

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

Union County Children and Youth Agency

April 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 Union County
Union County Government Center
155 North 15th Street
Lewisburg, PA 17837

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 Union County Children and Youth Agency (agency), legally known as Union County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2014 to June 30, 2015, July 1, 2015 to June 30, 2016, and July 1, 2016 to June 30, 2017. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2015, June 30, 2016, and June 30, 2017.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Union County.

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2014-2015, 2015-2016, and 2016-2017 fiscal years based on the accrual basis of accounting.¹

¹ The accrual basis of accounting is required by DHS.

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 one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing nonreimbursable expenditures by \$3,675. Based on the application of the state participation rates, this adjustment resulted in an amount due to the county totaling \$2,205. This adjustment is 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 increasing nonreimbursable expenditures by \$3,985. Based on the application of the state participation rates, this adjustment resulted in an amount due to the state totaling \$2,391. 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 nonreimbursable expenditures by \$19,028. Based on the application of the state participation rates, this adjustment resulted in an amount due to the state totaling \$11,417. This adjustment is detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

In addition, our prior engagement report, covering the fiscal years July 1, 2010 to June 30, 2014, included two findings, as follows:

Finding No. 1 – Union County Children and Youth Services Agency Failed to Obtain Evidence to Support that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers

Finding No. 2 – Union County Children and Youth Services Agency Erroneously Received an Overpayment of Act 148 Funding from the Commonwealth Department of Human Services

During the conduct of our current engagement, we found that there was not a reoccurrence during the fiscal years included in our current engagement scope period for the second prior year finding noted above, thus the issuance of a repeat finding is not warranted, as detailed in the Status of Prior Engagement Finding and Recommendations section (Section 4) of this report.

Regarding the first prior year finding noted above, we did not make the agency aware of the internal control deficiencies until August 22, 2017, approximately two months after the June 30, 2017, end of our current engagement scope period and the agency was not able to implement corrective action to comply with the recommendations included in this finding, as detailed in the

Status of Prior Findings and Recommendations section (Section 4) of this report. As a result, we concluded that the issuance of a repeat finding in the current section of this engagement report is warranted, as listed below and detailed in the Current Engagement Finding and Recommendations section (Section 5) of this report.

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

Furthermore, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 6 of this report.

Observation – Significant Control Deficiencies Exist in 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 agency management during an exit conference call held on April 11, 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 Union County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

April 15, 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 Union County Children and Youth Agency provided in-home and placement services to 985 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

**UNION 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		\$	1,498,156
Supplemental Act 148			<u>0</u>
Total State Allocation			1,498,156
State Share (CY348) ²	\$		1,135,855
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	1,135,855
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	1,135,855
Actual Act 148 Revenues Received ⁴			<u>1,133,650</u>
Net Amount Due County/(State) ⁵		\$	<u>2,205</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.

UNION 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare Demonstration Project Title IV-E	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B		ASSISTANCE	TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	7,374	0	998	0	0	0	0	0	6,376	6,376	0
02. 90% REIMBURSEMENT	36,547	0	3,989	4,544	0	0	0	0	28,014	25,213	2,801
03. 80% REIMBURSEMENT	1,575,464	33,420	276,997	25,585	16,187	46,847	0	0	1,176,428	941,143	235,285
04. 60% REIMBURSEMENT	290,725	9,103	22,329	0	5,395	15,615	0	1,654	236,629	141,977	94,652
05. 50% REIMBURSEMENT	42,292	0	0	0	0	0	0	0	42,292	21,146	21,146
06. TOTAL NET CHILD WELFARE EXPEND.	1,952,402	42,523	304,313	30,129	21,582	62,462	0	1,654	1,489,739	1,135,855	353,884

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

08. NON-REIMBURSABLE EXPENDITURES	34,661	0							34,661		34,661
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09. TOTAL EXPENDITURES	1,987,063	42,523	304,313	30,129	21,582	62,462	0	1,654	1,524,400	1,135,855	388,545
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10. TOTAL TITLE IV-D COLLECTIONS 10,702

