

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2010 to June 30, 2011
July 1, 2011 to June 30, 2012
July 1, 2012 to June 30, 2013
July 1, 2013 to June 30, 2014

Chester County Children and Youth Agency

March 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Chester County
Commissioner's Office
313 W. Market Street, Suite 6202
West Chester, PA 19380-0991

Dear Commissioners:

We have examined 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 Chester County Children and Youth Agency, legally known as Chester County Department of Children, Youth and Families (agency), for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the fiscal years July 1, 2010 to June 30, 2011, July 1, 2011 to June 30, 2012, July 1, 2012 to June 30, 2013 and July 1, 2013 to June 30, 2014 pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)). 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, 2011, June 30, 2012, June 30, 2013 and June 30, 2014.

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 resident within the County and to determine the County's compliance¹ with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards.

We performed a review of the agency's internal controls over its invoice review and approval process for the 2010-2011 through the 2013-2014 fiscal years. We determined that agency staff responsible for reviewing and approving invoices submitted for payment did not perform procedures to obtain reasonable assurance that monthly services corresponding to fees invoiced by providers of In-Home Counseling - Delinquent services were actually provided, and provided in adherence to executed key contract terms. Specifically, as detailed in the Finding in this report, for most of the submitted In-Home Counseling - Delinquent Purchased Services invoices selected for detailed review and the corresponding expenditures reported on the agency's submitted fiscal reports, the agency failed to provide supporting documentation evidencing that

the services corresponding to the fees charged on the submitted invoices, and subsequently paid by the agency, were actually provided, and if provided, were provided in adherence to the requirements of the respective In-Home Counseling - Delinquent Purchased Services provider's executed key contract terms.

Because of the significance of the matter described in the preceding paragraph, we could not obtain reasonable assurance that total expenditures of \$6,283,752 paid to In-Home Delinquent Purchased Services providers, as reported in the Counseling Delinquent cost center and included in total Purchased Services' expenditures of \$65,186,368 reported on the agency's CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, submitted to the DHS for fiscal years ended 2011, 2012, 2013 and 2014, and included in the agency's respective general ledgers, were valid because we were provided no evidence that the corresponding services were actually provided or, if provided, that the services adhered to respective key executed contract provisions and DHS regulations. Therefore, while we could achieve our objective of ascertaining and certifying the total Commonwealth expenditures paid on behalf of children residing within the county for the fiscal years ended 2011, 2012, 2013 and 2014, we cannot attest that the services corresponding to the \$6,283,752 expended by the Commonwealth for In-Home Delinquent Purchased Services were actually provided, or if provided, were provided in adherence to key executed contract provisions and DHS regulations because a high risk exists that overbillings and fraudulent billings could have occurred.

Despite the matter described in the third paragraph of the previous page, we did perform procedures using the documentation available to us, and the results of those procedures are described in the bulleted paragraphs below. However, these results may have been affected by the matter described in the third paragraph, and our assurance provided is limited by that matter.

The results of our procedures performed during this engagement were as follows:

- **For fiscal year ended 2011**, our engagement resulted in three adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$30,609, increasing non-reimbursable expenditures by \$183,107 and decreasing revenue by \$20,824. Based on the application of the state participation rates, these three adjustments resulted in an amount due to the state totaling \$142,700. All three adjustments are detailed in our amended fiscal reports for fiscal year 2010-2011, as included in Section 1 of this report.
- **For fiscal year ended 2012**, 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 reclassifying \$13,050 of agency expenditures and decreasing revenue by \$19,844. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the county totaling \$11,960. Both adjustments are detailed in our amended fiscal reports for fiscal year 2011-2012, as included in Section 2 of this report.

- **For fiscal year ended 2013**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share as detailed in our amended fiscal reports for fiscal year 2012-2013, as included in Section 3 of this report.
- **For fiscal year ended 2014**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share as detailed in our amended fiscal reports for fiscal year 2013-2014, as included in Section 4 of this report.

In addition, as previously discussed earlier in this letter, we identified a significant internal control deficiency. The impact of this deficiency is discussed in detail in Section 5 of this report.

Finding – The Chester County Children and Youth Agency Paid Contractors for Counseling Services for In-Home Delinquent Children but Failed to Obtain Reasonable Assurance That Services Were Actually Provided

Finally, we included the following current engagement observation, as detailed in Section 6 of this report:

Current Engagement 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 (CPSL)

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 February 13, 2018.

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 Chester County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

February 14, 2018

Endnote

The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies, as well as the volunteers/employees of their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and the Commonwealth DHS. Details regarding these deficiencies are further outlined in the Observation included in this report.

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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 Public Welfare 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 Chester County Children and Youth Agency provided in-home and placement services to 2,267 children residing within the County during the 2015-2016 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 Public Welfare 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). The variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years and those costs and revenues’ impact on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2010 to JUNE 30, 2011

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	17,112,301
Supplemental Act 148			<u>0</u>
Total State Allocation			17,112,301
State Share (CY348) ²	\$		14,860,383
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	14,860,383
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	14,860,383
Actual Act 148 Revenues Received ⁴			<u>15,003,083</u>
Net Amount Due County/(State) ⁵		\$	<u>(142,700)</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.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 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	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	514,728	0	85,954	0	0	0	0	0	428,774	428,774	0
02. 90% REIMBURSEMENT	323,984	16,245	916	0	0	0	0	0	306,823	276,141	30,682
03. 80% REIMBURSEMENT	16,096,294	409,394	2,650,793	722,681	174,362	91,226	0	16,301	12,031,537	9,625,231	2,406,306
04. 60% REIMBURSEMENT	5,542,033	179,385	586,470	0	89,225	91,227	0	10,853	4,584,873	2,750,924	1,833,949
05. 50% REIMBURSEMENT	3,559,370	0	746	0	0	0	0	0	3,558,624	1,779,313	1,779,311
06. TOTAL NET CHILD WELFARE EXPEND.	26,036,409	605,024	3,324,879	722,681	263,587	182,453	0	27,154	20,910,631	14,860,383	6,050,248

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,383,178	19,532							1,363,646	818,187	545,459

08. NON-REIMBURSABLE EXPENDITURES	437,963	0	0						437,963		437,963
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09. TOTAL EXPENDITURES	27,857,550	624,556	3,324,879	722,681	263,587	182,453	0	27,154	22,712,240	15,678,570	7,033,670
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10. IL Grant Funds Reported 0

11. TOTAL HSDF used for Child Welfare 0

12. TOTAL TITLE IV-D COLLECTIONS 119,786

13. TITLE IV-D Collections for IV-E Children 23,822

14. STATE ACT 148 - line 6 14,860,383

15. STATE ACT 148 ALLOCATION 17,112,301

16. ADJUSTED STATE SHARE (lower of 14 or 15) 14,860,383

INVOICE											
AMENDED STATE SHARE (ACT 148)	14,860,383										
ACT 148 AMOUNT RECEIVED	15,003,083										
ADJUSTMENT TO STATE SHARE	(142,700)										

