

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

Clarion County Children and Youth Agency

August 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 Clarion County
330 Main Street, Room 200
Clarion, PA 16214

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

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

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

Independent Auditor's Report (Continued)

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

- For the **2014-2015 fiscal year**, our engagement resulted in four 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 \$16,530, increasing nonreimbursable expenditures by \$1,949 and decreasing revenue by \$5,248. Based on the application of the state participation rates, the four adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$12,107. All four adjustments are 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 three adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$36,586, decreasing nonreimbursable expenditures by \$2,428 and decreasing revenue by \$200. However, no amount is due to the county or state because the agency's expenditures exceeded the Total State Act 148 State Allocation by \$23,573, as detailed in section 2 of this report.
- For the **2016-2017 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 2016-2017, as included in Section 3 of this report.

In addition, we found that the agency did not comply with the two findings included in the prior released audit report, as detailed in Section 4 of this report. This resulted in our issuance of repeat findings in the current section of our engagement report, as listed below and detailed in Section 5 of this report.

Finding No. 1 – 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.

Finding No. 2 – Unresolved Prior Engagement Finding – Failure to Execute Required Contracts with Service Providers

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

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

Independent Auditor's Report (Continued)

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 July 24, 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 Clarion County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

August 1, 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 Clarion County Children and Youth Agency provided in-home and placement services to 776 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

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹	\$	1,958,734
Supplemental Act 148		<u>0</u>
Total State Allocation		1,958,734
State Share (CY348) ²	\$	1,777,364
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	1,777,364
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	1,777,364
Actual Act 148 Revenues Received ⁴		<u>1,765,257</u>
Net Amount Due County/(State) ⁵	\$	<u><u>12,107</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.

CLARION 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	52,986	0	6,660	0	0	0	0	0	46,326	46,326	0
02. 90% REIMBURSEMENT	61,681	0	2,397	22,066	0	0	0	0	37,218	33,497	3,721
03. 80% REIMBURSEMENT	2,450,451	132,115	403,199	4,480	21,563	0	0	0	1,889,094	1,511,274	377,820
04. 60% REIMBURSEMENT	383,399	405	52,114	0	19,712	1,215	0	1,871	308,082	184,849	123,233
05. 50% REIMBURSEMENT	20,250	0	0	0	0	17,414	0	0	2,836	1,418	1,418
06. TOTAL NET CHILD WELFARE EXPEND.	2,968,767	132,520	464,370	26,546	41,275	18,629	0	1,871	2,283,556	1,777,364	506,192

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

08. NON-REIMBURSABLE EXPENDITURES	18,479	0							18,479		18,479
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09. TOTAL EXPENDITURES	2,987,246	132,520	464,370	26,546	41,275	18,629	0	1,871	2,302,035	1,777,364	524,671
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10. TOTAL TITLE IV-D COLLECTIONS 83,449

11. TITLE IV-D Collections for IV-E Children 12,993

12. STATE ACT 148 - line 6 1,777,364

13. STATE ACT 148 ALLOCATION 1,958,734

14. ADJUSTED STATE SHARE (lower of 12 or 13) 1,777,364

INVOICE											
AMENDED STATE SHARE (ACT 148)	1,777,364										
ACT 148 AMOUNT RECEIVED	1,765,257										
ADJUSTMENT TO STATE SHARE	12,107										

CLARION 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
	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	52,986	0		6,660	0		0	0	0	46,326	46,326	0
1-B ADOPTION ASSISTANCE	183,185	0	71,485	0			0	0	0	111,700	89,360	22,340
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	43,459	0	7,635	0			0	0	0	35,824	28,659	7,165
1-D COUNSELING - DEPENDENT	154,723	49,070		0	0		0	0	0	105,653	84,522	21,131
1-E COUNSELING - DELINQUENT	11,765	828		0	0		0	0	0	10,937	8,750	2,187
1-F DAY CARE	90	0		0	0		0	0	0	90	72	18
1-G DAY TREATMENT - DEPENDENT	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
1-I HOMEMAKER SERVICE	30,000	0		0	0		0	0	0	30,000	24,000	6,000
1-J INTAKE & REFERRAL	27,699	0		5,931	0		0	0	0	21,768	17,414	4,354
1-K LIFE SKILLS - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	173,711	0		34,740	0			0	0	138,971	111,177	27,794
1-N PROTECTIVE SERVICE - GENERAL	920,567	0		128,267	4,480	21,563		0	0	766,257	613,006	153,251
1-O SERVICE PLANNING	107,723	0		6,949	0		0	0	0	100,774	80,619	20,155
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	20,250	0		0	0		17,414	0	0	2,836	1,418	1,418
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,726,158	49,898	79,120	182,547	4,480	21,563	17,414	0	0	1,371,136	1,105,323	265,813

