 148)	3,582,865									
ACT 148 AMOUNT RECEIVED	3,582,590									
ADJUSTMENT TO STATE SHARE	275									

MIFFLIN 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
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	734	0		5	0			0	0	729	729	0
1-B ADOPTION ASSISTANCE	919,192	0	353,698	537				0	0	564,957	451,966	112,991
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	92,917	0	8,772					0	0	84,145	67,316	16,829
1-D COUNSELING - DEPENDENT	828,563	0			29,537			0	0	799,026	639,221	159,805
1-E COUNSELING - DELINQUENT	7,205	660						0	0	6,545	5,236	1,309
1-F DAY CARE	0	0						0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0						0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	28,013	0						0	0	28,013	22,410	5,603
1-I HOMEMAKER SERVICE	0	0						0	0	0	0	0
1-J INTAKE & REFERRAL	50,626	0		7,654				0	0	42,972	34,378	8,594
1-K LIFE SKILLS - DEPENDENT	2,097	0						0	0	2,097	1,678	419
1-L LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	138,266	0		20,625				0	0	117,641	94,113	23,528
1-N PROTECTIVE SERVICE - GENERAL	1,328,468	0		145,249				0	0	1,183,219	946,575	236,644
1-O SERVICE PLANNING	48,742	0		6,615				0	0	42,127	33,702	8,425
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	24,975	0		22				0	0	24,953	12,477	12,476
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0						0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,469,798	660	362,470	180,707	29,537			0	0	2,896,424	2,309,801	586,623
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0						0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	143,604	0	7,689	3,812				0	0	132,103	105,682	26,421
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0						0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	38,091	0	2,092	4,567				0	0	31,432	28,289	3,143
2-F EMERGENCY SHELTER - DELINQUENT	0	0						0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	946,579	25,042	47,448	111,503				0	0	762,586	610,069	152,517
2-H FOSTER FAMILY - DELINQUENT	36,612	751						0	0	35,861	28,689	7,172
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	1,164,886	25,793	57,229	119,882	0			0	0	961,982	772,729	189,253
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	166,670	0						0	0	166,670	83,335	83,335
3-B RESIDENTIAL SERVICE - DEPENDENT	144,531	13,553	5,342	5,163			24,215	0	0	59,431	35,659	23,772
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	437,443	23,184						0	0	414,259	248,555	165,704
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0						0	0	0	0	0
3-E YDC SECURE	454,176	0						0	0	454,176	272,506	181,670
3-F SUBTOTAL INSTITUTIONAL	1,202,820	36,737	5,342	5,163	0	36,827	24,215	0	0	1,094,536	640,055	454,481
4 ADMINISTRATION	263,521	0		39,831				0	0	2,380	132,786	88,524
5 TOTAL REVENUES	6,101,025	63,190	425,041	345,583	29,537	36,827	24,215	0	2,380	5,174,252	3,855,371	1,318,881

MIFFLIN 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	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	0	0	0	210	524	0	734	0	3	0	0	0
I-B ADOPTION ASSISTANCE	0	0	919,192	0	0	0	919,192	0	106	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	92,917	0	0	0	92,917	0	11	0	0	0
I-D COUNSELING - DEPENDENT	0	0	0	0	828,563	0	828,563	0	114	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	450	6,755	0	7,205	0	1	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	28,013	0	28,013	0	5	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	28,563	15,085	6,978	0	0	0	50,626	1,106	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	2,097	0	2,097	0	1	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	72,241	41,046	23,085	0	375	1,555	138,302	264	0	36	0	0
I-N PROTECTIVE SERVICE - GENERAL	521,702	273,794	149,710	364,318	19,051	0	1,328,575	1,517	1,695	107	0	0
I-O SERVICE PLANNING	25,118	11,871	11,586	170	0	0	48,745	1,732	3	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	150	24,825	0	24,975	0	50	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL IN-HOME	647,624	341,796	1,012,109	192,169	1,255,640	20,606	3,469,944			146	0	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	11,255	4,871	0	5,095	118,131	4,277	143,629	656	3	25	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	6,644	3,413	0	3,586	24,060	389	38,092	352	10	1	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	144,744	71,654	0	48,535	674,903	7,387	947,023	10,189	42	64	380	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	36,612	0	36,612	386	2	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
SUBTOTAL CBP	162,643	79,938	0	57,016	853,706	12,053	1,165,356	11,583	57	90	380	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	270	166,400	0	166,670	302	23	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	15,090	6,497	0	9,580	107,258	6,221	144,646	565	3	115	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	187	437,256	0	437,443	2,408	11	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	454,176	0	454,176	912	3	0	0	0
SUBTOTAL INSTITUTIONAL	15,090	6,497	0	10,037	1,165,090	6,221	1,202,935	4,187	40	115	0	0
ADMINISTRATION	82,068	53,004	0	128,559	0	0	263,631			110	0	0
TOTAL EXPENDITURES	907,425	481,235	1,012,109	387,781	3,274,436	38,880	6,101,866			461	380	0
	County Indirect Costs = \$ 102,964											