11. TITLE IV-D Collections for IV-E Children 2,963

12. STATE ACT 148 - line 6 1,135,855

13. STATE ACT 148 ALLOCATION 1,498,156

14. ADJUSTED STATE SHARE (lower of 12 or 13) 1,135,855

INVOICE											
AMENDED STATE SHARE (ACT 148)	1,135,855										
ACT 148 AMOUNT RECEIVED	1,133,650										
ADJUSTMENT TO STATE SHARE	2,205										

UNION 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	7,374	0		998	0		0	0	0	6,376	6,376	0
1-B ADOPTION ASSISTANCE	93,594	0	43,951	17			0	0	0	49,626	39,701	9,925
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	18,271	0	0	0			0	0	0	18,271	14,617	3,654
1-D COUNSELING - DEPENDENT	73,424	0		10,113	4,765		0	0	0	58,546	46,837	11,709
1-E COUNSELING - DELINQUENT	14,620	0		0	1,810		0	0	0	12,810	10,248	2,562
1-F DAY CARE	1,403	0		0	1,403		0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	17,442	0		0	17,442		0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-I HOMEMAKER SERVICE	23,669	0		3,312	0		0	0	0	20,357	16,286	4,071
1-J INTAKE & REFERRAL	226,083	0		31,617	0		0	0	0	194,466	155,573	38,893
1-K LIFE SKILLS - DEPENDENT	19,851	0		2,758	0		0	0	0	17,093	13,674	3,419
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	98,358	0		12,612	165		0	0	0	85,581	68,465	17,116
1-N PROTECTIVE SERVICE - GENERAL	280,825	0		37,744	0		0	0	0	243,081	194,465	48,616
1-O SERVICE PLANNING	58,955	0		8,200	0		0	0	0	50,755	40,604	10,151
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	21,146	0		0	0		0	0	0	21,146	10,573	10,573
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	955,015	0	43,951	107,371	25,585	0	0	0	0	778,108	617,419	160,689
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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	13,133	1,783	2,575	912			0	0	0	7,863	6,290	1,573
2-D COMMUNITY RESIDENTIAL - DELINQUENT	29,986	319	0	47			0	0	0	29,620	23,696	5,924
2-E EMERGENCY SHELTER - DEPENDENT	33,043	0	2,541	1,448	4,544		0	0	0	24,510	22,059	2,451
2-F EMERGENCY SHELTER - DELINQUENT	3,504	0	0	0	0		0	0	0	3,504	3,154	350
2-G FOSTER FAMILY - DEPENDENT	605,850	31,318	37,241	85,898		16,187	46,847	0	0	388,359	310,687	77,672
2-H FOSTER FAMILY - DELINQUENT	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
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUBTOTAL CBP	685,516	33,420	42,357	88,305	4,544	16,187	46,847	0	0	453,856	365,886	87,970
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	21,146	0								21,146	10,573	10,573
3-B RESIDENTIAL SERVICE - DEPENDENT	11,351	300	0	464			5,615	0	0	4,972	2,983	1,989
3-C RES. SERVICE - DELINQUENT (NON YDC/WFC)	118,995	8,803	0	0		5,395	10,000	0	0	94,797	56,878	37,919
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0								0	0	0
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	151,492	9,103	0	464	0	5,395	15,615	0	0	120,915	70,434	50,481
4 ADMINISTRATION	160,379	0		21,865			0	0	1,654	136,860	82,116	54,744
5 TOTAL REVENUES	1,952,402	42,523	86,308	218,005	30,129	21,582	62,462	0	1,654	1,489,739	1,135,855	353,884