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	37,559	2,318		2,243			0	0	0	32,998	26,398	6,600
2-D COMMUNITY RESIDENTIAL - DELINQUENT	194,914	25,621		0			0	0	0	169,293	135,434	33,859
2-E EMERGENCY SHELTER - DEPENDENT	32,822	0		2,397	642		0	0	0	29,783	26,805	2,978
2-F EMERGENCY SHELTER - DELINQUENT	28,859	0		0	21,424		0	0	0	7,435	6,692	743
2-G FOSTER FAMILY - DEPENDENT	553,563	50,606		75,016			0	0	0	357,078	285,662	71,416
2-H FOSTER FAMILY - DELINQUENT	6,259	3,672		70			0	0	0	2,517	2,014	503
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0			0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	5,234	0		0			0	0	0	5,234	4,187	1,047
2-K SUBTOTAL CBP	859,210	82,217	70,863	79,726	22,066	0	0	0	0	604,338	487,192	117,146

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	0	0							0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		0			0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	23,087	405		0		19,712	0	0	0	2,970	1,782	1,188
3-D SECURE RES. SERVICE (EXCEPT YDC)	100,435	0							0	100,435	60,261	40,174
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	123,522	405	0	0	0	19,712	0	0	0	103,405	62,043	41,362
4 ADMINISTRATION	259,877	0		52,114		0	1,215	0	1,871	204,677	122,806	81,871
5 TOTAL REVENUES	2,968,767	132,520	149,983	314,387	26,546	41,275	18,629	0	1,871	2,283,556	1,777,364	506,192

CLARION 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	17,107	9,347		8,346	18,085	101	52,986	36	19	0	0	0
1-B ADOPTION ASSISTANCE	0	0	183,185	0	0	0	183,185	0	35	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	43,459	0	0	0	43,459	0	8	0	0	0
1-D COUNSELING - DEPENDENT	0	0			154,723	0	154,723	0	194	0	0	0
1-E COUNSELING - DELINQUENT	0	0			11,765	0	11,765	0	61	0	0	0
1-F DAY CARE	0	0			90	0	90	0	2	0	0	0
1-G DAY TREATMENT - DEPENDENT	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
1-I HOMEMAKER SERVICE	0	0			30,000	0	30,000	64	86	0	0	0
1-J INTAKE & REFERRAL	14,217	8,663		4,691	0	128	27,699	1,226	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0			0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	104,996	32,064		25,351	10,805	495	173,711	180	34	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	350,979	155,542		93,374	318,461	2,211	920,567	1,045	1,725	0	0	0
1-O SERVICE PLANNING	17,976	9,812		4,811	75,000	124	107,723	1,592	86	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					0		20,250	52	49	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	505,275	215,428	226,644	136,573	639,179	3,059	1,726,158			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	5,676	3,027	0	1,733	27,077	46	37,559	187	3	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	94	194,820	0	194,914	1,371	10	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	1,471	1,000	0	9,078	21,262	11	32,822	205	12	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	28,859	0	28,859	204	15	0	0	0
2-G FOSTER FAMILY - DEPENDENT	127,000	57,301	0	173,302	195,002	958	553,563	5,855	28	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	799	5,460	0	6,259	182	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	5,234	0	5,234	49	1	0	0	0
2-K SUBTOTAL CBP	134,147	61,328	0	185,006	477,714	1,015	859,210	8,053	70	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	23,087	0	23,087	152	1	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	100,435	0	100,435	379	2	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	0	123,522	0	123,522	531	3	0	0	0
4 ADMINISTRATION	74,643	36,933	0	161,570	4,804	406	278,356			18,479	0	0
5 TOTAL EXPENDITURES	714,065	313,689	226,644	483,149	1,245,219	4,480	2,987,246			18,479	0	0
County Indirect Costs = \$ 97,169												

**CLARION 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	\$ 52,986	\$ 0	\$ 52,986
Adoption Assistance	183,185	0	183,185
Subsidized Permanent Legal Custodianship	43,459	0	43,459
Counseling	166,488	0	166,488
Day Care	90	0	90
Day Treatment	0	0	0
Homemaker Service	30,000	0	30,000
Intake and Referral	27,699	0	27,699
Life Skills	0	0	0
Protective Service - Child Abuse	173,711	0	173,711
Protective Service - General	920,567	0	920,567
Service Planning	107,723	0	107,723
Juvenile Act Proceedings	20,250	0	20,250
Alternative Treatment	0	0	0
Community Residential	232,473	0	232,473
Emergency Shelter	61,681	0	61,681
Foster Family	559,822	0	559,822
Supervised Independent Living	5,234	0	5,234
Juvenile Detention Service	0	0	0
Residential Service	23,087	0	23,087
Secure Residential Service (Except YDC)	100,435	0	100,435
YDC Secure	0	0	0
Administration	<u>261,826</u>	<u>16,530</u>	<u>278,356</u>
Combined Total Expense	2,970,716	16,530	2,987,246
Less Non-reimbursables	<u>16,530</u>	<u>1,949</u>	<u>18,479</u>
Total Net Expense	\$ <u>2,954,186</u>	\$ <u>14,581</u>	\$ <u>2,968,767</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 714,065	\$ 0	\$ 714,065
Employee Benefits	313,689	0	313,689
Subsidies	226,644	0	226,644
Operating	466,619	16,530	483,149
Purchased Services	1,245,219	0	1,245,219
Fixed Assets	<u>4,480</u>	<u>0</u>	<u>4,480</u>
Combined Total Expense	2,970,716	16,530	2,987,246
Less Non-reimbursables	<u>16,530</u>	<u>1,949</u>	<u>18,479</u>
Total Net Expense	\$ <u>2,954,186</u>	\$ <u>14,581</u>	\$ <u>2,968,767</u>

