

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

Perry County Children and Youth Agency

January 2019



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Perry County
25 West Main Street
P. O. Box 37
New Bloomfield, PA 17068

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

¹ 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.

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.²

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

- For the **2014-2015 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share, as detailed in our amended fiscal reports for fiscal year 2014-2015, included in Section 1 of this report.
- For the **2015-2016 fiscal year**, 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 2015-2016, included in Section 2 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$46,432 and increasing non-reimbursable expenditures by \$26,649. Based on the application of the state participation rates, these adjustments resulted in an amount due to the county totaling \$11,870. Both adjustments are 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 complied with one of the findings included in our prior released audit report, as detailed in Section 4 of this report. For the remaining finding, due to the timing of the conduct of our prior engagement and a lack of trained fiscal staff, the agency was not able to implement corrective action to comply with the recommendations included in this finding, as detailed in Section 4 of this report. As a result, we concluded that this finding should be re-issued as a repeat finding in the current section of our engagement report, as listed below and detailed in Section 5 of this report.

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

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

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

² The accrual basis of accounting is required by DHS.

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 10, 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 Perry County Children and Youth Agency.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

January 16, 2019

CONTENTS

	Page
Background	1
Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2014 to June 30, 2015	
Amended Computation of Final Net State Share	3
Amended CY-348 - Fiscal Summary	4
Amended CY-370A - Revenue Report	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments	7
Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2015 to June 30, 2016	
Amended Computation of Final Net State Share	9
Amended CY-348 - Fiscal Summary	10
Amended CY-370A - Revenue Report	11
Amended CY-370 - Expenditure Report.....	12
Amended Summary of Expense and Expense Adjustments	13
Section 3 – Amended Fiscal Reports for the Fiscal Year July 1, 2016 to June 30, 2017	
Amended Computation of Final Net State Share	15
Amended CY-348 - Fiscal Summary	16
Amended CY-370A - Revenue Report	17
Amended CY-370 - Expenditure Report.....	18
Amended Summary of Expense and Expense Adjustments	19
Adjustment Schedule	20
Section 4 – Status of Prior Engagement Findings and Recommendations	22
Section 5 – Current Engagement Finding and Recommendations	24
Section 6 – Current Engagement Observation	30
Report Distribution List	35

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 Perry County Children and Youth Agency provided in-home and placement services to 966 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). 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, 2014 to JUNE 30, 2015

**PERRY 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		\$	2,266,625
Supplemental Act 148			<u>0</u>
Total State Allocation			2,266,625
State Share (CY348) ²	\$		2,123,235
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,123,235
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,123,235
Actual Act 148 Revenues Received ⁴			<u>2,123,235</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.

PERRY 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	0	0	0	0	0	0	0	0	0	0	0
02. 90% REIMBURSEMENT	36,107	0	5,181	0	0	0	0	0	30,926	27,833	3,093
03. 80% REIMBURSEMENT	2,503,847	27,057	259,981	33,352	28,910	67,476	0	0	2,087,071	1,669,658	417,413
04. 60% REIMBURSEMENT	698,291	21,403	27,912	0	0	0	0	1,625	647,351	388,411	258,940
05. 50% REIMBURSEMENT	74,665	0	0	0	0	0	0	0	74,665	37,333	37,332
06. TOTAL NET CHILD WELFARE EXPEND.	3,312,910	48,460	293,074	33,352	28,910	67,476	0	1,625	2,840,013	2,123,235	716,778
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	7,546	0							7,546		7,546
09. TOTAL EXPENDITURES	3,320,456	48,460	293,074	33,352	28,910	67,476	0	1,625	2,847,559	2,123,235	724,324
10. TOTAL TITLE IV-D COLLECTIONS	30,193										
11. TITLE IV-D Collections for IV-E Children	32										
12. STATE ACT 148 - line 6	2,123,235										
13. STATE ACT 148 ALLOCATION	2,266,625										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	2,123,235										
INVOICE											
AMENDED STATE SHARE (ACT 148)	2,123,235										
ACT 148 AMOUNT RECEIVED	2,123,235										
ADJUSTMENT TO STATE SHARE	0										