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	4,746	1,635		740	225	28	7,374	3	3	0	0	0
I-B ADOPTION ASSISTANCE	0	0	93,460	134	0	0	93,594	14	14	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	18,271	0	0	0	18,271	4	4	0	0	0
I-D COUNSELING - DEPENDENT	56,656	15,066		926	776	0	73,424	15	3	0	0	0
I-E COUNSELING - DELINQUENT	0	0		0	14,620	0	14,620	2	1	0	0	0
I-F DAY CARE	0	0		0	1,403	0	1,403	2	2	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	17,442	0	17,442	9	9	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	14,362	4,973		4,112	0	222	23,669	23	0	0	0	0
I-J INTAKE & REFERRAL	154,404	54,837		15,961	0	881	226,083	144	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	12,061	7,790		0	0	0	19,851	0	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	56,667	23,598		9,777	7,979	337	98,358	71	71	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	175,965	63,974		32,758	7,066	1,062	280,825	86	86	0	0	0
I-O SERVICE PLANNING	38,576	16,196		3,970	0	213	58,955	10	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	21,146		21,146	0	92	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	513,437	188,069	111,731	68,378	70,657	2,743	955,015					
	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	4,131	1,429	0	1,226	6,281	66	13,133	31	1	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	314	29,672	0	29,986	215	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	6,581	2,695	0	1,352	22,359	56	33,043	251	10	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	3,504	0	3,504	15	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	201,153	66,786	0	41,663	294,862	1,386	605,850	4,642	21	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CRP	211,865	70,910	0	44,555	356,678	1,508	685,516	5,154	35	0	0	0
ADMINISTRATION	68,914	24,139	0	101,489	0	498	195,040			34,661	0	0
TOTAL EXPENDITURES	796,438	283,617	111,731	215,113	575,401	4,763	1,987,063			34,661	0	0
	County Indirect Costs = \$ 90,356											

**UNION 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	\$ 7,374	\$ 0	\$ 7,374
Adoption Assistance	93,594	0	93,594
Subsidized Permanent Legal Custodianship	18,271	0	18,271
Counseling	88,044	0	88,044
Day Care	1,403	0	1,403
Day Treatment	17,442	0	17,442
Homemaker Service	23,669	0	23,669
Intake and Referral	226,083	0	226,083
Life Skills	19,851	0	19,851
Protective Service - Child Abuse	98,358	0	98,358
Protective Service - General	280,825	0	280,825
Service Planning	58,955	0	58,955
Juvenile Act Proceedings	21,146	0	21,146
Alternative Treatment	0	0	0
Community Residential	43,119	0	43,119
Emergency Shelter	36,547	0	36,547
Foster Family	605,850	0	605,850
Supervised Independent Living	0	0	0
Juvenile Detention Service	21,146	0	21,146
Residential Service	130,346	0	130,346
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	195,040	0	195,040
Combined Total Expense	<u>1,987,063</u>	<u>0</u>	<u>1,987,063</u>
Less Non-reimbursables	<u>38,336</u>	<u>(3,675)</u>	<u>34,661</u>
Total Net Expense	<u>\$ 1,948,727</u>	<u>\$ 3,675</u>	<u>\$ 1,952,402</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 796,438	\$ 0	\$ 796,438
Employee Benefits	283,617	0	283,617
Subsidies	111,731	0	111,731
Operating	215,113	0	215,113
Purchased Services	575,401	0	575,401
Fixed Assets	4,763	0	4,763
Combined Total Expense	<u>1,987,063</u>	<u>0</u>	<u>1,987,063</u>
Less Non-reimbursables	<u>38,336</u>	<u>(3,675)</u>	<u>34,661</u>
Total Net Expense	<u>\$ 1,948,727</u>	<u>\$ 3,675</u>	<u>\$ 1,952,402</u>

**UNION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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 Non Purchased Services/Subsidies by \$3,675 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 38,336	\$ (3,675)	\$ 34,661

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
COMPUTATION OF FINAL NET STATE SHARE

Approved State Allocation ¹		\$	1,364,543
Supplemental Act 148			<u>0</u>
Total State Allocation			1,364,543
State Share (CY348) ²	\$		1,112,499
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	1,112,499
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	1,112,499
Actual Act 148 Revenues Received ⁴			<u>1,114,890</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(2,391)</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.

**UNION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	30,177	0	4,971	0	0	0	0	0	25,206	25,206	0
02. 90% REIMBURSEMENT	40,505	0	8,430	3,244	0	0	0	0	28,831	25,948	2,883
03. 80% REIMBURSEMENT	1,561,371	22,492	308,229	28,534	5,394	31,824	0	0	1,164,898	931,917	232,981
04. 60% REIMBURSEMENT	324,861	29,881	54,545	0	16,188	30,638	0	1,654	191,955	115,174	76,781
05. 50% REIMBURSEMENT	28,825	0	317	0	0	0	0	0	28,508	14,254	14,254
06. TOTAL NET CHILD WELFARE EXPEND.	1,985,739	52,373	376,492	31,778	21,582	62,462	0	1,654	1,439,398	1,112,499	326,899
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	51,553	0							51,553		51,553
09. TOTAL EXPENDITURES	2,037,292	52,373	376,492	31,778	21,582	62,462	0	1,654	1,490,951	1,112,499	378,452
10. TOTAL TITLE IV-D COLLECTIONS	18,395										
11. TITLE IV-D Collections for IV-E Children	5,761										
12. STATE ACT 148 - line 6	1,112,499										
13. STATE ACT 148 ALLOCATION	1,364,543										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	1,112,499										
INVOICE											
AMENDED STATE SHARE (ACT 148)	1,112,499										
ACT 148 AMOUNT RECEIVED	1,114,890										
ADJUSTMENT TO STATE SHARE	(2,391)										

