

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

York 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 York County
York County Administrative Center
28 East Market Street
York, PA 17401-1588

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

The procedures we performed during this engagement resulted in no adjustments to the agency's submitted fiscal reports for the fiscal years included in our engagement scope period. The fiscal reports are included in the following sections of this report:

- Section 1 for the 2014-2015 fiscal year
- Section 2 for the 2015-2016 fiscal year
- Section 3 for the 2016-2017 fiscal year

In addition, we included a status update for a subsequent event observation included in our prior released audit report, as detailed in the Status of Prior Engagement Finding, Recommendations and Subsequent Event Observation section (Section 4) of this report.

Also, due to the timing of the conduct of our prior audit, the control deficiency included in our prior report related to addressing identified overbillings by In-Home Purchased Service providers continued to exist during all three fiscal years of the current engagement scope period. We further found that the agency discontinued its fiscal-related monitoring over In-Home providers during the 2014-2015 fiscal year, as detailed in Section 4 of this report. Therefore, we concluded that the issuance of a repeat finding was warranted, as listed below and detailed in the Current Engagement Finding and Recommendations section (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 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 the Current Engagement Observation section (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

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 December 5, 2018.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the recommended adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made regarding the approval and finalization of the adjustment amounts during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the York County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

December 11, 2018

Endnote

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.

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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 York County Children and Youth Agency provided in-home and placement services to 6,698 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

**YORK 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		\$ 23,739,758
Supplemental Act 148		<u>0</u>
Total State Allocation		23,739,758
State Share (CY348) ²	\$ 23,136,491	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 23,136,491
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 23,136,491
Actual Act 148 Revenues Received ⁴		<u>23,136,491</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.

**YORK 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	546,922	0	82,097	0	0	0	0	0	464,825	464,825	0
02. 90% REIMBURSEMENT	2,573,428	15,014	32,733	0	0	0	0	0	2,525,681	2,273,113	252,568
03. 80% REIMBURSEMENT	28,541,181	355,560	4,437,028	1,264,451	229,930	151,113	0	0	22,103,099	17,682,480	4,420,619
04. 60% REIMBURSEMENT	3,444,779	80,948	219,480	0	0	0	0	13,442	3,130,909	1,878,545	1,252,364
05. 50% REIMBURSEMENT	1,684,434	9,378	0	0	0	0	0	0	1,675,056	837,528	837,528
06. TOTAL NET CHILD WELFARE EXPEND.	36,790,744	460,900	4,771,338	1,264,451	229,930	151,113	0	13,442	29,899,570	23,136,491	6,763,079
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	5,374,612	54,374							5,320,238	3,192,143	2,128,095
08. NON-REIMBURSABLE EXPENDITURES	417,012	2,798							414,214		414,214
09. TOTAL EXPENDITURES	42,582,368	518,072	4,771,338	1,264,451	229,930	151,113	0	13,442	35,634,022	26,328,634	9,305,388
10. TOTAL TITLE IV-D COLLECTIONS	358,224										
11. TITLE IV-D Collections for IV-E Children	62,856										
12. STATE ACT 148 - line 6	23,136,491										
13. STATE ACT 148 ALLOCATION	23,739,758										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	23,136,491										
INVOICE											
AMENDED STATE SHARE (ACT 148)	23,136,491										
ACT 148 AMOUNT RECEIVED	23,136,491										
ADJUSTMENT TO STATE SHARE	0										

YORK COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 AMENDED CY370A
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES											
		1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
I-A ADOPTION SERVICE	546,922	0	82,097	0	0	0	0	0	0	464,825	464,825	0	
I-B ADOPTION ASSISTANCE	3,750,194	0	1,290,450	29,397	0	0	0	0	0	2,430,347	1,944,278	486,069	
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	720,683	0	50,093	0	0	0	0	0	0	670,590	536,472	134,118	
I-D COUNSELING - DEPENDENT	3,890,434	0	2,294	973,209	229,930	0	0	0	0	2,683,001	2,148,001	537,000	
I-E COUNSELING - DELINQUENT	1,380,631	0	5,023	184,853	0	0	0	0	0	1,190,755	952,604	238,151	
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0	
I-G DAY TREATMENT - DEPENDENT	35,647	0	0	9,755	0	0	0	0	0	25,892	20,714	5,178	
I-H DAY TREATMENT - DELINQUENT	328,355	0	0	96,634	0	0	0	0	0	231,721	185,377	46,344	
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	
I-J INTAKE & REFERRAL	253,615	0	37,980	0	0	0	0	0	0	215,635	172,508	43,127	
I-K LIFE SKILLS - DEPENDENT	227,093	0	0	0	0	0	0	0	0	227,093	181,674	45,419	
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,117,972	0	168,026	0	0	0	0	0	0	949,946	759,957	189,989	
I-N PROTECTIVE SERVICE - GENERAL	2,314,436	0	345,283	0	0	0	0	0	0	1,969,153	1,575,322	393,831	
I-O SERVICE PLANNING	2,388,464	0	359,028	0	0	0	0	0	0	2,029,436	1,623,549	405,887	
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	741,724	0	0	0	0	0	0	0	0	741,724	370,862	370,862	
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	
I-R SUBTOTAL IN-HOME	17,696,170	0	1,340,543	1,029,128	1,264,451	229,930	0	0	0	13,832,118	10,936,143	2,895,975	
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	11,362	6,580	0	0	0	0	0	0	0	4,782	3,826	956	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	2,812,677	60,900	287,501	57,561	0	0	0	0	0	2,406,715	1,925,372	481,343	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,139,249	77,922	103,971	0	0	0	0	0	0	1,957,356	1,565,885	391,471	
2-E EMERGENCY SHELTER - DEPENDENT	1,461,557	12,412	8,211	24,522	0	0	0	0	0	1,416,412	1,274,771	141,641	
2-F EMERGENCY SHELTER - DELINQUENT	1,111,871	2,602	0	0	0	0	0	0	0	1,109,269	998,342	110,927	
2-G FOSTER FAMILY - DEPENDENT	7,097,784	207,057	877,241	823,180	0	151,113	0	0	0	5,039,193	4,031,354	1,007,839	
2-H FOSTER FAMILY - DELINQUENT	72,585	3,101	0	0	0	0	0	0	0	69,484	55,587	13,897	
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	14,707,085	370,574	1,276,924	905,263	0	151,113	0	0	0	12,003,211	9,855,137	2,148,074	
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	942,710	9,378	0	0	0	0	0	0	0	933,332	466,666	466,666	
3-B RESIDENTIAL SERVICE - DEPENDENT	154,700	24,659	14,803	14,860	0	0	0	0	0	100,378	60,227	40,151	
3-C RES. SERVICE - DELINQUENT (NON YDC/YIC)	431,454	15,639	2,241	0	0	0	0	0	0	413,574	248,144	165,430	
3-D SECURE RES. SERVICE (EXCEPT YDC)	1,615,265	30,133	0	0	0	0	0	0	0	1,585,132	951,079	634,053	
3-E YDC SECURE	5,374,612	54,374	0	0	0	0	0	0	0	5,320,238	3,192,143	2,128,095	
3-F SUBTOTAL INSTITUTIONAL	8,518,741	134,183	17,044	14,860	0	0	0	0	0	8,352,654	4,918,259	3,434,395	
4 ADMINISTRATION	1,243,360	10,517	0	187,576	0	0	0	0	0	13,442	619,095	412,730	
5 TOTAL REVENUES	42,165,356	515,274	2,634,511	2,136,827	1,264,451	229,930	151,113	0	0	13,442	35,219,808	26,328,634	8,891,174