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	70,826	3,211	11

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY 370A
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	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	514,728	0	85,954	85,954	0				0	428,774	373,454	93,363
1-B ADOPTION ASSISTANCE	949,563	0	482,746	482,746	0				0	466,817	1,074,345	268,586
1-C COUNSELING - DEPENDENT	1,722,659	18,944	221,398	139,186	0				0	1,342,931	852,423	213,106
1-D COUNSELING - DELINQUENT	1,687,546	38,522			583,495				0	1,065,529	41,408	10,352
1-E DAY CARE	63,184	0		11,424	0				0	51,760	0	0
1-F DAY TREATMENT - DEPENDENT	0	0	0	0	0				0	0	0	0
1-G DAY TREATMENT - DELINQUENT	1,206	0	0	0	0				0	1,206	965	241
1-H HOMEMAKER SERVICE	0	0	0	0	0				0	0	0	0
1-I INTAKE & REFERRAL	358,031	0	66,038	66,038	0				0	291,993	233,594	58,399
1-J LIFE SKILLS - DEPENDENT	707,684	0	119,082	119,082	0				0	588,602	470,882	117,720
1-K LIFE SKILLS - DELINQUENT	0	0	0	0	0				0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	1,232,176	0	228,116	228,116	0				0	1,004,060	803,248	200,812
1-M PROTECTIVE SERVICE - GENERAL	1,362,682	0	253,456	253,456	0				0	1,109,226	887,381	221,845
1-N SERVICE PLANNING	692,673	0	128,366	128,366	0				0	564,307	451,446	112,861
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	213,182	0	0	0	0				0	213,182	106,591	106,591
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	50,403	0	746	746	0				0	49,657	24,829	24,828
1-Q SUBTOTAL IN-HOME	9,555,717	57,466	482,746	1,114,780	722,681	0	0	0	0	7,178,044	5,749,340	1,428,704
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0				0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0				0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	770,589	36,348	103,453	37,228					0	593,560	474,848	118,712
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,032,854	104,949	191,997	1,896					0	2,734,012	2,187,210	546,802
2-E EMERGENCY SHELTER - DEPENDENT	323,984	16,245	916	0	0				0	306,823	276,141	30,682
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0				0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	3,288,314	54,434	323,839	478,762		174,362	91,226		16,301	2,149,390	1,719,512	429,878
2-H FOSTER FAMILY - DELINQUENT	227,133	156,197	2,590	202					0	68,144	54,515	13,629
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0				0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0				0	0	0	0
2-K SUBTOTAL CBP	7,642,874	368,173	622,795	518,088	0	174,362	91,226	0	16,301	5,851,929	4,712,226	1,139,703
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	3,295,785	0	103,319	16,320		89,225	91,227		0	3,295,785	1,647,893	1,647,892
3-B RESIDENTIAL SERVICE - DEPENDENT	1,100,608	49,515	46,287	1,501					0	751,002	450,601	300,401
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,096,631	129,870	46,287	1,501					0	918,973	551,384	367,589
3-D SECURE RES. SERVICE (EXCEPT YDC)	1,267,785	0							0	1,267,785	700,671	507,114
3-E YDC/YFC (NON-SECURE)-Institutional	677,488	11,086							0	666,402	399,841	266,561
3-F YDC SECURE	705,690	8,446							0	697,244	418,346	278,898
3-G SUBTOTAL INSTITUTIONAL	8,143,987	198,917	149,606	17,821	0	89,225	91,227	0	0	7,597,191	4,228,736	3,368,455
ADMINISTRATION	2,077,009	0		419,043		0	0		10,853	1,647,113	988,268	658,845
TOTAL REVENUES	27,419,587	624,556	1,253,147	2,069,732	722,681	263,587	182,453	0	27,154	22,274,277	15,678,570	6,593,707

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non- Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by count)	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	252,961	90,047		174,101	0	0	517,109	99	0	2,381	0	0
1-B ADOPTION ASSISTANCE	0	0	949,563	0	0	0	949,563	217	217	0	0	0
1-C COUNSELING - DEPENDENT	781,088	325,022		103,895	518,462	0	1,728,467	445	84	5,808	0	0
1-D COUNSELING - DELINQUENT	0	0		0	1,687,546	0	1,687,546	39	229	0	0	0
1-E DAY CARE	0	0		63,184	0	0	63,184	0	0	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-F DAY TREATMENT - DELINQUENT	0	0		0	1,206	0	1,206	0	1	0	0	0
1-H HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-I INTAKE & REFERRAL	173,941	72,379		111,711	0	0	358,031	3,117	0	0	0	0
1-J LIFE SKILLS - DEPENDENT	416,746	173,413		55,474	62,051	0	707,684	191	72	0	0	0
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	775,995	318,121		148,426	0	0	1,242,542	1,285	0	10,366	0	0
1-M PROTECTIVE SERVICE - GENERAL	874,931	368,671		132,872	0	0	1,376,474	727	0	13,792	0	0
1-N SERVICE PLANNING	451,419	185,425		55,829	0	0	692,673	2,428	0	0	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT				0	213,182	0	213,182	0	272	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT				50,403	0	0	50,403	0	248	0	0	0
1-Q SUBTOTAL IN-HOME	3,727,081	1,533,078	949,563	895,895	2,482,447	0	9,588,064			32,347	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	132,004	57,662		17,566	563,700	0	770,932	4,445	33	343	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		10,225	3,022,629	0	3,032,854	16,271	130	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	323,984	0	323,984	2,176	88	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	893,044	365,954	70,826	197,908	1,770,722	0	3,298,454	42,777	212	10,140	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		1,111	226,022	0	227,133	2,023	14	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,025,048	423,616	70,826	226,810	5,907,057	0	7,653,357	67,692	477	10,483	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	3,295,785	0	3,295,785	6,684	289	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	56,692	23,779		7,938	1,012,542	0	1,100,951	4,940	44	343	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		8,142	1,088,489	0	1,096,631	7,875	67	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	1,267,785	0	1,267,785	3,232	1,510	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	677,488	0	677,488	1,830	18	0	0	0
3-F YDC SECURE	0	0		0	705,690	0	705,690	1,553	14	0	0	0
3-G SUBTOTAL INSTITUTIONAL	56,692	23,779	0	16,080	8,047,779	0	8,144,330	26,114	1,942	343	0	0
4 ADMINISTRATION	851,136	338,617	0	1,282,046	0	0	2,471,799			394,790	0	0
5 TOTAL EXPENDITURES	5,659,957	2,319,090	1,020,389	2,420,831	16,437,283	0	27,857,550			437,963	0	0
	County Indirect Costs = \$ 979,059											

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 475,367	\$ 41,742	\$ 517,109
Adoption Assistance	991,307	(41,744)	949,563
Counseling	3,415,960	53	3,416,013
Day Care	63,184	0	63,184
Day Treatment	1,206	0	1,206
Homemaker Service	0	0	0
Intake and Referral	358,031	0	358,031
Life Skills	707,684	0	707,684
Protective Service - Child Abuse	1,242,542	0	1,242,542
Protective Service - General	1,376,474	0	1,376,474
Service Planning	693,275	(602)	692,673
Juvenile Act Proceedings	263,585	0	263,585
Alternative Treatment	0	0	0
Community Residential	3,803,786	0	3,803,786
Emergency Shelter	455,219	(131,235)	323,984
Foster Family	3,525,587	0	3,525,587
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,295,785	0	3,295,785
Residential Service	2,097,036	100,546	2,197,582
Secure Residential Service (Except YDC)	1,267,785	0	1,267,785
YDC/YFC (Non-Secure) - Institutional	677,488	0	677,488
YDC Secure	705,690	0	705,690
Administration	2,471,168	631	2,471,799
Combined Total Expense	<u>27,888,159</u>	<u>(30,609)</u>	<u>27,857,550</u>
Less Non-reimbursables	<u>254,856</u>	<u>183,107</u>	<u>437,963</u>
Total Net Expense	<u>\$ 27,633,303</u>	<u>\$ (213,716)</u>	<u>\$ 27,419,587</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,659,957	\$ 0	\$ 5,659,957
Employee Benefits	2,319,090	0	2,319,090
Subsidies	1,062,133	(41,744)	1,020,389
Operating	2,379,060	41,771	2,420,831
Purchased Services	16,467,919	(30,636)	16,437,283
Fixed Assets	0	0	0
Combined Total Expense	<u>27,888,159</u>	<u>(30,609)</u>	<u>27,857,550</u>
Less Non-reimbursables	<u>254,856</u>	<u>183,107</u>	<u>437,963</u>
Total Net Expense	<u>\$ 27,633,303</u>	<u>\$ (213,716)</u>	<u>\$ 27,419,587</u>