UNION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	30,177	0	0	4,971	0	0	0	0	0	25,206	0	0
1-B ADOPTION ASSISTANCE	133,910	0	60,196	0	0	0	0	0	0	73,714	58,971	14,743
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	12,591	0	0	0	0	0	0	0	0	12,591	10,073	2,518
1-D COUNSELING - DEPENDENT	106,315	0	0	14,444	16,356	0	0	0	0	75,515	60,412	15,103
1-E COUNSELING - DELINQUENT	3,150	0	0	0	1,215	0	0	0	0	1,935	1,548	387
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	52,705	0	0	0	9,611	0	0	0	0	43,094	34,475	8,619
1-H DAY TREATMENT - DELINQUENT	1,592	0	0	0	1,352	0	0	0	0	240	192	48
1-I HOMEMAKER SERVICE	69,430	0	0	11,396	0	0	0	0	0	58,034	46,427	11,607
1-J INTAKE & REFERRAL	263,934	0	0	43,569	0	0	0	0	0	220,365	176,292	44,073
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	114,741	0	0	17,724	0	0	0	0	0	97,017	77,614	19,403
1-N PROTECTIVE SERVICE - GENERAL	303,915	0	0	48,707	0	0	0	0	0	255,208	204,166	51,042
1-O SERVICE PLANNING	74,440	0	0	12,247	0	0	0	0	0	62,193	49,754	12,439
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	15,825	0	0	317	0	0	0	0	0	15,508	7,754	7,754
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,182,725	0	60,196	153,575	28,534	0	0	0	0	940,620	752,884	187,736
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	5,368	676	0	345	0	0	358	0	0	3,989	3,191	798
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	40,505	0	0	1,254	3,244	0	0	0	0	28,831	25,948	2,883
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	419,280	21,816	33,096	66,505	0	5,394	31,466	0	0	261,003	208,802	52,201
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	465,153	22,492	40,272	68,104	3,244	5,394	31,824	0	0	293,823	237,941	55,882
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	13,000	0	0	0	0	0	0	0	0	13,000	6,500	6,500
3-B RESIDENTIAL SERVICE - DEPENDENT	134,769	23,321	25,764	2,127	0	16,188	18,176	0	0	49,193	29,516	19,677
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	32,822	3,415	0	44	0	0	12,462	0	0	16,901	10,141	6,760
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	180,591	26,736	25,764	2,171	0	16,188	30,638	0	0	79,094	46,157	32,937
4 ADMINISTRATION	157,270	3,145	0	26,610	0	0	0	0	1,654	125,861	75,517	50,344
5 TOTAL REVENUES	1,985,739	52,373	126,232	250,260	31,778	21,582	62,462	0	1,654	1,439,398	1,112,499	326,899

