

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

Centre County Children and Youth Agency

July 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Centre County
Willowbank County Office Building
420 Holmes Street
Bellefonte, PA 16823

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

Independent Auditor's Report (Continued)

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

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 no adjustments being made to the agency's submitted fiscal reports. There is no impact on the Final Net State Share, as 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 in total impacted the agency's Final Net State Share by increasing revenue by \$1,326. Based on the application of the state participation rates, the one adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$1,061. The one 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 two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$4,248 and decreasing revenue by \$25,204. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$22,712. Both adjustments are detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

In addition, due to the timing of the conduct of our prior engagement, the agency was not able to implement corrective action to comply with the recommendations in the finding included in our prior released engagement report, as detailed in Section 4 of this report. As a result, we concluded that this finding should be reissued as a repeat finding in the current section of our engagement report, as listed below and detailed 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

¹ The accrual basis of accounting is required by the DHS.

Independent Auditor's Report (Continued)

Furthermore, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 5 of this report.

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on July 1, 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 Centre County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

July 9, 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 Centre County Children and Youth Agency provided in-home and placement services to 3,123 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. 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, 2014 to JUNE 30, 2015

**CENTRE 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	\$	6,457,472
Supplemental Act 148		<u>0</u>
Total State Allocation		6,457,472
State Share (CY348) ²	\$	6,053,959
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	6,053,959
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	6,053,959
Actual Act 148 Revenues Received ⁴		<u>6,053,959</u>
Net Amount Due County/(State) ⁵	\$	<u>0</u>

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

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

CENTRE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	80,144	0	15,045	0	0	0	0	0	65,099	65,099	0
02. 90% REIMBURSEMENT	93,378	0	18,810	0	0	0	0	0	74,568	67,112	7,456
03. 80% REIMBURSEMENT	9,085,911	138,496	1,667,501	281,205	68,743	0	0	0	6,930,166	5,544,133	1,386,033
04. 60% REIMBURSEMENT	495,364	13,589	103,075	0	0	0	0	3,975	374,725	224,834	149,891
05. 50% REIMBURSEMENT	330,923	0	0	0	0	25,362	0	0	305,561	152,781	152,780
06. TOTAL NET CHILD WELFARE EXPEND.	10,085,720	152,085	1,804,231	281,205	68,743	25,362	0	3,975	7,750,119	6,053,959	1,696,160

YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0

08. NON-REIMBURSABLE EXPENDITURES	28,257	0							28,257		28,257
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09. TOTAL EXPENDITURES	10,113,977	152,085	1,804,231	281,205	68,743	25,362	0	3,975	7,778,376	6,053,959	1,724,417
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10. TOTAL TITLE IV-D COLLECTIONS 39,091

11. TITLE IV-D Collections for IV-E Children 13,164

12. STATE ACT 148 - line 6 6,053,959

13. STATE ACT 148 ALLOCATION 6,457,472

14. ADJUSTED STATE SHARE (lower of 12 or 13) 6,053,959

INVOICE											
AMENDED STATE SHARE (ACT 148)	6,053,959										
ACT 148 AMOUNT RECEIVED	6,053,959										
ADJUSTMENT TO STATE SHARE	0										

CENTRE 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	80,144	0	15,045	0	0	0	0	0	0	65,099	65,099	0
1-B ADOPTION ASSISTANCE	1,123,963	0	466,123	2,969	0	0	0	0	0	654,871	523,897	130,974
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	188,879	0	73,348	708	0	0	0	0	0	114,823	91,858	22,965
1-D COUNSELING - DEPENDENT	2,414,459	0	0	0	281,205	0	0	0	0	2,133,254	1,706,603	426,651
1-E COUNSELING - DELINQUENT	61,616	0	0	0	0	0	0	0	0	61,616	49,293	12,323
1-F DAY CARE	1,769	0	0	0	0	0	0	0	0	1,769	1,415	354
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	153,824	0	0	28,982	0	0	0	0	0	124,842	99,874	24,968
1-K LIFE SKILLS - DEPENDENT	382,320	0	0	623	0	68,743	0	0	0	312,954	250,363	62,591
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	343,886	0	0	54,515	0	0	0	0	0	289,371	231,497	57,874
1-N PROTECTIVE SERVICE - GENERAL	568,875	0	0	94,911	0	0	0	0	0	473,964	379,171	94,793
1-O SERVICE PLANNING	980,914	0	0	184,658	0	0	0	0	0	796,256	637,005	159,251
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	171,335	0	0	0	0	0	25,362	0	0	145,973	72,987	72,986
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	180	0	0	0	0	0	0	0	0	180	90	90
1-R SUBTOTAL IN-HOME	6,472,164	0	559,471	382,411	281,205	68,743	25,362	0	0	5,174,972	4,109,152	1,065,820
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	1,014,235	25,674	307,406	15,428	0	0	0	0	0	665,727	532,582	133,145
2-D COMMUNITY RESIDENTIAL - DELINQUENT	271,283	19,515	28,703	121	0	0	0	0	0	222,944	178,355	44,589
2-E EMERGENCY SHELTER - DEPENDENT	79,363	0	16,336	2,462	0	0	0	0	0	60,565	54,509	6,056
2-F EMERGENCY SHELTER - DELINQUENT	14,015	0	0	12	0	0	0	0	0	14,003	12,603	1,400
2-G FOSTER FAMILY - DEPENDENT	1,556,173	92,540	209,026	193,864	0	0	0	0	0	1,060,743	848,594	212,149
2-H FOSTER FAMILY - DELINQUENT	2,518	721	0	5	0	0	0	0	0	1,792	1,434	358
2-I SUP. INDEPENDENT LIVING - DEPENDENT	21,197	46	5,542	369	0	0	0	0	0	15,240	12,192	3,048
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	2,958,784	138,496	567,013	212,261	0	0	0	0	0	2,041,014	1,640,269	400,745
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	159,408	0	0	0	0	0	0	0	0	159,408	79,704	79,704
3-B RESIDENTIAL SERVICE - DEPENDENT	144,463	7,151	47,029	3,294	0	0	0	0	0	86,989	52,193	34,796
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	18,292	1,208	0	0	0	0	0	0	0	17,084	10,250	6,834
3-D SECURE RES. SERVICE (EXCEPT YDC)	53,127	5,230	0	0	0	0	0	0	0	47,897	28,738	19,159
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	375,290	13,589	47,029	3,294	0	0	0	0	0	311,378	170,885	140,493
4 ADMINISTRATION	279,482	0	0	52,752	0	0	0	0	0	222,755	133,653	89,102
5 TOTAL REVENUES	10,085,720	152,085	1,153,513	650,718	281,205	68,743	25,362	0	0	7,750,119	6,053,959	1,696,160