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	<p style="text-align: center;">CY-370 ADJUSTMENTS</p> <p>Administration - Operating</p> <p>To increase Operating expenditures by \$16,530 to reconcile to the County Cost Allocation Plan and properly report indirect costs.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 145,040	\$ 16,530	\$ 161,570
CY-370	4	10	2	<p>Administration -Non-Reimbursable Non PS/Sub</p> <p>To increase Non-Reimbursable Expenditures in the Administration cost center by \$1,949 to properly report the indirect costs that exceeded the 2 percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 16,530	\$ 1,949	\$ 18,479
CY-370A	3-D	2	3	<p style="text-align: center;">CY-370A ADJUSTMENTS</p> <p>Secure Res. Service (Except YDC) - Program Income</p> <p>To decrease Program Income by \$4,548 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>	\$ 4,548	\$ (4,548)	
CY-370A	2-F	5	4	<p>Emergency Shelter Delinquent - TANF</p> <p>To decrease TANF by \$700 to include a supplemental TANF invoice payment that was received and refunded when the child was ruled ineligible.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 22,124	\$ (700)	\$ 21,424

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**CLARION 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	\$	2,013,238
Supplemental Act 148		<u>72,787</u>
Total State Allocation		2,086,025
State Share (CY348) ²	\$	2,109,598
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	2,109,598
Less: Expenditures in Excess of the Approved State Allocation		<u>23,573</u>
Final Net State Share Payable ³	\$	2,086,025
Actual Act 148 Revenues Received ⁴		<u>2,086,025</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 No Amount is Due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$23,573. The Agency cannot receive state reimbursement in excess of the Act 148 Allocation. Thus, there is no impact on the Final Net State Share of Expenditures.

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

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	30,103	0	4,128	0	0	0	0	0	25,975	25,975	0
02. 90% REIMBURSEMENT	87,808	0	2,408	25,554	0	0	0	0	59,846	53,861	5,985
03. 80% REIMBURSEMENT	2,817,545	87,923	414,348	1,693	0	0	0	0	2,313,581	1,850,865	462,716
04. 60% REIMBURSEMENT	381,346	3,212	38,432	0	41,275	2,107	0	1,889	294,431	176,658	117,773
05. 50% REIMBURSEMENT	21,000	0	0	0	0	16,522	0	0	4,478	2,239	2,239
06. TOTAL NET CHILD WELFARE EXPEND.	3,337,802	91,135	459,316	27,247	41,275	18,629	0	1,889	2,698,311	2,109,598	588,713

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

08. NON-REIMBURSABLE EXPENDITURES	1,760	0							1,760		1,760
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09. TOTAL EXPENDITURES	3,339,562	91,135	459,316	27,247	41,275	18,629	0	1,889	2,700,071	2,109,598	590,473
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10. TOTAL TITLE IV-D COLLECTIONS 51,419

11. TITLE IV-D Collections for IV-E Children 7,500

12. STATE ACT 148 - line 6 2,109,598

13. STATE ACT 148 ALLOCATION 2,013,238

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,013,238

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,109,598										
ACT 148 AMOUNT RECEIVED	2,086,025										
ADJUSTMENT TO STATE SHARE	23,573										

