

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

---

## Wayne County Children and Youth Agency

---

May 2021



Commonwealth of Pennsylvania  
Department of the Auditor General

Timothy L. DeFoor • Auditor General



Commonwealth of Pennsylvania  
Department of the Auditor General  
Harrisburg, PA 17120-0018  
Facebook: Pennsylvania Auditor General  
Twitter: @PAAuditorGen  
[www.PaAuditor.gov](http://www.PaAuditor.gov)

TIMOTHY L. DEFOOR  
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Wayne County  
Wayne County Courthouse  
925 Court Street  
Honesdale, PA 18431

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

## Independent Auditor's Report (Continued)

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

- For the **2017-2018 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$5,087 and decreasing non-reimbursable expenditures by \$14,602. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the county totaling \$2,832. All adjustments are 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 one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share decreasing non-reimbursable expenditures by \$17,164. However, the adjustment did not impact the agency's Final Net State Share Payable because total expenditures exceeded the approved state allocation by \$10,298. All 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 the recommendations in the finding included in our prior engagement report, as detailed in Section 3 of this report. This resulted in the issuance of the following repeat finding, which is 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 Submitted by Contracted In-Home Purchased Service Providers

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 5 of this report.

Observation – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

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 April 14, 2021.

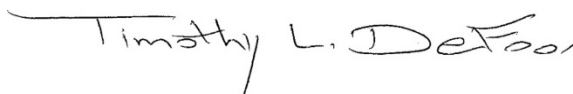
This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of any recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of any recommended 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 §

Independent Auditor's Report (Continued)

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 Wayne County Children and Youth Agency. If you have any questions, please feel free to contact Tracie Fountain, CPA, Director, Bureau of Children and Youth Services Audits at 717-787-1159.

Sincerely,

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

Timothy L. DeFoor  
Auditor General

April 22, 2021

# 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 Finding and Recommendations</u></b> .....	17
<b><u>Section 4 – Current Engagement Finding and Recommendations</u></b> .....	19
<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 Wayne County Children and Youth Agency provided in-home and placement services to 1,744 children residing within the County during the 2018-2019 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 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**

**WAYNE 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>	\$ 3,229,682
Supplemental Act 148	<u>0</u>
Total State Allocation	3,229,682
State Share (CY348) <sup>2</sup>	\$ 3,155,335
Less: Major Service Category Adjustment	<u>0</u>
Net State Share	\$ 3,155,335
Less: Expenditures in Excess of the Approved State Allocation	<u>0</u>
Final Net State Share Payable <sup>3</sup>	\$ 3,155,335
Actual Act 148 Revenues Received <sup>4</sup>	<u>3,152,503</u>
Net Amount Due County/(State) <sup>5</sup>	<u>\$ 2,832</u>

---

<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 audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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.

---



WAYNE 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	23,174	248	3,343	0	0	0	0	0	19,583	19,583	0
02. 90% REIMBURSEMENT	14,928	0	487	0	0	0	0	0	14,441	12,997	1,444
03. 80% REIMBURSEMENT	4,022,979	64,204	680,625	73,336	0	0	0	0	3,204,814	2,563,851	640,963
04. 60% REIMBURSEMENT	1,316,236	34,209	214,209	0	47,549	147,988	0	4,755	867,526	520,516	347,010
05. 50% REIMBURSEMENT	76,776	0	0	0	0	0	0	0	76,776	38,388	38,388
06. TOTAL NET CHILD WELFARE EXPEND.	5,454,093	98,661	898,664	73,336	47,549	147,988	0	4,755	4,183,140	3,155,335	1,027,805

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

08. NON-REIMBURSABLE EXPENDITURES	12,594	0							12,594		12,594
-----------------------------------	--------	---	--	--	--	--	--	--	--------	--	--------

09. TOTAL EXPENDITURES	5,466,687	98,661	898,664	73,336	47,549	147,988	0	4,755	4,195,734	3,155,335	1,040,399
------------------------	-----------	--------	---------	--------	--------	---------	---	-------	-----------	-----------	-----------

