

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

Adams County Children and Youth Agency

September 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Adams County
Adams County Courthouse
117 Baltimore Street
Gettysburg, PA 17325

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 Adams County Children and Youth Agency (agency), legally known as Adams 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 within Adams 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 fiscal years ended 2015, 2016, and 2017.

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 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 \$216,927 and increasing non-reimbursable expenditures by \$33,916. Based on the application of the state participation rates, these adjustments resulted in an amount due to the county totaling \$109,807. Both adjustments are detailed in our amended fiscal reports for fiscal year 2014-2015, as included in Section 1 of this report.
- For the **2015-2016 fiscal year**, our engagement resulted in 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 \$228,193 and increasing non-reimbursable expenditures by \$33,893. Based on the application of the state participation rates, these adjustments resulted in an amount due to the county totaling \$116,580. Both adjustments are detailed in our amended fiscal reports for fiscal year 2015-2016, as included in Section 2 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$300,989 and increasing non-reimbursable expenditures by \$114,123. However, both adjustments have no effect on the Final Net State Share Payable because the agency's expenditures exceeded the total State Act 148 Allocation by \$112,120, as detailed in our amended fiscal reports for fiscal year 2016-2017, included in Section 3 of this report.

In addition, we found that the agency did not comply with the finding included in our prior released audit report, as detailed in Section 4 of this report. Accordingly, we issued a repeat finding, as listed below and detailed in Section 5 of this report.

Finding No. 1 – Noncompliance: Failure to Perform Annual Physical Inventories of Fixed Assets

Furthermore, we conducted additional procedures beyond those necessary to ascertain and certify the total Commonwealth expenditures paid on behalf of children residing within the county. We performed those additional procedures to determine whether the agency implemented internal controls to sufficiently reduce the risk of overbillings or fraudulent billings by contracted In-Home Purchased Service Providers occurring and going undetected. Opportunities to strengthen the agency's internal controls over its invoice review and approval process for these expenditures were identified and are included in the finding listed below, and as detailed in Section 5 of this report.

Finding No. 2 – The Adams County Children and Youth Agency Should Develop and Implement Internal Control Policies and Procedures in Order 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 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

The results of our engagement procedures, as presented in this report, were discussed with agency management during an exit conference call held on August 16, 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 Adams County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

August 21, 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 Adams County Children and Youth Agency provided in-home and placement services to 1,389 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

**ADAMS 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		\$	4,519,357
Supplemental Act 148			<u>0</u>
Total State Allocation			4,519,357
State Share (CY348) ²	\$		3,409,406
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,409,406
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,409,406
Actual Act 148 Revenues Received ⁴			<u>3,299,599</u>
Net Amount Due County/(State) ⁵		\$	<u>109,807</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.

