

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

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# Somerset County Children and Youth Agency

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October 2021



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

The Commissioners of Somerset County  
Somerset County Government  
300 North Center Avenue, Suite 500  
Somerset, PA 15501

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 Somerset County Children and Youth Agency (agency), legally known as Somerset 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, 2017 to June 30, 2018, and July 1, 2018 to June 30, 2019. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2018 and June 30, 2019.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Somerset County.

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

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

- For the **2017-2018 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. While this adjustment in total impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$13,378 the agency cannot receive state reimbursement in excess of the Total State Act 148 allocation. Thus, there is no impact on the Final Net State Share Payable, and there is no amount due to the county or state because the agency's expenditures exceeded the total State Act 148 allocation by \$8,027. This adjustment is detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in three adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing non-reimbursable expenditures by \$17,671 and increasing revenue by \$3,152. Based on the application of the state participation rates, the three adjustments resulted in an amount due to the state totaling \$17,175. The three adjustments are detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that the agency did not comply with one of the two findings included in our prior engagement report, as detailed in Section 3 of this report. This resulted in our issuance of a repeat finding, as listed below and detailed in Section 4 of this report.

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

Finally, we included the observation listed below related to DHS' monitoring of County Children and Youth (C&Y) Agencies' compliance with the Child Protective Services Law (CPSL), as detailed in Section 5 of this report:

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

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on August 6, 2021.

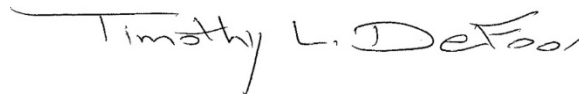
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<sup>1</sup> In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures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

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

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

Sincerely,

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

August 30, 2021

Timothy L. DeFoor  
Auditor General

# CONTENTS

	Page
<b><u>Background</u></b> .....	1
<b><u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2017 to June 30, 2018</u></b>	
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
Adjustment Schedule .....	8
<b><u>Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2018 to June 30, 2019</u></b>	
Amended Computation of Final Net State Share.....	10
Amended CY-348 - Fiscal Summary .....	11
Amended CY-370A - Revenue Report .....	12
Amended CY-370 - Expenditure Report.....	13
Amended Summary of Expense and Expense Adjustments .....	14
Adjustment Schedule .....	15
<b><u>Section 3 – Status of Prior Engagement Findings and Recommendations</u></b> .....	17
<b><u>Section 4 – Current Engagement Finding and Recommendation</u></b> .....	22
<b><u>Section 5 – Current Engagement Observation</u></b> .....	24
<b><u>Report Distribution List</u></b> .....	28

## 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 Somerset County Children and Youth Agency provided in-home and placement services to 3,779 children residing within the County during the 2018-2019 fiscal year.

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

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

# SECTION 1

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2017 to JUNE 30, 2018**

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

Approved State Allocation <sup>1</sup>	\$	3,214,037
Supplemental Act 148		<u>485,307</u>
Total State Allocation		3,699,344
State Share (CY348) <sup>2</sup>	\$	3,707,371
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	3,707,371
Less: Expenditures in Excess of the Approved State Allocation		<u>8,027</u>
Final Net State Share Payable <sup>3</sup>	\$	3,699,344
Actual Act 148 Revenues Received <sup>4</sup>		<u>3,699,344</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u>0</u>

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<sup>1</sup> Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

<sup>2</sup> State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$8,027, as detailed on this page. While our adjustments resulted in a net decrease of \$13,378 in non-reimbursable expenditures for the agency for said fiscal year, as detailed on page 7 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.



SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
 AMENDED CY348  
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	61,601	11	9,499	0	0	0	0	0	52,091	52,091	0
02. 90% REIMBURSEMENT	151,316	1,129	21,391	43,513	0	0	0	0	85,283	76,755	8,528
03. 80% REIMBURSEMENT	5,542,802	96,162	1,283,178	35,980	64,146	38,760	0	0	4,024,576	3,219,662	804,914
04. 60% REIMBURSEMENT	654,874	6,900	67,993	0	0	25,839	0	4,683	549,459	329,676	219,783
05. 50% REIMBURSEMENT	58,374	0	0	0	0	0	0	0	58,374	29,187	29,187
06. TOTAL NET CHILD WELFARE EXPEND.	6,468,967	104,202	1,382,061	79,493	64,146	64,599	0	4,683	4,769,783	3,707,371	1,062,412

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

08. NON-REIMBURSABLE EXPENDITURES	20,579	0							20,579		20,579
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09. TOTAL EXPENDITURES	6,489,546	104,202	1,382,061	79,493	64,146	64,599	0	4,683	4,790,362	3,707,371	1,082,991
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10. TOTAL TITLE IV-D COLLECTIONS 70,247

11. TITLE IV-D Collections for IV-E Children 16,197

12. STATE ACT 148 - line 6 3,707,371

13. STATE ACT 148 ALLOCATION 3,699,344

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,699,344

INVOICE											
AMENDED STATE SHARE (ACT 148)	3,707,371										
ACT 148 AMOUNT RECEIVED	3,699,344										
ADJUSTMENT TO STATE SHARE	8,027										

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
AMENDED CY370A  
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	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
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	61,601	11		9,499	0		0	0	0	52,091	52,091	0
1-B ADOPTION ASSISTANCE	573,383	0	253,196	0			0	0	0	320,187	256,150	64,037
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	85,577	6,338	26,752	0			0	0	0	52,487	41,990	10,497
1-D COUNSELING - DEPENDENT	75,778	0		635	29,929	0		0	0	45,214	36,171	9,043
1-E COUNSELING - DELINQUENT	15,267	0		0	6,051	0		0	0	9,216	7,373	1,843
1-F DAY CARE	442	0		0	0	0		0	0	442	354	88
1-G DAY TREATMENT - DEPENDENT	81	0		0	0	0		0	0	81	65	16
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0		0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0		0	0	0	0	0
1-J INTAKE & REFERRAL	52,097	14		8,098	0		0	0	0	43,985	35,188	8,797
1-K LIFE SKILLS - DEPENDENT	199,430	1,274		30,998	0		0	0	0	167,158	133,726	33,432
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	310,484	67		44,391	0		0	0	0	266,026	212,821	53,205
1-N PROTECTIVE SERVICE - GENERAL	804,212	250		124,814	0		0	0	0	679,148	543,318	135,830
1-O SERVICE PLANNING	441,092	117		68,560	0		0	0	0	372,415	297,932	74,483
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	50,128	0		0	0		0	0	0	50,128	25,064	25,064
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	<b>2,669,572</b>	<b>8,071</b>	<b>279,948</b>	<b>286,995</b>	<b>35,980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,058,578</b>	<b>1,642,243</b>	<b>416,335</b>

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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0			0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,235,161	31,725	235,265	29,589		64,146	0	0	0	874,436	699,549	174,887
2-D COMMUNITY RESIDENTIAL - DELINQUENT	90,722	2,446		0			0	0	0	88,276	70,621	17,655
2-E EMERGENCY SHELTER - DEPENDENT	125,469	1,129	11,213	10,178	30,736	0	0	0	0	72,213	64,992	7,221
2-F EMERGENCY SHELTER - DELINQUENT	25,847	0		0	12,777	0	0	0	0	13,070	11,763	1,307
2-G FOSTER FAMILY - DEPENDENT	1,659,076	53,931	222,967	237,913			38,760	0	0	1,105,505	884,404	221,101
2-H FOSTER FAMILY - DELINQUENT	0	0		0			0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0			0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0			0	0	0	0	0	0
2-K <b>SUBTOTAL CBP</b>	<b>3,136,275</b>	<b>89,231</b>	<b>469,445</b>	<b>277,680</b>	<b>43,513</b>	<b>64,146</b>	<b>38,760</b>	<b>0</b>	<b>0</b>	<b>2,153,500</b>	<b>1,731,329</b>	<b>422,171</b>