10. TOTAL TITLE IV-D COLLECTIONS 55,014

11. TITLE IV-D Collections for IV-E Children 10,907

12. STATE ACT 148 - line 6 3,155,335

13. STATE ACT 148 ALLOCATION 3,229,682

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,155,335

INVOICE	
AMENDED STATE SHARE (ACT 148)	3,155,335
ACT 148 AMOUNT RECEIVED	3,152,503
ADJUSTMENT TO STATE SHARE	2,832

WAYNE 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	23,174	248		3,343						19,583	19,583	0
1-B ADOPTION ASSISTANCE	406,599		192,829	2,680						211,090	168,872	42,218
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	63,637	0	15,413							48,224	38,579	9,645
1-D COUNSELING - DEPENDENT	240,432	0			37,849					202,583	162,066	40,517
1-E COUNSELING - DELINQUENT	194,923	0			35,487					159,436	127,549	31,887
1-F DAY CARE	0	0								0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0								0	0	0
1-H DAY TREATMENT - DELINQUENT	3,946	0								3,946	3,157	789
1-I HOMEMAKER SERVICE	338,701	5,500		49,972						283,229	226,583	56,646
1-J INTAKE & REFERRAL	920,951	12,536		135,919						772,496	617,997	154,499
1-K LIFE SKILLS - DEPENDENT	0	0								0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0								0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	100,147	731		13,991						85,425	68,340	17,085
1-N PROTECTIVE SERVICE - GENERAL	758,508	9,523		110,580						638,405	510,724	127,681
1-O SERVICE PLANNING	91,338	1,098		13,536						76,704	61,363	15,341
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	50,276	0								50,276	25,138	25,138
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0								0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	3,192,632	29,636	208,242	330,021	73,336	0	0	0	0	2,551,397	2,029,951	521,446
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0								0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0								0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	25,666	2,757		136						22,773	18,218	4,555
2-D COMMUNITY RESIDENTIAL - DELINQUENT	76,238	6,568								69,670	55,736	13,934
2-E EMERGENCY SHELTER - DEPENDENT	10,187	0	431	56						9,700	8,730	970
2-F EMERGENCY SHELTER - DELINQUENT	4,741	0								4,741	4,267	474
2-G FOSTER FAMILY - DEPENDENT	781,968	25,491	67,553	76,494						612,430	489,944	122,486
2-H FOSTER FAMILY - DELINQUENT	0	0								0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	14,925	0		783						14,142	11,314	2,828
2-J SUP. INDEPENDENT LIVING - DELINQUENT	5,000	0		739						4,261	3,409	852
2-K <b>SUBTOTAL CBP</b>	918,725	34,816	67,984	78,208	0	0	0	0	0	737,717	591,618	146,099
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	26,500	0								26,500	13,250	13,250
3-B RESIDENTIAL SERVICE - DEPENDENT	380,160	480	137,727	530			82,504			158,919	95,351	63,568
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	319,589	26,145				47,549	65,484			180,411	108,247	72,164
3-D SECURE RES. SERVICE (EXCEPT YDC)	90,601	5,390								85,211	51,127	34,084
3-E YDC SECURE	0	0								0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	816,850	32,015	137,727	530	0	47,549	147,988	0	0	451,041	267,975	183,066
<b>ADMINISTRATION</b>	525,886	2,194		75,952		0	0	0	4,755	442,985	265,791	177,194
<b>TOTAL REVENUES</b>	5,454,093	98,661	413,953	484,711	73,336	47,549	147,988	0	4,755	4,183,140	3,155,335	1,027,805