ADAMS 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	29,965	0	4,998	0	0	0	0	0	24,967	24,967	0
02. 90% REIMBURSEMENT	154,207	9,966	12,460	0	0	0	0	0	131,781	118,603	13,178
03. 80% REIMBURSEMENT	4,759,074	70,741	875,996	150,289	51,465	124,587	0	0	3,485,996	2,788,798	697,198
04. 60% REIMBURSEMENT	818,833	31,962	39,482	0	0	0	0	3,133	744,256	446,554	297,702
05. 50% REIMBURSEMENT	60,967	0	0	0	0	0	0	0	60,967	30,484	30,483
06. TOTAL NET CHILD WELFARE EXPEND.	5,823,046	112,669	932,936	150,289	51,465	124,587	0	3,133	4,447,967	3,409,406	1,038,561
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	13,944	0							13,944	8,366	5,578
08. NON-REIMBURSABLE EXPENDITURES	38,386	0							38,386		38,386
09. TOTAL EXPENDITURES	5,875,376	112,669	932,936	150,289	51,465	124,587	0	3,133	4,500,297	3,417,772	1,082,525
10. TOTAL TITLE IV-D COLLECTIONS	84,224										
11. TITLE IV-D Collections for IV-E Children	22,527										
12. STATE ACT 148 - line 6	3,409,406										
13. STATE ACT 148 ALLOCATION	4,519,357										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	3,409,406										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,409,406										
ACT 148 AMOUNT RECEIVED	3,299,599										
ADJUSTMENT TO STATE SHARE	109,807										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	29,965	0		4,998	0				0	24,967		0
1-B ADOPTION ASSISTANCE	827,342	0	333,453	10,176					0	483,713	386,970	96,743
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	157,380	0	31,560						0	125,820	100,656	25,164
1-D COUNSELING - DEPENDENT	160,510	0		78	122,945				0	37,487	29,990	7,497
1-E COUNSELING - DELINQUENT	187,529	0		8	27,344				0	160,177	128,142	32,035
1-F DAY CARE		0							0	1,612	1,290	322
1-G DAY TREATMENT - DEPENDENT	6,820	0		0	0				0	6,820	5,456	1,364
1-H DAY TREATMENT - DELINQUENT	11,830	0		0	0				0	11,830	9,464	2,366
1-I HOMEMAKER SERVICE	0	0		0	0				0	0	0	0
1-J INTAKE & REFERRAL	103,072	0		17,164					0	85,908	68,726	17,182
1-K LIFE SKILLS - DEPENDENT	3,645	0		608					0	3,037	2,430	607
1-L LIFE SKILLS - DELINQUENT	0	0		0	0				0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	731,739	0		80,883	0				0	650,856	520,685	130,171
1-N PROTECTIVE SERVICE - GENERAL	1,165,890	0		188,381	0				0	977,509	782,007	195,502
1-O SERVICE PLANNING	0	0		0	0				0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	49,600	0		0	0				0	49,600	24,800	24,800
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0				0	0	0	0
1-R SUBTOTAL IN-HOME	3,436,934	0	365,013	302,296	150,289	0	0	0	0	2,619,336	2,085,583	533,753
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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0					0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	105,301	2,873	31,162	127					0	71,139	56,911	14,228
2-D COMMUNITY RESIDENTIAL - DELINQUENT	215,474	0		14					0	215,460	172,368	43,092
2-E EMERGENCY SHELTER - DEPENDENT	56,462	0	8,914	3,546	0				0	43,992	39,593	4,399
2-F EMERGENCY SHELTER - DELINQUENT	97,755	9,966		0	0				0	87,789	79,010	8,779
2-G FOSTER FAMILY - DEPENDENT	1,068,752	67,721	69,625	108,382		51,465	124,587		0	646,972	517,578	129,394
2-H FOSTER FAMILY - DELINQUENT	3,060	147		1,471					0	1,442	1,154	288
2-I SUP. INDEPENDENT LIVING - DEPENDENT	9,118	0	2,126	778					0	6,214	4,971	1,243
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0					0	0	0	0
2-K SUBTOTAL CBP	1,555,912	80,707	113,298	112,847	0	51,465	124,587	0	0	1,073,008	871,585	201,423
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	11,367	0							0	11,367	5,684	5,683
3-B RESIDENTIAL SERVICE - DEPENDENT	187,711	11,365	14,187	204					0	161,955	97,173	64,782
3-C RES. SERVICE - DELINQUENT (NON YDC YFC)	294,306	19,751		0					0	274,555	164,733	109,822
3-D SECURE RES. SERVICE (EXCEPT YDC)	2,670	265							0	2,405	1,443	962
3-E YDC SECURE	13,944	0								13,944	8,366	5,578
3-F SUBTOTAL INSTITUTIONAL	509,998	31,381	14,187	204	0	0	0	0	0	464,226	277,399	186,827
4 ADMINISTRATION	334,146	581		25,091					0	305,341	183,205	122,136
5 TOTAL REVENUES	5,836,990	112,669	492,498	440,438	150,289	51,465	124,587	0	3,133	4,461,911	3,417,772	1,044,139

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	17,399	6,900		5,662	0	4	29,965	31	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	829,022	0	0	0	829,022	0	98	0	1,680	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	157,380	0	0	0	157,380	0	18	0	0	0
1-D COUNSELING - DEPENDENT	0	0		491	160,019	0	160,510	0	79	0	0	0
1-E COUNSELING - DELINQUENT	0	0		48	187,481	0	187,529	0	59	0	0	0
1-F DAY CARE	0	0		0	1,612	0	1,612	0	4	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	6,820	0	6,820	0	1	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	11,830	0	11,830	0	3	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	62,211	30,563		10,280	0	18	103,072	1,323	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	2,619	1,026		0	0	0	3,645	15	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	292,593	132,088		59,873	246,258	927	731,739	567	119	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	655,432	319,353		153,959	35,398	1,748	1,165,890	556	81	0	0	0
1-O SERVICE PLANNING	0	0		0	0	0	0	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	49,600		49,600	0	153	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,030,254	489,950	986,402	230,313	699,018	2,697	3,438,614			0	1,680	0
Number of Children receiving only NON-PURCHASED IN-Home Services 153												
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	0	0	0	841	104,460	0	105,301	544	4	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	345	215,129	0	215,474	1,187	10	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	13,295	5,441	0	2,561	35,151	4	56,452	131	4	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	97,755	0	97,755	344	21	0	0	0
2-G FOSTER FAMILY - DEPENDENT	243,926	114,750	0	61,144	650,141	1,581	1,071,542	12,721	63	0	2,790	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	3,060	0	3,060	102	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	3,782	886	0	0	4,450	0	9,118	365	1	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	261,003	121,077	0	64,891	1,110,146	1,585	1,558,702	15,394	104	0	2,790	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	11,367	0	11,367	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	1,243	186,468	0	187,711	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	397	293,909	0	294,306	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	2,670	0	2,670	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	13,944	0	13,944	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	1,640	508,358	0	509,998	0	0	0	0	0
4 ADMINISTRATION	98,274	36,486	0	232,740	0	562	368,062			33,916	0	0
5 TOTAL EXPENDITURES	1,389,531	647,493	986,402	529,584	2,317,522	4,844	5,875,576			33,916	4,470	0
County Indirect Costs = \$ 216,927												