UNION 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	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON-PS/SUB.	NON-REIM. PURCHASED SERV./SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
IN-HOME												
1-A ADOPTION SERVICE	19,673	6,132		3,649	162	561	30,177	3	1	0	0	0
1-B ADOPTION ASSISTANCE	0	0	133,910	0	0	0	133,910	0	17	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/H	0	0	12,591	0	0	0	12,591	0	4	0	0	0
1-D COUNSELING - DEPENDENT	61,265	17,753		6,712	18,802	1,783	106,315	27	15	0	0	0
1-E COUNSELING - DELINQUENT	0	0			3,150	0	3,150	0	2	0	0	0
1-F DAY CARE	0	0			0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0			52,705	0	52,705	0	10	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0			1,592	0	1,592	0	1	0	0	0
1-I HOMEMAKER SERVICE	50,831	18,123		376	0	100	69,430	32	0	0	0	0
1-J INTAKE & REFERRAL	172,122	66,723		19,824	0	5,265	263,934	147	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	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
1-M PROTECTIVE SERVICE - CHILD ABUSE	68,115	26,684		10,434	7,312	2,196	114,741	61	15	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	185,700	65,592		39,871	5,565	7,187	303,915	145	9	0	0	0
1-O SERVICE PLANNING	47,897	19,263		5,376	0	1,904	74,440	38	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				1,795	14,030		15,825	0	18	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	605,603	220,270	146,501	88,037	103,318	18,996	1,182,725			0	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	1,449	669		220	2,976	54	5,368	16	1	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	5,981	1,566		1,291	31,662	5	40,505	376	14	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	136,340	46,498		31,420	199,549	5,473	419,280	3,657	17	0	0	0
2-H FOSTER FAMILY - DELINQUENT	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
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0			0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	143,770	48,733	0	32,931	234,187	5,532	465,153	4,049	32	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	13,000	0	13,000	52	2	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	7,441	2,199		3,426	121,105	598	134,769	584	4	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/VFC)	0	0		247	32,575	0	32,822	120	1	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	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
3-F SUBTOTAL INSTITUTIONAL	7,441	2,199	0	3,673	166,680	598	180,591	756	7	0	0	0
4 ADMINISTRATION	69,514	25,529	0	112,584	0	1,396	208,823			51,553	0	0
5 TOTAL EXPENDITURES	826,328	296,531	146,501	237,225	504,185	26,522	2,037,292			51,553	0	0
	County Indirect Costs = \$ 103,400											

**UNION 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	\$ 30,177	\$ 0	\$ 30,177
Adoption Assistance	133,910	0	133,910
Subsidized Permanent Legal Custodianship	12,591	0	12,591
Counseling	109,465	0	109,465
Day Care	0	0	0
Day Treatment	54,297	0	54,297
Homemaker Service	69,430	0	69,430
Intake and Referral	263,934	0	263,934
Life Skills	0	0	0
Protective Service - Child Abuse	114,741	0	114,741
Protective Service - General	303,915	0	303,915
Service Planning	74,440	0	74,440
Juvenile Act Proceedings	15,825	0	15,825
Alternative Treatment	0	0	0
Community Residential	5,368	0	5,368
Emergency Shelter	40,505	0	40,505
Foster Family	419,280	0	419,280
Supervised Independent Living	0	0	0
Juvenile Detention Service	13,000	0	13,000
Residential Service	167,591	0	167,591
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	208,823	0	208,823
Combined Total Expense	<u>2,037,292</u>	<u>0</u>	<u>2,037,292</u>
Less Non-reimbursables	<u>47,568</u>	<u>3,985</u>	<u>51,553</u>
Total Net Expense	<u>\$ 1,989,724</u>	<u>\$ (3,985)</u>	<u>\$ 1,985,739</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 826,328	\$ 0	\$ 826,328
Employee Benefits	296,531	0	296,531
Subsidies	146,501	0	146,501
Operating	237,225	0	237,225
Purchased Services	504,185	0	504,185
Fixed Assets	26,522	0	26,522
Combined Total Expense	<u>2,037,292</u>	<u>0</u>	<u>2,037,292</u>
Less Non-reimbursables	<u>47,568</u>	<u>3,985</u>	<u>51,553</u>
Total Net Expense	<u>\$ 1,989,724</u>	<u>\$ (3,985)</u>	<u>\$ 1,985,739</u>

**UNION 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	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub.</p> <p>To increase Non-Reimbursable Non Purchased Services/Subsidies by \$3,985 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 47,568	\$ 3,985	\$ 51,553

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**UNION 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	\$	1,259,869
Supplemental Act 148		<u>65,688</u>
Total State Allocation		1,325,557
State Share (CY348) ²	\$	1,314,140
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	1,314,140
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	1,314,140
Actual Act 148 Revenues Received ⁴		<u>1,325,557</u>
Net Amount Due County/(State) ⁵	\$	<u>(11,417)</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.