CLARION 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													
I-A	ADoption SERVICE	30,103	0		4,128	0			0	0	25,975	25,975	0
I-B	ADoption ASSISTANCE	259,933	0	107,357	0				0	0	152,576	122,061	30,515
I-C	SUBSIZED PERMANENT LEGAL CUSTODIANSH	44,826	0	7,603	0				0	0	37,223	29,778	7,445
I-D	COUNSELING - DEPENDENT	360,241	39,714		0	0			0	0	320,527	256,422	64,105
I-E	COUNSELING - DELINQUENT	46,137	1,028		0	0			0	0	45,109	36,087	9,022
I-F	DAY CARE	17,731	0		0	0			0	0	17,731	14,185	3,546
I-G	DAY TREATMENT - DEPENDENT	0	0		0	0			0	0	0	0	0
I-H	DAY TREATMENT - DELINQUENT	0	0		0	0			0	0	0	0	0
I-I	HOMEMAKER SERVICE	30,000	0		0	0			0	0	30,000	24,000	6,000
I-J	INTAKE & REFERRAL	16,540	0		2,844	0			0	0	13,696	10,957	2,739
I-K	LIFE SKILLS - DEPENDENT	0	0		0	0			0	0	0	0	0
I-L	LIFE SKILLS - DELINQUENT	0	0		0	0			0	0	0	0	0
I-M	PROTECTIVE SERVICE - CHILD ABUSE	201,695	0		33,074	0			0	0	168,621	134,897	33,724
I-N	PROTECTIVE SERVICE - GENERAL	1,122,997	0		131,526	1,693			0	0	989,778	791,822	197,956
I-O	SERVICE PLANNING	73,856	0		2,662	0			0	0	71,194	56,955	14,239
I-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	21,000	0		0	0		16,522	0	0	4,478	2,239	2,239
I-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
I-R	SUBTOTAL IN-HOME	2,225,059	40,742	114,960	174,234	1,693	0	16,522	0	0	1,876,908	1,305,378	371,530
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	100,546	4,979		1,515	0			0	0	97,052	77,642	19,410
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	100,190	3,841		0	0			0	0	96,349	77,079	19,270
2-E	EMERGENCY SHELTER - DEPENDENT	65,965	0		2,408	9,139			0	0	54,418	48,976	5,442
2-F	EMERGENCY SHELTER - DELINQUENT	21,843	0		0	16,415			0	0	5,428	4,885	543
2-G	FOSTER FAMILY - DEPENDENT	435,059	38,209		83,261	44,506			0	0	269,083	215,266	53,817
2-H	FOSTER FAMILY - DELINQUENT	0	0		0	0			0	0	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0			0	0	0	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	4,794	152		0	0			0	0	4,642	3,714	928
2-K	SUBTOTAL CBP	731,397	47,181	83,261	48,429	23,554	0	0	0	0	526,972	427,562	99,410
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	0	0		0	0			0	0	0	0	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	0	0		0	0			0	0	0	0	0
3-C	RES. SERVICE - DELINQUENT (NON YDC/WFC)	118,581	1,986		41,275	0			0	0	75,320	45,192	30,128
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	1,226		0	0			0	0	(1,226)	(736)	(490)
3-E	YDC SECURE	0	0		0	0			0	0	0	0	0
3-F	SUBTOTAL INSTITUTIONAL	118,581	3,212	0	41,275	0	0	0	0	0	74,094	44,456	29,638
4	ADMINISTRATION	262,765	0		38,432	0		2,107	0	1,889	220,337	132,202	88,135
5	TOTAL REVENUES	3,337,802	91,135	198,221	261,095	27,247	41,275	18,629	0	1,889	2,698,311	2,109,598	588,713

CLARION 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	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	13,712	6,836		3,807	5,748	0	30,103	18	9	0	0	0
1-B ADOPTION ASSISTANCE	0	0	259,933	0	0	0	259,933	1	35	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	44,826	0	0	0	44,826	2	9	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	360,241	0	360,241	0	81	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	46,137	0	46,137	1	13	0	0	0
1-F DAY CARE	0	0			17,731	0	17,731	18	18	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	30,000	0	30,000	75	75	0	0	0
1-J INTAKE & REFERRAL	8,239	5,137		3,164	0	0	16,540	807	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	123,769	44,642		25,116	8,168	0	201,695	364	55	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	416,518	225,854		119,766	360,859	0	1,122,997	1,287	1,506	0	0	0
1-O SERVICE PLANNING	7,028	4,831		4,059	57,938	0	73,856	2,065	131	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	21,000		21,000	60	56	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	569,266	287,300	304,759	155,912	907,822	0	2,225,059			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	4,318	3,240		1,404	94,584	0	103,546	654	7	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	20	100,620	0	100,640	641	6	0	450	0
2-E EMERGENCY SHELTER - DEPENDENT	3,671	1,970		11,589	48,735	0	65,965	1,024	43	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	21,843	0	21,843	154	8	0	0	0
2-G FOSTER FAMILY - DEPENDENT	138,264	69,385		99,406	128,004	0	435,059	4,869	34	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	4,794	0	4,794	44	1	0	0	0
2-K SUBTOTAL CBP	146,253	74,595	0	112,419	398,580	0	731,847	7,386	99	0	450	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	446	118,135	0	118,581	447	3	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	446	118,135	0	118,581	447	3	0	0	0
4 ADMINISTRATION	56,487	29,460	0	172,459	5,669	0	264,075			1,310	0	0
TOTAL EXPENDITURES	772,006	391,355	304,759	441,236	1,430,206	0	3,339,562			1,310	450	0
County Indirect Costs = \$ 85,861												