**ADAMS 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	\$ 29,965	\$ 0	\$ 29,965
Adoption Assistance	829,022	0	829,022
Subsidized Permanent Legal Custodianship	157,380	0	157,380
Counseling	348,039	0	348,039
Day Care	1,612	0	1,612
Day Treatment	18,650	0	18,650
Homemaker Service	0	0	0
Intake and Referral	103,072	0	103,072
Life Skills	3,645	0	3,645
Protective Service - Child Abuse	731,739	0	731,739
Protective Service - General	1,165,890	0	1,165,890
Service Planning	0	0	0
Juvenile Act Proceedings	49,600	0	49,600
Alternative Treatment	0	0	0
Community Residential	320,775	0	320,775
Emergency Shelter	154,207	0	154,207
Foster Family	1,074,602	0	1,074,602
Supervised Independent Living	9,118	0	9,118
Juvenile Detention Service	11,367	0	11,367
Residential Service	482,017	0	482,017
Secure Residential Service (Except YDC)	2,670	0	2,670
YDC Secure	13,944	0	13,944
Administration	151,135	216,927	368,062
Combined Total Expense	<u>5,658,449</u>	<u>216,927</u>	<u>5,875,376</u>
Less Non-reimbursables	<u>4,470</u>	<u>33,916</u>	<u>38,386</u>
Total Net Expense	<u>\$ 5,653,979</u>	<u>\$ 183,011</u>	<u>\$ 5,836,990</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,389,531	\$ 0	\$ 1,389,531
Employee Benefits	647,493	0	647,493
Subsidies	986,402	0	986,402
Operating	312,657	216,927	529,584
Purchased Services	2,317,522	0	2,317,522
Fixed Assets	4,844	0	4,844
Combined Total Expense	<u>5,658,449</u>	<u>216,927</u>	<u>5,875,376</u>
Less Non-reimbursables	<u>4,470</u>	<u>33,916</u>	<u>38,386</u>
Total Net Expense	<u>\$ 5,653,979</u>	<u>\$ 183,011</u>	<u>\$ 5,836,990</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	CY-370 Adjustments			
				Administration - Operating Expenditures	\$ 15,813	\$ 216,927	\$ 232,740
				To increase Operating Expenditures by \$216,927 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.	\$ -	\$ 33,916	\$ 33,916
				To increase Non-Reimbursable Non Purchased Services/Subsidies by \$33,916 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 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**ADAMS 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		\$	4,726,783
Supplemental Act 148			<u>0</u>
Total State Allocation			4,726,783
State Share (CY348) ²	\$		3,939,009
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,939,009
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,939,009
Actual Act 148 Revenues Received ⁴			<u>3,822,429</u>
Net Amount Due County/(State) ⁵		\$	<u><u>116,580</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.

**ADAMS 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	107,017	0	19,291	0	0	0	0	0	87,726	87,726	0
02. 90% REIMBURSEMENT	151,903	175	31,357	0	0	0	0	0	120,371	108,334	12,037
03. 80% REIMBURSEMENT	5,541,770	66,112	1,001,856	150,288	51,465	124,587	0	0	4,147,462	3,317,971	829,491
04. 60% REIMBURSEMENT	706,939	22,446	29,531	0	0	0	0	3,578	651,384	390,830	260,554
05. 50% REIMBURSEMENT	68,340	0	46	0	0	0	0	0	68,294	34,148	34,146
06. TOTAL NET CHILD WELFARE EXPEND.	6,575,969	88,733	1,082,081	150,288	51,465	124,587	0	3,578	5,075,237	3,939,009	1,136,228