**YORK 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												
I-A ADOPTION SERVICE	191,675	111,069		256,617	0	333	559,694	0	19	12,772	0	0
I-B ADOPTION ASSISTANCE	0	0	3,750,089	105	0	0	3,750,194	13	456	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	720,683	0	0	0	720,683	4	84	0	0	0
I-D COUNSELING - DEPENDENT	0	0		17,011	3,887,875	0	3,904,886	52	1,287	0	14,452	0
I-E COUNSELING - DELINQUENT	0	0		36,820	1,344,861	0	1,381,681	356	424	0	1,050	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G IDAY TREATMENT - DEPENDENT	0	0		0	35,647	0	35,647	0	6	0	0	0
I-H IDAY TREATMENT - DELINQUENT	0	0		0	328,355	0	328,355	0	143	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	152,694	85,549		21,591	0	167	260,001	2,100	0	6,386	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	227,093	0	227,093	0	615	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	652,398	302,502		197,336	0	915	1,153,151	1,564	0	35,179	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,257,213	678,683		441,747	12,494	1,995	2,392,132	651	13	77,696	0	0
I-O SERVICE PLANNING	1,363,107	647,921		454,187	1,149	2,078	2,468,442	2,956	3	79,978	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				2,250	739,474		741,724	0	300	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,617,087	1,825,724	4,470,772	1,427,664	6,576,948	5,488	17,923,683			212,011	15,502	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	11,362	0	11,362	76	2	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	190,111	105,386	0	112,994	2,422,847	498	2,831,836	14,757	114	19,159	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	3,551	2,135,698	0	2,139,249	13,978	105	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	88,207	46,596	0	45,432	1,287,553	165	1,467,953	7,474	236	6,396	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	250	1,111,621	0	1,111,871	3,085	136	0	0	0
2-G FOSTER FAMILY - DEPENDENT	811,439	422,619	0	536,510	5,361,358	41,627	7,173,553	116,133	500	57,260	18,509	2,798
2-H FOSTER FAMILY - DELINQUENT	0	0	0	203	72,382	0	72,585	920	8	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	1,089,757	574,601	0	698,940	12,402,821	42,290	14,808,409	156,423	1,101	82,815	18,509	2,798
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	66,149	876,561	0	942,710	3,175	108	3,192	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	55,732	28,843	0	21,870	51,403	83	157,931	7,076	12	39	39	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	740	430,714	0	431,454	6,516	37	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	1,615,265	0	1,615,265	5,438	26	0	0	0
3-E YDC SECURE	0	0	0	0	5,374,612	0	5,374,612	11,016	98	0	0	0
3-F SUBTOTAL INSTITUTIONAL	55,732	28,843	0	88,759	8,348,555	83	8,521,972	33,221	281	3,192	39	0
ADMINISTRATION	492,313	274,927	0	560,397	0	667	1,328,304			84,944	0	0
TOTAL EXPENDITURES	5,254,889	2,704,095	4,470,772	2,775,760	27,328,324	48,528	42,582,368			382,962	34,050	2,798
County Indirect Costs = \$ 489,582												