UNION COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY348
 FISCAL SUMMARY

A	B	C	D	E	F	G	H	I	J	K
GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project, Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	18,497	0	2,593	0	0	0	0	15,904	15,904	0
02. 90% REIMBURSEMENT	40,368	0	642	0	0	0	0	39,726	35,753	3,973
03. 80% REIMBURSEMENT	1,798,571	28,850	297,965	31,778	5,396	41,230	0	1,393,352	1,114,683	278,669
04. 60% REIMBURSEMENT	269,443	16,541	28,213	0	16,186	21,232	0	185,730	111,438	74,292
05. 50% REIMBURSEMENT	72,724	0	0	0	0	0	0	72,724	36,362	36,362
06. TOTAL NET CHILD WELFARE EXPEND.	2,199,603	45,391	329,413	31,778	21,582	62,462	0	1,707,436	1,314,140	393,296
YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	0	0	0	0	0	0	0	0	0	0
08. NON-REIMBURSABLE EXPENDITURES	63,104	0	0	0	0	0	0	63,104	63,104	0
09. TOTAL EXPENDITURES	2,262,707	45,391	329,413	31,778	21,582	62,462	0	1,770,540	1,314,140	456,400
10. TOTAL TITLE IV-D COLLECTIONS	20,394									
11. TITLE IV-D Collections for IV-E Children	3,658									
12. STATE ACT 148 - line 6	1,314,140									
13. STATE ACT 148 ALLOCATION	1,325,557									
14. ADJUSTED STATE SHARE (lower of 12 or 13)	1,314,140									
INVOICE										
AMENDED STATE SHARE (ACT 148)	1,314,140									
ACT 148 AMOUNT RECEIVED	1,325,557									
ADJUSTMENT TO STATE SHARE	(11,417)									

UNION 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	18,497	0	0	2,593	0	0	0	0	0	15,904	15,904	0
1-B ADOPTION ASSISTANCE	151,449	0	62,418	0	0	0	0	0	0	89,031	71,225	17,806
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	36,157	0	0	0	0	0	0	0	0	36,157	28,926	7,231
1-D COUNSELING - DEPENDENT	77,779	0	0	7,946	11,558	0	0	0	0	58,275	46,620	11,655
1-E COUNSELING - DELINQUENT	7,102	0	0	0	0	0	0	0	0	7,102	5,682	1,420
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	85,165	0	0	0	20,220	0	0	0	0	64,945	51,956	12,989
1-H DAY TREATMENT - DELINQUENT	7,088	0	0	0	0	0	0	0	0	7,088	5,670	1,418
1-I HOMEMAKER SERVICE	53,334	0	0	7,480	0	0	0	0	0	45,854	36,683	9,171
1-J INTAKE & REFERRAL	267,777	0	0	37,875	0	0	0	0	0	229,902	183,922	45,980
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	105,480	151	0	13,682	0	0	0	0	0	91,647	73,318	18,329
1-N PROTECTIVE SERVICE - GENERAL	296,077	0	0	40,183	0	0	0	0	0	255,894	204,715	51,179
1-O SERVICE PLANNING	114,306	0	0	16,202	0	0	0	0	0	98,104	78,483	19,621
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	72,724	0	0	0	0	0	0	0	0	72,724	36,362	36,362
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,292,935	151	62,418	125,961	31,778	0	0	0	0	1,072,627	839,466	233,161
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	43,765	1,030	0	0	0	1,605	0	0	0	41,130	32,904	8,226
2-C COMMUNITY RESIDENTIAL - DEPENDENT	35,715	4,836	0	779	5,396	0	0	0	0	24,704	19,763	4,941
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	40,868	0	535	107	0	0	0	0	0	39,726	35,753	3,973
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	515,855	22,833	45,242	66,158	0	39,625	0	0	0	341,997	273,598	68,399
2-H FOSTER FAMILY - DELINQUENT	1,522	0	0	0	0	0	0	0	0	1,522	1,218	304
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	637,225	28,699	45,777	67,044	0	5,396	41,230	0	0	449,079	363,236	85,843
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	98,031	16,541	0	1,271	16,186	21,232	0	0	0	42,801	25,681	17,120
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0	0	0	0	0	0	0	0	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	98,031	16,541	0	1,271	16,186	21,232	0	0	0	42,801	25,681	17,120
4 ADMINISTRATION	171,412	0	0	26,942	0	0	0	0	1,541	142,929	85,757	57,172
5 TOTAL REVENUES	2,199,603	45,391	108,195	221,218	31,778	21,582	62,462	0	1,541	1,707,436	1,314,140	393,296