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

08. NON-REIMBURSABLE EXPENDITURES	110,642	0							110,642		110,642
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09. TOTAL EXPENDITURES	6,686,611	88,733	1,082,081	150,288	51,465	124,587	0	3,578	5,185,879	3,939,009	1,246,870
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10. TOTAL TITLE IV-D COLLECTIONS 70,915

11. TITLE IV-D Collections for IV-E Children 22,750

12. STATE ACT 148 - line 6 3,939,009

13. STATE ACT 148 ALLOCATION 4,726,783

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,939,009

INVOICE											
AMENDED STATE SHARE (ACT 148)	3,939,009										
ACT 148 AMOUNT RECEIVED	3,822,429										
ADJUSTMENT TO STATE SHARE	116,580										

ADAMS 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	107,017	0	0	19,291	0	0	0	0	0	87,726	0	0
1-B ADOPTION ASSISTANCE	760,271	0	354,880	3,960	0	0	0	0	0	401,431	321,145	80,286
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	150,742	0	16,214	0	0	0	0	0	0	134,528	107,622	26,906
1-D COUNSELING - DEPENDENT	404,686	0	0	0	150,288	0	0	0	0	254,398	203,518	50,880
1-E COUNSELING - DELINQUENT	219,444	0	0	13	0	0	0	0	0	219,431	175,545	43,886
1-F DAY CARE	1,963	0	0	0	0	0	0	0	0	1,963	1,570	393
1-G DAY TREATMENT - DEPENDENT	1,470	0	0	0	0	0	0	0	0	1,470	1,176	294
1-H DAY TREATMENT - DELINQUENT	20,632	0	0	0	0	0	0	0	0	20,632	16,506	4,126
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	190,802	0	0	34,410	0	0	0	0	0	156,392	125,114	31,278
1-K LIFE SKILLS - DEPENDENT	2,359	0	0	426	0	0	0	0	0	1,933	1,546	387
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	954,929	0	0	126,934	0	0	0	0	0	827,995	662,396	165,599
1-N PROTECTIVE SERVICE - GENERAL	1,137,315	767	0	195,637	0	0	0	0	0	940,911	752,729	188,182
1-O SERVICE PLANNING	665	0	0	118	0	0	0	0	0	547	438	109
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	49,869	0	0	46	0	0	0	0	0	49,823	24,912	24,911
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,002,164	767	371,094	380,835	150,288	0	0	0	0	3,099,180	2,481,943	617,237
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	146,018	845	13,896	0	0	0	0	0	0	131,277	105,022	26,255
2-D COMMUNITY RESIDENTIAL - DELINQUENT	494,074	4,599	19,354	0	0	0	0	0	0	470,121	376,097	94,024
2-E EMERGENCY SHELTER - DEPENDENT	70,880	0	26,309	5,048	0	0	0	0	0	39,473	35,526	3,947
2-F EMERGENCY SHELTER - DELINQUENT	81,073	175	0	0	0	0	0	0	0	80,898	72,808	8,090
2-G FOSTER FAMILY - DEPENDENT	1,045,280	59,901	78,822	153,288	0	51,465	124,587	0	0	577,217	461,774	115,443
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	11,120	0	2,880	1,024	0	0	0	0	0	7,216	5,773	1,443
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,848,395	65,520	141,261	159,360	0	51,465	124,587	0	0	1,306,202	1,057,000	249,202
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	18,471	0	0	0	0	0	0	0	0	18,471	9,236	9,235
3-B RESIDENTIAL SERVICE - DEPENDENT	47,295	911	0	266	0	0	0	0	0	46,118	27,671	18,447
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	210,374	21,321	0	0	0	0	0	0	0	189,053	113,432	75,621
3-D SECURE RES. SERVICE (EXCEPT YDC)	92,677	108	0	0	0	0	0	0	0	92,569	55,541	37,028
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	368,817	22,340	0	266	0	0	0	0	0	346,211	205,880	140,331
4 ADMINISTRATION	356,593	106	0	29,265	0	0	0	0	0	323,644	194,186	129,458
5 TOTAL REVENUES	6,575,969	88,733	512,355	569,726	150,288	51,465	124,587	0	3,578	5,075,237	3,939,009	1,136,228