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	8,246	0					0	0	0	8,246	4,123	4,123
3-B RESIDENTIAL SERVICE - DEPENDENT	194,192	6,854	13,269	9,555		0	25,839	0	0	138,675	83,205	55,470
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	2,556	0		0		0	0	0	0	2,556	1,534	1,022
3-D SECURE RES. SERVICE (EXCEPT YDC)	154,392	0					0	0	0	154,392	92,635	61,757
3-E YDC SECURE	0	0					0	0	0	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	<b>359,386</b>	<b>6,854</b>	<b>13,269</b>	<b>9,555</b>	<b>0</b>	<b>0</b>	<b>25,839</b>	<b>0</b>	<b>0</b>	<b>303,869</b>	<b>181,497</b>	<b>122,372</b>
<b>4 ADMINISTRATION</b>	<b>303,734</b>	<b>46</b>		<b>45,169</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>4,683</b>	<b>253,836</b>	<b>152,302</b>	<b>101,534</b>
<b>5 TOTAL REVENUES</b>	<b>6,468,967</b>	<b>104,202</b>	<b>762,662</b>	<b>619,399</b>	<b>79,493</b>	<b>64,146</b>	<b>64,599</b>	<b>0</b>	<b>4,683</b>	<b>4,769,783</b>	<b>3,707,371</b>	<b>1,062,412</b>

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	23,659	11,972		25,970	0	0	61,601	41	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	582,143	0	0	0	582,143	0	68	0	8,760	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	85,577	0	0	0	85,577	0	10	0	0	0
I-D COUNSELING - DEPENDENT	0	0		9,367	66,411	0	75,778	0	57	0	0	0
I-E COUNSELING - DELINQUENT	0	0		311	14,956	0	15,267	0	35	0	0	0
I-F DAY CARE	0	0		0	442	0	442	0	1	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	81	0	81	0	1	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	30,902	15,637		5,558	0	0	52,097	247	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	118,295	59,860		21,275	0	0	199,430	278	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	149,357	75,578		52,283	23,625	9,641	310,484	261	36	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	465,613	235,612		93,346	0	9,641	804,212	1,776	0	0	0	0
I-O SERVICE PLANNING	261,535	132,343		47,214	0	0	441,092	490	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				710	49,418		50,128	0	199	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT								0	0	0	0	0
<b>SUBTOTAL IN-HOME</b>	<b>1,049,361</b>	<b>531,002</b>	<b>667,720</b>	<b>256,034</b>	<b>154,933</b>	<b>19,282</b>	<b>2,678,332</b>				<b>8,760</b>	<b>0</b>
Number of Children receiving only NON-PURCHASED IN-Home Services: 2,012												
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	102,845	52,041		41,316	1,029,318	9,641	1,235,161	6,313	39	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		198	90,524	0	90,722	446	7	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	18,991	9,610		7,535	89,333	0	125,469	1,284	64	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		200	25,647	0	25,847	95	7	0	0	0
2-G FOSTER FAMILY - DEPENDENT	304,990	154,331		115,239	1,078,952	9,641	1,663,153	25,181	111	0	4,077	0
2-H FOSTER FAMILY - DELINQUENT	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
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
<b>SUBTOTAL CBP</b>	<b>426,826</b>	<b>215,982</b>	<b>0</b>	<b>164,488</b>	<b>2,313,774</b>	<b>19,282</b>	<b>3,140,352</b>	<b>33,319</b>	<b>228</b>	<b>0</b>	<b>4,077</b>	<b>0</b>
<b>ADMINISTRATION</b>	<b>102,039</b>	<b>59,147</b>	<b>0</b>	<b>150,290</b>	<b>0</b>	<b>0</b>	<b>311,476</b>			<b>7,742</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES</b>	<b>1,609,450</b>	<b>821,930</b>	<b>667,720</b>	<b>585,991</b>	<b>2,765,891</b>	<b>38,564</b>	<b>6,489,546</b>			<b>7,742</b>	<b>12,837</b>	<b>0</b>
County Indirect Costs = \$ 131,704												