**MIFFLIN 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	\$ 734	\$ 0	\$ 734
Adoption Assistance	919,192	0	919,192
Subsidized Permanent Legal Custodianship	92,917	0	92,917
Counseling	835,768	0	835,768
Day Care	0	0	0
Day Treatment	28,013	0	28,013
Homemaker Service	0	0	0
Intake and Referral	50,626	0	50,626
Life Skills	2,097	0	2,097
Protective Service - Child Abuse	138,302	0	138,302
Protective Service - General	1,328,575	0	1,328,575
Service Planning	48,745	0	48,745
Juvenile Act Proceedings	24,975	0	24,975
Alternative Treatment	0	0	0
Community Residential	143,629	0	143,629
Emergency Shelter	38,092	0	38,092
Foster Family	982,632	1,003	983,635
Supervised Independent Living	0	0	0
Juvenile Detention Service	166,670	0	166,670
Residential Service	582,089	0	582,089
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	454,176	0	454,176
Administration	263,631	0	263,631
Combined Total Expense	<u>6,100,863</u>	<u>1,003</u>	<u>6,101,866</u>
Less Non-reimbursables	<u>841</u>	<u>0</u>	<u>841</u>
Total Net Expense	<u>\$ 6,100,022</u>	<u>\$ 1,003</u>	<u>\$ 6,101,025</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 907,425	\$ 0	\$ 907,425
Employee Benefits	481,235	0	481,235
Subsidies	1,012,109	0	1,012,109
Operating	386,778	1,003	387,781
Purchased Services	3,274,436	0	3,274,436
Fixed Assets	38,880	0	38,880
Combined Total Expense	<u>6,100,863</u>	<u>1,003</u>	<u>6,101,866</u>
Less Non-reimbursables	<u>841</u>	<u>0</u>	<u>841</u>
Total Net Expense	<u>\$ 6,100,022</u>	<u>\$ 1,003</u>	<u>\$ 6,101,025</u>

**MIFFLIN 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	2-G	4	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Foster Family (Dependent) - Operating</p> <p>To increase Operating by \$1,003 to include expenditures not reported on the CY-370 Expenditure Report submitted to the Commonwealth Department of Human Services and reconcile to the agency's final expenditure ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 47,332	\$ 1,003	\$ 48,335
CY-370A	1-E	2	2	<p style="text-align: center;">CY-370A Adjustment</p> <p>Counseling (Delinquent) - Program Income</p> <p>To increase Program Income by \$660 to include revenue not reported on the CY-370A Revenue Report submitted to the Commonwealth Department of Human Services and reconcile to the agency's final revenue ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ -	\$ 660	\$ 660

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**MIFFLIN 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	\$	3,813,197
Supplemental Act 148		<u>38,617</u>
Total State Allocation		3,851,814
State Share (CY348) ²	\$	3,851,258
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	3,851,258
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	3,851,258
Actual Act 148 Revenues Received ⁴		<u>3,851,814</u>
Net Amount Due County/(State) ⁵	\$	<u><u>(556)</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.