**YORK 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	\$ 559,694	\$ 0	\$ 559,694
Adoption Assistance	3,750,194	0	3,750,194
Subsidized Permanent Legal Custodianship	720,683	0	720,683
Counseling	5,286,567	0	5,286,567
Day Care	0	0	0
Day Treatment	364,002	0	364,002
Homemaker Service	0	0	0
Intake and Referral	260,001	0	260,001
Life Skills	227,093	0	227,093
Protective Service - Child Abuse	1,153,151	0	1,153,151
Protective Service - General	2,392,132	0	2,392,132
Service Planning	2,468,442	0	2,468,442
Juvenile Act Proceedings	741,724	0	741,724
Alternative Treatment	11,362	0	11,362
Community Residential	4,971,085	0	4,971,085
Emergency Shelter	2,579,824	0	2,579,824
Foster Family	7,246,138	0	7,246,138
Supervised Independent Living	0	0	0
Juvenile Detention Service	942,710	0	942,710
Residential Service	589,385	0	589,385
Secure Residential Service (Except YDC)	1,615,265	0	1,615,265
YDC Secure	5,374,612	0	5,374,612
Administration	1,328,304	0	1,328,304
Combined Total Expense	<u>42,582,368</u>	<u>0</u>	<u>42,582,368</u>
Less Non-reimbursables	<u>417,012</u>	<u>0</u>	<u>417,012</u>
Total Net Expense	<u>\$ 42,165,356</u>	<u>\$ 0</u>	<u>\$ 42,165,356</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,254,889	\$ 0	\$ 5,254,889
Employee Benefits	2,704,095	0	2,704,095
Subsidies	4,470,772	0	4,470,772
Operating	2,775,760	0	2,775,760
Purchased Services	27,328,324	0	27,328,324
Fixed Assets	48,528	0	48,528
Combined Total Expense	<u>42,582,368</u>	<u>0</u>	<u>42,582,368</u>
Less Non-reimbursables	<u>417,012</u>	<u>0</u>	<u>417,012</u>
Total Net Expense	<u>\$ 42,165,356</u>	<u>\$ 0</u>	<u>\$ 42,165,356</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**YORK 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		\$	25,476,450
Supplemental Act 148			<u>211,707</u>
Total State Allocation			25,688,157
State Share (CY348) ²	\$		25,693,329
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	25,693,329
Less: Expenditures in Excess of the Approved State Allocation			<u>5,172</u>
Final Net State Share Payable ³		\$	25,688,157
Actual Act 148 Revenues Received ⁴			<u>25,688,157</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 The Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$5,172. According to the Commonwealth Department of Human Services (DHS) - Office of Children, Youth and Families (OCYF), the agency submitted supplemental fiscal reports to DHS OCYF between the time DHS OCYF created the Act 148 Supplemental Payment Memo and the DHS Bureau of Financial Operations issued the supplemental Act 148 payment to the agency. The result was the supplemental Act 148 payment was based on the prior agency fiscal reports submitted to DHS OCYF. The agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share of Expenditures.

**YORK 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	357,609	0	47,951	0	0	0	0	0	309,658	309,658	0
02. 90% REIMBURSEMENT	2,918,070	25,926	27,969	0	0	0	0	0	2,864,175	2,577,757	286,418
03. 80% REIMBURSEMENT	32,190,080	394,192	5,033,827	1,264,451	229,930	151,113	0	0	25,116,567	20,093,253	5,023,314
04. 60% REIMBURSEMENT	3,619,801	72,315	184,463	0	0	0	0	14,725	3,348,298	2,008,978	1,339,320
05. 50% REIMBURSEMENT	1,412,354	4,989	0	0	0	0	0	0	1,407,365	703,683	703,682
06. TOTAL NET CHILD WELFARE EXPEND.	40,497,914	497,422	5,294,210	1,264,451	229,930	151,113	0	14,725	33,046,063	25,693,329	7,352,734
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	4,439,846	78,397							4,361,449	2,616,869	1,744,580
08. NON-REIMBURSABLE EXPENDITURES	97,810	2,274							95,536		95,536
09. TOTAL EXPENDITURES	45,035,570	578,093	5,294,210	1,264,451	229,930	151,113	0	14,725	37,503,048	28,310,198	9,192,850
10. TOTAL TITLE IV-D COLLECTIONS	407,922										
11. TITLE IV-D Collections for IV-E Children	57,196										
12. STATE ACT 148 - line 6	25,693,329										
13. STATE ACT 148 ALLOCATION	25,688,157										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	25,688,157										
INVOICE											
AMENDED STATE SHARE (ACT 148)	25,693,329										
ACT 148 AMOUNT RECEIVED	25,688,157										
ADJUSTMENT TO STATE SHARE	5,172										