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

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 61,601	\$ 0	\$ 61,601
Adoption Assistance	582,143	0	582,143
Subsidized Permanent Legal Custodianship	85,577	0	85,577
Counseling	91,045	0	91,045
Day Care	442	0	442
Day Treatment	81	0	81
Homemaker Service	0	0	0
Intake and Referral	52,097	0	52,097
Life Skills	199,430	0	199,430
Protective Service - Child Abuse	310,484	0	310,484
Protective Service - General	804,212	0	804,212
Service Planning	441,092	0	441,092
Juvenile Act Proceedings	50,128	0	50,128
Alternative Treatment	0	0	0
Community Residential	1,325,883	0	1,325,883
Emergency Shelter	151,316	0	151,316
Foster Family	1,663,153	0	1,663,153
Supervised Independent Living	0	0	0
Juvenile Detention Service	8,246	0	8,246
Residential Service	196,748	0	196,748
Secure Residential Service (Except YDC)	154,392	0	154,392
YDC Secure	0	0	0
Administration	311,476	0	311,476
Combined Total Expense	<u>6,489,546</u>	<u>0</u>	<u>6,489,546</u>
Less Non-reimbursables	<u>33,957</u>	<u>(13,378)</u>	<u>20,579</u>
Total Net Expense	<u>\$ 6,455,589</u>	<u>\$ 13,378</u>	<u>\$ 6,468,967</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,609,450	\$ 0	\$ 1,609,450
Employee Benefits	821,930	0	821,930
Subsidies	667,720	0	667,720
Operating	585,991	0	585,991
Purchased Services	2,765,891	0	2,765,891
Fixed Assets	38,564	0	38,564
Combined Total Expense	<u>6,489,546</u>	<u>0</u>	<u>6,489,546</u>
Less Non-reimbursables	<u>33,957</u>	<u>(13,378)</u>	<u>20,579</u>
Total Net Expense	<u>\$ 6,455,589</u>	<u>\$ 13,378</u>	<u>\$ 6,468,967</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub.</p> <p>To decrease Non-Reimbursable Expenditures by \$13,378 to properly report indirect costs which exceed the two percent cost limitation amount.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 21,120	\$ (13,378)	\$ 7,742

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2018 to JUNE 30, 2019**

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

Approved State Allocation <sup>1</sup>	\$	3,703,464
Supplemental Act 148		<u>77,370</u>
Total State Allocation		3,780,834
State Share (CY348) <sup>2</sup>	\$	3,763,659
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	3,763,659
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable <sup>3</sup>	\$	3,763,659
Actual Act 148 Revenues Received <sup>4</sup>		<u>3,780,834</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u><u>(17,175)</u></u>

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<sup>1</sup> Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

<sup>2</sup> State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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.

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019  
 AMENDED CY348  
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	75,542	8	10,125	0	0	0	0	0	65,409	65,409	0
02. 90% REIMBURSEMENT	131,490	475	21,405	24,687	0	0	0	0	84,923	76,430	8,493
03. 80% REIMBURSEMENT	5,461,127	145,694	1,154,720	54,806	64,146	45,220	0	0	3,996,541	3,197,230	799,311
04. 60% REIMBURSEMENT	745,062	5,073	68,203	0	0	19,379	0	2,043	650,364	390,218	260,146
05. 50% REIMBURSEMENT	68,844	100	0	0	0	0	0	0	68,744	34,372	34,372
06. TOTAL NET CHILD WELFARE EXPEND.	6,482,065	151,350	1,254,453	79,493	64,146	64,599	0	2,043	4,865,981	3,763,659	1,102,322