MIFFLIN 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	Demonstration	ASSISTANCE	TOTAL	ACT 148	SHARE
							Project Title IV-E				
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	4,198	0	614	0	0	0	0	0	3,584	3,584	0
02. 90% REIMBURSEMENT	82,468	0	12,942	0	0	0	0	0	69,526	62,573	6,953
03. 80% REIMBURSEMENT	4,931,559	30,141	815,779	29,537	0	0	0	0	4,056,102	3,244,881	811,221
04. 60% REIMBURSEMENT	877,900	24,448	45,506	0	36,827	24,215	0	2,467	744,437	446,663	297,774
05. 50% REIMBURSEMENT	187,113	0	0	0	0	0	0	0	187,113	93,557	93,556
06. TOTAL NET CHILD WELFARE EXPEND.	6,083,238	54,589	874,841	29,537	36,827	24,215	0	2,467	5,060,762	3,851,258	1,209,504
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	80,440	0							80,440	48,264	32,176
08. NON-REIMBURSABLE EXPENDITURES	455	0							455		455
09. TOTAL EXPENDITURES	6,164,133	54,589	874,841	29,537	36,827	24,215	0	2,467	5,141,657	3,899,522	1,242,135
10. TOTAL TITLE IV-D COLLECTIONS	34,431										
11. TITLE IV-D Collections for IV-E Children	2,773										
12. STATE ACT 148 - line 6	3,851,258										
13. STATE ACT 148 ALLOCATION	3,851,814										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	3,851,258										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,851,258										
ACT 148 AMOUNT RECEIVED	3,851,814										
ADJUSTMENT TO STATE SHARE	(556)										

MIFFLIN 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												
I-A ADOPTION SERVICE	4,198	0	614	0	0	0	0	0	0	3,584	3,584	0
I-B ADOPTION ASSISTANCE	991,351	0	384,573	4,283	0	0	0	0	0	602,495	481,996	120,499
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	96,086	0	8,748	0	0	0	0	0	0	87,338	69,870	17,468
I-D COUNSELING - DEPENDENT	846,641	0	0	0	29,537	0	0	0	0	817,104	653,683	163,421
I-E COUNSELING - DELINQUENT	11,846	0	0	0	0	0	0	0	0	11,846	9,477	2,369
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	77,056	0	0	0	0	0	0	0	0	77,056	61,645	15,411
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	126,449	0	18,945	0	0	0	0	0	0	107,504	86,003	21,501
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	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	204,278	0	30,443	0	0	0	0	0	0	173,835	139,068	34,767
I-N PROTECTIVE SERVICE - GENERAL	1,450,992	69	146,065	0	0	0	0	0	0	1,304,858	1,043,886	260,972
I-O SERVICE PLANNING	42,675	0	5,277	0	0	0	0	0	0	37,398	29,918	7,480
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	25,575	0	0	0	0	0	0	0	0	25,575	12,788	12,787
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,877,147	69	393,321	205,627	29,537	0	0	0	0	3,248,593	2,591,918	656,675
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	165,884	9,853	4,859	2,962	0	0	0	0	0	148,210	118,568	29,642
2-D COMMUNITY RESIDENTIAL - DELINQUENT	18,126	0	0	0	0	0	0	0	0	18,126	14,501	3,625
2-E EMERGENCY SHELTER - DEPENDENT	82,468	0	3,949	8,993	0	0	0	0	0	69,526	62,573	6,953
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	876,932	19,611	71,740	137,884	0	0	0	0	0	647,697	518,158	129,539
2-H FOSTER FAMILY - DELINQUENT	23,161	608	0	0	0	0	0	0	0	22,553	18,042	4,511
2-I SUP. INDEPENDENT LIVING - DEPENDENT	82	0	0	0	0	0	0	0	0	82	66	16
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,166,653	30,072	80,548	149,839	0	0	0	0	0	906,194	731,908	174,286
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	161,538	0	0	0	0	0	0	0	0	161,538	80,769	80,769
3-B RESIDENTIAL SERVICE - DEPENDENT	211,367	7,793	8,121	5,903	0	18,414	12,108	0	0	159,028	95,417	63,611
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	456,131	16,655	0	0	0	18,413	12,107	0	0	408,956	245,374	163,582
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	80,440	0	0	0	0	0	0	0	0	80,440	48,264	32,176
3-F SUBTOTAL INSTITUTIONAL	909,476	24,448	8,121	5,903	0	36,827	24,215	0	0	809,962	469,824	340,138
4 ADMINISTRATION	210,402	0	0	31,482	0	0	0	0	2,467	176,453	105,872	70,581
5 TOTAL REVENUES	6,163,678	54,589	481,990	392,851	29,537	36,827	24,215	0	2,467	5,141,202	3,899,522	1,241,680