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments							
CY-370	1-B	3	1	Adoption Assistance - Subsidies	\$ 991,307	\$ (41,744)	\$ 949,563
	1-A	4		Adoption Service - Operating	\$ 132,359	\$ 41,742	\$ 174,101
	1-J	4		Service Planning - Operating	\$ 56,431	\$ (602)	\$ 55,829
	4	4		Administration - Operating	\$ 1,281,415	\$ 631	\$ 1,282,046
	1-C	5		Counseling (Dep.) - Purchased Services	\$ 518,409	\$ 53	\$ 518,462
	2-E	5		Emergency Shelter (Dep.) - Purchased Services	\$ 455,219	\$ (131,235)	\$ 323,984
	3-C	5		Residential Service (Dep.) - Purchased Services	\$ 910,867	\$ 101,675	\$ 1,012,542
	3-D	5		Residential Service (Del.) - Purchased Services	\$ 1,089,618	\$ (1,129)	\$ 1,088,489
					Total Adjustment Amount		\$ (30,609)
				To decrease expenditures by a net amount of \$30,609 to include revisions made by the Agency to the expenditure ledger subsequent to fiscal reports submission to Commonwealth DHS. Subsidies decreased by \$41,744; Operating increased by \$41,771; and Purchased Services decreased by \$30,636.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	10	2	Administration- Non-Reimbursable Non PS/Sub	\$ 254,856	\$ 183,107	\$ 437,963
				To increase Non-Reimbursable Non PS/Sub. expenditures by \$183,107 to properly report Non-Reimbursable indirect costs. The Agency's indirect costs calculation methodology differs from the methodology directed by the Commonwealth DHS regulations and related Bulletin, thus, resulting in this adjustment. DHS is reviewing the validity of the agency's methodology, however, as of the date of this report, DHS had not yet rendered a decision. As such, the approval and finalization of this adjustment will be determined by DHS-OCYF at the time of DHS' cost settlement process.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370A Adjustment							
CY-370 A	1-B	3	3	Adoption Assistance - Title IV-E Maintenance	\$ 485,151	\$ (2,405)	\$ 482,746
	2-G	3		Foster Family (Dep.)- Title IV-E Maintenance	\$ 342,258	\$ (18,419)	\$ 323,839
				Total Adjustment Amount		\$ (20,824)	
				To decrease Federal Title IV-E revenue by \$20,824 to include 9 supplemental invoices which were not included in the Title IV-E reconciliation calculation performed by the Commonwealth's Department of Human Services - Office of Children, Youth & Families.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2011 to JUNE 30, 2012

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹	\$	15,645,669
Supplemental Act 148		<u>0</u>
Total State Allocation		15,645,669
State Share (CY348) ²	\$	15,439,924
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	15,439,924
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	15,439,924
Actual Act 148 Revenues Received ⁴		<u>15,427,964</u>
Net Amount Due County/(State) ⁵	\$	<u><u>11,960</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.

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	416,760	0	75,884	0	0	0	0	0	340,876	340,876	0
02. 90% REIMBURSEMENT	392,043	14,173	0	0	0	0	0	0	377,870	340,083	37,787
03. 80% REIMBURSEMENT	16,356,713	342,766	2,383,533	743,324	165,324	91,227	0	20,192	12,610,347	10,088,279	2,522,068
04. 60% REIMBURSEMENT	5,730,580	200,537	397,489	0	98,263	91,226	0	17,445	4,925,620	2,955,373	1,970,247
05. 50% REIMBURSEMENT	3,430,774	0	150	0	0	0	0	0	3,430,624	1,715,313	1,715,311
06. TOTAL NET CHILD WELFARE EXPEND.	26,326,870	557,476	2,857,056	743,324	263,587	182,453	0	37,657	21,685,337	15,439,924	6,245,413
YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,951,318	1,477							1,949,841	1,169,905	779,936
08. NON-REIMBURSABLE EXPENDITURES	77,758	0							77,758		77,758
09. TOTAL EXPENDITURES	28,355,946	558,953	2,857,056	743,324	263,587	182,453	0	37,657	23,712,936	16,609,829	7,103,107
10. TOTAL TITLE IV-D COLLECTIONS	0										
11. TITLE IV-D Collections for IV-E Children	0										
12. STATE ACT 148 - line 6	15,439,924										
13. STATE ACT 148 ALLOCATION	15,645,669										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	15,439,924										
INVOICE											
AMENDED STATE SHARE (ACT 148)	15,439,924										
ACT 148 AMOUNT RECEIVED	15,427,964										
ADJUSTMENT TO STATE SHARE	11,960										

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	416,760	0	75,884	0	0	0	0	0	0	340,876	0	0
1-B ADOPTION ASSISTANCE	1,027,532	0	224,360	0	0	0	0	0	803,172	642,538	160,634	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	65,378	0	1,164	0	0	0	0	0	64,214	51,371	12,843	0
1-D COUNSELING - DEPENDENT	1,893,553	6,350	230,451	283,648	0	0	0	0	1,373,104	1,098,483	274,621	0
1-E COUNSELING - DELINQUENT	1,727,903	23,286	341	459,676	0	0	0	0	1,244,600	995,680	248,920	0
1-F DAY CARE	52,869	0	9,875	0	0	0	0	0	42,994	34,395	8,599	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	377,000	0	68,499	0	0	0	0	0	308,501	246,801	61,700	0
1-K LIFE SKILLS - DEPENDENT	680,135	0	124,268	0	0	0	0	0	555,867	444,694	111,173	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,324,954	0	242,177	0	0	0	0	0	1,082,777	866,222	216,555	0
1-N PROTECTIVE SERVICE - GENERAL	1,254,973	0	228,687	0	0	0	0	0	1,026,286	821,029	205,257	0
1-O SERVICE PLANNING	803,297	0	147,782	0	0	0	0	0	655,515	524,412	131,103	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	187,657	0	0	0	0	0	0	0	187,657	93,829	93,828	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	43,298	0	150	0	0	0	0	0	43,148	21,574	21,574	0
SUBTOTAL IN-HOME	9,855,309	29,636	223,524	1,128,114	743,324	0	0	0	7,728,711	6,181,904	1,546,807	0
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	929,542	26,648	59,141	30,641	0	0	0	0	813,112	650,490	162,622	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,147,930	113,150	8,975	1,479	0	0	0	0	3,024,326	2,419,461	604,865	0
2-E EMERGENCY SHELTER - DEPENDENT	392,043	14,173	0	0	0	0	0	0	377,870	340,083	37,787	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,956,504	85,920	592,836	412,816	0	165,324	91,227	0	1,588,189	1,270,551	317,638	0
2-H FOSTER FAMILY - DELINQUENT	115,143	87,412	0	41	0	0	0	0	27,690	22,152	5,538	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	7,541,162	327,303	660,952	444,977	0	165,324	91,227	0	20,192	5,831,187	4,702,737	1,128,450
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	3,199,819	0	0	0	0	0	0	0	3,199,819	1,599,910	1,599,909	0
3-B RESIDENTIAL SERVICE - DEPENDENT	828,120	39,784	27,563	18,323	98,263	71,941	0	0	572,246	343,348	228,898	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	2,580,175	160,753	8,296	1,563	0	19,285	0	0	2,390,278	1,434,167	956,111	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	439,721	0	0	0	0	0	0	0	439,721	263,833	175,888	0
3-E YDC SECURE	1,951,318	1,477	0	0	0	0	0	0	1,949,841	1,169,905	779,936	0
SUBTOTAL INSTITUTIONAL	8,999,153	202,014	35,859	19,886	0	98,263	91,226	0	20,192	8,551,905	4,811,163	3,740,742
ADMINISTRATION	1,882,564	0	0	341,744	0	0	0	0	17,445	1,523,375	914,025	609,350
TOTAL REVENUES	28,278,188	558,953	922,335	1,934,721	743,324	263,587	182,453	0	37,637	23,635,178	16,609,829	7,025,349