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 30,103	\$ 0	\$ 30,103
Adoption Assistance	259,933	0	259,933
Subsidized Permanent Legal Custodianship	44,826	0	44,826
Counseling	406,378	0	406,378
Day Care	17,731	0	17,731
Day Treatment	0	0	0
Homemaker Service	30,000	0	30,000
Intake and Referral	16,540	0	16,540
Life Skills	0	0	0
Protective Service - Child Abuse	201,695	0	201,695
Protective Service - General	1,122,997	0	1,122,997
Service Planning	73,856	0	73,856
Juvenile Act Proceedings	21,000	0	21,000
Alternative Treatment	0	0	0
Community Residential	204,186	0	204,186
Emergency Shelter	87,808	0	87,808
Foster Family	435,059	0	435,059
Supervised Independent Living	4,794	0	4,794
Juvenile Detention Service	0	0	0
Residential Service	118,581	0	118,581
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	<u>227,489</u>	<u>36,586</u>	<u>264,075</u>
Combined Total Expense	<u>3,302,976</u>	<u>36,586</u>	<u>3,339,562</u>
Less Non-reimbursables	<u>4,188</u>	<u>(2,428)</u>	<u>1,760</u>
Total Net Expense	<u>\$ 3,298,788</u>	<u>\$ 39,014</u>	<u>\$ 3,337,802</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 772,006	\$ 0	\$ 772,006
Employee Benefits	391,355	0	391,355
Subsidies	304,759	0	304,759
Operating	404,650	36,586	441,236
Purchased Services	1,430,206	0	1,430,206
Fixed Assets	0	0	0
Combined Total Expense	<u>3,302,976</u>	<u>36,586</u>	<u>3,339,562</u>
Less Non-reimbursables	<u>4,188</u>	<u>(2,428)</u>	<u>1,760</u>
Total Net Expense	<u>\$ 3,298,788</u>	<u>\$ 39,014</u>	<u>\$ 3,337,802</u>

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
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	4	4	1	<p>Administration - Operating</p> <p>To increase Operating expenditures by \$36,586 reconcile to the County Cost Allocation Plan and properly report indirect costs.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 135,873	\$ 36,586	\$ 172,459
CY-370	4	10	2	<p>Administration - Non-Reimbursable Non PS/Sub</p> <p>To decrease Non-Reimbursable Expenditures within the Administration Cost Center by \$2,428 to reflect the correct amount of indirect costs that exceeded the 2 percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 3,738	\$ (2,428)	\$ 1,310
				CY-370A ADJUSTMENT			
CY-370A	1-N	2	3	<p>Protective Services - General - Program Income</p> <p>To decrease Program Income by \$200 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>	\$ 200	\$ (200)	\$ -

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**CLARION 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		\$ 2,096,584
Supplemental Act 148		<u>84,933</u>
Total State Allocation		2,181,517
State Share (CY348) ²	\$ 2,181,517	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 2,181,517
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 2,181,517
Actual Act 148 Revenues Received ⁴		<u>2,181,517</u>
Net Amount Due County/(State) ⁵		<u><u>0</u></u>

CLARION COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY3-48
 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	21,215	11,579	1,306	0	0	0	0	0	8,330	8,330	0
02. 90% REIMBURSEMENT	97,446	0	6,770	27,246	0	0	0	0	63,430	57,087	6,343
03. 80% REIMBURSEMENT	3,105,746	112,586	486,753	0	14,967	0	0	0	2,491,440	1,993,152	498,288
04. 60% REIMBURSEMENT	270,002	4,496	38,637	0	26,308	18,629	0	1,894	180,038	108,023	72,015
05. 50% REIMBURSEMENT	29,850	0	0	0	0	0	0	0	29,850	14,925	14,925
06. TOTAL NET CHILD WELFARE EXPEND.	3,524,259	128,661	533,466	27,246	41,275	18,629	0	1,894	2,773,088	2,181,517	591,571

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

08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0
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09. TOTAL EXPENDITURES	3,524,259	128,661	533,466	27,246	41,275	18,629	0	1,894	2,773,088	2,181,517	591,571
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10. TOTAL TITLE IV-D COLLECTIONS 95,762

11. TITLE IV-D Collections for IV-E Children 13,091

12. STATE ACT 148 - line 6 2,181,517

13. STATE ACT 148 ALLOCATION 2,096,584

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,096,584

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,181,517										
ACT 148 AMOUNT RECEIVED	2,181,517										
ADJUSTMENT TO STATE SHARE	0										

CLARION COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY370A
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	21,215	11,579		1,306	0		0	0	0	8,330	8,330	0
I-B ADOPTION ASSISTANCE	259,135	0	107,993	0			0	0	0	151,142	120,914	30,228
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	54,616	0	14,285	105			0	0	0	40,226	32,181	8,045
I-D COUNSELING - DEPENDENT	407,962	29,536		0	0	0	0	0	0	378,426	302,741	75,685
I-E COUNSELING - DELINQUENT	53,737	272		0	0	0	0	0	0	53,465	42,772	10,693
I-F DAY CARE	0	0		0	0	0	0	0	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	30,000	0		0	0	0	0	0	0	30,000	24,000	6,000
I-J INTAKE & REFERRAL	22,830	0		4,153	0	0	0	0	0	18,677	14,942	3,735
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	274,273	0		47,977	0	0	0	0	0	226,296	181,037	45,259
I-N PROTECTIVE SERVICE - GENERAL	1,051,944	0		124,723	0	11,162	0	0	0	916,059	732,847	183,212
I-O SERVICE PLANNING	64,882	0		6,294	0	0	0	0	0	58,588	46,870	11,718
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	29,850	0		0	0		0	0	0	29,850	14,925	14,925
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	2,270,444	41,387	222,278	184,538	0	11,162	0	0	0	1,911,059	1,521,559	389,500