MIFFLIN 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
	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	2,094	1,390		721	0	0	4,205	6	0	7	0	0
I-B ADOPTION ASSISTANCE	0	0	991,351	0	0	0	991,351	0	109	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	96,086	0	0	0	96,086	0	15	0	0	0
I-D COUNSELING - DEPENDENT	0	0	105	846,536	0	0	846,641	0	134	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	11,846	0	0	11,846	0	10	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	77,056	0	0	77,056	0	13	0	0	0
I-I HOME/MAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	70,858	38,364	17,227	0	0	0	126,449	998	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	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	112,699	60,051	31,542	0	0	0	204,292	278	0	14	0	0
I-N PROTECTIVE SERVICE - GENERAL	548,641	287,491	143,060	472,053	0	0	1,451,245	1,656	2,290	253	0	0
I-O SERVICE PLANNING	20,823	10,023	11,536	320	0	0	42,702	1,934	1	27	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	25,575		25,575	0	168	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	755,115	397,319	1,087,437	204,191	1,433,386	0	3,877,448			301	0	0
	Number of Children receiving only NON-PURCHASED In-Home Services											
	180											
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	9,409	4,461	0	6,946	145,126	0	165,942	854	5	58	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	18,126	0	0	18,126	95	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	29,690	18,628	0	899	33,251	0	82,468	450	20	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	139,045	65,879	0	40,961	631,075	0	876,960	9,451	47	28	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	23,161	0	23,161	233	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	82	0	82	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	178,144	88,968	0	48,806	850,821	0	1,166,739	11,083	75	86	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	161,538	0	161,538	550	23	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	21,261	10,486	0	7,818	171,821	0	211,386	761	4	19	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	456,131	0	0	456,131	2,252	12	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	80,440	0	80,440	167	3	0	0	0
3-F SUBTOTAL INSTITUTIONAL	21,261	10,486	0	7,818	869,930	0	909,495	3,730	42	19	0	0
4 ADMINISTRATION	57,830	36,629	0	115,992	0	0	210,451			49	0	0
5 TOTAL EXPENDITURES	1,012,350	533,402	1,087,437	376,807	3,154,137	0	6,164,133			455	0	0
	County Indirect Costs = \$ 99,704											

**MIFFLIN 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	\$ 4,205	\$ 0	\$ 4,205
Adoption Assistance	991,351	0	991,351
Subsidized Permanent Legal Custodianship	96,086	0	96,086
Counseling	858,487	0	858,487
Day Care	0	0	0
Day Treatment	77,056	0	77,056
Homemaker Service	0	0	0
Intake and Referral	126,449	0	126,449
Life Skills	0	0	0
Protective Service - Child Abuse	204,292	0	204,292
Protective Service - General	1,451,543	(298)	1,451,245
Service Planning	43,098	(396)	42,702
Juvenile Act Proceedings	25,575	0	25,575
Alternative Treatment	0	0	0
Community Residential	184,068	0	184,068
Emergency Shelter	82,468	0	82,468
Foster Family	900,121	0	900,121
Supervised Independent Living	82	0	82
Juvenile Detention Service	161,538	0	161,538
Residential Service	667,517	0	667,517
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	80,440	0	80,440
Administration	210,451	0	210,451
Combined Total Expense	<u>6,164,827</u>	<u>(694)</u>	<u>6,164,133</u>
Less Non-reimbursables	<u>455</u>	<u>0</u>	<u>455</u>
Total Net Expense	<u>\$ 6,164,372</u>	<u>\$ (694)</u>	<u>\$ 6,163,678</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,012,350	\$ 0	\$ 1,012,350
Employee Benefits	533,402	0	533,402
Subsidies	1,087,437	0	1,087,437
Operating	377,203	(396)	376,807
Purchased Services	3,154,435	(298)	3,154,137
Fixed Assets	0	0	0
Combined Total Expense	<u>6,164,827</u>	<u>(694)</u>	<u>6,164,133</u>
Less Non-reimbursables	<u>455</u>	<u>0</u>	<u>455</u>
Total Net Expense	<u>\$ 6,164,372</u>	<u>\$ (694)</u>	<u>\$ 6,163,678</u>

**MIFFLIN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	1-N	4	1	CY-370 Adjustment			
				Service Planning - Operating	\$ 11,932	\$ (396)	\$ 11,536
	1-O	5		Protective Service General - Purchased Services	\$ 472,351	\$ (298)	\$ 472,053
				Total Adjustment Amount		\$ (694)	
				To decrease expenditures by \$694 to reconcile to the agency's final expenditure ledger. The agency made revisions to the expenditure ledger subsequent to the submission of the Act 148 invoice to the Commonwealth Department of Human Services.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**MIFFLIN 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	\$	3,924,154
Supplemental Act 148		<u>0</u>
Total State Allocation		3,924,154
State Share (CY348) ²	\$	3,791,768
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	3,791,768
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	3,791,768
Actual Act 148 Revenues Received ⁴		<u>3,765,110</u>
Net Amount Due County/(State) ⁵	\$	<u>26,658</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.