CENTRE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON PS/SUB.	NON-REIM. PURCHASED SERV/ SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
IN-HOME												
1-A ADOPTION SERVICE	43,884	17,036		18,869	0	355	80,144	13	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,144,038	0	0	0	1,144,038	0	114	0	20,075	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	2,440	959	185,127	310	0	43	188,879	0	18	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	2,414,459	0	2,414,459	0	288	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	61,616	0	61,616	0	39	0	0	0
1-F DAY CARE	0	0		0	1,769	0	1,769	0	1	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	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	101,596	39,091		12,250	0	887	153,824	151	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	2,172	845		296	379,005	2	382,320	0	162	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	184,359	71,063		32,782	53,943	1,739	343,886	308	82	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	330,744	127,112		53,924	54,263	2,832	568,875	317	30	0	0	0
1-O SERVICE PLANNING	645,108	248,918		80,143	0	6,745	980,914	1,777	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				4,892	166,443		171,335	0	115	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					180		180	0	6	0	0	0
1-R SUBTOTAL IN-HOME	1,310,303	505,024	1,329,165	203,466	3,131,678	12,603	6,492,239				20,075	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	49,274	18,836	0	14,531	931,361	233	1,014,235	5,441	30	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	669	270,614	0	271,283	1,291	6	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,427	1,264	0	8,278	66,393	1	79,363	879	33	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	65	13,950	0	14,015	77	5	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	363,761	139,737	0	146,872	910,364	3,421	1,564,355	20,285	95	0	8,182	0
2-G FOSTER FAMILY - DEPENDENT	0	0	0	323	2,195	0	2,518	24	1	0	0	0
2-H FOSTER FAMILY - DELINQUENT	989	375	0	967	18,866	0	21,197	281	3	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	417,451	160,212	0	171,705	2,213,943	3,655	2,966,966	28,278	173	0	8,182	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	857	158,551	0	159,408	175	14	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	10,761	4,171	0	2,747	126,677	107	144,463	524	5	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	18,292	0	18,292	106	2	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	128	52,999	0	53,127	205	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	10,761	4,171	0	3,732	356,519	107	375,290	1,010	22	0	0	0
4 ADMINISTRATION	104,670	40,195	0	133,900	0	717	279,482				0	0
5 TOTAL EXPENDITURES	1,843,185	709,602	1,329,165	512,803	5,702,140	17,082	10,113,977				28,257	0
County Indirect Costs = \$ 93,509												

**CENTRE 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	\$ 80,144	\$ 0	\$ 80,144
Adoption Assistance	1,144,038	0	1,144,038
Subsidized Permanent Legal Custodianship	188,879	0	188,879
Counseling	2,476,075	0	2,476,075
Day Care	1,769	0	1,769
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	153,824	0	153,824
Life Skills	382,320	0	382,320
Protective Service - Child Abuse	343,886	0	343,886
Protective Service - General	568,875	0	568,875
Service Planning	980,914	0	980,914
Juvenile Act Proceedings	171,515	0	171,515
Alternative Treatment	0	0	0
Community Residential	1,285,518	0	1,285,518
Emergency Shelter	93,378	0	93,378
Foster Family	1,566,873	0	1,566,873
Supervised Independent Living	21,197	0	21,197
Juvenile Detention Service	159,408	0	159,408
Residential Service	162,755	0	162,755
Secure Residential Service (Except YDC)	53,127	0	53,127
YDC Secure	0	0	0
Administration	279,482	0	279,482
Combined Total Expense	<u>10,113,977</u>	<u>0</u>	<u>10,113,977</u>
Less Non-reimbursables	<u>28,257</u>	<u>0</u>	<u>28,257</u>
Total Net Expense	<u>\$ 10,085,720</u>	<u>\$ 0</u>	<u>\$ 10,085,720</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,843,185	\$ 0	\$ 1,843,185
Employee Benefits	709,602	0	709,602
Subsidies	1,329,165	0	1,329,165
Operating	512,803	0	512,803
Purchased Services	5,702,140	0	5,702,140
Fixed Assets	17,082	0	17,082
Combined Total Expense	<u>10,113,977</u>	<u>0</u>	<u>10,113,977</u>
Less Non-reimbursables	<u>28,257</u>	<u>0</u>	<u>28,257</u>
Total Net Expense	<u>\$ 10,085,720</u>	<u>\$ 0</u>	<u>\$ 10,085,720</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**CENTRE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 6,499,968
Supplemental Act 148		<u>0</u>
Total State Allocation		6,499,968
State Share (CY348) ²	\$ 5,919,882	
Less: Major Service Category Adjustment		<u>0</u>
Net State Share		\$ 5,919,882
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 5,919,882
Actual Act 148 Revenues Received ⁴		<u>5,920,943</u>
Net Amount Due County/(State) ⁵		<u>\$ (1,061)</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.