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

08. NON-REIMBURSABLE EXPENDITURES	123,672	3,602							120,070		120,070
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09. TOTAL EXPENDITURES	6,605,737	154,952	1,254,453	79,493	64,146	64,599	0	2,043	4,986,051	3,763,659	1,222,392
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10. TOTAL TITLE IV-D COLLECTIONS 79,910

11. TITLE IV-D Collections for IV-E Children 23,332

12. STATE ACT 148 - Inc 6 3,763,659

13. STATE ACT 148 ALLOCATION 3,780,834

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,763,659

INVOICE											
AMENDED STATE SHARE (ACT 148)		3,763,659									
ACT 148 AMOUNT RECEIVED		3,780,834									
ADJUSTMENT TO STATE SHARE											(17,175)



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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	75,542	8	10,125	0	0	0	0	0	65,409	65,409	0	0
1-B ADOPTION ASSISTANCE	597,448	0	267,354	10	0	0	0	0	330,084	264,067	66,017	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	105,871	5,761	30,497	0	0	0	0	0	69,613	55,690	13,923	0
1-D COUNSELING - DEPENDENT	144,449	0	819	52,830	0	0	0	0	90,800	72,640	18,160	0
1-E COUNSELING - DELINQUENT	14,775	0	0	1,976	0	0	0	0	12,799	10,239	2,560	0
1-F DAY CARE	778	0	0	0	0	0	0	0	778	622	156	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	84,614	15	12,764	0	0	0	0	0	71,835	57,468	14,367	0
1-K LIFE SKILLS - DEPENDENT	140,603	2,127	21,211	0	0	0	0	0	117,265	93,812	23,453	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	388,191	1,775	53,588	0	0	0	0	0	332,828	266,262	66,566	0
1-N PROTECTIVE SERVICE - GENERAL	1,026,946	1,887	154,835	0	0	0	0	0	870,224	696,179	174,045	0
1-O SERVICE PLANNING	147,870	25	22,305	0	0	0	0	0	125,540	100,432	25,108	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	68,844	0	0	0	0	0	0	0	68,844	34,422	34,422	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	2,795,931	11,598	297,851	275,657	54,806	0	0	0	2,156,019	1,717,242	438,777	0

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	1,121,511	37,458	187,347	41,272	64,146	0	0	0	791,288	633,030	158,258	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	158,718	4,589	0	0	0	0	0	0	154,129	123,303	30,826	0
2-E EMERGENCY SHELTER - DEPENDENT	112,629	475	12,368	9,037	21,032	0	0	0	69,717	62,745	6,972	0
2-F EMERGENCY SHELTER - DELINQUENT	18,861	0	0	0	3,655	0	0	0	13,685	13,685	0	0
2-G FOSTER FAMILY - DEPENDENT	1,526,582	92,057	208,247	154,128	0	45,220	0	0	1,026,930	821,544	205,386	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	2,771	0	343	0	0	0	0	0	2,428	1,942	486	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	2,941,072	134,579	408,305	204,437	24,687	64,146	45,220	0	2,059,698	1,656,249	403,449	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	0	100	0	0	0	0	0	0	(100)	(50)	(50)	0
3-B RESIDENTIAL SERVICE - DEPENDENT	372,101	5,044	18,196	3,765	0	19,379	0	0	325,717	195,430	130,287	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	63,648	0	0	0	0	0	0	0	63,648	38,189	25,459	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	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	435,749	5,144	18,196	3,765	0	19,379	0	0	389,265	233,569	155,696	0
4 ADMINISTRATION	309,313	29	46,242	0	0	0	0	2,043	260,999	156,599	104,400	0
5 TOTAL REVENUES	6,482,065	151,350	724,352	530,101	79,493	64,146	64,299	2,043	4,865,981	3,763,659	1,102,322	0