WAYNE 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>												
1-A ADOPTION SERVICE	15,600	5,064	1,887	251	536	87	23,174	25	1	0	0	0
1-B ADOPTION ASSISTANCE	5,488	1,812	399,048	0	0	0	406,599	44	44	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	63,637	0	0	0	63,637	0	6	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	240,432	0	240,432	0	140	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	194,923	0	194,923	0	25	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	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	3,946	0	3,946	0	1	0	0	0
1-I HOME/MAKER SERVICE	206,825	100,949	26,809	0	4,118	0	338,701	157	0	0	0	0
1-J INTAKE & REFERRAL	618,172	202,787	88,840	0	525	10,627	920,951	1,957	19	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	62,808	22,017	8,978	0	5,750	594	100,147	23	23	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	493,489	177,317	72,048	0	8,272	7,382	758,508	116	15	0	0	0
1-O SERVICE PLANNING	57,352	25,660	7,435	0	891	0	91,338	114	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	50,276	0	50,276	0	64	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	1,459,734	535,606	462,685	206,248	504,660	23,699	3,192,632	1,957	236	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
<b>COMMUNITY BASED PLACEMENT</b>	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	1,064	24,602	0	25,666	172	2	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	76,238	0	76,238	447	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	467	9,720	0	10,187	97	10	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	4,741	0	4,741	22	1	0	0	0
2-G FOSTER FAMILY - DEPENDENT	123,529	66,795	72,903	0	516,786	1,955	781,968	9,565	57	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	14,203	722	0	14,925	0	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	5,000	0	0	5,000	0	0	0	0	0
2-K <b>SUBTOTAL CBP</b>	123,529	66,795	0	93,637	632,809	1,955	918,725	10,303	73	0	0	0
<b>INSTITUTIONAL PLACEMENT</b>	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income
3-A JUVENILE DETENTION SERVICE	0	0	0	7,143	373,017	0	380,160	1,892	7	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	733	318,836	0	319,569	1,585	7	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	586	90,601	0	90,601	328	3	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 <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	8,462	808,388	0	816,850	3,884	22	0	0	0
<b>4 ADMINISTRATION</b>	263,385	95,011	0	178,304	0	1,780	538,480	12,594	12,594	0	0	0
<b>5 TOTAL EXPENDITURES</b>	1,846,648	697,412	462,685	486,651	1,945,857	27,434	5,466,687	12,594	12,594	0	0	0
County Indirect Costs = \$ 127,191												