UNION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME	12,999	4,324	1,101	68	5	18,497	2	1	0	0	0	0
1-A ADOPTION SERVICE	0	0	151,449	0	0	151,449	0	19	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	36,157	0	0	36,157	0	5	0	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	36,557	14,395	4,277	22,512	38	77,779	10	31	0	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	7,102	0	7,102	0	2	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	85,165	0	85,165	0	20	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	7,088	0	7,088	0	1	0	0	0	0
1-I HOMEMAKER SERVICE	26,948	15,109	11,178	0	99	53,334	5	0	0	0	0	0
1-J INTAKE & REFERRAL	180,805	66,971	19,825	0	176	267,777	140	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	65,999	23,668	7,866	7,892	55	105,480	66	14	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	185,518	68,800	32,366	9,219	174	296,077	97	17	0	0	0	0
1-O SERVICE PLANNING	78,829	27,370	8,035	0	72	114,306	25	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	72,724	0	72,724	0	22	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	587,655	220,637	187,606	84,648	211,770	619	1,292,935	0	0	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 985												
COMMUNITY BASED PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	43,765	0	43,765	340	1	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	3,446	1,270	0	1,122	29,871	6	35,715	153	2	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	417	153	0	1,680	38,118	0	40,368	487	17	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	160,968	55,746	0	53,619	245,390	132	515,855	4,833	26	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	1,522	0	1,522	92	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	164,831	57,169	0	56,421	358,666	138	637,225	5,905	47	0	0	0
INSTITUTIONAL PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	6,019	2,135	0	1,124	88,748	5	98,031	348	3	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	0	0	0	0	0	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	6,019	2,135	0	1,124	88,748	5	98,031	348	3	0	0	0
4 ADMINISTRATION	81,395	29,927	0	123,149	0	45	234,516	0	0	63,104	0	0
5 TOTAL EXPENDITURES	839,900	309,868	187,606	265,342	659,184	807	2,262,707	0	0	63,104	0	0
County Indirect Costs = \$ 113,936												

**UNION 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	\$ 18,497	\$ 0	\$ 18,497
Adoption Assistance	151,449	0	151,449
Subsidized Permanent Legal Custodianship	36,157	0	36,157
Counseling	84,881	0	84,881
Day Care	0	0	0
Day Treatment	92,253	0	92,253
Homemaker Service	53,334	0	53,334
Intake and Referral	267,777	0	267,777
Life Skills	0	0	0
Protective Service - Child Abuse	105,480	0	105,480
Protective Service - General	296,077	0	296,077
Service Planning	114,306	0	114,306
Juvenile Act Proceedings	72,724	0	72,724
Alternative Treatment	43,765	0	43,765
Community Residential	35,715	0	35,715
Emergency Shelter	40,368	0	40,368
Foster Family	517,377	0	517,377
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	98,031	0	98,031
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	<u>234,516</u>	<u>0</u>	<u>234,516</u>
Combined Total Expense	2,262,707	0	2,262,707
Less Non-reimbursables	<u>44,076</u>	<u>19,028</u>	<u>63,104</u>
Total Net Expense	<u>\$ 2,218,631</u>	<u>\$ (19,028)</u>	<u>\$ 2,199,603</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 839,900	\$ 0	\$ 839,900
Employee Benefits	309,868	0	309,868
Subsidies	187,606	0	187,606
Operating	265,342	0	265,342
Purchased Services	659,184	0	659,184
Fixed Assets	<u>807</u>	<u>0</u>	<u>807</u>
Combined Total Expense	2,262,707	0	2,262,707
Less Non-reimbursables	<u>44,076</u>	<u>19,028</u>	<u>63,104</u>
Total Net Expense	<u>\$ 2,218,631</u>	<u>\$ (19,028)</u>	<u>\$ 2,199,603</u>

**UNION 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	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub.</p> <p>To increase Non-Reimbursable Non Purchased Services/Subsidies by \$19,028 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 44,076	\$ 19,028	\$ 63,104