PERRY 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	0	0		0	0		0	0	0	0	0	
1-B	ADOPTION ASSISTANCE	178,510	0	61,218	0			0	0	117,292	93,834	23,458	
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	100,490	0	21,404	0			0	0	79,086	63,269	15,817	
1-D	COUNSELING - DEPENDENT	480,825	0		6,599	33,352	0	0	0	440,874	352,699	88,175	
1-E	COUNSELING - DELINQUENT	162,172	0		0	0	0	0	0	162,172	129,738	32,434	
1-F	DAY CARE	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	
1-H	DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-I	HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	
1-J	INTAKE & REFERRAL	56,982	0		6,194	0	0	0	0	50,788	40,630	10,158	
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	207,207	0		20,985	0		0	0	186,222	148,978	37,244	
1-N	PROTECTIVE SERVICE - GENERAL	214,421	0		23,304	0		0	0	191,117	152,894	38,223	
1-O	SERVICE PLANNING	270,316	0		28,812	0	0	0	0	241,504	193,203	48,301	
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	41,712	0		0	0	0	0	0	41,712	20,856	20,856	
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-R	SUBTOTAL IN-HOME	1,712,635	0	82,622	85,894	33,352	0	0	0	1,510,767	1,196,101	314,666	
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	167,807	2,935	16,861	1,278		0	0	0	146,733	117,386	29,347	
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	33,666	516	0	0		0	0	0	33,150	26,520	6,630	
2-E	EMERGENCY SHELTER - DEPENDENT	34,079	0	4,986	195	0	0	0	0	28,898	26,008	2,890	
2-F	EMERGENCY SHELTER - DELINQUENT	2,028	0	0	0	0	0	0	0	2,028	1,825	203	
2-G	FOSTER FAMILY - DEPENDENT	555,234	23,606	20,278	53,048		28,910	67,476	0	361,916	289,533	72,383	
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	0		0	0	0	0	0	0	
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	75,412	0	0	0		0	0	0	75,412	60,330	15,082	
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	805	0	0	0		0	0	0	805	644	161	
2-K	SUBTOTAL CBP	869,031	27,057	42,125	54,521	0	28,910	67,476	0	648,942	522,246	126,696	
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	32,953	0						0	32,953	16,477	16,476	
3-B	RESIDENTIAL SERVICE - DEPENDENT	124,253	11,591	0	1,556		0	0	0	111,106	66,664	44,442	
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	245,598	3,334	0	0		0	0	0	242,264	145,358	96,906	
3-D	SECURE RES. SERVICE (EXCEPT YDC)	96,666	6,381						0	90,285	54,171	36,114	
3-E	YDC SECURE	0	0						0	0	0	0	
3-F	SUBTOTAL INSTITUTIONAL	499,470	21,306	0	1,556	0	0	0	0	476,608	282,670	193,938	
4	ADMINISTRATION	231,774	97		26,356		0	0	1,625	203,696	122,218	81,478	
5	TOTAL REVENUES	3,312,910	48,460	124,747	168,327	33,352	28,910	67,476	1,625	2,840,013	2,123,235	716,778	

PERRY 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
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	185,810	0	0	0	185,810	0	21	0	7,300	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	100,490	0	0	0	100,490	0	12	0	0	0
1-D COUNSELING - DEPENDENT	36,185	22,232	0	0	422,473	0	480,890	20	61	0	65	0
1-E COUNSELING - DELINQUENT	0	0	0	0	162,172	0	162,172	0	34	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	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	30,982	17,607	0	6,217	0	2,184	56,990	354	0	8	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	116,183	50,113	0	19,369	15,641	5,930	207,236	330	16	29	0	0
1-N PROTECTIVE SERVICE - GENERAL	116,054	66,359	0	23,885	40	8,115	214,453	161	1	32	0	0
1-O SERVICE PLANNING	143,982	82,759	0	28,229	6,020	9,362	270,352	1,073	31	36	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	12,674	29,038	0	41,712	0	41	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	443,386	239,070	286,300	90,374	635,384	25,591	1,720,105	0	0	105	7,365	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	6,571	3,740	0	974	156,217	312	167,814	850	7	7	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	33,666	0	33,666	191	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	926	638	0	161	32,364	0	34,089	185	9	10	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	2,028	0	2,028	10	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	92,379	53,959	0	57,010	346,945	4,994	555,287	4,541	22	53	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	1,179	245	73,988	0	75,412	21	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	805	0	0	0	805	0	0	0	0	0
2-K SUBTOTAL CBP	99,876	58,337	1,984	58,390	645,208	5,306	869,101	5,798	42	70	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	198	32,755	0	32,953	117	11	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	8,046	4,695	0	967	110,236	312	124,256	555	4	3	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	588	245,010	0	245,598	1,290	10	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	96,666	0	96,666	365	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	8,046	4,695	0	1,753	484,667	312	499,473	2,327	26	3	0	0
4 ADMINISTRATION	124,549	54,323	0	52,905	0	0	231,777	0	0	3	0	0
5 TOTAL EXPENDITURES	675,857	356,425	288,284	203,422	1,765,259	31,209	3,320,456	0	0	181	7,365	0
County Indirect Costs = \$ 48,052												