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
I-A ADOPTION SERVICE	275,176	104,578		39,619	0	0	419,373	128	0	2,613	0	0
I-B ADOPTION ASSISTANCE	0	1,027,532		0	0	0	1,027,532	313	313	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	65,378		0	0	0	65,378	9	9	0	0	0
I-D COUNSELING - DEPENDENT	839,600	355,676		79,451	628,321	0	1,903,248	241	43	9,695	0	0
I-E COUNSELING - DELINQUENT	0	0		1,676	1,726,227	0	1,727,903	168	125	0	0	0
I-F DAY CARE	0	0		52,869	0	0	52,869	18	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOME/MAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	186,972	79,205		110,823	0	0	377,000	4,235	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	447,964	189,769		42,402	0	0	680,135	120	50	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	850,719	358,052		128,899	0	0	1,337,670	1,154	0	12,716	0	0
I-N PROTECTIVE SERVICE - GENERAL	798,465	340,245		126,947	0	0	1,265,657	660	0	10,684	0	0
I-O SERVICE PLANNING	531,354	222,410		51,195	0	0	804,959	2,553	0	1,662	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					187,657		187,657	0	253	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					43,298		43,298	0	345	0	0	0
I-R SUBTOTAL IN-HOME	3,930,250	1,649,935	1,092,910	677,179	2,542,405	0	9,892,679			37,370		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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	107,283	47,416		13,405	761,715	0	929,819	3,992	44	277	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		8,604	3,139,798	0	3,148,402	16,362	156	472	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	392,043	0	392,043	1,150	55	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	849,470	343,557		234,373	1,539,512	0	2,966,912	30,976	147	10,408	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		270	114,898	0	115,168	1,261	11	25	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	956,753	390,973	0	256,652	5,947,966	0	7,552,344	53,741	413	11,182	0	0
	Number of Children at IMMINENT RISK											
						5,752						3,285
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	3,199,819	0	3,199,819	6,711	343	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	45,422	19,278		63,552	699,951	0	828,203	3,211	34	83	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		9,080	2,571,617	0	2,580,697	12,657	70	522	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	439,721	0	439,721	1,658	23	0	0	0
3-E YDC SECURE	0	0		0	1,951,318	0	1,951,318	4,026	21	0	0	0
3-F SUBTOTAL INSTITUTIONAL	45,422	19,278	0	72,632	8,862,426	0	8,999,758	28,263	491	605	0	0
ADMINISTRATION	784,112	311,974	0	815,079	0	0	1,911,165			28,601		0
TOTAL EXPENDITURES	5,716,537	2,372,160	1,092,910	1,821,542	17,352,797	0	28,355,946			77,758		0
	County Indirect Costs = \$ 477,577											

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 419,373	\$ 0	\$ 419,373
Adoption Assistance	1,027,532	0	1,027,532
Subsidized Permanent Legal Custodianship	65,378	0	65,378
Counseling	3,631,151	0	3,631,151
Day Care	52,869	0	52,869
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	377,000	0	377,000
Life Skills	680,135	0	680,135
Protective Service - Child Abuse	1,337,670	0	1,337,670
Protective Service - General	1,265,657	0	1,265,657
Service Planning	804,959	0	804,959
Juvenile Act Proceedings	230,955	0	230,955
Alternative Treatment	0	0	0
Community Residential	4,078,221	0	4,078,221
Emergency Shelter	405,093	(13,050)	392,043
Foster Family	3,082,080	0	3,082,080
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,199,819	0	3,199,819
Residential Service	3,395,850	13,050	3,408,900
Secure Residential Service (Except YDC)	439,721	0	439,721
YDC Secure	1,951,318	0	1,951,318
Administration	1,911,165	0	1,911,165
Combined Total Expense	<u>28,355,946</u>	<u>0</u>	<u>28,355,946</u>
Less Non-reimbursables	<u>77,758</u>	<u>0</u>	<u>77,758</u>
Total Net Expense	<u>\$ 28,278,188</u>	<u>\$ 0</u>	<u>\$ 28,278,188</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,716,537	\$ 0	\$ 5,716,537
Employee Benefits	2,372,160	0	2,372,160
Subsidies	1,092,910	0	1,092,910
Operating	1,821,542	0	1,821,542
Purchased Services	17,352,797	0	17,352,797
Fixed Assets	0	0	0
Combined Total Expense	<u>28,355,946</u>	<u>0</u>	<u>28,355,946</u>
Less Non-reimbursables	<u>77,758</u>	<u>0</u>	<u>77,758</u>
Total Net Expense	<u>\$ 28,278,188</u>	<u>\$ 0</u>	<u>\$ 28,278,188</u>

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-E	5	1	CY-370 Adjustment			
	3-B	5		Emergency Shelter (Dep.)- Purchased Services	\$ 405,093	\$ (13,050)	\$ 392,043
				Residential Service (Dep.)- Purchased Services	\$ 686,901	\$ 13,050	\$ 699,951
				Total Adjustment		\$ -	
				To reclassify \$13,050 of expenditures reported as Emergency Shelter Dependent to Residential Service Dependent to reconcile to the Agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370 A	1-B	3	2	CY-370A Adjustment			
	1-C	3		Adoption Assistance - Title IV-E Maintenance	\$ 226,375	\$ (2,015)	\$ 224,360
				SPLC- Title IV-E Maintenance	\$ 18,993	\$ (17,829)	\$ 1,164
				Total Adjustment		\$ (19,844)	
				To decrease Federal Title IV-E revenue by \$19,844 to include 8 supplemental invoices which were not included in the Title IV-E reconciliation calculation performed by the Commonwealth's Department of Human Services - Office of Children, Youth & Families.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2012 to JUNE 30, 2013

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	16,079,683
Supplemental Act 148			<u>0</u>
Total State Allocation			16,079,683
State Share (CY348) ²	\$		14,434,894
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	14,434,894
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	14,434,894
Actual Act 148 Revenues Received ⁴			<u>14,434,894</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.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND	PROGRAM	TITLE	TANF	TITLE	TITLE	OTHER	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	FUNDING	ASSISTANCE	TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	534,714	0	89,769	0	0	0	0	0	444,945	444,945	0
02. 90% REIMBURSEMENT	171,195	0	0	0	0	0	0	0	171,195	154,076	17,119
03. 80% REIMBURSEMENT	14,662,960	335,230	2,060,356	743,324	181,707	91,227	0	22,496	11,228,620	8,982,895	2,245,725
04. 60% REIMBURSEMENT	6,170,057	260,337	504,812	0	81,880	91,226	0	17,614	5,214,188	3,128,513	2,085,675
05. 50% REIMBURSEMENT	3,505,777	56,628	220	0	0	0	0	0	3,448,929	1,724,465	1,724,464
06. TOTAL NET CHILD WELFARE EXPEND.	25,044,703	652,195	2,655,157	743,324	263,587	182,453	0	40,110	20,507,877	14,434,894	6,072,983
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,092,900	4,817							1,088,083	652,850	435,233
08. NON-REIMBURSABLE EXPENDITURES	24,729	0							24,729		
09. TOTAL EXPENDITURES	26,162,332	657,012	2,655,157	743,324	263,587	182,453	0	40,110	21,620,689	15,087,744	6,532,945
10. TOTAL TITLE IV-D COLLECTIONS	0										
11. TITLE IV-D Collections for IV-E Children	0										
12. STATE ACT 148 - line 6	14,434,894										
13. STATE ACT 148 ALLOCATION	16,079,683										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	14,434,894										
INVOICE											
AMENDED STATE SHARE (ACT 148)	14,434,894										
ACT 148 AMOUNT RECEIVED	14,434,894										
ADJUSTMENT TO STATE SHARE	0										