CENTRE 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	83,673	0	13,975	0	0	0	0	0	69,698	69,698	0
02. 90% REIMBURSEMENT	115,511	0	21,050	0	0	0	0	0	94,461	85,015	9,446
03. 80% REIMBURSEMENT	8,653,237	127,845	1,478,354	281,205	68,743	0	0	0	6,697,090	5,357,674	1,339,416
04. 60% REIMBURSEMENT	513,058	12,228	65,003	0	0	0	0	3,827	432,000	259,200	172,800
05. 50% REIMBURSEMENT	321,951	0	0	0	0	25,362	0	0	296,589	148,295	148,294
06. TOTAL NET CHILD WELFARE EXPEND.	9,687,430	140,073	1,578,382	281,205	68,743	25,362	0	3,827	7,589,838	5,919,882	1,669,956

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	72,401	0							72,401	43,441	28,960

08. NON-REIMBURSABLE EXPENDITURES	30,628	0							30,628		30,628
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09. TOTAL EXPENDITURES	9,790,459	140,073	1,578,382	281,205	68,743	25,362	0	3,827	7,692,867	5,963,323	1,729,544
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10. TOTAL TITLE IV-D COLLECTIONS 59,939

11. TITLE IV-D Collections for IV-E Children 19,265

12. STATE ACT 148 - line 6 5,919,882

13. STATE ACT 148 ALLOCATION 6,499,968

14. ADJUSTED STATE SHARE (lower of 12 or 13) 5,919,882

INVOICE											
AMENDED STATE SHARE (ACT 148)	5,919,882										
ACT 148 AMOUNT RECEIVED	5,920,943										
ADJUSTMENT TO STATE SHARE	(1,061)										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	83,673	0		13,975	0			0	0	69,698	69,698	0
1-B ADOPTION ASSISTANCE	1,121,405	0	467,447	3,276				0	0	650,682	520,546	130,136
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	204,145	0	69,406	2,223				0	0	132,516	106,013	26,503
1-D COUNSELING - DEPENDENT	2,332,340	0			281,205			0	0	2,051,135	1,640,908	410,227
1-E COUNSELING - DELINQUENT	67,191	0			0			0	0	67,191	53,753	13,438
1-F DAY CARE	9,489	0			0			0	0	9,489	7,591	1,898
1-G DAY TREATMENT - DEPENDENT	0	0			0			0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0			0			0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0			0			0	0	0	0	0
1-J INTAKE & REFERRAL	203,653	0		34,403	0			0	0	169,250	135,400	33,850
1-K LIFE SKILLS - DEPENDENT	282,778	0		475	0	51,558		0	0	230,745	184,596	46,149
1-L LIFE SKILLS - DELINQUENT	0	0			0			0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	380,486	0		55,619	0			0	0	324,867	259,894	64,973
1-N PROTECTIVE SERVICE - GENERAL	616,906	0		93,876	0	17,185		0	0	505,845	404,676	101,169
1-O SERVICE PLANNING	942,348	0		159,751	0			0	0	782,597	626,078	156,519
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	176,828	0			0		25,362		0	151,466	75,733	75,733
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0			0	0	0	0	0
1-R SUBTOTAL IN-HOME	6,421,242	0	536,853	363,598	281,205	68,743	25,362	0	0	5,145,481	4,084,886	1,060,595
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0				0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	715,979	22,359	231,238	8,587				0	0	453,795	363,036	90,759
2-D COMMUNITY RESIDENTIAL - DELINQUENT	194,852	19,951	2,627	133				0	0	172,141	137,713	34,428
2-E EMERGENCY SHELTER - DEPENDENT	75,493	0	18,733	2,208	0			0	0	54,552	49,097	5,455
2-F EMERGENCY SHELTER - DELINQUENT	40,018	0		109	0			0	0	39,909	35,918	3,991
2-G FOSTER FAMILY - DEPENDENT	1,562,920	84,390	164,304	184,066				0	0	1,130,160	904,128	226,032
2-H FOSTER FAMILY - DELINQUENT	0	0		0				0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	18,745	1,145	0	923				0	0	16,677	13,342	3,335
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0			0	0	0	0	0
2-K SUBTOTAL CBP	2,608,007	127,845	416,902	196,026	0	0	0	0	0	1,867,234	1,503,234	364,000
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	145,123	0						0	0	145,123	72,562	72,561
3-B RESIDENTIAL SERVICE - DEPENDENT	75,450	5,390	16,950	5,077				0	0	48,033	28,820	19,213
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	76,462	6,059	0	63				0	0	70,340	42,204	28,136
3-D SECURE RES. SERVICE (EXCEPT YDC)	108,602	779						0	0	107,823	64,694	43,129
3-E YDC SECURE	72,401	0						0	0	72,401	43,441	28,960
3-F SUBTOTAL INSTITUTIONAL	478,038	12,228	16,950	5,140	0	0	0	0	0	443,720	251,721	191,999
4 ADMINISTRATION	252,544	0		42,913		0	0	0	3,827	205,804	123,482	82,322
TOTAL REVENUES	9,759,831	140,073	970,705	607,677	281,205	68,743	25,362	0	3,827	7,662,239	5,963,323	1,698,916