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON P'S/SUB.	NON-REIM. PURCHASED SERV/ SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	20,689	10,221		43,632	1,000	0	75,542	48	1	0	8,760	0
I-B ADOPTION ASSISTANCE	0	0	606,208	0	0	0	606,208	0	72	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	105,871	0	0	0	105,871	0	16	0	0	0
I-D COUNSELING - DEPENDENT	0	0		11,431	133,018	0	144,449	0	116	0	0	0
I-E COUNSELING - DELINQUENT	0	0		1,031	13,744	0	14,775	0	30	0	0	0
I-F DAY CARE	0	0		778	0	0	778	0	3	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	50,339	24,870		9,405	0	0	84,614	158	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	83,409	41,210		15,984	0	0	140,603	246	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	201,516	99,562		54,213	32,900	0	388,191	212	71	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	606,669	299,732		120,545	0	0	1,026,946	1,842	0	0	0	0
I-O SERVICE PLANNING	87,971	43,463		16,436	0	0	147,870	524	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				5,520	63,324		68,844	0	206	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,050,593	519,058	712,079	278,197	244,764		2,804,691				8,760	0
Number of Children receiving only NON-PURCHASED IN-Home Services 1,863												
<b>COMMUNITY BASED PLACEMENT</b>												
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	147,757	73,002	0	73,306	827,446	0	1,121,511	4,975	31	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	200	158,518	0	158,718	748	10	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	29,486	14,367	0	9,863	58,713	0	112,629	796	37	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	18,861	0	18,861	74	6	0	0	0
2-G FOSTER FAMILY - DEPENDENT	283,297	139,966	0	119,540	1,004,029	0	1,546,832	26,335	121	0	20,250	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	2,771	0	2,771	14	1	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	460,540	227,535	0	202,909	2,070,338	0	2,961,322	32,942	206	0	20,250	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	14,824	7,324	0	5,127	420,099	0	447,374	1,341	6	1,075	74,198	3,602
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	63,648	0	63,648	214	1	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	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	14,824	7,324	0	5,127	483,747	0	511,022	1,555	7	1,075	74,198	3,602
<b>ADMINISTRATION</b>	103,121	58,320	0	167,261	0	0	328,702			19,389	0	0
<b>TOTAL EXPENDITURES</b>	1,629,078	812,237	712,079	653,494	2,798,849	0	6,605,737			20,464	103,208	3,602
County Indirect Costs = \$ 147,765												

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 75,542	\$ 0	\$ 75,542
Adoption Assistance	606,208	0	606,208
Subsidized Permanent Legal Custodianship	105,871	0	105,871
Counseling	159,224	0	159,224
Day Care	778	0	778
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	84,614	0	84,614
Life Skills	140,603	0	140,603
Protective Service - Child Abuse	388,191	0	388,191
Protective Service - General	1,026,946	0	1,026,946
Service Planning	147,870	0	147,870
Juvenile Act Proceedings	68,844	0	68,844
Alternative Treatment	0	0	0
Community Residential	1,280,229	0	1,280,229
Emergency Shelter	131,490	0	131,490
Foster Family	1,546,832	0	1,546,832
Supervised Independent Living	2,771	0	2,771
Juvenile Detention Service	0	0	0
Residential Service	511,022	0	511,022
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	328,702	0	328,702
Combined Total Expense	<u>6,605,737</u>	<u>0</u>	<u>6,605,737</u>
Less Non-reimbursables	<u>106,001</u>	<u>17,671</u>	<u>123,672</u>
Total Net Expense	<u>\$ 6,499,736</u>	<u>\$ (17,671)</u>	<u>\$ 6,482,065</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,629,078	\$ 0	\$ 1,629,078
Employee Benefits	812,237	0	812,237
Subsidies	712,079	0	712,079
Operating	653,494	0	653,494
Purchased Services	2,798,849	0	2,798,849
Fixed Assets	0	0	0
Combined Total Expense	<u>6,605,737</u>	<u>0</u>	<u>6,605,737</u>
Less Non-reimbursables	<u>106,001</u>	<u>17,671</u>	<u>123,672</u>
Total Net Expense	<u>\$ 6,499,736</u>	<u>\$ (17,671)</u>	<u>\$ 6,482,065</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	CY-370 Adjustments			
				Administration - Non-Reimbursable Non PS/Sub.  To decrease Non-Reimbursable Expenditures by \$2,579 to properly report the amount of indirect costs which exceed the 2% cost limitation amount.  Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12	\$ 21,968	\$ (2,579)	\$ 19,389
CY-370	2-G	11	2	Foster Family (Dependent) - Non-Reim. Purchased Serv/Subsidies  To increase Non-Reimbursable Purchased Service/Subsidies by \$20,250 to include non-reimbursable expenditures not reported on the Act 148 Invoice Package submitted to Commonwealth DHS.  Title 55 PA Code, Chapter 3170.95(a)(b)	\$ 82,958	\$ 20,250	\$ 103,208
CY-370A	1-M 1-N 2-C 2-G 4	2	3	CY-370A Adjustment			
				Protective Service Child Abuse - Program Income	\$ 78	\$ 1,697	\$ 1,775
				Protective Service General - Program Income	\$ 190	\$ 1,697	\$ 1,887
				Community Residential (Dependent) - Program Income	\$ 35,761	\$ 1,697	\$ 37,458
				Foster Family (Dependent) - Program Income	\$ 93,999	\$ (1,942)	\$ 92,057
				Administration - Program Income	\$ 26	\$ 3	\$ 29
				Total Adjustment Amount		<u>\$ 3,152</u>	
To increase Program Income by \$3,152 to properly report the total amount received and reconcile to the agency's final Program Income ledger.  Title 55 PA Code, Chapter 3170.95(a)(b)							