**PERRY 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	\$ 0	\$ 0	\$ 0
Adoption Assistance	185,810	0	185,810
Subsidized Permanent Legal Custodianship	100,490	0	100,490
Counseling	643,062	0	643,062
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	56,990	0	56,990
Life Skills	0	0	0
Protective Service - Child Abuse	207,236	0	207,236
Protective Service - General	214,453	0	214,453
Service Planning	270,352	0	270,352
Juvenile Act Proceedings	41,712	0	41,712
Alternative Treatment	0	0	0
Community Residential	201,480	0	201,480
Emergency Shelter	36,117	0	36,117
Foster Family	555,287	0	555,287
Supervised Independent Living	76,217	0	76,217
Juvenile Detention Service	32,953	0	32,953
Residential Service	369,854	0	369,854
Secure Residential Service (Except YDC)	96,666	0	96,666
YDC Secure	0	0	0
Administration	231,777	0	231,777
Combined Total Expense	<u>3,320,456</u>	<u>0</u>	<u>3,320,456</u>
Less Non-reimbursables	<u>7,546</u>	<u>0</u>	<u>7,546</u>
Total Net Expense	<u>\$ 3,312,910</u>	<u>\$ 0</u>	<u>\$ 3,312,910</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 675,857	\$ 0	\$ 675,857
Employee Benefits	356,425	0	356,425
Subsidies	288,284	0	288,284
Operating	203,422	0	203,422
Purchased Services	1,765,259	0	1,765,259
Fixed Assets	31,209	0	31,209
Combined Total Expense	<u>3,320,456</u>	<u>0</u>	<u>3,320,456</u>
Less Non-reimbursables	<u>7,546</u>	<u>0</u>	<u>7,546</u>
Total Net Expense	<u>\$ 3,312,910</u>	<u>\$ 0</u>	<u>\$ 3,312,910</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**PERRY 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		\$	2,412,531
Supplemental Act 148			<u>0</u>
Total State Allocation			2,412,531
State Share (CY348) ²	\$		2,004,192
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,004,192
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,004,192
Actual Act 148 Revenues Received ⁴			<u>2,004,192</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.

**PERRY 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	0	0	0	0	0	0	0	0	0	0	0
02. 90% REIMBURSEMENT	35,077	0	1,272	0	0	0	0	0	33,805	30,425	3,380
03. 80% REIMBURSEMENT	2,397,853	23,526	312,574	33,352	28,910	67,476	0	0	1,932,015	1,545,612	386,403
04. 60% REIMBURSEMENT	714,178	37,376	30,555	0	0	0	0	1,670	644,577	386,747	257,830
05. 50% REIMBURSEMENT	82,816	0	0	0	0	0	0	0	82,816	41,408	41,408
06. TOTAL NET CHILD WELFARE EXPEND.	3,229,924	60,902	344,401	33,352	28,910	67,476	0	1,670	2,693,213	2,004,192	689,021
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	7,489	0							7,489		7,489
09. TOTAL EXPENDITURES	3,237,413	60,902	344,401	33,352	28,910	67,476	0	1,670	2,700,702	2,004,192	696,510
10. TOTAL TITLE IV-D COLLECTIONS	20,911										
11. TITLE IV-D Collections for IV-E Children	2,614										
12. STATE ACT 148 - line 6	2,004,192										
13. STATE ACT 148 ALLOCATION	2,412,531										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	2,004,192										
INVOICE											
AMENDED STATE SHARE (ACT 148)	2,004,192										
ACT 148 AMOUNT RECEIVED	2,004,192										
ADJUSTMENT TO STATE SHARE	0										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-B ADOPTION ASSISTANCE	181,955	0	62,909	0	0	0	0	0	0	119,046	95,237	23,809
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	105,956	0	17,772	1,666	0	0	0	0	0	86,518	69,214	17,304
1-D COUNSELING - DEPENDENT	344,969	0	4,838	33,352	0	0	0	0	0	306,779	245,423	61,356
1-E COUNSELING - DELINQUENT	128,646	0	0	0	0	0	0	0	0	128,646	102,917	25,729
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	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	93,080	0	11,645	0	0	0	0	0	0	81,435	65,148	16,287
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	275,149	0	31,112	0	0	0	0	0	0	244,037	195,230	48,807
1-N PROTECTIVE SERVICE - GENERAL	202,211	0	25,535	0	0	0	0	0	0	176,676	141,341	35,335
1-O SERVICE PLANNING	211,892	122	25,462	0	0	0	0	0	0	186,308	149,046	37,262
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	50,528	0	0	0	0	0	0	0	0	50,528	25,264	25,264
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,594,386	122	80,681	100,258	33,352	0	0	0	0	1,379,973	1,088,820	291,153
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	295,171	7,292	25,832	4,677	0	0	0	0	0	257,370	205,896	51,474
2-D COMMUNITY RESIDENTIAL - DELINQUENT	23,583	516	0	0	0	0	0	0	0	23,067	18,454	4,613
2-E EMERGENCY SHELTER - DEPENDENT	27,666	0	1,272	0	0	0	0	0	0	26,394	23,755	2,639
2-F EMERGENCY SHELTER - DELINQUENT	7,411	0	0	0	0	0	0	0	0	7,411	6,670	741
2-G FOSTER FAMILY - DEPENDENT	533,931	15,596	27,790	73,336	0	28,910	67,476	0	0	320,823	256,658	64,165
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	1,310	0	0	0	0	0	0	0	0	1,310	1,048	262
2-K SUBTOTAL CBP	889,072	23,404	53,622	79,285	0	28,910	67,476	0	0	636,375	512,481	123,894
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	32,288	0	0	0	0	0	0	0	0	32,288	16,144	16,144
3-B RESIDENTIAL SERVICE - DEPENDENT	267,413	30,816	0	3,017	0	0	0	0	0	233,580	140,148	93,432
3-C RES. SERVICE - DELINQUENT (NON YDCVFC)	148,381	3,513	0	0	0	0	0	0	0	144,868	86,921	57,947
3-D SECURE RES. SERVICE (EXCEPT YDC)	81,835	3,047	0	0	0	0	0	0	0	78,788	47,273	31,515
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	529,917	37,376	0	3,017	0	0	0	0	0	489,524	290,486	199,038
4 ADMINISTRATION	216,549	0	0	27,538	0	0	0	0	1,670	187,341	112,405	74,936
5 TOTAL REVENUES	3,229,924	60,902	134,303	210,098	33,352	28,910	67,476	0	1,670	2,693,213	2,004,192	689,021