**YORK 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	357,609	0		47,951	0			0	0	309,658	309,658	0
1-B ADOPTION ASSISTANCE	4,135,175	2,950	1,556,616	18,794				0	0	2,556,815	2,045,452	511,363
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SH	758,278	0	84,860	0				0	0	673,418	538,734	134,684
1-D COUNSELING - DEPENDENT	4,047,789	0		3,907	950,237	229,930		0	0	2,863,715	2,290,972	572,743
1-E COUNSELING - DELINQUENT	1,428,062	0		3,136	150,907	0		0	0	1,274,019	1,019,215	254,804
1-F DAY CARE	0	0		0	0	0		0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	21,939	0		0	0	0		0	0	21,939	17,551	4,388
1-H DAY TREATMENT - DELINQUENT	472,070	0		0	163,307	0		0	0	308,763	247,010	61,753
1-I HOMEMAKER SERVICE	0	0		0	0	0		0	0	0	0	0
1-J INTAKE & REFERRAL	348,850	0		46,173	0	0		0	0	302,677	242,142	60,535
1-K LIFE SKILLS - DEPENDENT	192,703	0		0	0	0		0	0	192,703	154,162	38,541
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0		0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,013,565	0		133,299	0			0	0	880,266	704,213	176,053
1-N PROTECTIVE SERVICE - GENERAL	2,251,647	0		290,627	0			0	0	1,961,020	1,568,816	392,204
1-O SERVICE PLANNING	2,795,965	177		368,021	0			0	0	2,427,767	1,942,214	485,553
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	688,226	0		0	0	0		0	0	688,226	344,113	344,113
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	1,022	0		0	0	0		0	0	1,022	511	511
1-R SUBTOTAL IN-HOME	18,512,900	3,127	1,641,476	911,908	1,264,451	229,930	0	0	0	14,462,008	11,424,763	3,037,245
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
2-B ALTERNATIVE TREATMENT - DELINQUENT	57,717	908	0	0				0	0	56,809	45,447	11,362
2-C COMMUNITY RESIDENTIAL - DEPENDENT	3,673,077	84,969	295,299	70,212				0	0	3,222,597	2,578,078	644,519
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,939,277	51,425	81,284	37				0	0	1,806,531	1,445,225	361,306
2-E EMERGENCY SHELTER - DEPENDENT	1,699,872	17,147	16,220	10,729	0			0	0	1,655,776	1,490,198	165,578
2-F EMERGENCY SHELTER - DELINQUENT	1,218,198	8,779	0	1,020	0			0	0	1,208,399	1,087,559	120,840
2-G FOSTER FAMILY - DEPENDENT	9,007,625	251,681	909,445	1,172,117				0	0	6,523,269	5,218,615	1,304,654
2-H FOSTER FAMILY - DELINQUENT	46,341	2,082	0	0				0	0	44,259	35,407	8,852
2-I SUP. INDEPENDENT LIVING - DEPENDENT	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
2-K SUBTOTAL CBP	17,642,107	416,991	1,302,248	1,254,115	0	0	151,113	0	0	14,517,640	11,900,529	2,617,111
INSITUATIONAL 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	723,106	4,989								718,117	359,059	359,058
3-B RESIDENTIAL SERVICE - DEPENDENT	60,925	7,956	47	4,232				0	0	48,690	29,214	19,476
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	487,004	23,533	3,092	0				0	0	460,379	276,227	184,152
3-D SECURE RES. SERVICE (EXCEPT YDC)	1,754,966	38,477						0	0	1,716,489	1,029,893	686,596
3-E YDC SECURE	4,439,846	78,397								4,361,449	2,616,869	1,744,580
3-F SUBTOTAL INSTITUTIONAL	7,465,847	153,352	3,139	4,232	0	0	0	0	0	7,305,124	4,311,262	2,993,862
4 ADMINISTRATION	1,316,906	2,349		177,092		0	0	0	0	1,122,740	673,644	449,096
5 TOTAL REVENUES	44,937,760	575,819	2,946,863	2,347,347	1,264,451	229,930	151,113	0	0	37,407,512	28,310,198	9,097,314

YORK 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	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	138,059	65,199		153,352	0	999	357,609	21	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	4,134,887	288	0	0	4,135,175	8	474	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	758,278	0	0	0	758,278	0	89	0	0	0
1-D COUNSELING - DEPENDENT	0	0		29,861	4,019,906	0	4,049,767	0	1,940	0	1,978	0
1-E COUNSELING - DELINQUENT	0	0		23,500	1,404,562	0	1,428,062	0	425	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		21,939	0	0	21,939	0	3	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	472,070	0	472,070	0	175	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	220,866	97,864		29,122	0	998	348,850	5,482	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	192,703	0	192,703	0	1,234	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	606,391	235,538		168,279	360	2,997	1,013,565	1,849	3	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,261,432	569,813		400,993	12,747	6,662	2,251,647	1,181	8	0	0	0
1-O SERVICE PLANNING	1,639,005	663,712		481,220	3,370	8,658	2,795,965	4,563	4	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				6,257	681,969		688,226	0	220	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				1,022			1,022	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,865,753	1,632,126	4,893,165	1,293,894	6,809,626	20,314	18,514,878			0	1,978	0
Number of Children receiving only NON-PURCHASED IN-Home Services 7,987												
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	57,717	0	57,717	376	4	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	283,238	137,888	0	134,499	3,115,455	1,997	3,673,077	18,201	132	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,703	1,937,574	0	1,939,277	10,856	87	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	44,544	18,294	0	28,851	1,607,850	333	1,699,872	10,405	326	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	1,455,184	684,707	0	8,667	1,209,531	0	1,218,198	3,510	143	0	0	0
2-G FOSTER FAMILY - DEPENDENT	0	0	0	588,748	6,303,547	7,660	9,039,846	100,323	561	3,036	29,185	2,274
2-H FOSTER FAMILY - DELINQUENT	0	0	0	172	46,169	0	46,341	445	8	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	1,782,966	840,889	0	762,640	14,277,843	9,990	17,674,328	144,116	1,261	3,036	29,185	2,274
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	73,489	649,617	0	723,106	2,331	102	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	20,745	10,737	0	938	28,505	0	60,925	2,507	33	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	770	486,234	0	487,004	5,806	54	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	213	1,754,753	0	1,754,966	8,840	48	0	0	0
3-E YDC SECURE	0	0	0	0	4,439,846	0	4,439,846	9,295	81	0	0	0
3-F SUBTOTAL INSTITUTIONAL	20,745	10,737	0	75,410	7,358,955	0	7,465,847	25,779	318	0	0	0
4 ADMINISTRATION	565,971	133,091	0	678,459	0	2,996	1,380,517			63,611	0	0
5 TOTAL EXPENDITURES	6,235,435	2,616,843	4,893,165	2,810,403	28,446,424	33,300	45,035,570			66,647	31,163	2,274
County Indirect Costs = \$ 553,040												