**WAYNE 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	\$ 23,174	\$ 0	\$ 23,174
Adoption Assistance	406,599	0	406,599
Subsidized Permanent Legal Custodianship	63,637	0	63,637
Counseling	435,355	0	435,355
Day Care	0	0	0
Day Treatment	3,946	0	3,946
Homemaker Service	340,224	(1,523)	338,701
Intake and Referral	925,331	(4,380)	920,951
Life Skills	0	0	0
Protective Service - Child Abuse	100,335	(188)	100,147
Protective Service - General	761,320	(2,812)	758,508
Service Planning	91,689	(351)	91,338
Juvenile Act Proceedings	50,276	0	50,276
Alternative Treatment	0	0	0
Community Residential	101,904	0	101,904
Emergency Shelter	14,928	0	14,928
Foster Family	783,716	(1,748)	781,968
Supervised Independent Living	19,925	0	19,925
Juvenile Detention Service	19,750	6,750	26,500
Residential Service	699,881	(132)	699,749
Secure Residential Service (Except YDC)	90,601	0	90,601
YDC Secure	0	0	0
Administration	539,183	(703)	538,480
Combined Total Expense	<u>5,471,774</u>	<u>(5,087)</u>	<u>5,466,687</u>
Less Non-reimbursables	<u>27,196</u>	<u>(14,602)</u>	<u>12,594</u>
Total Net Expense	<u>\$ 5,444,578</u>	<u>\$ 9,515</u>	<u>\$ 5,454,093</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	\$ 1,846,648	\$ 0	\$ 1,846,648
Employee Benefits	697,412	0	697,412
Subsidies	462,685	0	462,685
Operating	488,146	(1,495)	486,651
Purchased Services	1,938,789	7,068	1,945,857
Fixed Assets	38,094	(10,660)	27,434
Combined Total Expense	<u>5,471,774</u>	<u>(5,087)</u>	<u>5,466,687</u>
Less Non-reimbursables	<u>27,196</u>	<u>(14,602)</u>	<u>12,594</u>
Total Net Expense	<u>\$ 5,444,578</u>	<u>\$ 9,515</u>	<u>\$ 5,454,093</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370				CY-370 Adjustments			
	2-G	4	1	Foster Family (Dep.) - Operating	\$ 74,266	\$ (1,363)	\$ 72,903
	3-B	4		Residential Service (Dep.) - Operating	\$ 7,275	\$ (132)	\$ 7,143
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 516,465	\$ 318	\$ 516,783
	3-A	5		Juvenile Detention - Purchased Services	\$ 19,750	\$ 6,750	\$ 26,500
	1-I	6		Homemaker Service - Fixed Assets	\$ 5,641	\$ (1,523)	\$ 4,118
	1-J	6		Intake & Referral - Fixed Assets	\$ 15,007	\$ (4,380)	\$ 10,627
	1-M	6		Protective Service Child Abuse - Fixed Assets	\$ 782	\$ (188)	\$ 594
	1-N	6		Protective Service General - Fixed Assets	\$ 10,194	\$ (2,812)	\$ 7,382
	1-O	6		Service Planning - Fixed Assets	\$ 1,242	\$ (351)	\$ 891
	2-G	6		Foster Family (Dep.) - Fixed Assets	\$ 2,658	\$ (703)	\$ 1,955
	4	6		Administration - Fixed Assets	\$ 2,483	\$ (703)	\$ 1,780
				Total Adjustment Amount		\$ (5,087)	
				To decrease expenditures by \$5,087 to include agency adjustments made to the expenditure ledger subsequent to the submission of the Act 148 Invoice to Commonwealth DHS.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	10	2	Administration - Non-Reimbursable Non-PS/Sub.	\$ 27,196	\$ (14,602)	\$ 12,594
				To decrease non-reimbursable expenditures by \$14,602 to properly report the amount of indirect costs which exceed the 2% cost limitation maximum amount.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

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

**WAYNE 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>	\$ 3,487,916
Supplemental Act 148	<u>231,958</u>
Total State Allocation	3,719,874
State Share (CY348) <sup>2</sup>	\$ 3,730,172
Less: Major Service Category Adjustment	<u>0</u>
Net State Share	\$ 3,730,172
Less: Expenditures in Excess of the Approved State Allocation	<u>10,298</u>
Final Net State Share Payable <sup>3</sup>	\$ 3,719,874
Actual Act 148 Revenues Received <sup>4</sup>	<u>3,719,874</u>
Net Amount Due County/(State) <sup>5</sup>	\$ <u>0</u>

---

<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 audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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 \$10,298, as detailed on this page. While our adjustments resulted in a net increase of \$17,164 in expenditures for the agency for said fiscal year, as detailed on page 14 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.

---

**WAYNE 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	12,998	68	1,549	0	0	0	0	0	11,381	11,381	0
02. 90% REIMBURSEMENT	5,173	0	55	0	0	0	0	0	5,118	4,606	512
03. 80% REIMBURSEMENT	4,385,685	73,730	605,095	73,336	47,549	0	0	0	3,585,975	2,868,782	717,193
04. 60% REIMBURSEMENT	1,590,193	29,103	121,924	0	0	147,988	0	1,921	1,289,257	773,554	515,703
05. 50% REIMBURSEMENT	145,229	1,531	0	0	0	0	0	0	143,698	71,849	71,849
06. TOTAL NET CHILD WELFARE EXPEND.	6,139,278	104,432	728,623	73,336	47,549	147,988	0	1,921	5,035,429	3,730,172	1,305,257
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	138,897	5,012							133,885	80,331	53,554
08. NON-REIMBURSABLE EXPENDITURES	13,808	0							13,808		13,808
09. TOTAL EXPENDITURES	6,291,983	109,444	728,623	73,336	47,549	147,988	0	1,921	5,183,122	3,810,503	1,372,619
10. TOTAL TITLE IV-D COLLECTIONS	82,787										
11. TITLE IV-D Collections for IV-E Children	17,648										
12. STATE ACT 148 - line 6	3,730,172										
13. STATE ACT 148 ALLOCATION	3,719,874										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	3,719,874										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,730,172										
ACT 148 AMOUNT RECEIVED	3,719,874										
ADJUSTMENT TO STATE SHARE	10,298										