## SECTION 3

# STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

**Finding No. 1 - Failure to Perform an Annual Physical Inventory of Fixed Assets (Resolved)**

In our prior audit report, we cited the Somerset County Children and Youth Agency (agency) for failing to perform and document an annual physical inventory of fixed assets.

During our current engagement, we determined the agency developed written fixed asset policy and procedures on July 5, 2016 and provided documentation to evidence annual physical inventories of fixed assets were performed during the 2017-2018 and 2018-2019 fiscal years. Therefore, we concluded the agency appropriately addressed this finding and a repeat finding is not warranted.

**Finding No. 2 – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers (Unresolved)**

In our prior engagement report, covering the July 1, 2014 to June 30, 2017 fiscal years, we cited the Somerset County Children and Youth Agency (agency) for a lack of 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.

During the conduct of our current engagement, agency management informed us implementation of policies and procedures, for contracted In-Home Purchased Service providers, to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and to obtain reasonable assurance services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms, did not begin until March 2021. As a result, the agency’s elevated risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers continued to exist for both fiscal years included in our current engagement period.

Based on the results of the procedures performed during the conduct of our current engagement, we concluded the issuance of a repeat finding is warranted since these control deficiencies, and corresponding risks, continued to exist during our current engagement period, from July 1, 2017 until June 30, 2019. Our repeat finding is included in the Current Engagement Finding and Recommendations section (Section 4) of this report.

# SECTION 4

## CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report, the Somerset County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and failed to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms. For contracted In-Home Fee-For-Service Purchased Service providers, 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.

During the conduct of our current engagement, agency management informed us when an In-Home provider invoice was received it was briefly compared to the provider’s case notes which are accessible via the Child Accounting and Profile System (CAPS). If the number of hours invoiced for a child exceeded the number of hours authorized for service, a more detailed review was performed of the provider’s case notes. This type of review is sufficient to determine if the invoiced number of hours exceeded the authorized number of hours, but would not detect if the provider actually performed services for the number of hours invoiced.

In addition, related policies and procedures were not in writing and implemented until March 2021.

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 Code (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.*



SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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:

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 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 July 1, 2010 to June 30, 2014 prior engagement, the agency was not notified of these internal control deficiencies until October 2017, which is after the beginning of our current engagement period. In addition, agency management informed us there was not adequate agency staffing during the current engagement period to enable the agency to perform sufficient fiscal-related monitoring of contracted In-Home Purchased Service providers.