**YORK 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	\$ 357,609	\$ 0	\$ 357,609
Adoption Assistance	4,135,175	0	4,135,175
Subsidized Permanent Legal Custodianship	758,278	0	758,278
Counseling	5,477,829	0	5,477,829
Day Care	0	0	0
Day Treatment	494,009	0	494,009
Homemaker Service	0	0	0
Intake and Referral	348,850	0	348,850
Life Skills	192,703	0	192,703
Protective Service - Child Abuse	1,013,565	0	1,013,565
Protective Service - General	2,251,647	0	2,251,647
Service Planning	2,795,965	0	2,795,965
Juvenile Act Proceedings	689,248	0	689,248
Alternative Treatment	57,717	0	57,717
Community Residential	5,612,354	0	5,612,354
Emergency Shelter	2,918,070	0	2,918,070
Foster Family	9,086,187	0	9,086,187
Supervised Independent Living	0	0	0
Juvenile Detention Service	723,106	0	723,106
Residential Service	547,929	0	547,929
Secure Residential Service (Except YDC)	1,754,966	0	1,754,966
YDC Secure	4,439,846	0	4,439,846
Administration	1,380,517	0	1,380,517
Combined Total Expense	<u>45,035,570</u>	<u>0</u>	<u>45,035,570</u>
Less Non-reimbursables	<u>97,810</u>	<u>0</u>	<u>97,810</u>
Total Net Expense	<u>\$ 44,937,760</u>	<u>\$ 0</u>	<u>\$ 44,937,760</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,235,435	\$ 0	\$ 6,235,435
Employee Benefits	2,616,843	0	2,616,843
Subsidies	4,893,165	0	4,893,165
Operating	2,810,403	0	2,810,403
Purchased Services	28,446,424	0	28,446,424
Fixed Assets	33,300	0	33,300
Combined Total Expense	<u>45,035,570</u>	<u>0</u>	<u>45,035,570</u>
Less Non-reimbursables	<u>97,810</u>	<u>0</u>	<u>97,810</u>
Total Net Expense	<u>\$ 44,937,760</u>	<u>\$ 0</u>	<u>\$ 44,937,760</u>

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**YORK 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		\$	25,729,303
Supplemental Act 148			<u>2,313,765</u>
Total State Allocation			28,043,068
State Share (CY348) ²	\$		28,043,068
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	28,043,068
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	28,043,068
Actual Act 148 Revenues Received ⁴			<u>28,043,068</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.

YORK 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	375,999	43,394	0	0	0	0	0	332,605	332,605	0
02. 90% REIMBURSEMENT	2,858,361	60,278	0	0	37,779	0	0	2,734,822	2,461,340	273,482
03. 80% REIMBURSEMENT	35,805,137	5,137,003	1,264,451	229,930	113,334	0	0	28,581,780	22,865,425	5,716,355
04. 60% REIMBURSEMENT	3,145,910	204,189	0	0	0	0	14,032	2,858,204	1,714,923	1,143,281
05. 50% REIMBURSEMENT	1,341,819	0	0	0	0	0	0	1,337,547	668,775	668,772
06. TOTAL NET CHILD WELFARE EXPEND.	43,527,226	5,444,864	1,264,451	229,930	151,113	0	14,032	35,844,958	28,043,068	7,801,890

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	6,434,160							6,376,691	3,826,015	2,550,676
08. NON-REIMBURSABLE EXPENDITURES	56,765							52,740		52,740

09. TOTAL EXPENDITURES	50,018,151	5,444,864	1,264,451	229,930	151,113	0	14,032	42,274,389	31,869,083	10,405,306
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10. TOTAL TITLE IV-D COLLECTIONS 436,189

11. TITLE IV-D Collections for IV-E Children 69,218

12. STATE ACT 148 - line 6 28,043,068

13. STATE ACT 148 ALLOCATION 28,043,068

14. ADJUSTED STATE SHARE (lower of 12 or 13) 28,043,068

INVOICE	
AMENDED STATE SHARE (ACT 148)	28,043,068
ACT 148 AMOUNT RECEIVED	28,043,068
ADJUSTMENT TO STATE SHARE	0

**YORK 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 Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A	ADOPTION SERVICE	375,999	0	43,394	0	0	0	0	0	0	332,605	332,605	0
I-B	ADOPTION ASSISTANCE	4,514,756	0	1,751,035	27,696	0	0	0	0	0	2,736,025	2,188,820	547,205
I-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	735,162	0	82,140	0	0	0	0	0	0	653,022	522,418	130,604
I-D	COUNSELING - DEPENDENT	4,321,065	0	5,795	751,692	229,930	0	0	0	0	3,333,648	2,666,918	666,730
I-E	COUNSELING - DELINQUENT	1,327,796	0	273	286,068	0	0	0	0	0	1,041,455	833,164	208,291
I-F	DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G	DAY TREATMENT - DEPENDENT	3,710	0	0	0	0	0	0	0	0	3,710	2,968	742
I-H	DAY TREATMENT - DELINQUENT	519,315	0	226,691	0	0	0	0	0	0	292,624	234,099	58,525
I-I	HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J	INTAKE & REFERRAL	481,928	0	55,566	0	0	0	0	0	0	426,362	341,090	85,272
I-K	LIFE SKILLS - DEPENDENT	388,367	0	0	0	0	0	0	0	0	388,367	310,694	77,673
I-L	LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M	PROTECTIVE SERVICE - CHILD ABUSE	1,330,243	0	147,805	0	0	0	0	0	0	1,182,438	945,950	236,488
I-N	PROTECTIVE SERVICE - GENERAL	2,585,125	0	287,728	0	0	0	0	0	0	2,297,397	1,837,918	459,479
I-O	SERVICE PLANNING	3,229,338	0	369,353	0	0	0	0	0	0	2,859,985	2,287,988	571,997
I-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	787,987	0	0	0	0	0	0	0	0	787,987	393,994	393,993
I-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	8,789	0	0	0	0	0	0	0	0	8,789	4,395	4,394
I-R	SUBTOTAL IN-HOME	20,609,580	0	1,833,175	937,610	1,264,451	229,930	0	0	0	16,344,414	12,903,021	3,441,393
COMMUNITY BASED PLACEMENT		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A	ALTERNATIVE TREATMENT - DEPENDENT	12,280	323	0	0	0	0	0	0	0	11,957	9,566	2,391
2-B	ALTERNATIVE TREATMENT - DELINQUENT	38,375	21	0	0	0	0	0	0	0	38,354	30,683	7,671
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	3,884,729	83,363	331,638	48,506	0	0	0	0	0	3,421,222	2,736,978	684,244
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	2,599,067	72,195	25,189	25	0	0	0	0	0	2,501,658	2,001,326	500,332
2-E	EMERGENCY SHELTER - DEPENDENT	1,559,644	19,443	43,057	17,221	0	0	37,779	0	0	1,442,144	1,297,930	144,214
2-F	EMERGENCY SHELTER - DELINQUENT	1,298,717	6,039	0	0	0	0	0	0	0	1,292,678	1,163,410	129,268
2-G	FOSTER FAMILY - DEPENDENT	9,755,522	318,013	863,665	1,140,110	0	0	113,334	0	0	7,320,400	5,856,320	1,464,080
2-H	FOSTER FAMILY - DELINQUENT	78,359	4,724	479	0	0	0	0	0	0	73,156	58,525	14,631
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	19,226,693	504,121	1,264,028	1,205,862	0	0	151,113	0	0	16,101,569	13,154,738	2,946,831
INSTITUTIONAL PLACEMENT		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A	JUVENILE DETENTION SERVICE	545,043	4,272	3,224	4,371	0	0	0	0	0	540,771	270,386	270,385
3-B	RESIDENTIAL SERVICE - DEPENDENT	62,807	14,835	8,562	0	0	0	0	0	0	40,377	24,226	16,151
3-C	RES. SERVICE - DELINQUENT (NON YDC/MFC)	279,426	23,969	8,562	0	0	0	0	0	0	246,895	148,137	98,758
3-D	SECURE RES. SERVICE (EXCEPT YDC)	1,173,176	21,060	0	0	0	0	0	0	0	1,152,116	691,270	460,846
3-E	YDC SECURE	6,434,160	57,469	0	0	0	0	0	0	0	6,376,691	3,826,015	2,550,676
3-F	SUBTOTAL INSTITUTIONAL	8,494,612	121,605	11,786	4,371	0	0	0	0	0	8,356,850	4,960,034	3,396,816
4	ADMINISTRATION	1,630,501	9,621	188,032	0	0	0	0	0	14,032	1,418,816	851,290	567,526
5	TOTAL REVENUES	49,961,386	635,347	3,108,989	2,335,875	1,264,451	229,930	151,113	0	14,032	42,221,649	31,869,083	10,352,566