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	163,854	14,724	0	1,127	0	0	0	0	148,003	118,402	29,601	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	109,194	14,406	0	0	0	0	0	0	94,788	75,830	18,958	0
2-E EMERGENCY SHELTER - DEPENDENT	72,081	0	0	6,770	14,235	0	0	0	51,076	45,968	5,108	0
2-F EMERGENCY SHELTER - DELINQUENT	25,365	0	0	13,011	0	0	0	0	12,354	11,119	1,235	0
2-G FOSTER FAMILY - DEPENDENT	613,319	53,648	117,002	63,094	3,805	0	0	0	375,770	300,616	75,154	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	983,813	82,778	117,002	70,991	27,246	3,805	0	0	681,991	551,935	130,056	0

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	55,369	1,083	0	26,308	4,658	0	0	0	23,320	13,992	9,328	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	55,369	1,083	0	26,308	4,658	0	0	0	23,320	13,992	9,328	0

4 ADMINISTRATION	214,633	3,413		38,637	0	13,971	0	1,894	156,718	94,031	62,687	0
5 TOTAL REVENUES	3,524,259	128,661	239,280	294,186	27,246	41,275	18,629	1,894	2,773,088	2,181,517	591,571	0

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non P/SSub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	2,632	1,238		3,237	14,108	0	21,215	16	28	0	0	0
1-B ADOPTION ASSISTANCE	0	0	259,135	0	0	0	259,135	0	36	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	54,616	0	0	0	54,616	0	10	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	407,962	0	407,962	0	125	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	53,737	0	53,737	0	81	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	30,000	0	30,000	0	85	0	0	0
1-J INTAKE & REFERRAL	11,493	8,054		3,283	0	0	22,830	591	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	163,075	63,626		35,209	12,363	0	274,273	351	22	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	378,702	209,024		94,364	369,854	0	1,051,944	888	1,102	0	0	0
1-O SERVICE PLANNING	17,652	11,296		5,394	30,540	0	64,882	785	97	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	29,850		29,850	0	64	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	573,554	293,238	313,751	141,487	948,414	0	2,270,444			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services 852											
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	3,171	1,935	0	1,200	157,548	0	163,854	1,072	11	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	109,194	0	109,194	773	8	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	17,367	10,301	0	10,217	34,196	0	72,081	766	42	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	25,365	0	25,365	160	9	0	0	0
2-G FOSTER FAMILY - DEPENDENT	181,067	95,847	0	89,108	247,297	0	613,319	9,911	59	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	201,605	108,083	0	100,525	573,600	0	983,813	12,682	129	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	55,369	0	55,369	221	3	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	0	55,369	0	55,369	221	3	0	0	0
ADMINISTRATION	40,280	24,636	0	145,422	4,295	0	214,633			0	0	0
TOTAL EXPENDITURES	815,439	425,957	313,751	387,434	1,581,678	0	3,524,259			0	0	0
	County Indirect Costs = \$ 86,098											

**CLARION 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	\$ 21,215	\$ 0	\$ 21,215
Adoption Assistance	259,135	0	259,135
Subsidized Permanent Legal Custodianship	54,616	0	54,616
Counseling	461,699	0	461,699
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	30,000	0	30,000
Intake and Referral	22,830	0	22,830
Life Skills	0	0	0
Protective Service - Child Abuse	274,273	0	274,273
Protective Service - General	1,051,944	0	1,051,944
Service Planning	64,882	0	64,882
Juvenile Act Proceedings	29,850	0	29,850
Alternative Treatment	0	0	0
Community Residential	273,048	0	273,048
Emergency Shelter	97,446	0	97,446
Foster Family	613,319	0	613,319
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	55,369	0	55,369
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	214,633	0	214,633
Combined Total Expense	<u>3,524,259</u>	<u>0</u>	<u>3,524,259</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 3,524,259</u>	<u>\$ 0</u>	<u>\$ 3,524,259</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 815,439	\$ 0	\$ 815,439
Employee Benefits	425,957	0	425,957
Subsidies	313,751	0	313,751
Operating	387,434	0	387,434
Purchased Services	1,581,678	0	1,581,678
Fixed Assets	0	0	0
Combined Total Expense	<u>3,524,259</u>	<u>0</u>	<u>3,524,259</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 3,524,259</u>	<u>\$ 0</u>	<u>\$ 3,524,259</u>

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

Finding No. 1 - The Clarion County Children and Youth Services Agency Paid Contractors for In-Home Purchased Services But Failed to Obtain Reasonable Assurance That These Services Were Actually Paid (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Clarion County Children and Youth Agency (agency) for failure to obtain reasonable assurance that In-Home Purchased Service providers, responsible for providing In-Home services directly to at-risk children and their families, actually performed the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to executed contract terms between the agency and the respective provider. Furthermore, the agency did not provide evidence of the validity of the number of units invoiced for each individual by Fee-for-Service In-Home Purchased Service Providers. For Program-Funded In-Home providers, these providers submitted no documentation, nor did the agency require any documentation, substantiating the operating costs on their submitted invoices.