Effect: The agency’s lack of implemented fiscal-related monitoring policies and procedures from July 1, 2017 until June 30, 2019, designed to reduce the risk of paying overbillings and/or

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

fraudulent billings submitted by contracted In-Home Purchased Service providers, increased the risk of:

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

Recommendation: We recommend agency management ensures fiscal-related monitoring of providers of In-Home services is sufficient to provide reasonable assurance that contracted services related to fees invoiced by Fee-For-Service and Program-Funded (if applicable) In-Home providers were actually provided, and provided in adherence to executed contracted terms and DHS regulations.

We further recommend that agency management ensure that it:

- Notify agency staff responsible for reviewing and approving submitted In-Home Purchased Service providers' invoices for payment are made aware of the results of fiscal-related monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers.
- Maintain sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which In-Home Purchased Service 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 Service Providers going undetected.

Agency Response: - The agency does have an Invoice Processing Procedure and the fiscal unit does complete follow-up to invoices before paying the provider. There is an extensive look at all invoices, especially in-home service providers to be sure that the county is being billed correctly. There has not been guidance on the exact process that the state prefers, for what has been referred to as "Contract Monitoring", but invoices are reviewed and questioned when necessary. Somerset County contracted with SAM, Inc. in FY 20-21 to provide contract monitoring services in addition to the review of invoices that is already completed by the CYS Fiscal Unit. SAM, Inc. began contract monitoring reviews in March 2021.

Auditor's Conclusion: We commend the Somerset County Children and Youth Services Agency management on their efforts in developing and implementing formal, written fiscal-related monitoring policy and procedures for contracted In-Home Purchased Service providers to ensure the services invoiced by these providers, and paid for by the agency, were actually

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

rendered in accordance with executed contracted terms. Regarding the agency's statement that there has not been guidance on the exact monitoring process to perform, the Pennsylvania Constitution precludes the Department of the Auditor General from rendering any pre-audit advice concerning any transaction that it may have the subsequent duty to audit. Regarding the invoice processing procedure noted by the agency, based on our communications with the agency and as noted in the Condition section of this finding, the agency compared the invoiced number of hours to authorized service hours and an extensive review to determine if services were actually received did not occur unless this comparison identified hours invoiced that exceeded the authorized service hours. During our next regularly scheduled engagement, we will determine whether the agency's newly implemented policies and procedures are sufficient in reducing the agency's risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers going undetected.

# SECTION 5

## CURRENT ENGAGEMENT OBSERVATION

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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

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

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

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

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

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

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

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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

**Our 2018 Position Statement Letter**

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

**DHS Corrective Actions Taken**

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

C&Y Agencies are required to:

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

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

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

## SOMERSET COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

- Analyze the C&Y Agency's documentation of monitoring activities for adequacy of monitoring, the C&Y Agency's obtaining of any necessary corrective action plans, the C&Y Agency's timely follow-up on corrective action plans, and the adequacy and accuracy of the monitoring documentation as represented on the supplemental schedule.

### **Our Current Position**

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

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

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

### **Conclusion**

As the oversight agency, it is our opinion that DHS should ensure that every C&Y Agency and their respective Contracted Providers are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the adequacy of each C&Y

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

SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

Agency's procedures for reviewing the Certifications of their Contracted Providers' employees and volunteers and their subcontractors (whose duties require them to come into direct contact with children) and taking appropriate corrective action when disqualifying incidents are identified. We continue to believe that these children remain particularly vulnerable because contracted in-home services are oftentimes provided outside the presence and view of others.

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

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y Agencies' Contracted Providers and their subcontractors. However, it is important to note that these children under the care of the Contracted Providers remain particularly vulnerable since the in-home services are sometimes provided outside the presence and view of others, which has been further aggravated by the current COVID-19 crisis.



SOMERSET COUNTY CHILDREN AND YOUTH AGENCY  
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