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

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	REIMBURSABLE EXPENDITURES	NET	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	12,998	68	1,549	0			0	0	11,381	0	11,381	0
1-B ADOPTION ASSISTANCE	416,359	0	200,253	5,399		0	0	0	210,707	168,566	42,141	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	58,932	0	15,796	14		0	0	0	43,122	34,498	8,624	
1-D COUNSELING - DEPENDENT	301,512	0		62,455	0	0	0	0	239,057	191,246	47,811	
1-E COUNSELING - DELINQUENT	143,863	0		10,881	0	0	0	0	132,982	106,386	26,596	
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	7,208	0		0	0	0	0	0	7,208	5,766	1,442	
1-I HOMEMAKER SERVICE	393,656	1,089		46,903	0	0	0	0	345,664	276,531	69,133	
1-J INTAKE & REFERRAL	951,394	2,246		113,306	0	0	0	0	835,842	668,674	167,168	
1-K LIFE SKILLS - DEPENDENT	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
1-M PROTECTIVE SERVICE - CHILD ABUSE	102,922	136		11,134	0	0	0	0	91,652	73,322	18,330	
1-N PROTECTIVE SERVICE - GENERAL	792,691	1,838		93,978	0	0	0	0	696,875	557,500	139,375	
1-O SERVICE PLANNING	69,444	205		8,290	0	0	0	0	60,949	48,759	12,190	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	69,600	0		0	0	0	0	0	69,600	34,800	34,800	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,320,579	5,582	216,049	280,573	73,336	0	0	0	2,745,039	2,177,429	567,610	

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	REIMBURSABLE EXPENDITURES	NET	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	143,544	17,443	0	210	47,549	0	0	0	78,342	62,674	15,668	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	78,163	3,273	0	0		0	0	0	74,890	59,912	14,978	
2-E EMERGENCY SHELTER - DEPENDENT	5,173	0	0	55	0	0	0	0	5,118	4,606	512	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	901,459	47,500	38,080	70,224		0	0	0	745,655	596,524	149,131	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	24,538	0	0	1,508		0	0	0	23,030	18,424	4,606	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,152,877	68,216	38,080	71,997	0	47,549	0	0	927,035	742,140	184,895	

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	REIMBURSABLE EXPENDITURES	NET	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	75,629	1,531						0	74,098	37,049	37,049	
3-B RESIDENTIAL SERVICE - DEPENDENT	383,242	2,375	51,513	208		85,093	0	0	244,053	146,432	97,621	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	275,652	11,386	0	0	0	62,895	0	0	201,371	120,823	80,548	
3-D SECURE RES. SERVICE (EXCEPT YDC)	324,833	14,934						0	309,899	185,939	123,960	
3-E YDC SECURE	138,897	5,012							133,885	80,331	53,554	
3-F SUBTOTAL INSTITUTIONAL	1,198,253	35,238	51,513	208	0	147,988	0	0	963,306	570,574	392,732	

4 ADMINISTRATION	606,466	408		70,203	0	0	0	1,921	533,934	320,360	213,574	
5 TOTAL REVENUES	6,278,175	109,444	305,642	422,981	73,336	47,549	147,988	0	5,169,314	3,810,503	1,358,811	