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
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	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	534,714	0	89,769	0	0	0	0	0	0	444,945	444,945	0
I-B ADOPTION ASSISTANCE	1,026,399	0	386,184	4,349	0	0	0	0	0	635,866	508,693	127,173
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	87,270	0	44,880	0	0	0	0	0	0	42,390	33,912	8,478
I-D COUNSELING - DEPENDENT	1,824,552	294	192,923	237,377	0	0	0	0	0	1,393,958	1,115,166	278,792
I-E COUNSELING - DELINQUENT	1,462,223	0	404	505,947	0	0	0	0	0	955,872	764,698	191,174
I-F DAY CARE	103,561	6,334	17,529	0	0	0	0	0	0	79,698	63,758	15,940
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	355,144	0	59,599	0	0	0	0	0	0	295,545	236,436	59,109
I-K LIFE SKILLS - DEPENDENT	649,093	0	109,059	0	0	0	0	0	0	540,034	432,027	108,007
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,164,795	0	195,638	0	0	0	0	0	0	969,157	775,326	193,831
I-N PROTECTIVE SERVICE - GENERAL	1,263,816	0	212,238	0	0	0	0	0	0	1,051,578	841,262	210,316
I-O SERVICE PLANNING	808,909	0	135,846	0	0	0	0	0	0	673,063	538,450	134,613
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	229,108	0	0	0	0	0	0	0	0	229,108	114,554	114,554
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	40,932	0	220	0	0	0	0	0	0	40,712	20,356	20,356
SUBTOTAL IN-HOME	9,550,516	6,628	431,064	1,017,574	743,324	0	0	0	0	7,351,926	5,889,583	1,462,343
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	772,518	58,957	96,425	22,526	0	0	0	0	0	594,610	475,688	118,922
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,213,880	94,909	3,835	1,391	0	0	0	0	0	2,113,745	1,690,996	422,749
2-E EMERGENCY SHELTER - DEPENDENT	171,195	0	0	0	0	0	0	0	0	171,195	154,076	17,119
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,623,674	160,936	236,165	338,287	181,707	91,227	0	0	22,496	1,592,856	1,274,285	318,571
2-H FOSTER FAMILY - DELINQUENT	307,126	13,800	1,170	1,908	0	0	0	0	0	290,248	232,198	58,050
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	6,088,393	328,602	337,595	364,112	181,707	91,227	0	0	22,496	4,762,654	3,827,243	935,411
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	3,235,737	56,628	89,907	10,217	81,880	91,226	0	0	0	3,179,109	1,589,555	1,589,554
3-B RESIDENTIAL SERVICE - DEPENDENT	1,064,731	137,292	89,907	10,217	81,880	91,226	0	0	0	654,209	392,525	261,684
3-C RES. SERVICE - DELINQUENT (NON YDC/YPC)	2,922,491	123,045	37,134	1,516	0	0	0	0	0	2,760,796	1,656,478	1,104,318
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	1,092,900	4,817	0	0	0	0	0	0	0	1,088,083	652,850	453,233
3-F SUBTOTAL INSTITUTIONAL	8,315,859	321,782	127,041	11,733	81,880	91,226	0	0	0	7,682,197	4,291,408	3,390,789
4 ADMINISTRATION	2,182,835	0	0	366,038	0	0	0	0	17,614	1,799,183	1,079,510	719,673
TOTAL REVENUES	26,137,603	657,012	895,700	1,759,457	743,324	263,387	182,453	0	40,110	21,595,960	15,087,744	6,508,216

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										7 TOTAL EXPENDITURES	8 Children Served (by county)	9 Children Served (Purchased)	10 Non- Reimbursable Non PS/Sub.	11 Non-Reim. Purchased Serv/ Subsidies	12 Program Income related to all Non- Reimbursable
	1 WAGES AND SALARIES	2 EMPLOYEE BENEFITS	3 SUBSIDIES	4 OPERATING	5 PURCHASED SERVICES	6 FIXED ASSETS										
IN-HOME																
I-A ADOPTION SERVICE	346,583	141,292		46,739	0	0					534,714	45	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,026,399	0	0	0					1,026,399	164	0	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	87,270	0	0	0					87,270	12	0	0	0	0
I-D COUNSELING - DEPENDENT	763,818	300,689		86,211	673,834	0					1,824,552	237	187	0	0	0
I-E COUNSELING - DELINQUENT	0	0		2,930	1,459,293	0					1,462,223	20	403	0	0	0
I-F DAY CARE	0	0		103,561	0	0					103,561	29	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0					0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0					0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0					0	0	0	0	0	0
I-J INTAKE & REFERRAL	170,095	72,927		112,122	0	0					355,144	5,114	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	407,531	201,482		40,080	0	0					649,093	69	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0					0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	732,812	313,909		118,106	0	0					1,164,827	1,255	0	32	0	0
I-N PROTECTIVE SERVICE - GENERAL	801,926	348,293		113,629	0	0					1,263,848	1,340	0	32	0	0
I-O SERVICE PLANNING	526,262	232,371		50,276	0	0					808,909	2,663	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					229,108	0					229,108	0	243	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					40,932	0					40,932	197	0	0	0	0
I-R SUBTOTAL IN-HOME	3,749,027	1,611,063	1,113,669	714,586	2,362,235	0					9,550,580		64			
	Number of Children receiving only NON-PURCHASED IN-Home Services										Number of Children at IMMINENT RISK		4,539			
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	84,444	36,793		15,064	636,217	0					772,518	4,315	28	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		8,287	2,205,593	0					2,213,880	11,540	82	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	171,195	0					171,195	830	33	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0					0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	714,385	299,647		230,906	1,378,736	0					2,623,674	32,395	164	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		2,380	304,746	0					307,126	1,828	16	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0					0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0					0	0	0	0	0	0
2-K SUBTOTAL CBP	798,829	336,440		256,637	4,696,487	0					6,088,393	50,908	323	0	0	0
INSTITUTIONAL PLACEMENT																
3-A JUVENILE DETENTION SERVICE	0	0		0	3,235,737	0					3,235,737	5,266	348	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	38,038	16,333		11,738	998,622	0					1,064,731	2,509	31	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		9,034	2,913,457	0					2,922,491	14,242	111	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0	0					0	0	0	0	0	0
3-E YDC SECURE	38,038	16,333		20,772	8,240,716	0					1,092,900	1,943	13	0	0	0
3-F SUBTOTAL INSTITUTIONAL	38,038	16,333	0	20,772	8,240,716	0					8,315,859	23,960	503	0	0	0
4. ADMINISTRATION	973,686	399,483	0	834,331	0	0					2,207,500		24,665	0	0	0
TOTAL EXPENDITURES	5,559,580	2,363,319	1,113,669	1,826,326	15,299,438	0					26,162,332		24,729			
	County Indirect Costs = \$										437,368		0			