PERRY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS SUBSIDIES	OPERATING	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	0	0	0	0	0	0	0	0	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	189,275	0	0	0	189,275	0	23	0	7,320	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	105,956	0	0	0	105,956	0	14	0	0	0
I-D COUNSELING - DEPENDENT	24,247	13,959	0	0	306,763	0	344,969	21	53	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	0	128,646	0	128,646	0	26	0	0	0
I-F DAY CARE	0	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	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	52,936	32,088	0	6,341	0	1,722	93,087	298	0	7	0	0
I-K LIFE SKILLS - DEPENDENT	0	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	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	153,160	64,320	0	22,567	29,723	5,413	275,183	439	29	34	0	0
I-N PROTECTIVE SERVICE - GENERAL	113,908	60,200	0	21,976	510	5,659	202,253	199	5	42	0	0
I-O SERVICE PLANNING	111,807	59,424	0	23,985	10,800	5,905	211,921	1,205	51	29	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	19,809	30,719	0	50,528	0	39	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	456,058	229,991	295,231	94,678	507,161	18,699	1,601,818	1,112	112	112	7,320	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	20,705	11,486	0	4,374	257,630	984	295,179	1,391	11	8	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	182	23,401	0	23,583	126	3	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	5,629	3,215	0	949	17,628	245	27,666	100	4	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	7,411	0	7,411	28	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	104,923	61,509	0	56,914	306,440	4,183	533,969	4,475	24	38	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	1,310	0	0	0	1,310	0	0	0	0	0
2-K SUBTOTAL CBP	131,257	76,210	1,310	62,419	612,510	5,412	889,118	6,120	44	46	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	32,288	0	32,288	115	7	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	12,878	8,564	0	2,047	243,451	484	267,424	1,104	5	11	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	487	147,894	0	148,381	955	11	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	81,835	0	81,835	309	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	12,878	8,564	0	2,534	505,468	484	529,928	2,483	24	11	0	0
4 ADMINISTRATION	116,368	50,850	0	49,323	0	8	216,549	0	0	0	0	0
5 TOTAL EXPENDITURES	716,561	365,615	296,541	208,954	1,625,139	24,603	3,237,413	1,112	169	169	7,320	0
County Indirect Costs = \$ 43,537												