WAYNE 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
IN-HOME		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
1-A	ADOPTION SERVICE	8,294	2,800		1,760	0	144	12,998	27	0	0	0	0
1-B	ADOPTION ASSISTANCE	1,837	706	413,790	26	0	0	416,359	45	45	0	0	0
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	58,815	117	0	0	58,932	0	8	0	0	0
1-D	COUNSELING - DEPENDENT	0	0		0	301,512	0	301,512	0	144	0	0	0
1-E	COUNSELING - DELINQUENT	0	0		0	143,863	0	143,863	0	30	0	0	0
1-F	DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G	DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	0	0		0	7,208	0	7,208	0	2	0	0	0
1-I	HOMEMAKER SERVICE	232,596	122,022		36,733	0	2,305	393,656	176	0	0	0	0
1-J	INTAKE & REFERRAL	628,727	229,051		87,567	1,376	4,673	951,394	2,543	16	0	0	0
1-K	LIFE SKILLS - DEPENDENT	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
1-M	PROTECTIVE SERVICE - CHILD ABUSE	58,234	25,349		9,595	9,374	370	102,922	14	45	0	0	0
1-N	PROTECTIVE SERVICE - GENERAL	512,563	198,177		76,245	1,815	3,891	792,691	156	18	0	0	0
1-O	SERVICE PLANNING	46,493	16,756		5,763	0	432	69,444	140	0	0	0	0
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT				0	69,600		69,600	0	76	0	0	0
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT				0			0	0	0	0	0	0
1-R	SUBTOTAL IN-HOME	1,488,744	594,861	472,605	217,806	534,748	11,815	3,320,579			0	0	0
		Number of Children receiving only NON-PURCHASED IN-Home Services 2,797											
COMMUNITY BASED PLACEMENT		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	8,083	135,461	0	143,544	802	3	0	0	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	339	77,824	0	78,163	441	3	0	0	0
2-E	EMERGENCY SHELTER - DEPENDENT	0	0	0	833	4,340	0	5,173	79	6	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	158,232	69,549	0	84,263	587,679	1,898	901,621	10,571	64	0	162	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	24,176	362	0	24,538	365	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	158,232	69,549	0	117,694	805,666	1,898	1,153,039	12,258	77	0	162	0
INSTITUTIONAL PLACEMENT		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A	JUVENILE DETENTION SERVICE	0	0	0	229	75,400	0	75,629	290	13	0	0	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	0	0	0	5,874	377,368	0	383,242	1,511	12	0	0	0
3-C	RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	275,652	0	275,652	997	7	0	0	0
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	324,833	0	324,833	1,077	4	0	0	0
3-E	YDC SECURE	0	0	0	0	138,897	0	138,897	253	3	0	0	0
3-F	SUBTOTAL INSTITUTIONAL	0	0	0	6,103	1,192,150	0	1,198,253	4,128	39	0	0	0
4	ADMINISTRATION	303,125	101,029	0	213,538	558	1,862	620,112			13,646	0	0
5	TOTAL EXPENDITURES	1,950,101	765,439	472,605	555,141	2,533,122	15,575	6,291,983			13,646	162	0
		County Indirect Costs = \$ 142,319											

**WAYNE 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>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 12,998	\$ 0	\$ 12,998
Adoption Assistance	416,359	0	416,359
Subsidized Permanent Legal Custodianship	58,932	0	58,932
Counseling	445,375	0	445,375
Day Care	0	0	0
Day Treatment	7,208	0	7,208
Homemaker Service	393,656	0	393,656
Intake and Referral	951,394	0	951,394
Life Skills	0	0	0
Protective Service - Child Abuse	102,922	0	102,922
Protective Service - General	792,691	0	792,691
Service Planning	69,444	0	69,444
Juvenile Act Proceedings	69,600	0	69,600
Alternative Treatment	0	0	0
Community Residential	221,707	0	221,707
Emergency Shelter	5,173	0	5,173
Foster Family	901,621	0	901,621
Supervised Independent Living	24,538	0	24,538
Juvenile Detention Service	75,629	0	75,629
Residential Service	658,894	0	658,894
Secure Residential Service (Except YDC)	324,833	0	324,833
YDC Secure	138,897	0	138,897
Administration	620,112	0	620,112
Combined Total Expense	6,291,983	0	6,291,983
Less Non-reimbursables	30,972	(17,164)	13,808
Total Net Expense	\$ 6,261,011	\$ 17,164	\$ 6,278,175