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 534,714	\$ 0	\$ 534,714
Adoption Assistance	1,026,399	0	1,026,399
Subsidized Permanent Legal Custodianship	87,270	0	87,270
Counseling	3,286,775	0	3,286,775
Day Care	103,561	0	103,561
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	355,144	0	355,144
Life Skills	649,093	0	649,093
Protective Service - Child Abuse	1,164,827	0	1,164,827
Protective Service - General	1,263,848	0	1,263,848
Service Planning	808,909	0	808,909
Juvenile Act Proceedings	270,040	0	270,040
Alternative Treatment	0	0	0
Community Residential	2,986,398	0	2,986,398
Emergency Shelter	171,195	0	171,195
Foster Family	2,930,800	0	2,930,800
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,235,737	0	3,235,737
Residential Service	3,987,222	0	3,987,222
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	1,092,900	0	1,092,900
Administration	<u>2,207,500</u>	<u>0</u>	<u>2,207,500</u>
Combined Total Expense	<u>26,162,332</u>	<u>0</u>	<u>26,162,332</u>
Less Non-reimbursables	<u>24,729</u>	<u>0</u>	<u>24,729</u>
Total Net Expense	<u>\$ 26,137,603</u>	<u>\$ 0</u>	<u>\$ 26,137,603</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,559,580	\$ 0	\$ 5,559,580
Employee Benefits	2,363,319	0	2,363,319
Subsidies	1,113,669	0	1,113,669
Operating	1,826,326	0	1,826,326
Purchased Services	15,299,438	0	15,299,438
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Combined Total Expense	<u>26,162,332</u>	<u>0</u>	<u>26,162,332</u>
Less Non-reimbursables	<u>24,729</u>	<u>0</u>	<u>24,729</u>
Total Net Expense	<u>\$ 26,137,603</u>	<u>\$ 0</u>	<u>\$ 26,137,603</u>

SECTION 4

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2013 to JUNE 30, 2014

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	16,850,209
Supplemental Act 148			<u>0</u>
Total State Allocation			16,850,209
State Share (CY348) ²	\$		14,992,080
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	14,992,080
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	14,992,080
Actual Act 148 Revenues Received ⁴			<u>14,992,080</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</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.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
 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	481,942	591	71,373	0	0	0	0	0	409,978	409,978	0
02. 90% REIMBURSEMENT	169,660	0	0	0	0	0	0	0	169,660	152,694	16,966
03. 80% REIMBURSEMENT	15,480,055	277,203	2,210,510	743,324	181,706	85,909	0	28,226	11,953,177	9,562,541	2,390,636
04. 60% REIMBURSEMENT	5,780,690	297,332	468,852	0	81,881	85,909	0	14,334	4,832,382	2,899,430	1,932,952
05. 50% REIMBURSEMENT	3,961,623	26,252	499	0	0	0	0	0	3,934,872	1,967,437	1,967,435
06. TOTAL NET CHILD WELFARE EXPEND.	25,873,970	601,378	2,751,234	743,324	263,587	171,818	0	42,560	21,300,069	14,992,080	6,307,989

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	744,842	4,128							740,714	444,428	296,286

08. NON-REIMBURSABLE EXPENDITURES	16,671	0							16,671		16,671
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09. TOTAL EXPENDITURES	26,635,483	605,506	2,751,234	743,324	263,587	171,818	0	42,560	22,057,454	15,436,508	6,620,946
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10. TOTAL TITLE IV-D COLLECTIONS 0

11. TITLE IV-D Collections for IV-E Children 0

12. STATE ACT 148 - line 6 14,992,080

13. STATE ACT 148 ALLOCATION 16,850,209

14. ADJUSTED STATE SHARE (lower of 12 or 13) 14,992,080

INVOICE											
AMENDED STATE SHARE (ACT 148)	14,992,080										
ACT 148 AMOUNT RECEIVED	14,992,080										
ADJUSTMENT TO STATE SHARE	0										

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
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	481,942	591		71,373	0			0	0	409,978	409,978	0
1-B ADOPTION ASSISTANCE	999,223	0	492,131	5,000				0	0	502,092	401,674	100,418
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	82,934	0	43,864					0	0	39,070	31,256	7,814
1-D COUNSELING - DEPENDENT	2,482,328	684		193,647	155,725	0	0	0	0	2,132,272	1,705,818	426,454
1-E COUNSELING - DELINQUENT	1,415,328	1,001		689	587,599	0	0	0	0	826,039	660,831	165,208
1-F DAY CARE	45,079	0		6,645	0	0	0	0	0	38,434	30,747	7,687
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	359,127	0		53,207	0	0	0	0	0	305,920	244,736	61,184
1-K LIFE SKILLS - DEPENDENT	697,657	0		103,456	0	0	0	0	0	594,201	475,361	118,840
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,003,372	0		148,709	0	0	0	0	0	854,663	683,730	170,933
1-N PROTECTIVE SERVICE - GENERAL	1,121,012	0		165,948	0	0	0	0	0	955,064	764,051	191,013
1-O SERVICE PLANNING	861,566	0		127,721	0	0	0	0	0	733,845	587,076	146,769
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	288,048	426		0	0	0	0	0	0	287,622	143,811	143,811
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	54,320	0		499	0	0	0	0	0	53,821	26,911	26,910
SUBTOTAL IN-HOME	9,891,936	2,702	535,995	876,894	743,324	0	0	0	0	7,733,021	6,165,980	1,567,041

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0				0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,011,833	38,144	151,941	16,069				0	0	805,679	644,543	161,136
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,006,496	95,487	27,865	1,734				0	0	1,881,410	1,505,128	376,282
2-E EMERGENCY SHELTER - DEPENDENT	169,660	0	0	0	0	0	0	0	0	169,660	152,690	16,966
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,901,895	131,983	288,080	361,171		181,706	85,909	0	28,226	1,824,820	1,459,856	364,964
2-H FOSTER FAMILY - DELINQUENT	492,205	9,904	9,375	13,258		0	0	0	0	459,668	367,734	91,934
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	6,582,089	275,518	477,261	392,232	0	181,706	85,909	0	28,226	5,141,237	4,129,955	1,011,282

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	3,619,255	25,826							0	3,593,429	1,796,715	1,796,714
3-B RESIDENTIAL SERVICE - DEPENDENT	1,134,587	134,517	95,393	9,864		81,881	85,909	0	0	727,023	436,214	290,809
3-C RES. SERVICE - DELINQUENT (NON YDC/FC)	2,535,035	157,815	49,919	1,108		0	0	0	0	2,326,193	1,395,716	930,477
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	744,842	4,128								740,714	444,428	296,286
SUBTOTAL INSTITUTIONAL	8,033,719	322,286	145,312	10,972	0	81,881	85,909	0	0	7,387,359	4,073,073	3,314,286