**PERRY 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	\$ 0	\$ 0	\$ 0
Adoption Assistance	189,275	0	189,275
Subsidized Permanent Legal Custodianship	105,956	0	105,956
Counseling	473,615	0	473,615
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	93,087	0	93,087
Life Skills	0	0	0
Protective Service - Child Abuse	275,183	0	275,183
Protective Service - General	202,253	0	202,253
Service Planning	211,921	0	211,921
Juvenile Act Proceedings	50,528	0	50,528
Alternative Treatment	0	0	0
Community Residential	318,762	0	318,762
Emergency Shelter	35,077	0	35,077
Foster Family	533,969	0	533,969
Supervised Independent Living	1,310	0	1,310
Juvenile Detention Service	32,288	0	32,288
Residential Service	415,805	0	415,805
Secure Residential Service (Except YDC)	81,835	0	81,835
YDC Secure	0	0	0
Administration	216,549	0	216,549
Combined Total Expense	<u>3,237,413</u>	<u>0</u>	<u>3,237,413</u>
Less Non-reimbursables	<u>7,489</u>	<u>0</u>	<u>7,489</u>
Total Net Expense	<u>\$ 3,229,924</u>	<u>\$ 0</u>	<u>\$ 3,229,924</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 716,561	\$ 0	\$ 716,561
Employee Benefits	365,615	0	365,615
Subsidies	296,541	0	296,541
Operating	208,954	0	208,954
Purchased Services	1,625,139	0	1,625,139
Fixed Assets	24,603	0	24,603
Combined Total Expense	<u>3,237,413</u>	<u>0</u>	<u>3,237,413</u>
Less Non-reimbursables	<u>7,489</u>	<u>0</u>	<u>7,489</u>
Total Net Expense	<u>\$ 3,229,924</u>	<u>\$ 0</u>	<u>\$ 3,229,924</u>

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**PERRY 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		\$	2,661,088
Supplemental Act 148			<u>0</u>
Total State Allocation			2,661,088
State Share (CY348) ²	\$		2,282,923
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,282,923
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,282,923
Actual Act 148 Revenues Received ⁴			<u>2,271,053</u>
Net Amount Due County/(State) ⁵		\$	<u>11,870</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.

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

A	B	C	D	E	F	G	H	I	J	K
GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	0	0	0	0	0	0	0	0	0	0
02. 90% REIMBURSEMENT	32,006	0	3,745	0	0	0	0	28,261	25,435	2,826
03. 80% REIMBURSEMENT	2,878,686	38,630	381,730	33,352	28,910	67,476	0	2,328,588	1,862,870	465,718
04. 60% REIMBURSEMENT	599,669	29,532	50,845	0	0	0	1,772	517,520	310,513	207,007
05. 50% REIMBURSEMENT	168,413	0	204	0	0	0	0	168,209	84,105	84,104
06. TOTAL NET CHILD WELFARE EXPEND.	3,678,774	68,162	436,524	33,352	28,910	67,476	0	1,772	3,042,578	2,282,923

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

08. NON-REIMBURSABLE EXPENDITURES	34,173	0							34,173	34,173
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09. TOTAL EXPENDITURES	3,712,947	68,162	436,524	33,352	28,910	67,476	0	1,772	3,076,751	2,282,923
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10. TOTAL TITLE IV-D COLLECTIONS 53,062

11. TITLE IV-D Collections for IV-E Children 8,992

12. STATE ACT 148 - line 6 2,282,923

13. STATE ACT 148 ALLOCATION 2,661,088

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,282,923

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,282,923
ACT 148 AMOUNT RECEIVED	2,271,053
ADJUSTMENT TO STATE SHARE	11,870

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

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES											
		1	2	3	4	5	6	7	8	9	10	11	12
		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
IN-HOME													
1-A	ADOPTION SERVICE	0	0		0	0	0	0	0	0	0	0	
1-B	ADOPTION ASSISTANCE	178,664	0	72,188	0			0	0	106,476	85,181	21,295	
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	84,731	0	12,916	0			0	0	71,815	57,452	14,363	
1-D	COUNSELING - DEPENDENT	516,645	0		10,049	33,352	0	0	0	473,244	378,595	94,649	
1-E	COUNSELING - DELINQUENT	170,580	0		0	0	0	0	0	170,580	136,464	34,116	
1-F	DAY CARE	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	
1-H	DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-I	HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	
1-J	INTAKE & REFERRAL	64,001	0		10,161	0	0	0	0	53,840	43,072	10,768	
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	323,698	0		49,754	0		0	0	273,944	219,155	54,789	
1-N	PROTECTIVE SERVICE - GENERAL	253,251	0		39,867	0		0	0	213,384	170,707	42,677	
1-O	SERVICE PLANNING	238,400	0		37,015	0	0	0	0	201,385	161,108	40,277	
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	36,454	0		204	0		0	0	36,250	18,125	18,125	
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-R	SUBTOTAL IN-HOME	1,866,424	0	85,104	147,050	33,352	0	0	0	1,600,918	1,269,859	331,059	
COMMUNITY BASED PLACEMENT													
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	428,740	14,470	14,826	6,649		0	0	0	392,795	314,236	78,559	
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	70,986	0		0		0	0	0	70,986	56,789	14,197	
2-E	EMERGENCY SHELTER - DEPENDENT	26,239	0		1,569	0	0	0	0	22,494	20,245	2,249	
2-F	EMERGENCY SHELTER - DELINQUENT	5,767	0		0	0	0	0	0	5,767	5,190	577	
2-G	FOSTER FAMILY - DEPENDENT	548,990	24,160	36,914	91,391		28,910	67,476	0	300,139	240,111	60,028	
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	0	0		0		0	0	0	0	0	0	
2-K	SUBTOTAL CBP	1,080,722	38,630	53,916	99,609	0	28,910	67,476	0	792,181	636,571	155,610	
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	131,959	0		6,859		0	0	0	131,959	65,980	65,979	
3-B	RESIDENTIAL SERVICE - DEPENDENT	197,889	26,727		0		0	0	0	164,303	98,582	65,721	
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	83,913	2,805		0		0	0	0	81,108	48,665	32,443	
3-D	SECURE RES. SERVICE (EXCEPT YDC)	26,138	0						0	26,138	15,683	10,455	
3-E	YDC SECURE	0	0							0	0	0	
3-F	SUBTOTAL INSTITUTIONAL	439,899	29,532	0	6,859	0	0	0	0	403,508	228,910	174,598	
4	ADMINISTRATION	291,729	0		43,986	0	0	0	1,772	245,971	147,583	98,388	
5	TOTAL REVENUES	3,678,774	68,162	139,020	297,504	33,352	28,910	67,476	0	3,042,578	2,282,923	759,655	