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 December 2017, well after the June 30, 2017, end of our current engagement period. Therefore, these control deficiencies and corresponding risks continued to exist for the 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 Findings and Recommendations section (Section 5) of this report.

Finding 2- Clarion County Children and Youth Services Agency Failed to Execute Written Contracts With 5 In-Home Service Providers (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Clarion County Children and Youth Agency (agency) for using five providers who rendered services even though Purchase of Service Agreements had not been executed with the providers. During our current engagement, we again found the agency failed to execute and maintain written contracts with multiple service providers and again failed to comply with our recommendations in the prior engagement report to review the applicable DHS regulatory requirements and to establish policies and procedures to ensure that purchase of service agreements are properly executed with all service providers. Therefore, we issued a repeat finding in the Current Engagement Findings and Recommendations section (Section 5) of this report.

SECTION 5

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 – 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 Clarion County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

In our prior engagement report, we cited the agency for failure to obtain reasonable assurance that 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 executed contract terms between the agency and the respective provider. For contracted Fee-for-Service In-Home Purchased Service providers, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on invoices submitted by these providers. For Program-Funded In-Home providers, these providers submitted no documentation, nor did the agency require any documentation, substantiating the operating costs on their submitted invoices.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management stated the development and implementation of a detailed formal, written monitoring policy, and corresponding procedures, is a priority for the 2019-2020 fiscal year. We will review and evaluate any formally implemented policies and procedures during the conduct of our next regularly scheduled engagement of this agency and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided, and that the number of units invoiced by contracted Fee-for-Service In-Home providers and operating costs for Program Funded providers (if used in the future), are properly substantiated. However, if the agency does not implement such policies and procedures until the 2019-2020 fiscal year, the agency's risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers and such overbillings or fraudulent billings going undetected, will remain in existence through the 2018-2019 fiscal year.

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

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

amount of State funds allocated to the county under section 709.3 of the Human Services Code (62 P.S. § 709.3).”

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 6/30/2012; Bulletin 3140-13-01, applicable for fiscal year ended 6/30/2013; Bulletin 3140-13-05, applicable for fiscal year ended 6/30/2014 : Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report. This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).*

The following sections of 55 Pa. Code § 3170, Allowable Costs and Procedures for County Children and Youth:

- *Section 3170.2. Definitions. Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.*
- *Section 3170.23(a). Purchase of Service. Purchase of service funding may be by unit of service funding or by program funding.*
- *Section 3170.85. Responsibility of the County. “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”*
- *Section 3170.91. County Responsibility. “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”*
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance. “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”*

Cause: Due to the timing of the conduct of our prior engagement, the agency was not notified of these internal control deficiencies until December 18, 2017, well after the end of our current

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

engagement scope period on June 30, 2017. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years (2014-2015, 2015-2016 and 2016-2017) included in our current engagement scope period.

Effect: The agency's lack of internal control procedures, during the fiscal years included in our current engagement scope period, designed to reduce the agency's risk of paying overbillings or fraudulent billings by contracted In-Home Purchased Service providers, increased agency management's risk of:

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

Recommendation: We again recommend that agency management implement fiscal-related monitoring policy, and corresponding procedures, designed to sufficiently reduce the agency's risk of paying overbillings and fraudulent billings submitted by 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 the 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 Fee-For-Service providers. If the agency enters into contracts with Program-Funded In-Home Purchased Service providers, the fiscal-related monitoring must be sufficient to assess the validity of those providers' invoiced operating costs. Agency management should consider procedures, such as the following:

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

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

We again further recommend that agency management ensure that:

- Agency staff responsible for reviewing and approving submitted In-Home Purchased Service providers' invoices for payment are made aware of the results of fiscal-related monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers.
- The agency maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which In-Home Purchased Service providers were paid were actually provided, and provided in adherence to DHS regulations and executed contract terms, and to reduce the risk of overbillings and fraudulent billings by contracted In-Home Purchased Service providers going undetected.

Agency Representative Response: The agency agrees with the finding. Clarion Children and Youth Agency management is in the process of developing a process to monitor contracts; however, they have been unable to fill the fiscal assistant position and the rest of the Quality Assurance team is currently carrying cases due to understaffing. Agency management said they have previously advertised the fiscal assistant position without receiving any applications, and it is currently being posted again.