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 1,950,101	\$ 0	\$ 1,950,101
Employee Benefits	765,439	0	765,439
Subsidies	472,605	0	472,605
Operating	555,141	0	555,141
Purchased Services	2,533,122	0	2,533,122
Fixed Assets	15,575	0	15,575
Combined Total Expense	6,291,983	0	6,291,983
Less Non-reimbursables	30,972	(17,164)	13,808
Total Net Expense	\$ 6,261,011	\$ 17,164	\$ 6,278,175

**WAYNE 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	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non-PS/Sub.</p> <p>To decrease non-reimbursable expenditures by \$17,164 to properly report the amount of indirect costs which exceed the 2% cost limitation maximum amount.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 30,810	\$ (17,164)	\$ 13,646

## SECTION 3

# STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

**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 (Unresolved)**

In our prior engagement report, covering the July 1, 2014 to June 30, 2017 fiscal years, we cited the Wayne 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, we determined the agency improved fiscal-related monitoring and developed written policy and procedures, as of December 21, 2020. But, implementation of the new policies and procedures has not yet occurred. As a result, the agency's elevated risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Services providers continued to exist throughout 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 that 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 RECOMMENDATIONS

WAYNE COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report, the Wayne County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-For-Service Purchased Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on invoices submitted by these providers.

During the conduct of our current engagement period (i.e. from July 1, 2017 until June 30, 2019), we determined monitoring procedures continued to be performed by the agency that verified that the children listed on the invoices were authorized to receive services and record relevant dates, but these procedures did not sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. As of December 21, 2020, agency management improved the fiscal-related monitoring policy by adding procedures for an agency Quality Assurance Program Specialist to perform annual reviews of In-Home providers' contact verification forms and client records and developed written fiscal-related monitoring policy and procedures. However, implementation of the newly developed procedures has not yet occurred.

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.*



WAYNE 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: Agency management indicated that internal controls to address recommendations in the prior two audits were not implemented because there was turnover in both the C&Y Director and the Human Services Administrator positions resulting in the prior findings not being communicated to the new leadership team until our prior engagement exit conference held on May 16, 2019. Furthermore, implementation of these written policy and procedures, which were developed on December 21, 2020, was further hindered by the Covid-19 pandemic and the agency’s resulting inability to perform on-site visits.

WAYNE COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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 fraudulent billings submitted by contracted In-Home Purchased Service providers, increased agency management's risk during this time period of:

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

Recommendation: We recommend that agency management implement the agency's developed fiscal-related monitoring procedures and ensure these procedures are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers, including ensuring that the agency obtain reasonable assurance that contracted In-Home Purchased Services were actually provided for the number of units detailed for each individual listed on invoices submitted by Fee-For-Service providers.

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: Although Wayne County Children & Youth Services did not have an official internal control policy in place during the FY 2017-18 and FY 2018-19, the Agency followed a strict procedure to reduce the risk of overbilling or fraudulent billings by Contracted In-Home Purchased Service Providers. The procedures listed below were followed on a monthly basis during the audit timeframe, conducted by the Agency Quality Assurance (QA) Program Specialist.

WAYNE COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- Maintained spreadsheets of all services including referral date, opening date, closure date; For services that received one-time payment, include on spreadsheet meeting date and payment invoice date
- Conducted monthly service review meetings to ensure appropriate goals, discussed progress, lack of progress, and any changes needed
- Reviewed weekly provider reports to ensure the goals were worked on
- Compared invoice to spreadsheets

If a discrepancy was found during this monthly procedure, the QA Program Specialist reported the discrepancy to the Executive Director. The QA Program Specialist then contacted the provider to discuss the discrepancy. If a discrepancy was found on a monthly invoice and the result was a change to the invoice, the rectification steps were documented on the incorrect invoice to show the error and an adjusted invoice was requested. Both invoices were then submitted to fiscal for payment.