CENTRE 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	SUBSIDIES	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies
IN-HOME												
1-A ADOPTION SERVICE	40,447	15,612		27,383	0	231	83,673	20	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,141,535	0	0	0	1,141,535	0	118	0	20,130	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	8,021	3,072	191,726	1,201	0	125	204,145	3	17	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	2,332,340	0	2,332,340	0	293	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	67,191	0	67,191	0	47	0	0	0
1-F DAY CARE	0	0		0	11,950	0	11,950	0	4	0	2,461	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	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	131,189	51,385	19,831	75	1,173	203,653	203,653	144	1	0	0	0
1-K LIFE SKILLS - DEPENDENT	1,686	621	458	279,990	23	282,778	282,778	160	160	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	200,974	77,993	47,003	52,696	1,820	380,486	380,486	359	90	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	353,652	137,685	68,410	53,955	3,204	616,906	616,906	385	51	0	0	0
1-O SERVICE PLANNING	605,047	235,057	96,823	0	5,421	942,348	942,348	1,947	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				2,875	173,953		176,828	0	132	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,341,016	521,425	1,333,261	263,984	2,972,150	11,997	6,443,833				22,591	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	29,851	11,545	0	9,852	669,227	231	720,706	3,260	14	0	4,727	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,278	193,574	0	194,852	977	7	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	3,134	1,251	0	9,102	61,994	12	75,493	993	35	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	695	39,323	0	40,018	224	12	0	0	0
2-G FOSTER FAMILY - DEPENDENT	356,780	139,447	0	140,654	925,768	3,441	1,566,090	20,072	108	0	3,170	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	2,958	1,159	0	1,925	12,843	0	18,885	456	4	0	140	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	392,723	153,402	0	163,506	1,902,729	3,684	2,616,044	25,982	180	0	8,037	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	358	144,765	0	145,123	399	27	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	17,489	6,895	0	5,643	45,179	244	75,450	189	1	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/MFC)	0	0	0	371	76,091	0	76,462	263	1	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	477	108,125	0	108,602	346	1	0	0	0
3-E YDC SECURE	0	0	0	101	72,300	0	72,401	150	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	17,489	6,895	0	6,950	446,460	244	478,038	1,347	31	0	0	0
ADMINISTRATION	73,924	28,815	0	149,257	0	548	252,544					
TOTAL EXPENDITURES	1,825,152	710,537	1,333,261	583,697	5,521,339	16,473	9,790,459				30,628	0
County Indirect Costs = \$ 140,024												

**CENTRE 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	\$ 83,673	\$ 0	\$ 83,673
Adoption Assistance	1,141,535	0	1,141,535
Subsidized Permanent Legal Custodianship	204,145	0	204,145
Counseling	2,399,531	0	2,399,531
Day Care	11,950	0	11,950
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	203,653	0	203,653
Life Skills	282,778	0	282,778
Protective Service - Child Abuse	380,486	0	380,486
Protective Service - General	616,906	0	616,906
Service Planning	942,348	0	942,348
Juvenile Act Proceedings	176,828	0	176,828
Alternative Treatment	0	0	0
Community Residential	915,558	0	915,558
Emergency Shelter	115,511	0	115,511
Foster Family	1,566,090	0	1,566,090
Supervised Independent Living	18,885	0	18,885
Juvenile Detention Service	145,123	0	145,123
Residential Service	151,912	0	151,912
Secure Residential Service (Except YDC)	108,602	0	108,602
YDC Secure	72,401	0	72,401
Administration	252,544	0	252,544
Combined Total Expense	<u>9,790,459</u>	<u>0</u>	<u>9,790,459</u>
Less Non-reimbursables	<u>30,628</u>	<u>0</u>	<u>30,628</u>
Total Net Expense	<u>\$ 9,759,831</u>	<u>\$ 0</u>	<u>\$ 9,759,831</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,825,152	\$ 0	\$ 1,825,152
Employee Benefits	710,537	0	710,537
Subsidies	1,333,261	0	1,333,261
Operating	583,697	0	583,697
Purchased Services	5,321,339	0	5,321,339
Fixed Assets	16,473	0	16,473
Combined Total Expense	<u>9,790,459</u>	<u>0</u>	<u>9,790,459</u>
Less Non-reimbursables	<u>30,628</u>	<u>0</u>	<u>30,628</u>
Total Net Expense	<u>\$ 9,759,831</u>	<u>\$ 0</u>	<u>\$ 9,759,831</u>