4 ADMINISTRATION	2,111,068	5,000		312,568		0	0	0	14,334	1,779,166	1,067,500	711,666
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5 TOTAL REVENUES	26,618,812	605,506	1,158,568	1,592,666	743,324	263,587	171,818	0	42,560	22,040,783	15,436,508	6,604,275
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CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
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	317,421	116,376		48,145	0	0	481,942	129	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	999,223	0	0	0	999,223	0	142	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	0	0	82,934	0	0	0	82,934	0	11	0	0	0
1-D COUNSELING - DEPENDENT	852,871	360,114		94,592	1,174,751	0	2,482,328	217	81	0	0	0
1-E COUNSELING - DELINQUENT	0	0		4,640	1,410,688	0	1,415,328	12	278	0	0	0
1-F DAY CARE	0	0		45,079	0	0	45,079	43	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	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	189,926	80,194		89,007	0	0	359,127	5,527	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	455,044	192,136		50,477	0	0	697,657	55	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	639,273	265,806		98,293	0	0	1,003,372	1,334	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	719,498	302,881		98,633	0	0	1,121,012	1,208	0	0	0	0
1-O SERVICE PLANNING	559,642	247,687		54,237	0	0	861,566	2,542	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	288,048		288,048	0	244	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				54,320	0		54,320	152	0	0	0	0
SUBTOTAL IN-HOME	3,733,675	1,565,194	1,082,157	637,423	2,873,487	0	9,891,936					
Number of Children receiving only NON-PURCHASED IN-Home Services 5,323												
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	67,149	26,321	0	16,691	901,672	0	1,011,833	5,410	28	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	11,692	1,994,804	0	2,006,496	9,776	73	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	169,660	0	169,660	672	26	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	628,914	249,023	0	343,974	1,679,984	0	2,901,895	36,622	150	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	1,221	490,984	0	492,205	3,727	17	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	696,063	275,344	0	372,578	5,237,104	0	6,582,089	56,207	294	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	3,619,255	0	3,619,255	5,641	230	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	32,735	13,152	0	32,450	1,056,250	0	1,134,587	3,244	59	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	8,834	2,535,276	0	2,544,110	12,230	84	1,331	7,744	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	744,842	0	744,842	1,531	13	0	0	0
SUBTOTAL INSTITUTIONAL	32,735	13,152	0	41,284	7,955,623	0	8,042,794	22,646	386	1,331	7,744	0
ADMINISTRATION	980,350	397,253	0	741,061	0	0	2,118,664			7,596	0	0
TOTAL EXPENDITURES	5,442,823	2,250,943	1,082,157	1,793,346	16,066,214	0	26,635,483			8,927	7,744	0
County Indirect Costs = \$ 370,389												

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 481,942	\$ 0	\$ 481,942
Adoption Assistance	999,223	0	999,223
Subsidized Permanent Legal Custodianship	82,934	0	82,934
Counseling	3,897,656	0	3,897,656
Day Care	45,079	0	45,079
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	359,127	0	359,127
Life Skills	697,657	0	697,657
Protective Service - Child Abuse	1,003,372	0	1,003,372
Protective Service - General	1,121,012	0	1,121,012
Service Planning	861,566	0	861,566
Juvenile Act Proceedings	342,368	0	342,368
Alternative Treatment	0	0	0
Community Residential	3,018,329	0	3,018,329
Emergency Shelter	169,660	0	169,660
Foster Family	3,394,100	0	3,394,100
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,619,255	0	3,619,255
Residential Service	3,678,697	0	3,678,697
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	744,842	0	744,842
Administration	<u>2,118,664</u>	<u>0</u>	<u>2,118,664</u>
Combined Total Expense	26,635,483	0	26,635,483
Less Non-reimbursables	<u>16,671</u>	<u>0</u>	<u>16,671</u>
Total Net Expense	<u>\$ 26,618,812</u>	<u>\$ 0</u>	<u>\$ 26,618,812</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,442,823	\$ 0	\$ 5,442,823
Employee Benefits	2,250,943	0	2,250,943
Subsidies	1,082,157	0	1,082,157
Operating	1,793,346	0	1,793,346
Purchased Services	16,066,214	0	16,066,214
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Combined Total Expense	26,635,483	0	26,635,483
Less Non-reimbursables	<u>16,671</u>	<u>0</u>	<u>16,671</u>
Total Net Expense	<u>\$ 26,618,812</u>	<u>\$ 0</u>	<u>\$ 26,618,812</u>

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

Finding – The Chester County Children and Youth Agency Paid Contractors for Counseling Services for In-Home Delinquent Children but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided

Condition: During the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 fiscal years, the Chester County Children and Youth Agency (agency) paid 29 different In-Home Purchased Service providers a total of \$10,260,521, which includes \$6,283,752 of expenditures for Counseling – Delinquent Services. We evaluated the agency’s internal control procedures by judgmentally selecting 15 providers¹ of In-Home Purchased Services that were utilized during the aforementioned fiscal years and, from those providers, judgmentally selecting 30 invoices totaling \$336,138. For the scope years reviewed, while the agency provided the approved invoices corresponding to the \$336,138 expended, we found that the agency failed to obtain reasonable assurance that providers of Counseling - Delinquent services, responsible for providing In-Home counseling services directly to delinquent at-risk children and their families, actually performed the services for which the agency was invoiced, and subsequently paid, and that these services were provided in adherence to executed contract terms between the agency and the respective providers.

We reviewed invoices for 7 providers of In-Home Counseling - Delinquent services, which consisted of 5 Fee-for-Service providers and 2 Program-Funded providers. The approved contracts for the 5 Fee-for-Service providers included an agreed upon fee-for-service rate per unit (days or hours), and costs invoiced by these types of providers were calculated by multiplying the contracted service rate by the number of units the Fee-for-Service provider listed on their respective submitted invoices. While the monthly invoices submitted by the 5 fee-for-service providers included names of individuals who received services, we were not provided any supporting documentation providing reasonable assurance that the contracted services were actually provided for the number of days or hours invoiced for each listed individual. Regarding the 2 Program-Funded providers, these providers contracted with the agency for a maximum amount of operating costs to be reimbursed for each contracted fiscal year, and each month these providers invoiced the agency for what is listed as actual operating costs. For 1 of these 2 Program-Funded providers, the provider submitted no supporting documentation, nor did the agency require any documentation substantiating the operating costs invoiced. While the remaining Program-Funded provider did submit documentation evidencing invoiced operating costs, the agency did not require this provider or any other Program-Funded provider to include such documentation with their submitted invoices in order to receive payment. Furthermore, as with the 5 Fee-for-Service providers reviewed, the agency performed no procedures that would provide reasonable assurance that contracted services were actually provided by Program Funded providers.

¹ These 15 providers invoiced the agency for services related to the Counseling – Dependent, Counseling – Delinquent, and Juvenile Act Proceedings cost centers.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

Criteria: 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.* This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).

In addition, 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

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

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: During our engagement scope period, agency management informed us that the Counseling - Delinquent Service providers’ invoices were reviewed and approved by the Chester County Juvenile Probation Office (JPO), and the corresponding costs were reported on the Children and Youth agency’s fiscal reports submitted to the Commonwealth Department of Human Services. However, we were provided no evidence substantiating that fiscal-related monitoring procedures were performed by the JPO to obtain reasonable assurance that the contracted services related to the fees invoiced by these providers were actually provided or to substantiate operating costs invoiced by these types of Program Funded providers.

Agency management further informed us that, beginning with the 2014-2015 fiscal year, the County JPO implemented for the contracted Counseling - Delinquent Services providers the same fiscal-related monitoring procedures performed by the agency’s fiscal staff for the agency’s other contracted In-Home Purchased Service providers; we concluded that the fiscal-related monitoring procedures performed by the agency’ fiscal staff were sufficient to provide reasonable assurance that contracted services related to the fees listed on these In-Home providers’ submitted invoices were actually provided and to substantiate operating costs invoiced by these types of Program Funded providers. However, we determined the agency did not include in their written fiscal-related monitoring procedures details related to the specific types of documentation that are to be provided by In-Home Purchased Service providers submitting program funded operating expense invoices and how identified erroneous billings should be resolved.

Effect: The agency’s failure to obtain reasonable assurance that contracted In-Home Counseling - Delinquent Services were actually provided by contracted Fee-For Service and Program-Funded In-Home Purchased Services providers, and provided in adherence to the requirements of the respective provider’s executed contract terms (and therefore in adherence to DHS regulations), coupled with the agency’s failure to substantiate operating costs invoiced by Program Funded In-Home Delinquent Purchased Services providers, increases agency management’s risk of:

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

- 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 ensures that fiscal-related monitoring of providers of In-Home Counseling - Delinquent services conducted by the JPO is adequate to provide reasonable assurance that contracted services related to the fees invoiced by Fee-for Service and Program funded In-Home Delinquent providers were actually provided, and provided in adherence to executed contracted terms and DHS regulations, and that operating costs invoiced by these types of Program Funded providers are properly substantiated.