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME	0	0	0	0	0	0	0	0	0	0	0	0
1-A ADOPTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	185,964	0	0	0	185,964	0	23	0	7,300	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	84,731	0	0	0	84,731	0	13	0	0	0
1-D COUNSELING - DEPENDENT	45,380	19,173	0	0	452,092	0	516,645	26	60	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	170,580	0	170,580	0	20	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	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	33,877	22,337	5,351	0	2,443	0	64,008	273	0	7	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	193,848	76,237	32,561	7,903	13,200	0	323,749	416	6	51	0	0
1-N PROTECTIVE SERVICE - GENERAL	143,988	68,919	28,052	120	12,221	0	253,300	176	13	49	0	0
1-O SERVICE PLANNING	133,090	63,324	27,295	3,490	11,244	0	238,443	1,241	17	43	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	2,921	33,533	0	36,454	0	44	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	550,183	249,990	270,695	96,180	667,718	39,108	1,873,874	1,150	150	7,300	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 2,125												
COMMUNITY BASED PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	24,430	12,947	3,404	386,499	1,466	0	428,746	1,848	12	6	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	70,986	0	0	70,986	331	6	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	5,658	2,704	0	1,109	16,280	489	26,240	74	5	1	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	5,767	0	0	5,767	32	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	96,874	49,999	0	67,328	328,960	5,867	549,028	5,799	33	38	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	126,962	63,650	0	71,841	808,492	7,822	1,080,767	8,084	58	45	0	0
INSTITUTIONAL PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	0	0	0	0	131,959	0	131,959	452	10	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	24,595	12,591	0	5,130	153,644	1,956	197,916	745	4	27	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,010	82,903	0	83,913	446	8	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	26,138	0	26,138	82	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	24,595	12,591	0	6,140	394,644	1,956	439,926	1,725	23	27	0	0
4 ADMINISTRATION	123,799	51,252	0	143,329	0	0	318,380	0	0	26,651	0	0
5 TOTAL EXPENDITURES	825,539	379,483	270,695	317,490	1,870,854	48,886	3,712,947	26,873	7,300	0	0	0
County Indirect Costs = \$ 137,384												