**CENTRE 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-370A	2-G	2	1	<p style="text-align: center;">CY-370A</p> <p>Foster Family - Dependent - Program Income</p> <p>To increase Program Income by \$1,326 to properly report the total amount received and reconcile to the agency's final revenue ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 83,064	\$ 1,326	\$ 84,390

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**CENTRE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	6,288,791
Supplemental Act 148			<u>0</u>
Total State Allocation			6,288,791
State Share (CY348) ²	\$		6,225,454
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	6,225,454
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	6,225,454
Actual Act 148 Revenues Received ⁴			<u>6,202,742</u>
Net Amount Due County/(State) ⁵		\$	<u><u>22,712</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.

CENTRE 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	62,077	0	10,090	0	0	0	0	0	51,987	51,987	0
02. 90% REIMBURSEMENT	111,993	157	12,681	0	0	0	0	0	99,155	89,240	9,915
03. 80% REIMBURSEMENT	9,114,256	165,647	1,519,788	281,205	68,743	0	0	0	7,078,873	5,663,099	1,415,774
04. 60% REIMBURSEMENT	525,419	13,264	59,091	0	0	0	0	3,802	449,262	269,557	179,705
05. 50% REIMBURSEMENT	328,503	0	0	0	0	25,362	0	0	303,141	151,571	151,570
06. TOTAL NET CHILD WELFARE EXPEND.	10,142,248	179,068	1,601,650	281,205	68,743	25,362	0	3,802	7,982,418	6,225,454	1,756,964
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	62,730	0							62,730	37,638	25,092
08. NON-REIMBURSABLE EXPENDITURES	29,380	0							29,380		29,380
09. TOTAL EXPENDITURES	10,234,358	179,068	1,601,650	281,205	68,743	25,362	0	3,802	8,074,528	6,263,092	1,811,436
10. TOTAL TITLE IV-D COLLECTIONS	102,110										
11. TITLE IV-D Collections for IV-E Children	32,063										
12. STATE ACT 148 - line 6	6,225,454										
13. STATE ACT 148 ALLOCATION	6,288,791										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	6,225,454										
INVOICE											
AMENDED STATE SHARE (ACT 148)	6,225,454										
ACT 148 AMOUNT RECEIVED	6,202,742										
ADJUSTMENT TO STATE SHARE	22,712										

CENTRE 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
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	62,077	0	10,090	0	0	0	0	0	0	51,987	51,987	0
I-B ADOPTION ASSISTANCE	1,167,782	0	496,001	5,929	0	0	0	0	0	665,852	532,682	133,170
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHP	235,191	0	83,180	1,541	0	0	0	0	0	150,470	120,376	30,094
I-D COUNSELING - DEPENDENT	2,330,544	0	0	0	281,205	0	0	0	0	2,049,339	1,639,471	409,868
I-E COUNSELING - DELINQUENT	158,252	0	0	0	0	0	0	0	0	158,252	126,602	31,650
I-F DAY CARE	11,842	0	0	0	0	0	0	0	0	11,842	9,474	2,368
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	229,370	0	37,319	0	0	68,743	0	0	0	192,051	153,641	38,410
I-K LIFE SKILLS - DEPENDENT	261,612	0	0	399	0	0	0	0	0	192,470	153,976	38,494
I-L LIFE SKILLS - DELINQUENT	323,957	0	0	44,976	0	0	0	0	0	278,981	223,185	55,796
I-M PROTECTIVE SERVICE - CHILD ABUSE	721,833	0	107,850	0	0	0	0	0	0	613,983	491,186	122,797
I-N PROTECTIVE SERVICE - GENERAL	959,173	0	156,000	0	0	0	0	0	0	803,173	642,538	160,635
I-O SERVICE PLANNING	173,457	0	0	0	0	25,362	0	0	0	148,095	74,048	74,047
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	6,635,090	0	579,181	364,104	281,205	68,743	25,362	0	0	5,316,495	4,219,166	1,097,329
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	901,402	21,738	278,683	12,960	0	0	0	0	0	588,021	470,417	117,604
2-D COMMUNITY RESIDENTIAL - DELINQUENT	332,886	40,644	0	144	0	0	0	0	0	292,098	233,678	58,420
2-E EMERGENCY SHELTER - DEPENDENT	61,033	0	10,789	1,889	0	0	0	0	0	48,355	43,520	4,835
2-F EMERGENCY SHELTER - DELINQUENT	50,960	157	0	3	0	0	0	0	0	50,800	45,720	5,080
2-G FOSTER FAMILY - DEPENDENT	1,436,385	102,891	131,521	163,162	0	0	0	0	0	1,038,811	831,049	207,762
2-H FOSTER FAMILY - DELINQUENT	39,706	0	0	36	0	0	0	0	0	39,670	31,736	7,934
2-I SUP. INDEPENDENT LIVING - DEPENDENT	4,321	374	0	87	0	0	0	0	0	3,860	3,088	772
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	2,826,693	165,804	420,993	178,281	0	0	0	0	0	2,061,615	1,659,208	402,407
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	155,046	0	0	0	0	0	0	0	0	155,046	77,523	77,523
3-B RESIDENTIAL SERVICE - DEPENDENT	28,379	4,234	351	3,777	0	0	0	0	0	20,017	12,010	8,007
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	137,225	9,030	1,173	97	0	0	0	0	0	126,925	76,155	50,770
3-D SECURE RES. SERVICE (EXCEPT YDC)	30,605	0	0	0	0	0	0	0	0	30,605	18,363	12,242
3-E YDC SECURE	62,750	0	0	0	0	0	0	0	0	62,750	37,638	25,092
3-F SUBTOTAL INSTITUTIONAL	413,985	13,264	1,524	3,874	0	0	0	0	0	395,323	221,689	173,634
ADMINISTRATION	329,210	0	0	53,693	0	0	0	0	0	271,715	163,029	108,686
TOTAL REVENUES	10,204,978	179,068	1,001,698	599,952	281,205	68,743	25,362	0	0	8,045,148	6,263,092	1,782,056