MIFFLIN 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	Demonstration	ASSISTANCE	TOTAL	ACT 148	SHARE
							Project Title IV-E				
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	3,494	0	419	0	0	0	0	0	3,075	3,075	0
02. 90% REIMBURSEMENT	102,732	196	24,094	0	0	0	0	0	78,442	70,598	7,844
03. 80% REIMBURSEMENT	5,119,021	40,779	936,321	29,537	0	0	0	0	4,112,384	3,289,907	822,477
04. 60% REIMBURSEMENT	682,366	41,422	33,666	0	36,827	24,215	0	2,249	543,987	326,393	217,594
05. 50% REIMBURSEMENT	203,590	0	0	0	0	0	0	0	203,590	101,795	101,795
06. TOTAL NET CHILD WELFARE EXPEND.	6,111,203	82,397	994,500	29,537	36,827	24,215	0	2,249	4,941,478	3,791,768	1,149,710

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	245,310	0							245,310	147,186	98,124

08. NON-REIMBURSABLE EXPENDITURES	527	0							527		527
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09. TOTAL EXPENDITURES	6,357,040	82,397	994,500	29,537	36,827	24,215	0	2,249	5,187,315	3,938,954	1,248,361
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10. TOTAL TITLE IV-D COLLECTIONS 26,128

11. TITLE IV-D Collections for IV-E Children 25,130

12. STATE ACT 148 - line 6 3,791,768

13. STATE ACT 148 ALLOCATION 3,924,154

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,791,768

INVOICE											
AMENDED STATE SHARE (ACT 148)	3,791,768										
ACT 148 AMOUNT RECEIVED	3,765,110										
ADJUSTMENT TO STATE SHARE	26,658										

MIFFLIN 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
1-A ADOPTION SERVICE	3,494	0	0	419	0	0	0	0	0	3,075	3,075	0
1-B ADOPTION ASSISTANCE	1,018,710	0	411,545	2,861	0	0	0	0	0	604,304	483,443	120,861
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	121,910	0	8,704	0	0	0	0	0	0	113,206	90,565	22,641
1-D COUNSELING - DEPENDENT	857,943	0	0	467	29,537	0	0	0	0	827,939	662,351	165,588
1-E COUNSELING - DELINQUENT	22,315	0	0	0	0	0	0	0	0	22,315	17,852	4,463
1-F DAY CARE	375	0	0	0	0	0	0	0	0	375	300	75
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	35,141	0	0	0	0	0	0	0	0	35,141	28,113	7,028
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	74,015	0	0	12,640	0	0	0	0	0	61,375	49,100	12,275
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	279,060	0	0	47,552	0	0	0	0	0	231,508	185,206	46,302
1-N PROTECTIVE SERVICE - GENERAL	1,537,956	16	172,124	0	0	0	0	0	0	1,365,816	1,092,653	273,163
1-O SERVICE PLANNING	17,607	0	2,238	0	0	0	0	0	0	15,369	12,295	3,074
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	25,500	0	0	0	0	0	0	0	0	25,500	12,750	12,750
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,994,026	16	420,249	238,301	29,537	0	0	0	0	3,305,923	2,637,703	668,220
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	106,603	5,360	7,242	6,562	0	0	0	0	0	87,439	69,951	17,488
2-D COMMUNITY RESIDENTIAL - DELINQUENT	8,460	0	0	0	0	0	0	0	0	8,460	6,768	1,692
2-E EMERGENCY SHELTER - DEPENDENT	102,732	196	11,080	13,014	0	0	0	0	0	78,442	70,598	7,844
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,030,968	35,403	79,041	185,345	0	0	0	0	0	731,179	584,943	146,236
2-H FOSTER FAMILY - DELINQUENT	242	0	0	0	0	0	0	0	0	242	194	48
2-I SUP. INDEPENDENT LIVING - DEPENDENT	7,716	0	0	0	0	0	0	0	0	7,716	6,173	1,543
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,256,721	40,959	97,363	204,921	0	0	0	0	0	913,478	738,627	174,851
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	178,090	0	0	0	0	0	0	0	0	178,090	89,045	89,045
3-B RESIDENTIAL SERVICE - DEPENDENT	102,848	9,183	0	3,842	0	0	0	0	0	89,823	53,894	35,929
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	378,474	32,214	0	0	0	36,827	24,215	0	0	285,218	171,131	114,087
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	245,310	0	0	0	0	0	0	0	0	245,310	147,186	98,124
3-F SUBTOTAL INSTITUTIONAL	904,722	41,397	0	3,842	0	36,827	24,215	0	0	798,441	461,256	337,185
4 ADMINISTRATION	201,044	25	0	29,824	0	0	0	0	0	168,946	101,368	67,578
5 TOTAL REVENUES	6,356,513	82,397	517,612	476,888	29,537	36,827	24,215	0	2,249	5,186,788	3,938,954	1,247,834