This procedure was formalized in the policy referenced in the above finding. The policy also included provisions to allow the QA Program Specialist to conduct annual review [*sic*] of client records, contact verification forms, staff clearances, etc. both in-agency and on-site using a monitoring tool developed by the Agency. This policy was included in contracts with In-Home Purchased Service Providers for FY 20-21. Unfortunately, due to the COVID-19 pandemic, on-site reviews will be held virtually in Spring 2021 as well as the in-agency review. The Agency plans to amend the current policy to eliminate the need to conduct on-site reviews in FY 21-22 due to the pandemic as well as [use] advances in technology that would allow the QA Program Specialist to complete the monitoring virtually with the same level of integrity and validity.

Auditor's Conclusion: The procedures listed in the Agency Response section above verified that the children listed on the invoices are authorized to receive services and record relevant dates, but did not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on invoices. We commend agency management on acknowledging the deficiencies that existed in their invoice review and approval process and their plans to improve their monitoring process for contracted In-Home Purchased Services providers, including their plans to revise their monitoring policy and procedures that will allow its QA Program Specialist to complete monitoring virtually with the same level of integrity and validity as a result of challenges due to the COVID-19 pandemic. During our next audit of the agency, we will determine whether the agency's monitoring process is sufficient in regards to 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

WAYNE 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>1</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>2</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>3</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 also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

---

<sup>1</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>2</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>3</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.

WAYNE COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

**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 year ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and their auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor Contracted 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 Contracted Providers that deliver in-home coded services for the C&Y Agency.
- Test the listing of Contracted Providers for completeness.
- 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.

## WAYNE COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

- Disclose any exceptions or findings within the Single Audit package for items not reflected 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>4</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>1</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 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

---

<sup>4</sup> DHS informed us that they merely verbally inquire about the status of C&Y agencies' respective corrective action plans during their monitoring process.

WAYNE COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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.



WAYNE COUNTY CHILDREN AND YOUTH AGENCY  
DISTRIBUTION LIST

This report was originally distributed to the following:

**The Honorable Tom W. Wolf**

Governor  
Commonwealth of Pennsylvania

**The Honorable Teresa D. Miller**

Acting Secretary  
Department of Human Services

**Mr. Jonathan Rubin**

Deputy Secretary  
Office of Children, Youth and Families  
Department of Human Services

**Ms. Tia Petrovitz**

Fiscal Management Specialist 4  
Division of County Programs  
Bureau of Budget and Fiscal Support  
Office of Children, Youth and Families  
Department of Human Services

**Mr. Jim Flanagan**

Section Chief  
Financial Reporting and Payments Section  
Division of Financial Policy and Operations  
Bureau of Financial Operations  
Department of Human Services

**Mr. David Bryan, CPA, CGMA**

Manager  
Audit Resolution Section  
Bureau of Financial Operations  
Department of Human Services

**Ms. Linda Swick**

Audit Specialist  
Audit Resolution Section  
Bureau of Financial Operations  
Department of Human Services

**The Commissioners of Wayne County**

**Ms. Rozalyn Burke**

Director  
Wayne County Children & Youth Agency

**Ms. Susan Schroeder**

Fiscal Officer  
Wayne County Children & Youth Agency

**Mr. Andrew Seder**

Chief Clerk  
Wayne County

**Ms. Michelle Valinski**

Administrator  
Human Services  
Wayne County

**Mr. Michael Burns, CPA**

Director  
Bureau of Accounting & Financial Management  
Office of Comptroller Operations  
Office of the Budget

**Mr. R. Dennis Welker**

Special Audit Services  
Bureau of Audits  
Office of the Budget

**Ms. Melanie Retherford**

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

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