CENTRE 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										TOTAL EXPENDITURES	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE PURCHASED SERV/ SUBSIDIES	NON-REIMBURSABLE NON PS/SUB.	NON-REIM. PURCHASED SERV/ SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
	1	2	3	4	5	6	7	8	9	10						
	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																
1-A ADOPTION SERVICE	35,665	14,855		11,535	0	22	62,077	19	0	0	0	0				
1-B ADOPTION ASSISTANCE	0	0	1,187,857	0	0	0	1,187,857	0	130	0	20,075	0				
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	6,379	2,525	225,653	630	0	4	235,191	3	22	0	0	0				
1-D COUNSELING - DEPENDENT	0	0		0	2,330,544	0	2,330,544	0	263	0	0	0				
1-E COUNSELING - DELINQUENT	0	0		0	158,252	0	158,252	0	56	0	0	0				
1-F DAY CARE	0	0		0	13,621	0	13,621	0	8	0	1,779	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	0	0	0	0	0	0	0	0				
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0				
1-J INTAKE & REFERRAL	148,032	62,271		19,016	0	51	229,370	91	0	0	0	0				
1-K LIFE SKILLS - DEPENDENT	1,514	630		312	259,155	1	261,612	165	165	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	169,964	71,655		34,020	48,252	66	323,957	387	108	0	0	0				
1-N PROTECTIVE SERVICE - GENERAL	422,255	178,002		66,507	54,929	140	721,833	321	30	0	0	0				
1-O SERVICE PLANNING	616,609	258,631		83,681	0	252	959,173	1,549	0	0	0	0				
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				1,229	172,228		173,457	0	122	0	0	0				
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0				
1-R SUBTOTAL IN-HOME	1,400,418	588,569	1,413,510	216,930	3,036,981	556	6,656,944				21,854	0				
Number of Children receiving only NON-PURCHASED IN-Home Services 2,180																
COMMUNITY BASED PLACEMENT																
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0				
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0				
2-C COMMUNITY RESIDENTIAL - DEPENDENT	46,776	19,698		14,230	820,675	23	901,402	4,026	21	0	0	0				
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		1,105	331,781	0	332,886	1,561	9	0	0	0				
2-E EMERGENCY SHELTER - DEPENDENT	3,670	1,512		6,392	49,452	7	61,033	852	33	0	0	0				
2-F EMERGENCY SHELTER - DELINQUENT	0	0		17	50,943	0	50,960	272	14	0	0	0				
2-G FOSTER FAMILY - DEPENDENT	360,290	151,950		138,880	786,030	120	1,437,270	15,660	102	0	885	0				
2-H FOSTER FAMILY - DELINQUENT	0	0		447	39,259	0	39,706	269	1	0	0	0				
2-I SUP. INDEPENDENT LIVING - DEPENDENT	207	84		253	3,777	0	4,321	77	1	0	0	0				
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0				
2-K SUBTOTAL CBP	410,943	173,244		161,324	2,081,917	150	2,827,578	22,717	181	0	885	0				
INSTITUTIONAL PLACEMENT																
3-A JUVENILE DETENTION SERVICE	0	0		241	154,805	0	155,046	383	29	0	0	0				
3-B RESIDENTIAL SERVICE - DEPENDENT	13,902	5,727		4,493	10,889	9	35,020	24	2	0	6,641	0				
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		789	136,436	0	137,225	706	7	0	0	0				
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		5	30,600	0	30,605	96	1	0	0	0				
3-E YDC SECURE	0	0		0	62,730	0	62,730	123	1	0	0	0				
3-F SUBTOTAL INSTITUTIONAL	13,902	5,727		5,528	395,460	9	420,626	1,332	40	0	6,641	0				
ADMINISTRATION	115,430	48,515		165,234	0	31	329,210				0	0				
TOTAL EXPENDITURES	1,940,693	816,055	1,413,510	549,016	5,514,358	726	10,234,358				29,380	0				
County Indirect Costs = \$ 156,255																