**PERRY 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	\$ 0	\$ 0	\$ 0
Adoption Assistance	185,964	0	185,964
Subsidized Permanent Legal Custodianship	84,731	0	84,731
Counseling	687,225	0	687,225
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	64,008	0	64,008
Life Skills	0	0	0
Protective Service - Child Abuse	323,749	0	323,749
Protective Service - General	253,300	0	253,300
Service Planning	238,443	0	238,443
Juvenile Act Proceedings	36,454	0	36,454
Alternative Treatment	0	0	0
Community Residential	499,732	0	499,732
Emergency Shelter	32,007	0	32,007
Foster Family	549,028	0	549,028
Supervised Independent Living	0	0	0
Juvenile Detention Service	131,959	0	131,959
Residential Service	281,829	0	281,829
Secure Residential Service (Except YDC)	26,138	0	26,138
YDC Secure	0	0	0
Administration	271,948	46,432	318,380
Combined Total Expense	<u>3,666,515</u>	<u>46,432</u>	<u>3,712,947</u>
Less Non-reimbursables	<u>7,524</u>	<u>26,649</u>	<u>34,173</u>
Total Net Expense	<u>\$ 3,658,991</u>	<u>\$ 19,783</u>	<u>\$ 3,678,774</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 825,539	\$ 0	\$ 825,539
Employee Benefits	379,483	0	379,483
Subsidies	270,695	0	270,695
Operating	271,058	46,432	317,490
Purchased Services	1,870,854	0	1,870,854
Fixed Assets	48,886	0	48,886
Combined Total Expense	<u>3,666,515</u>	<u>46,432</u>	<u>3,712,947</u>
Less Non-reimbursables	<u>7,524</u>	<u>26,649</u>	<u>34,173</u>
Total Net Expense	<u>\$ 3,658,991</u>	<u>\$ 19,783</u>	<u>\$ 3,678,774</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	CY-370 Adjustments			
				Administration - Operating Expenditures	\$ 96,897	\$ 46,432	\$ 143,329
				To increase Operating Expenditures by \$46,432 to properly report indirect costs and reconcile to the County's Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	4	10	2	Administration - Non-Reimbursable Non PS/Sub.	\$ 2	\$ 26,649	\$ 26,651
				To increase Non-Reimbursable Non Purchased Services/Subsidies by \$26,649 to properly report indirect costs which exceed the two percent cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

Prior Engagement Finding No. 1 - Perry County Children and Youth Agency Failed to Provide Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Perry County Children and Youth Agency (agency) for failure to provide supporting documentation evidencing that services related to fees invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms. Agency management informed us that they did not require any of the Fee-for-Service or Program-Funded In-Home providers it contracted with during our prior engagement to submit any documentation, other than submitted invoices, to substantiate the fees invoiced by these respective providers. We concluded that the agency did not have sufficient controls in place to obtain reasonable assurance that contracted services invoiced by In-Home Purchased Service providers were actually provided and if provided, provided in adherence to key executed contract terms.

Our current engagement scope period included the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until December 20, 2016; therefore, these control deficiencies and corresponding risks continued to exist for at least two and one-half of 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 Finding and Recommendations section (Section 5) of this report.

Prior Engagement Finding No. 2 - Perry County Children and Youth Agency Failed to Maintain Purchase of Service Agreements for a Provider (Resolved)

In our prior engagement report, we cited the agency for failing to execute purchase of service agreements with a provider during the 2010-2011, 2011-2012, and 2012-2013 fiscal years. During the conduct of our current engagement, the agency provided evidence it had executed contracts with this provider to whom clients are regularly referred, or with whom the agency has a continuing relationship, for the three fiscal years included in our current engagement scope period (2014-2015 through 2016-2017) up to the present 2018-2019 fiscal year. In addition, we found the agency developed and implemented contract control procedures to ensure that all regularly used providers execute annual contracts with the agency before services are authorized. Therefore, we concluded that the issuance of a repeat finding in this area was not warranted.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 4) of this report, the Perry County Children and Youth Agency (agency) lacked internal control policies and procedures designed to sufficiently reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-For-Service Purchased Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence substantiating the validity of the number of units invoiced for each individual listed on invoices submitted by these providers. In addition, for contracted In-Home Program-Funded Purchased Service providers, these providers submitted no supporting documentation, nor did the agency require any documentation, substantiating the monthly operating costs detailed on these providers’ monthly submitted invoices. Furthermore, for both contracted Fee-for-Service and Program-Funded In-Home Purchased Service providers, the agency failed to provide supporting documentation evidencing that services related to fees invoiced by these providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms.

During the conduct of our current engagement, agency management provided a draft written monitoring policy, and corresponding procedures, that they stated they began developing in December 2016 in response to the recommendations included in our prior engagement report to obtain reasonable assurance that contracted In-Home purchased services were actually provided and to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service. Per agency management, this proposed monitoring process includes the conduct of on-site fiscal monitoring of each In-Home Purchased Services provider every six months. Also, agency management stated they plan to require contracted In-Home providers to include encounter forms/sign-in sheets with submitted invoices. However, as of our exit conference date, January 10, 2019, these procedures had not yet been formally implemented, and agency management indicated the policy and procedures would not be implemented until a fiscal assistant, hired on October 15, 2018, is trained. Because agency management had not formally implemented this monitoring policy and corresponding procedures by the close of our current engagement scope period (June 30, 2017), we did not assess the sufficiency of these newly implemented monitoring policies and procedures during the conduct of our current engagement. We will review and evaluate these implemented monitoring policies and procedures during the conduct of our next regularly scheduled engagement of this agency and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Purchased Services were actually provided, and that the number of units invoiced by contracted Fee-For Service, and

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

operating costs invoiced by contracted Program-Funded In-Home providers, are properly substantiated, thus, reducing the agency's risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

Criteria: The following section of 55 Pa. Code Chapter 3140, Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs:

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the [Human Services] (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).