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

Prior Engagement Finding No. 1 – Union County Children and Youth Agency Failed to Obtain Evidence to Support that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Union County Children and Youth Agency (agency) for failure to obtain evidence to support 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’s contract terms. Agency management informed us that the agency did not perform any procedures to obtain evidence substantiating that any of the In-Home Purchased Service providers it contracted with during the fiscal years included in our prior engagement scope period actually provided to at-risk children and their families the contracted In-Home Purchased Services they were paid for. We concluded that the agency did not have sufficient controls in place to ensure 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 August 22, 2017, approximately two months after the June 30, 2017 end of our current engagement scope period. Therefore, these control deficiencies and corresponding risks continued to exist for all 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.

Prior Engagement Finding No. 2 – Union County Children and Youth Agency Erroneously Received an Overpayment of Act 148 Funding from the Commonwealth Department of Human Services (Resolved)

In our prior engagement report, we cited the agency for erroneously receiving a \$517 overpayment of Act 148 funding from the Commonwealth Department of Human Services (DHS). The agency was responsible for identifying the overpayment and returning it; we made the agency aware of the issue, and the balance due to the DHS was offset with unrelated adjustments made during the conduct of our prior engagement. For the fiscal years included in our current engagement scope period, 2014-2015, 2015-2016, and 2016-2017, the agency did not receive an overpayment of Act 148 funds. In addition, agency management stated, as a result of discussions with our auditors at the August 22, 2017, exit conference of our prior engagement, they perform monitoring procedures to compare the payment amounts received,

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

and the accompanying payment computation sheets, to the agency's records to ensure the proper amounts are received and that any overpayments or underpayments are appropriately addressed. Therefore, due to the isolated nature of the incident and agency management's procedures implemented to prevent a reoccurrence, we concluded that the issuance of a repeat finding is not warranted.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

UNION 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 Union 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, 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. Furthermore, 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 contract terms.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management provided documentation detailing formal, written monitoring policy, and corresponding procedures, that they indicated had been developed in December 2017 and formally implemented in January 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 providers are properly substantiated, thus, reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

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

UNION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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 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 made aware of these internal control deficiencies until August 22, 2017, approximately two

UNION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

months 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 internal control policies and procedures related to payments to In-Home Purchased Service providers in December 2017, after they were made aware of the agency's control deficiencies during our prior engagement, and implemented fiscal-related monitoring procedures in January 2018.

Effect: The agency's lack of internal control procedures designed to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers, increased agency management's risk of:

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

Recommendation: We again recommend that agency management ensure that the agency's newly implemented fiscal-related monitoring procedures related to payments to contracted In-Home Purchased Service providers are sufficient in providing agency management reasonable assurance that the services related to the fees invoiced by these contracted 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 submitted 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. If the agency enters into contracts with Program-Funded In-Home Purchased Services providers, the fiscal-related monitoring must be sufficient to assess the validity of those providers' invoiced operating costs. Agency management should consider fiscal-related monitoring procedures, such as the following:

- Performance of on-site fiscal-related monitoring visits of In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the validity the number of units invoiced by Fee-for-Service providers and of operating costs invoiced by Program-Funded providers, and that related services were actually provided according to executed contract terms.

UNION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Services costs were actually provided.²

The specific fiscal-related monitoring procedures selected by agency management may consist of procedures performed prior to payment of the providers' submitted invoices, procedures performed subsequent to payment to verify the existence of documentation substantiating the invoiced costs, or some combination of such pre- and post-payment monitoring procedures.

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 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 management agreed with the finding and provided no written response.

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 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.

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

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

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

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,⁴ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Union County Children and Youth Agency provided in-home and placement services to 985 children residing within the County during the 2016-2017 fiscal year.

Day Treatment Centers and Child Residential Facilities

Beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, 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

³ 23 Pa.C.S. §§ 6344 and 6344.2.

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

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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.⁵

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁶ 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"⁷ in their provider executed contracts. Instead, all C&Y agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

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

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

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

⁷ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (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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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.⁸

DHS Senior Management Follow-Up Response

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

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

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

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

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

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

Auditor General Senior Management's Follow-up Conclusion Statement

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

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

¹¹ 23 Pa.C.S. § 6344.4.

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

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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.¹³

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

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

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

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This report was originally distributed to the following:

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Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

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