Auditor's Conclusion: We commend the Clarion County Children and Youth agency management on their current efforts to develop a process to monitor contract 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 Service providers 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 perform follow-up procedures to determine whether the agency has formally adopted and implemented a fiscal-related monitoring policy and procedures that are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers and such erroneous payments going undetected.

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

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Unresolved Prior Engagement Finding – Failure to Execute Required Contracts with Service Providers

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 4) of this report, the Clarion County Children and Youth Agency (agency) failed to execute written contracts with five In-Home Purchased Service providers used for the provision of services. During the conduct of our current engagement, we again found the agency failed to execute written contracts with multiple service providers, including daycare service providers and court-appointed legal services providers, that the agency used during the fiscal years included in our current engagement scope period (2014-2015, 2015-2016 and 2016-2017). Additionally, we determined that the agency failed to comply with the recommendation included in our prior engagement report to ensure that it executes contracts in accordance with the Commonwealth’s Department of Human Services (DHS) regulatory requirements.

Criteria: Title 55, Pa. Code § 3170.23(b) and § 3170.93(b) related to purchase of service and contract requirements, state, in part:

- *Section 3170.23(b).Purchase of Service.* A written agreement complying with Section 3170.93 (relating to contracts) shall be signed by the county and those providers to which clients are regularly referred or with which the public agency, the juvenile court, and juvenile probation office have a continuing relationship. This requirement shall apply to both unit of service and program-funded agencies.
- *Section 3170.93(b).Contracts.* In addition to restating the language of Section 3170.23, this section states the contract shall represent a legally binding agreement between the county and the provider, and shall be renewed annually.
- Title 55, Pa. Code § 3170.92(b) related to records maintenance, states, in part:

Section 3170.92(b). Records maintenance. County agency shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department.

Cause: Agency management stated that it does not enter into contracts with legal services providers because these providers are appointed by the courts, and because management has concerns about a possible conflict of interest with certain types of legal service providers. Additionally, agency management believed that contracts are not required for daycare service providers.

Effect: The agency’s failure to execute contracts with the respective service providers for the fiscal years included in our engagement scope period is a violation of the Commonwealth DHS regulations noted above. The provision of services in the absence of legally binding contracts could result in misunderstandings between the agency and service providers as to the types of

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services requested and the approved rates to be charged for each respective service. However, based on DHS' position that because the legal service costs were incurred by the agency, and were considered allowable expenses during the aforementioned time frames, we did not issue adjustments to disallow these legal service costs.

Recommendation: We again recommend that the Clarion County Children and Youth Agency execute written contracts with all service providers to which clients are regularly referred or with which the agency, juvenile court, and juvenile probation office have a continuing relationship, in accordance with DHS regulations. Furthermore, the agency should establish policies and procedures to do so. In addition, agency management should ensure that all DHS contracting requirements, along with the agency's established policies and procedures, are communicated to and understood by all county and agency staff, thus, preventing future misunderstandings regarding the proper execution of contracts with providers of any services.

Agency Representative Response: We currently do not enter into contracts with legal service providers, as they are appointed by the court, and the court sets the rates for these services. We intend to seek the court's opinion on this matter. Guardians ad litem and counsel for the children, who are paid by the County, are serving also as counsel for the parents, which the County does not pay for. This appears to us to be a conflict of interest. We would consider doing a Memorandum of Understanding with the attorneys instead. Contracts with daycare providers are not entered into because the providers are chosen by the families, not the Agency. We pay daycare providers only a few times per year, usually only for a short period of time, until alternative funding is secured for the child.

Auditor's Conclusion: For the aforementioned fiscal years above, the agency violated the Commonwealth's Department of Human Services regulations requiring the agency to execute and maintain contracts annually with all providers to whom clients are regularly referred or with whom the agency, juvenile court, and juvenile probation office have a continuing relationship. Therefore, this finding stands as presented.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

CLARION COUNTY CHILDREN AND YOUTH AGENCY
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Observation – Significant Control Deficiencies Exist in the Commonwealth Department of Human Services’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)

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

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,⁴ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Clarion County Children and Youth Agency provided in-home and placement services to 776 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

³ 23 Pa.C.S. §§ 6344 and 6344.2.

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

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timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁵

Contracted In-Home Preventative Service Providers

For contracted In-Home Preventative Service providers, 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.⁶ DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted audit engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring" in their provider executed contracts.⁷ 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

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

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

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

DHS Senior Management Follow-Up Response

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

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

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

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

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

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

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to address the issues we raised in our March 18, 2018, Position Statement letter to DHS would be a significant improvement. However, until DHS implements a process to ensure that all 67 C&Y agencies are routinely directly monitoring the CPSL adherence to the *certifications* of their contracted in-home preventative service providers' employees and volunteers, this Department, as indicated in our March 18, 2018, Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Greater Scrutiny of Arrest and Conviction Records

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

Auditor General Senior Management's Follow-up Conclusion Statement

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

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*

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

¹¹ 23 Pa.C.S. § 6344.4.

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

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Service providers are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.¹³

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

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

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

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This report was originally distributed to the following:

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