**YORK COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED CY 370
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	152,408	79,646		143,504	0	468	376,026	28	0	27	0	0
1-B ADOPTION ASSISTANCE	0	0	4,514,644	112	0	0	4,514,756	0	502	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SHI	0	0	735,162	0	0	0	735,162	0	85	0	0	0
1-D COUNSELING - DEPENDENT	0	0		53,605	4,267,460	0	4,321,065	0	3,206	0	0	0
1-E COUNSELING - DELINQUENT	0	0		2,530	1,325,266	0	1,327,796	0	670	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		3,710	0	0	3,710	0	2	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	519,315	0	519,315	0	180	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	308,963	132,698		38,501	0	1,873	482,035	13,540	0	107	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	388,367	0	388,367	0	2,518	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	764,384	293,843		209,968	49,296	13,049	1,330,540	2,106	144	297	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,413,544	620,012		450,681	73,623	27,884	2,585,744	1,515	59	619	0	0
1-O SERVICE PLANNING	1,883,748	731,931		552,228	27,569	34,642	3,230,118	5,793	40	780	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				9,532	778,455		787,987	0	292	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				8,789	0		8,789	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,523,047	1,858,130	5,249,806	1,469,450	7,433,061	77,916	20,611,410			1,830	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 8,968												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	12,280	0	12,280	80	2	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	38,375	0	38,375	287	5	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	212,387	102,741	0	129,670	3,433,777	6,289	3,884,864	18,140	118	135	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	3,294	2,595,773	0	2,599,067	13,453	130	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	82,881	37,803	0	34,811	1,402,678	1,784	1,559,957	8,824	295	27	286	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	1,298,717	0	1,298,717	3,374	159	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,008,613	471,347	0	465,476	7,806,000	22,441	9,773,877	117,340	638	886	17,469	4,025
2-H FOSTER FAMILY - DELINQUENT	0	0	0	271	78,088	0	78,359	616	9	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	1,303,881	611,891	0	633,522	16,665,688	30,514	19,245,496	162,114	1,356	1,048	17,755	4,025

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
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	63,068	481,975	0	545,043	1,679	67	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	25,701	11,251	0	2,286	23,569	0	62,807	2,941	38	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	789	278,637	0	279,426	5,886	51	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	2,500	1,170,676	0	1,173,176	3,375	55	0	0	0
3-E YDC SECURE	0	0	0	0	6,434,160	0	6,434,160	12,578	98	0	0	0
3-F SUBTOTAL INSTITUTIONAL	25,701	11,251	0	68,643	8,389,017	0	8,494,612	26,459	309	0	0	0
4 ADMINISTRATION	490,446	339,524	0	832,449	0	4,214	1,666,633			36,132	0	0
5 TOTAL EXPENDITURES	6,343,075	2,820,796	5,249,806	3,004,064	32,487,766	112,644	50,018,151			39,010	17,755	4,025
County Indirect Costs = \$ 695,280												