MIFFLIN 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	EMPLOYEE BENEFITS	OPERATING SERVICES	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	1,654	645		1,165	30	0	3,494	1	1	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,018,645	65	0	0	1,018,710	0	113	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SHI	0	0	121,910	0	0	0	121,910	0	14	0	0	0
I-D COUNSELING - DEPENDENT	0	0		3,176	854,767	0	857,943	0	144	0	0	0
I-E COUNSELING - DELINQUENT	0	0			22,315	0	22,315	0	11	0	0	0
I-F DAY CARE	0	0			375	0	375	0	2	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0			35,141	0	35,141	0	8	0	0	0
I-I HOMEMAKER SERVICE	0	0			0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	43,268	20,740		9,849	0	158	74,015	916	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	160,998	78,259		39,221	0	593	279,071	337	0	11	0	0
I-N PROTECTIVE SERVICE - GENERAL	599,737	264,522		153,078	518,724	2,212	1,538,273	1,620	2,336	317	0	0
I-O SERVICE PLANNING	7,576	2,786		7,219	0	40	17,621	1,957	0	14	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					25,500		25,500	0	76	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	813,233	366,952	1,140,555	213,773	1,456,852	3,003	3,994,368			342	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services 121											
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	19,986	7,326	0	13,202	66,017	79	106,610	581	5	7	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	8,460	0	8,460	45	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	15,556	8,091	0	7,492	71,565	40	102,744	973	37	12	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	183,822	74,799	0	65,271	706,537	632	1,031,061	11,158	66	93	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	242	0	242	4	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	7,716	0	7,716	430	13	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	219,364	90,216	0	85,965	860,537	751	1,256,833	13,191	124	112	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	178,090	0	178,090	774	36	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	10,717	3,539	0	8,198	80,369	40	102,863	453	7	15	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	154	378,320	0	378,474	2,281	17	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	245,310	0	245,310	481	5	0	0	0
3-F SUBTOTAL INSTITUTIONAL	10,717	3,539	0	8,352	882,089	40	904,737	3,989	65	15	0	0
4 ADMINISTRATION	53,455	28,401	0	118,537	551	158	201,102			58	0	0
5 TOTAL EXPENDITURES	1,096,769	489,108	1,140,555	426,627	3,200,029	3,952	6,357,040			527	0	0
	County Indirect Costs = \$ 104,176											