**CENTRE 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	\$ 62,077	\$ 0	\$ 62,077
Adoption Assistance	1,187,857	0	1,187,857
Subsidized Permanent Legal Custodianship	235,191	0	235,191
Counseling	2,488,796	0	2,488,796
Day Care	13,621	0	13,621
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	229,370	0	229,370
Life Skills	261,612	0	261,612
Protective Service - Child Abuse	323,957	0	323,957
Protective Service - General	721,833	0	721,833
Service Planning	959,173	0	959,173
Juvenile Act Proceedings	173,457	0	173,457
Alternative Treatment	0	0	0
Community Residential	1,234,288	0	1,234,288
Emergency Shelter	111,993	0	111,993
Foster Family	1,476,976	0	1,476,976
Supervised Independent Living	4,321	0	4,321
Juvenile Detention Service	155,046	0	155,046
Residential Service	167,997	4,248	172,245
Secure Residential Service (Except YDC)	30,605	0	30,605
YDC Secure	62,730	0	62,730
Administration	329,210	0	329,210
Combined Total Expense	<u>10,230,110</u>	<u>4,248</u>	<u>10,234,358</u>
Less Non-reimbursables	<u>29,380</u>	<u>0</u>	<u>29,380</u>
Total Net Expense	<u>\$ 10,200,730</u>	<u>\$ 4,248</u>	<u>\$ 10,204,978</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,940,693	\$ 0	\$ 1,940,693
Employee Benefits	816,055	0	816,055
Subsidies	1,413,510	0	1,413,510
Operating	549,016	0	549,016
Purchased Services	5,510,110	4,248	5,514,358
Fixed Assets	726	0	726
Combined Total Expense	<u>10,230,110</u>	<u>4,248</u>	<u>10,234,358</u>
Less Non-reimbursables	<u>29,380</u>	<u>0</u>	<u>29,380</u>
Total Net Expense	<u>\$ 10,200,730</u>	<u>\$ 4,248</u>	<u>\$ 10,204,978</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	3-B	5	1	CY- 370 ADJUSTMENT			
				Residential Service - Dependent - Purchased Services	\$ 6,641	\$ 4,248	\$ 10,889
				To increase expenditures by a net amount of \$4,248 to reconcile with the agency's final expenditure ledger. Purchased Services will be increased due to a late invoice.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A	2-C	2	2	CY- 370A ADJUSTMENT			
				Community Residential - Dependent-Program Income	\$ 38,313	\$ (16,575)	\$ 21,738
CY-370A	2-G	2		Foster Family - Dependent-Program Income	\$ 111,520	\$ (8,629)	\$ 102,891
				To decrease Program Income by \$25,204 to properly report the total amount received and reconcile to the agency's final revenue ledger.		<u>\$ (25,204)</u>	
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – Centre County Children and Youth Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Centre County Children and Youth Agency (agency) for failure to obtain reasonable assurance that contracted In-Home Purchased Service providers actually performed the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to the requirements of the executed contract terms between the agency and the respective In-Home provider. The cited providers were contracted as Fee-for-Service providers. For these Fee-for-Service providers, the agency did not provide evidence of the validity of the number of units invoiced for each individual listed on the respective providers' submitted invoices, and we were not provided any supporting documentation substantiating the number of hours invoiced for each individual. Furthermore, regarding the In-Home Purchased Service providers for whom we performed no testing procedures, agency management informed us they did not require these providers to submit any documentation other than submitted invoices during the aforementioned fiscal years.

Agency management informed us that during the fiscal years included in our prior engagement scope period, monthly program-related monitoring meetings were held with In-Home Purchased Service providers to discuss service progress and outcomes; however, no fiscal-related monitoring procedures were performed to obtain reasonable assurance that the contracted services related to In-Home Purchased Services fees invoiced by these providers were actually provided on the dates and for the number of units for each individual listed on these providers' submitted invoices. We concluded that the agency did not have sufficient controls in place to obtain reasonable assurance that contracted services invoiced by In-Home Purchased Service providers were actually provided and if provided, provided in adherence to key executed contract terms.

Our current engagement scope period included the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until February 7, 2018, well after the June 30, 2017, end of our current engagement scope period. Therefore, these control deficiencies and corresponding risks continued to exist for 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.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

CENTRE 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 4) of this report, the Centre 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 Fee-For-Service In-Home Purchased Service providers, the agency could not provide evidence that it substantiated the validity of the number of units invoiced for each individual listed on these providers’ submitted invoices. Furthermore, the agency failed to provide supporting documentation evidencing that the contracted services related to the fees invoiced by these providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider’s contract terms.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management indicated they developed and implemented formal, written fiscal-related monitoring policy and corresponding procedures during the 2017-2018 fiscal year. However, because agency management did not implement this monitoring policy and corresponding 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 during the conduct of our current engagement. We will review and evaluate the implemented policy 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 Purchased Services were actually provided, and that the number of units invoiced by contracted Fee-for Service providers and the operating costs of any Program-Funded In-Home providers are properly substantiated, thus, reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

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).”

CENTRE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- *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 our prior engagement, agency management was not notified of these internal control deficiencies until February 2018, well after the June 30, 2017 end of our current engagement scope period. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years (2014-2015, 2015-2016, and 2016-2017) included in

CENTRE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

our current engagement scope period. We would like to emphasize that agency management informed us that it developed and implemented internal control procedures related to payments to In-Home providers beginning in the fiscal year 2017-2018, when they became aware of similar findings included in engagement reports we issued to other children and youth agencies.