**YORK 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	\$ 376,026	\$ 0	\$ 376,026
Adoption Assistance	4,514,756	0	4,514,756
Subsidized Permanent Legal Custodianship	735,162	0	735,162
Counseling	5,648,861	0	5,648,861
Day Care	0	0	0
Day Treatment	523,025	0	523,025
Homemaker Service	0	0	0
Intake and Referral	482,035	0	482,035
Life Skills	388,367	0	388,367
Protective Service - Child Abuse	1,330,540	0	1,330,540
Protective Service - General	2,585,744	0	2,585,744
Service Planning	3,230,118	0	3,230,118
Juvenile Act Proceedings	796,776	0	796,776
Alternative Treatment	50,655	0	50,655
Community Residential	6,483,931	0	6,483,931
Emergency Shelter	2,858,674	0	2,858,674
Foster Family	9,852,236	0	9,852,236
Supervised Independent Living	0	0	0
Juvenile Detention Service	545,043	0	545,043
Residential Service	342,233	0	342,233
Secure Residential Service (Except YDC)	1,173,176	0	1,173,176
YDC Secure	6,434,160	0	6,434,160
Administration	<u>1,666,633</u>	<u>0</u>	<u>1,666,633</u>
Combined Total Expense	50,018,151	0	50,018,151
Less Non-reimbursables	<u>56,765</u>	<u>0</u>	<u>56,765</u>
Total Net Expense	<u>\$ 49,961,386</u>	<u>\$ 0</u>	<u>\$ 49,961,386</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,343,075	\$ 0	\$ 6,343,075
Employee Benefits	2,820,796	0	2,820,796
Subsidies	5,249,806	0	5,249,806
Operating	3,004,064	0	3,004,064
Purchased Services	32,487,766	0	32,487,766
Fixed Assets	<u>112,644</u>	<u>0</u>	<u>112,644</u>
Combined Total Expense	50,018,151	0	50,018,151
Less Non-reimbursables	<u>56,765</u>	<u>0</u>	<u>56,765</u>
Total Net Expense	<u>\$ 49,961,386</u>	<u>\$ 0</u>	<u>\$ 49,961,386</u>

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING, RECOMMENDATIONS AND SUBSEQUENT EVENT OBSERVATION

YORK COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING, RECOMMENDATIONS AND
SUBSEQUENT EVENT OBSERVATION

Finding – A Lack of Effective Controls Over the York County Children and Youth Agency’s Established Monitoring Process Over In-Home Purchased Service Providers Fails to Ensure that All Identified Overbillings are Appropriately Addressed (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the York County Children and Youth Agency (agency) for a lack of effective controls over the agency’s established fiscal-related monitoring process over In-Home Purchased Service providers that led to failure in ensuring all identified overbillings were timely and appropriately addressed. Agency management informed us that written fiscal-related monitoring procedures for In-Home providers did not specify how identified overbillings discovered during the agency’s conduct of monitoring site visits would be communicated to agency fiscal staff and appropriately resolved. Additionally, these procedures failed to designate who would be responsible for ensuring that all identified overbillings would be addressed and how identified overbillings would impact the future review and approval process of those In-Home Purchased Service providers’ submitted invoices.

Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these control deficiencies until January 25, 2017; therefore, these deficiencies remained in existence during each of the fiscal years included in our current engagement scope period. Furthermore, while conducting procedures during our current engagement to follow up on the status of this finding, agency management informed us that as of July 1, 2014, the beginning of the first fiscal year included in our current engagement scope period, the agency discontinued all of its fiscal-related monitoring procedures over In-Home Purchased Service providers. As a result, for each of the fiscal years included in our current engagement scope period, the agency had no fiscal-related monitoring procedures in place to reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. Therefore, we concluded that the issuance of a repeat finding was warranted. This repeat finding is included in the Current Engagement Findings and Recommendations section (Section 5) of this report.

YORK COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING, RECOMMENDATIONS AND
SUBSEQUENT EVENT OBSERVATION

Subsequent Event Observation – York County Children and Youth Agency Staff Turnover and Amendments to the Pennsylvania Child Protective Services Law (CPSL) Impacted the Effectiveness and Timeliness of Services which Resulted in the Commonwealth Department of Human Services Issuing YCCYF Four Provisional Certificates of Compliance (A Full License was Issued on November 15, 2016)

In our prior engagement report, we included a subsequent event observation to disclose that staff turnover and amendments to Pennsylvania’s Child Protective Services Law (CPSL) contributed to a decreased level of services for children, families and services providers, which led to the agency receiving a provisional certificate of compliance from the Commonwealth Department of Human Services (DHS), for the period November 15, 2014, to May 15, 2015, a second provisional certificate of compliance for the period May 15, 2015 to November 15, 2015, a third provisional certificate of compliance for the period November 15, 2015 to May 15, 2016, and a fourth provisional certificate of compliance for the period May 15, 2016 to November 15, 2016.

During the conduct of our current engagement, we determined that the agency implemented corrective actions that included: the agency reorganizing and dividing into three service divisions, which resulted in a clearer understanding of each staff person’s role within the agency; reducing the number of screened out General Protective Service reports and performing more initial assessments; focusing on reducing the number of placements; staff receiving ongoing training during weekly staff meetings; the agency utilizing the Child Welfare Resource Center to assist in training and practice enhancements; the agency developing an internal Continuous Quality Improvement Division to review cases and provide feedback which is used for training; receiving ongoing support and review/monitoring of agency practices by the State Department of Human Services; filling 25 agency staff vacancies between May 16, 2016 and October 4, 2016; and the agency participating in the formal state-supported Quality Service Review process. DHS issued the agency a full certificate of compliance for the period November 15, 2016 to November 15, 2017.

During the conduct of our current engagement, we also followed up on the agency certificates of compliance, and determined that the agency received an annual full certificate of compliance from November 15, 2016, to the present. The current full certificate of compliance is for the period November 15, 2018 to July 15, 2019.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

YORK COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Condition: As detailed in our Status of Prior Engagement Finding and Recommendation section (Section 4) of this report, during the conduct of our current engagement covering the fiscal years ended June 30, 2015, 2016, and 2017, we found that deficiencies continued to exist in the York County Children and Youth Agency’s (agency) fiscal-related monitoring process over In-Home Purchased Service providers related to ensuring that all identified overbillings and fraudulent billings are appropriately addressed. Furthermore, during the conduct of these procedures, agency management informed us that, as of July 1, 2014, the agency discontinued all of its fiscal-related monitoring procedures over its contracted In-Home Purchased Service providers. As such, during each of the three years included in our current engagement scope period, the agency had no fiscal-related monitoring procedures in place in order to reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

Agency management further informed us that, due to the filling of vacant fiscal staff positions, a new fiscal-related monitoring process was started in May 2018 and full implementation was completed in July 2018, well after the end of our current engagement scope period. Per agency management, this new monitoring process includes the conduct of In-Home provider on-site visits and procedures designed to ensure that all billing errors identified during the conduct of on-site monitoring visits are timely and appropriately addressed by responsible agency staff. Since this new on-site monitoring process was implemented subsequent to the end of our current engagement scope period, we did not evaluate the effectiveness of the agency’s implemented controls over this monitoring process. We will assess the sufficiency these implemented policies and procedures during our next regularly scheduled audit of this agency.