**MIFFLIN 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	\$ 3,473	\$ 21	\$ 3,494
Adoption Assistance	1,018,710	0	1,018,710
Subsidized Permanent Legal Custodianship	121,910	0	121,910
Counseling	880,258	0	880,258
Day Care	375	0	375
Day Treatment	35,141	0	35,141
Homemaker Service	0	0	0
Intake and Referral	73,682	333	74,015
Life Skills	0	0	0
Protective Service - Child Abuse	277,371	1,700	279,071
Protective Service - General	1,537,347	926	1,538,273
Service Planning	17,427	194	17,621
Juvenile Act Proceedings	25,500	0	25,500
Alternative Treatment	0	0	0
Community Residential	114,583	487	115,070
Emergency Shelter	101,889	855	102,744
Foster Family	1,022,980	8,323	1,031,303
Supervised Independent Living	7,716	0	7,716
Juvenile Detention Service	178,090	0	178,090
Residential Service	481,337	0	481,337
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	245,310	0	245,310
Administration	173,940	27,162	201,102
Combined Total Expense	<u>6,317,039</u>	<u>40,001</u>	<u>6,357,040</u>
Less Non-reimbursables	<u>527</u>	<u>0</u>	<u>527</u>
Total Net Expense	<u>\$ 6,316,512</u>	<u>\$ 40,001</u>	<u>\$ 6,356,513</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,096,769	\$ 0	\$ 1,096,769
Employee Benefits	489,108	0	489,108
Subsidies	1,140,555	0	1,140,555
Operating	396,291	30,336	426,627
Purchased Services	3,190,364	9,665	3,200,029
Fixed Assets	3,952	0	3,952
Combined Total Expense	<u>6,317,039</u>	<u>40,001</u>	<u>6,357,040</u>
Less Non-reimbursables	<u>527</u>	<u>0</u>	<u>527</u>
Total Net Expense	<u>\$ 6,316,512</u>	<u>\$ 40,001</u>	<u>\$ 6,356,513</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustment			
CY-370	1-A	4	1	Adoption Service - Operating	\$ 1,144	\$ 21	\$ 1,165
	1-J	4		Intake & Referral - Operating	\$ 9,516	\$ 333	\$ 9,849
	1-M	4		Protective Service Child Abuse - Operating	\$ 37,521	\$ 1,700	\$ 39,221
	1-N	4		Protective Service General - Operating	\$ 152,152	\$ 926	\$ 153,078
	1-O	4		Service Planning - Operating	\$ 7,025	\$ 194	\$ 7,219
	4	4		Administration - Operating	\$ 91,375	\$ 27,162	\$ 118,537
	2-C	5		Community Residential (Dep.) - Purchased Services	\$ 65,530	\$ 487	\$ 66,017
	2-E	5		Emergency Shelter (Dep.) - Purchased Services	\$ 70,710	\$ 855	\$ 71,565
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 698,214	\$ 8,323	\$ 706,537
				Total Adjustment Amount		<u>\$ 40,001</u>	
				To increase expenditures by \$40,001 to include expenditures not reported on the CY-370 Expenditure Report submitted to the Commonwealth Department of Human Services and reconcile to the agency's final expenditure ledger. Operating expenses were increased by \$30,336 and Purchased Services were increased by \$9,665.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – The Mifflin County Children and Youth 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 Mifflin County Children and Youth Agency (agency) for failure to obtain reasonable assurance that In-Home Purchased Service providers actually provided the services for which the agency was invoiced, and subsequently paid, and that if provided, provided in adherence to the requirements of the respective provider contract terms. Agency management informed us that they did not require any of the Fee-for-Service or Program-Funded In-Home providers it contracted with during our prior engagement scope period to submit any documentation, other than submitted invoices, to substantiate the fees invoiced by these respective providers. We concluded that the agency did not have sufficient controls in place to obtain reasonable assurance that contracted services invoiced by In-Home Purchased Service providers were actually provided and if provided, provided in adherence to key executed contract terms.

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 February 2, 2018, well after the June 30, 2017 end of our current engagement scope period. 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

MIFFLIN 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 Submitted 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 Mifflin County Children and Youth Agency (agency) lacked internal control policies and procedures designed to sufficiently reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-For-Service Purchased Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence substantiating the validity of the number of units invoiced for each individual listed on invoices submitted by these providers. In addition, for contracted In-Home Program-Funded providers, these providers submitted no supporting documentation, nor did the agency require any documentation, substantiating the monthly operating costs detailed on these providers’ monthly submitted invoices. Furthermore, for both contracted Fee-for-Service and Program-Funded In-Home Purchased Service providers, the agency failed to provide supporting documentation evidencing that services related to fees invoiced by these providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider’s contract terms.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report and recommendations in similar findings issued to other county children and youth agencies, agency management provided documentation detailing formal, written monitoring policy, and corresponding procedures that they indicated had been started in October 2017, and formally implemented in February 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 implement these updated policy and procedures until after the close of our current engagement scope period (June 30, 2017), we did not assess the sufficiency of these newly implemented monitoring policies and procedures during the conduct of our current engagement. We will review and evaluate these implemented monitoring policies and procedures during the conduct of our next regularly scheduled engagement of this agency 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 In-Home providers, and operating costs invoiced by contracted Program-Funded In-Home providers, are properly substantiated, thus, reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

MIFFLIN 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 maintain books, records, documents and other evidence and accounting procedures and

MIFFLIN COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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 the conduct of our prior engagement, agency management was not notified of these internal control deficiencies until February 2018, well after the end of our current engagement scope period on June 30, 2017. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years (2014-2015, 2015-2016 and 2016-2017) included in our current engagement scope period. However, we would like to emphasize that agency management informed us that they began developing policies and procedures in October 2017, when they became aware of the In-Home finding by reading our released engagement reports on other children and youth agencies, and implemented internal control procedures related to payments to In-Home providers in February 2018.