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.”

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”

Cause: Due to the timing of our prior engagement, agency management was not notified of these internal control deficiencies until December 2016, approximately six months before the end of our current engagement scope period. While, agency management informed us that they began the process of developing internal control procedures over payments to In-Home providers in December 2016, implementation would not start until a fiscal assistant, hired on October 15, 2018, is trained. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years included in our current engagement scope period.

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

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

Recommendation: We again recommend that agency management ensure that the agency’s monitoring policy, and corresponding procedures, related to payments to contracted In-Home providers are sufficient in providing agency management reasonable assurance that the services related to fees invoiced by contracted In-Home Purchased Service providers were actually provided, and provided in adherence to executed contract terms, and in reducing the agency’s risk of paying overbillings or fraudulent billings by In-Home Purchased Service providers.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, must be sufficient to assess the validity of the number of units invoiced by Fee-For-Service providers and the operating costs invoiced by of any Program-Funded providers.

We again further recommend that agency management ensure that:

- Agency staff responsible for reviewing and approving submitted In-Home Purchased Services providers’ invoices for payment are made aware of the results of fiscal-related

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers; and,

- The agency maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which In-Home Purchased Services providers were paid were actually provided, and provided in adherence to DHS regulations and executed contract terms and to reduce the risk of overbillings and fraudulent billings by contracted In-Home Purchased Services Providers going undetected.

Agency Management Response: After receiving recommendations from the last audit, the Agency has taken steps to restructure how we monitor contracts. The Agency has been working with in-home providers to receive regular progress reports and encounter forms. These reports/forms are reviewed by Program and Fiscal staff for content, and assurance of services as outlined in the provider's program description. The Agency has made it clear to our in-home purchased service providers that contracts will be closely monitored, including assurance that their program descriptions will be followed. Our Fiscal Department and the Administration have developed formal monitoring policies to ensure that services are being provided and correctly invoiced for. These protocols include but are not limited to record monitoring through requested documents and on site reviews.

An additional fiscal position that would prove instrumental in ensuring that contract monitoring is taking place and that submitted invoices are evidencing actual services provided, was approved for our Agency. An individual for this position was hired on October 15, 2018. This individual is still being trained. We have therefore not yet fully implemented our formal contract monitoring policy, however are in progress of doing so.

As our Agency moves forward with implementation of our contract monitoring policies and procedures, we will look at receiving encounter forms/sign in sheets from providers to evidence services being provided as part of our process. We will maintain documentation of services being performed that corresponds to provider invoices. Our Agency's policy will include documentation of how discrepancies will be resolved, including how overbillings/payments will be handled.

Auditor's Conclusion: We commend the Perry County Children and Youth Agency on their plan to develop and implement formal, written fiscal-related monitoring policy and procedures for these contracted In-Home Purchased Services providers. During our next audit of the agency, we will confirm that agency management implemented a formal monitoring policy, and corresponding procedures, over the agency's contracted In-Home providers and assess whether

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

such policy and procedures are sufficient in reducing the agency's risk of overbillings and fraudulent billings submitted by these providers going undetected.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

PERRY 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 Law³ (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).⁴ 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,⁵ 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 Perry County Children and Youth Agency provided in-home and placement services to 966 children residing within the County during the 2016-2017 fiscal year.

³ 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>

⁴ 23 Pa.C.S. §§ 6344 and 6344.2.

⁵ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 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.⁶

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁷ we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted audit engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring"⁸ in their provider executed contracts. Instead, all C&Y

⁶ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

⁷ 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.

⁸ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (no less frequently than quarterly) to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁹

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 providers¹⁰ 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.

⁹ 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.

¹⁰ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 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. 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

¹¹ 23 Pa.C.S. § 6344.4.

PERRY COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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 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.

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

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.¹³

¹² 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.

¹³ The agency responded to the observation stating that: "Our Agency would like to note that we have included language in our in-home contracts to require current PA Child Abuse, PA Criminal and FBI clearances and provide copies to our office, and that the clearances shall remain current during the life of the contract. It is understood the Independent Contractor carries current professional liability insurance at a minimum of \$100,000.00 as well as current PA Child Abuse, PA Criminal and FBI clearances, and will provide a copy of the same to Perry County Children and Youth Services. Said clearances shall remain current during the life of the contract." We did not perform procedures to evaluate the agency's performance of those procedures.

PERRY COUNTY CHILDREN AND YOUTH AGENCY
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