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

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the Human Services Code (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the Human Services Code (62 P.S. § 709.3).”

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended*

YORK COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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: Agency management informed us that all fiscal-related monitoring procedures over contracted In-Home Purchased Service providers were discontinued on July 1, 2014, due to fiscal and contract staff turnover and unfilled positions.

Effect: The agency’s discontinuance of all of the agency’s established fiscal-related monitoring procedures over contracted In-Home Purchased Service providers designed to ensure that all identified overbillings are timely and appropriately addressed by the agency and to reduce the

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risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers increased agency management's risks of:

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

Recommendation: We recommend that agency management ensure that its newly implemented on-site monitoring policy and procedures, implemented to reduce its risk of paying for overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers, are sufficient in actually reducing this risk. Specifically, we recommend the on-site fiscal-related monitoring visits include procedures to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the number of units invoiced by Fee-for-Service providers and the operating costs of any Program-Funded providers. We further recommend that agency management ensure that these on-site monitoring policies and procedures are sufficient in relation to obtaining 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.

We also recommend that agency management consider supplementing the agency's post-payment, on-site, fiscal-related monitoring process with the following:

- Implementation of pre-payment fiscal-related monitoring procedures performed during the agency's review and approval process for invoices submitted by contracted In-Home Providers. For instance, requiring In-Home Purchased Services providers, as deemed necessary by agency management, to include with submitted invoices substantiation evidencing that services related to invoiced In-Home Purchased Services costs were actually provided, as well as substantiation sufficient to assess the validity of the number of units invoiced by Fee-for-Service providers and operating costs invoiced by any Program-Funded providers. Any such procedures should also detail how identified overbillings and fraudulent billings are to be resolved.
- Ensuring that agency staff responsible for reviewing and approving submitted In-Home Purchased Services providers' invoices for payment are made aware of the results of all fiscal-related monitoring procedures (pre- and post-payment reviews) of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's invoice review and approval process for these providers.

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We further recommend that the agency maintain 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. Furthermore, we recommend establishing a requirement for the maintenance of substantiation evidencing that all billings errors identified during the conduct of monitoring reviews of In-Home Purchased Service providers are timely and appropriately addressed by designated agency staff.

Agency Response: The agency has implemented processes to review all invoices prior to payment in an effort to avoid over/under billings. In addition, through the Purchase of Services Agreement, we now require all Program Funded providers to submit actual expenses monthly for reimbursement as opposed to a set amount each month in order to review, question/comment, and verify those expenses in real time before approving the invoice and submitting payment. This practice started in May 2018, with full implementation beginning in July 1, 2018, with the execution of the new FY 2018-19 contracts. We have created an on-site monitoring tool and procedure, as well as an internal audit tool and procedure that will focus on ensuring services provided and paid for are being invoiced and processed properly. The agency was informed that the process in place for on-site monitoring of Purchased Service Providers was “very detailed” and “well thought out” and we have agreed to be a resource for other counties in creating their policy and procedures for on-site monitoring.

Auditor’s Conclusion: We commend the agency’s management on acknowledging the deficiencies that existed in the agency’s invoice review and approval process for In-Home Purchased Services providers during the fiscal years included in our engagement scope period, and their efforts to develop and implement formal, written fiscal-related monitoring policy and procedures for its contracted In-Home Purchased Service providers. Regarding the agency’s statement that the process in place for on-site monitoring of Purchased Service providers was “very detailed” and “well thought out” and that they have agreed to be a resource for other counties in creating their policy and procedures for on-site monitoring, please note that the Pennsylvania Constitution precludes the Department of the Auditor General from rendering any pre-audit advice concerning any transaction that it may have the subsequent duty to audit. While we did communicate to the agency that the current policy and procedures appear to be very detailed, we did not evaluate the policy and procedures for adequacy. During our next audit of the agency, we will review and determine whether the agency’s implemented monitoring policy and procedures are sufficient to reduce the agency’s risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers going undetected.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

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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 Law¹ (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).² To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,³ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the York County Children and Youth Agency provided in-home and placement services to 6,698 children residing within the County during the 2016-2017 fiscal year.

¹ 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>

² 23 Pa.C.S. §§ 6344 and 6344.2.

³ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

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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.⁴

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁵ 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"⁶ in their provider executed contracts. Instead, all C&Y

⁴ 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).

⁵ Please note that based on recent correspondence with DHS, these providers are referred to as "private providers delivering prevention and reunification services." We refer to them as *contracted In-Home Preventative Service providers* throughout our observation for ease of understanding.

⁶ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (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

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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.⁷

DHS Senior Management Follow-Up Response

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers⁸ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

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

and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

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

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

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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.⁹ 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

⁹ 23 Pa.C.S. § 6344.4.

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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.¹⁰

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).¹¹

¹⁰ 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.

¹¹ The agency stated that it conducts monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "The agency has an established process to review personnel files through our Continuous Quality Improvement Division's program monitoring which verifies employees and volunteers certifications. The agency will continue this process." We did not perform procedures to evaluate the agency's performance of those procedures.

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This report was originally distributed to the following:

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