Effect: The lack of internal control policies and 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 risks 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 monitoring policy, and corresponding procedures, over payments to contracted In-Home providers are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are sufficient in providing agency management reasonable assurance that services related to the fees invoiced by contracted In-Home Purchased Service providers were actually provided, and provided in adherence to executed contract terms.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, must be sufficient to assess the validity of the number of units invoiced by contracted 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.

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 contracted In-Home Purchased Services providers were paid were actually provided, and provided in adherence to DHS regulations and executed contract terms to reduce

CENTRE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

the agency's risk of overbillings and fraudulent billings by contracted In-Home Purchased Services Providers going undetected.

Agency Representative Response: During our Audit [*sic*] of fiscal years 2010-2011 through 2013-2014, it was identified by the Auditors [*sic*] that Centre County Children and Youth Services, similar to most of Pennsylvania's counties, failed to obtain reasonable assurances that in-home purchased services were in fact provided. While we concurred with the recommendations to enhance our policy and procedure, we did feel that we have had solid practices and controls in place for the monitoring of such services. Centre County has provided the following outline of our current control and measures that have been in place as well as the enhanced procedures that have been implemented since 2018. While we understand that our most recent audit was for fiscal years 2014-2015 through 2016-2017, as such, we did not receive the feedback regarding reasonable assurances until 2018, it doesn't seem fair that it is presented that we did not address the current engagement finding.

There are several steps in place to help assure that the provider completes all contracted services. Centre County utilizes a specialty Caseworker III position, the Agency Liaison, to monitor all contracted services, with the exception of Reunification, which is monitored by our Director, and JUMP, which is a program primarily utilized by the Juvenile Probation Office, as well as the Court. During each monthly review, the Agency Liaison or the Director, discusses each case that is open with the provider and specifically obtains information related to their current service level, progress on case goals, the number of hours they are working and billing for each case and the direction the case is going. The Agency Liaison and Director document this information and compare it from month to month. In addition to these in-person reviews with the provider staff (both Supervisor and Line Worker), our Fiscal Supervisor currently reviews the monthly billing for each provider and cross references it to the monthly reports for each family, which contain documentation of the hours worked. Any concerns regarding the level of services being provided, the hours billed or worked and/or the progress for the family are brought to the attention of the Director and/or Assistant Director. Together, decisions are made with regard to increased monitoring of the billing and hours and/or meeting with the program directors. CYS will be working jointly with the Juvenile Probation Office and the Court to determine how to establish a similar review process for JUMP.

In order to improve our Invoice Monitoring, Centre County Children and Youth Services has done invoice monitoring every quarter for in-home service providers. Each quarter, our Fiscal Supervisor chooses one month to review and the review covers 10% of all cases in each program the provider invoices for. The providers are contacted to schedule a date for CYS to come to their office and to complete the invoice audit. Two days prior to the audit the providers are sent a list of the cases that will be reviewed for each program. CYS reviews case files for the referral for services, the date the case was opened for services and any applicable closing dates. CYS

CENTRE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

will also review timesheets or time ledgers for the provided services to assure that hours worked on the case coincide with the hours invoiced. Any discrepancies are discussed with the provider and invoicing adjustments are made as needed.

Centre County would like to thank the auditors for their time and assistance extended toward enhancing our operations. Centre County is committed to assuring children and families are receiving quality care and services.

Auditor's Conclusion: We commend the Centre County Children and Youth agency management on their efforts to develop and implement formal, written fiscal-related monitoring policy and procedures for contracted In-Home Purchased Services providers. As we previously stated, because the agency lacked internal control policies and procedures designed to reduce the agency's risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased for each of the fiscal years included in our current engagement scope period, the issuance of a repeat finding was warranted. During our next regularly scheduled engagement, we will review the agency's implemented policy and procedures and determine whether they are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers and such erroneous payments going undetected for the fiscal years included in that engagement scope period.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

CENTRE 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).² 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,³ 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 Centre County Children and Youth Agency provided in-home and placement services to 3,123 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 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

² 23 Pa.C.S. §§ 6344 and 6344.2.

³ 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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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.⁴

Contracted In-Home Preventative Service Providers

For contracted In-Home Preventative Service providers, 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.⁵ 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 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" in their provider executed contracts.⁶ 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 adherence of the contracted In-Home Preventative Service providers' employees and

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).

⁵ 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.

⁶ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures 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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volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁷

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 providers⁸ 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.

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

⁷ 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.

⁸ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

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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.⁹ However, recent amendments to the CPSL extend this time frame from one year to five years.¹⁰ 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.¹¹

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*

⁹ 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.

¹⁰ 23 Pa.C.S. § 6344.4.

¹¹ 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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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.¹²

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

¹² As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

¹³ The agency stated that it conducts monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "The Centre County Liaison currently tracks all clearances for CYS staff. Current practice is that all contracted purchased in-home service providers maintain tracking responsibilities for their employees. Centre County Children and Youth Services are now asking each in-home provider for a master employee list at the first engagement. CYS either obtains copies of each employee's clearances or uses a check-off list after seeing the original clearances. At future engagements, clearances for new employees will be seen or copied. A tickler file is maintained for each provider to ensure that all clearances are updated." We did not perform procedures to evaluate the agency's performance of those procedures.

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

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