In addition, we recommend that the agency update its implemented written fiscal-related monitoring policy and procedures to include the specific fiscal-related monitoring procedures being performed (by the agency's fiscal staff and the County JPO) as required per the agency's executed contracts with its In-Home Purchased Service providers, details related to specific types of documentation that are to be provided with submitted program funded operating expense invoices, and a description as to how identified erroneous billings are to be resolved.

Agency Response: Regarding the Current Engagement Finding we believe that Chester County CYF through the Chester County Office of Juvenile Probation (JPO) did obtain reasonable assurance that counseling services for in-home delinquent children were actually provided as invoiced by and paid to providers for the four fiscal years reviewed for this audit report. The actions taken by JPO staff to obtain this reasonable assurance included:

- Probation officers reviewed provider's written reports submitted for Court hearings and listened to provider testimony during court hearings, both of which provided details about services delivered and youth/family progress. This included detention hearings, adjudication hearings, and dispositional hearings.
- Probation officers maintained regular contact (via email, phone, and in-person) with the assigned provider worker, and with the youth and family receiving services.
- Probation officers reviewed weekly, monthly, and/or quarterly written progress and/or discharge reports submitted by providers.
- Probation officers had regular contact with youth and families. Based on those contacts, direct conversations with providers were conducted to address any concerns raised and/or service delivery discrepancies.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

- Probation officers had regular contact with the provider referral liaisons that included discussions around provider service delivery and programmatic components.
- JPO tracked all referrals to providers using an Excel spreadsheet.
- JPO supervisors conducted monthly case reviews with probation officers and discussed provider service delivery and youth and family progress during those reviews.
- The JPO placement supervisor sent monthly emails to the supervisors to make determinations if youth who had been receiving a service in excess of 90 days still needed the service.
- Starting in 2011, JPO worked closely with County CYF and County Department of Human Services staff to develop more specific program deliverables and reporting expectations for providers. JPO participation in on-site monitoring began with CYF/JPO mutually shared contracts, while discussions with the JPO exclusive contracts were held to move providers from per diem rates to unit of service rates.
- During this time there were 3 primarily JPO only programs that were being transitioned from per diem to a unit of service rate system. JPO staff held quarterly meetings with these providers to discuss fiscal and case management matters. JPO staff in attendance included the fiscal supervisor, placement/in-home services specialist, and placement supervisor, along with County CYF and County Human Services administrators and other staff.
- Courtview fiscal reports (e.g. agency billing verification report) were used to cross reference provider invoice submissions for accuracy. If there were any discrepancies, the probation officer's case notes were reviewed by the JPO fiscal coordinator to cross reference what was billed. If discrepancies remained, the provider was contacted, informed of the discrepancy, and required to revise and re-submit their invoice.

As noted in the draft report, starting with the 2014-2015 fiscal year, the same fiscal-related monitoring procedures utilized for its other In-Home Purchased Service providers were implemented by the County JPO for In-home Counseling-Delinquent services providers. We believe it is significant that the Current Engagement Finding did not include any findings related to the other In-Home Purchased Service providers monitored by CYF during the four fiscal years reviewed for this audit report.

Auditor's Conclusion: During the conduct of this engagement, agency management informed our auditors that, beginning with the 2014-2015 fiscal year, the County JPO implemented for contracted In-Home Counseling - Delinquent Services providers the same fiscal-related monitoring procedures performed by the agency's fiscal staff for its other contracted In-Home Purchased Service providers, which we concluded were sufficient to provide reasonable assurance that contracted services related to the fees invoiced by these In-Home providers' were

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATION

actually provided and to substantiate operating costs invoiced by these types of Program Funded providers. While we commend Chester County Children and Youth Agency management on their efforts to implement fiscal-related monitoring procedures that would provide reasonable assurance that services related to invoiced, and paid for, In-Home Delinquent Purchased Service fees were actually provided, because we were provided no evidence that fiscal-related monitoring procedures for In-Home Delinquent Purchased Service expenditures were performed during our engagement scope period, our finding will stand as presented. During our next regularly scheduled audit of the agency, we will review the procedures implemented by the JPO beginning with the 2014-2015 fiscal year to determine whether fiscal related monitoring was performed to obtain reasonable assurance that services corresponding to invoiced, and paid for, In-Home Delinquent service fees were actually provided, and if provided, were provided in adherence to DHS regulations and executed key contract terms.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

The Child Protective Services Law² (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).³ To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,⁴ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS, OCYF, the Chester County Children and Youth Agency provided in-home and placement services to 2,267 children residing within the County during the 2015-2016 fiscal year.

Furthermore, beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over the 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 DHS’ website, we found letters,

² Please note that the CPSL was extensively amended in 2013, 2014, and 2015 with 24 pieces of legislation “[being] enacted, changing how Pennsylvania responds to child abuse. These changes will significantly impact the reporting, investigation, assessment, prosecution and judicial handling of child abuse and neglect cases. The new laws will expand and further define mandatory reporters and the reporting process, increase penalties for those mandated to report suspected child abuse who fail to do so, and provide protections from employment discrimination for filing a good faith report of child abuse.” See <http://keepkidssafe.pa.gov/laws/index.htm> last accessed on September 2, 2016. Please note that although this particular DHS’ keepkidssafe.pa.gov link only refers to 23, instead of 24, pieces of legislation, we were able to confirm that the link should actually refer to 24 pieces of legislation, just as in the following DHS’ link: <http://keepkidssafe.pa.gov/index.htm>

³ 23 Pa.C.S. §§ 6344 and 6344.2.

⁴ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2016, via Finding 2016-017).

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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; identified regulatory violations, including CPSL adherence violations, were specified in the accompanying License Inspection Summaries. However, we are unable to attest to the timeliness of the completion of these annual inspections. Furthermore, we are also unable to attest to whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.

Finally, 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. However, it is DHS' position that while not all in-home service providers would meet the criteria requiring the conduct of criminal background checks and child abuse history clearances (certifications) for employees/volunteers, when they do, C&Y agencies are responsible for including provisions in their executed contracts with these providers and monitoring their providers' adherence to CPSL requirements.

However, in correspondence with agency management during the course of recently conducted audit engagements, we have found that the agency management staffs of these C&Y agencies are of the opinion that there is no need for C&Y agencies to monitor CPSL adherence of the employees/volunteers of these providers because they are now including the requirements for this monitoring in their executed contracts with these providers. Our interpretation of the CPSL is that the C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely "monitoring" their executed provider contracts rather than actually monitoring their providers' adherence to the CPSL background check requirements. While it is evident that neither the DHS nor the C&Y agencies are monitoring the CPSL adherence of their employees and volunteers of contracted in-home preventative service providers, this Department will continue to raise concerns about their interpretation of the CPSL and that this faulty interpretation may be putting the safety of these children at **great risk**.⁵

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained. However, recent amendments to the CPSL extend this

⁵ It should be noted that agency management of the Chester County Children and Youth Agency (agency) chose to include a response to this observation, as follows: "We note that for many years Chester County CYF has included as part of our on-site provider monitoring procedures a review of whether contracted providers' employees had the appropriate clearances prior to being hired. Currently, this procedure is included in the on-site monitoring of all CYF and JPO contracted providers." However, during our conduct of this engagement we did not perform a review of Chester's CPSL review policies and procedures nor documentation substantiating the results of such conducted reviews.

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time frame from one year to five years.⁶ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about their employees' providers' and sub-recipients' arrest and conviction records, as well as child abuse adjudications 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.

⁶ 23 Pa.C.S. § 6344.4.

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

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