Effect: The agency’s lack of internal control procedures, during the fiscal years included in our current engagement scope period, designed to reduce the agency’s 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 again recommend that agency management ensure that any implemented monitoring policy, and corresponding procedures, related to payments made to contracted In-Home providers 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, and in reducing the agency’s risk of paying overbillings or fraudulent billings by In-Home Purchased Service providers.

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 operating costs invoiced by Program-Funded providers.

We again further recommend that agency management ensure that:

- Agency staff responsible for reviewing and approving submitted In-Home Purchased Services providers’ invoices for payment are made aware of the results of fiscal-related

MIFFLIN COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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; and,

- The agency maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which In-Home Purchased Services providers were paid were actually provided and provided in adherence to DHS regulations and executed contract terms, and to reduce the risk of overbillings and fraudulent billings by contracted In-Home Purchased Services providers going undetected.

Agency Management Response: The Agency agrees with the finding and is continuously working on formalizing an auditing process for In-Home purchased services. We started implementing the process in February 2018. The outline of the auditing process is listed below.

Service Providers will be randomly audited on their site 1-2 times per year pending referral numbers. Based upon observation, monthly reviews, and communication on cases, CYS will determine areas of need for the service provider that is specific to that provider.

1. CYS will mandate auditing dates in January of each fiscal year where they will conduct site visits.
2. Written procedures will be submitted to the service provider along with a list of the randomly selected files.
3. During the site visits files will be randomly selected to review dictation accuracy, referral review, documentation, monthly summaries, and collaborative efforts.
4. Fiscal submission for each file will be cross referenced with billable units based on sign in sheets, case notes, and staff timesheets.
5. Staff interviews will be conducted to ensure clarity on billable units.
6. CYS will require service providers to show proof of mandated reporting clearances, FBI checks, and Act 34 clearances.
7. Service providers will show updated driver's license and proof of auto insurance for each staff.
8. Service providers will be asked to conduct a time study at least one time throughout the fiscal year and additional if there is a concern of time management.
9. Service providers will conduct quarterly internal audits that will be provided to CYS via email quarterly.
10. Modalities used by CYS could include: random samples, internal audits, time studies, fiscal billing audits, staff clearances, staff interviews, site visits, observations, and training mandates.

MIFFLIN COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

11. At the conclusion, findings document will be submitted to the service provider with conclusion of the findings identifying a reimbursement or not. If over or under billing occurred, directions to correct the billing records will be provided.
12. Auditing spreadsheet will be collected and filed for CYS auditing reports.

Minor service providers will be audited once each fiscal year by randomly sampling one bill per year and comparing invoices and billable units with back up documentation.

Auditor's Conclusion: We commend the agency's management on acknowledging the deficiencies that exist in the agency's invoice review and approval process for contracted In-Home Purchased Services providers during the fiscal years included in our current engagement scope period, and their efforts to develop and implement formal, written fiscal-related monitoring policy and procedures for these contracted In-Home Purchased Services providers. During our next audit of the agency, we will review the agency's implemented monitoring policy and procedures and determine whether they are sufficient to reduce the agency's risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers going undetected.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

MIFFLIN COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 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 Mifflin County Children and Youth Agency provided in-home and placement services to 1,417 children residing within the County during the 2016-2017 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).

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

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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.

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.

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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.¹¹ However, recent amendments to the CPSL extend this time frame from one year to five years.¹² 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

¹¹ 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.

¹² 23 Pa.C.S. § 6344.4.

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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.¹³

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.¹⁴

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)*.¹⁵

¹³ 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.

¹⁴ As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

¹⁵The agency responded to the observation stating that: "The Agency agrees with the observation and has included CPSL monitoring in our auditing process for the In-Home service providers. We are checking for workers' clearances and monitoring the agencies' confidentiality processes." We did not perform procedures to evaluate the agency's performance of those procedures.

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

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