ADAMS 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	63,978	26,774		16,265	0	0	107,017	22	0	0	76,749	0
1-A ADOPTION SERVICE	0	0	837,020	0	0	0	837,020	0	97	0	76,749	0
1-B ADOPTION ASSISTANCE	0	0	150,742	0	0	0	150,742	0	16	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	404,686	0	0	0	404,686	0	70	0	0	0
1-D COUNSELING - DEPENDENT	0	0	74	219,370	0	0	219,444	0	56	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	1,963	0	0	1,963	0	4	0	0	0
1-F DAY CARE	0	0	0	1,470	0	0	1,470	0	1	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	20,632	0	0	20,632	0	2	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	117,467	55,727	17,608	0	0	0	190,802	1,331	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	1,561	798	0	0	0	0	2,359	12	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	433,334	198,426	72,929	250,840	0	0	954,929	585	134	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	643,026	311,257	133,012	50,020	0	0	1,137,315	1,317	104	0	0	0
1-O SERVICE PLANNING	0	0	665	0	0	0	665	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	269	49,600	0	0	49,869	0	60	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	1,259,366	592,982	987,762	240,222	998,581	0	4,078,913			0	76,749	0
Number of Children receiving only NON-PURCHASED IN-Home Services 81												
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	0	0	0	146,018	0	0	146,018	807	6	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	684	493,390	0	494,074	2,444	25	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	17,469	8,020	0	2,515	42,826	0	70,830	173	9	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	81,073	0	81,073	313	13	0	0	0
2-G FOSTER FAMILY - DEPENDENT	324,234	158,853	0	76,479	485,714	0	1,045,280	8,667	50	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	4,246	1,412	0	16	5,446	0	11,120	387	2	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	345,949	168,285	0	79,694	1,254,467	0	1,848,395	12,791	105	0	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	18,471	0	18,471	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	2,163	45,132	0	47,295	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	154	210,220	0	210,374	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	180	92,497	0	92,677	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	2,497	366,320	0	368,817	0	0	0	0	0
4 ADMINISTRATION	104,055	40,002	0	246,429	0	0	390,486			33,893	0	0
5 TOTAL EXPENDITURES	1,709,370	801,269	987,762	568,842	2,619,368	0	6,686,611			33,893	76,749	0
County Indirect Costs = \$ 228,193												

**ADAMS 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	\$ 107,017	\$ 0	\$ 107,017
Adoption Assistance	837,020	0	837,020
Subsidized Permanent Legal Custodianship	150,742	0	150,742
Counseling	624,130	0	624,130
Day Care	1,963	0	1,963
Day Treatment	22,102	0	22,102
Homemaker Service	0	0	0
Intake and Referral	190,802	0	190,802
Life Skills	2,359	0	2,359
Protective Service - Child Abuse	954,929	0	954,929
Protective Service - General	1,137,315	0	1,137,315
Service Planning	665	0	665
Juvenile Act Proceedings	49,869	0	49,869
Alternative Treatment	0	0	0
Community Residential	640,092	0	640,092
Emergency Shelter	151,903	0	151,903
Foster Family	1,045,280	0	1,045,280
Supervised Independent Living	11,120	0	11,120
Juvenile Detention Service	18,471	0	18,471
Residential Service	257,669	0	257,669
Secure Residential Service (Except YDC)	92,677	0	92,677
YDC Secure	0	0	0
Administration	<u>162,293</u>	<u>228,193</u>	<u>390,486</u>
Combined Total Expense	6,458,418	228,193	6,686,611
Less Non-reimbursables	<u>76,749</u>	<u>33,893</u>	<u>110,642</u>
Total Net Expense	\$ <u>6,381,669</u>	\$ <u>194,300</u>	\$ <u>6,575,969</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,709,370	\$ 0	\$ 1,709,370
Employee Benefits	801,269	0	801,269
Subsidies	987,762	0	987,762
Operating	340,649	228,193	568,842
Purchased Services	2,619,368	0	2,619,368
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Combined Total Expense	6,458,418	228,193	6,686,611
Less Non-reimbursables	<u>76,749</u>	<u>33,893</u>	<u>110,642</u>
Total Net Expense	\$ <u>6,381,669</u>	\$ <u>194,300</u>	\$ <u>6,575,969</u>

**ADAMS COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	<p style="text-align: center;">CY-370 Adjustments</p> <p>Administration - Operating Expenditures</p> <p>To increase Operating Expenditures by \$228,193 to properly report indirect costs and reconcile to the County's Cost Allocation Plan.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 18,236	\$ 228,193	\$ 246,429
CY-370	4	10	2	<p>Administration - Non-Reimbursable Non PS/Sub.</p> <p>To increase Non-Reimbursable Non Purchased Services/Subsidies by \$33,893 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ -	\$ 33,893	\$ 33,893

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**ADAMS 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	\$	4,217,010
Supplemental Act 148		<u>237,797</u>
Total State Allocation		4,454,807
State Share (CY348) ²	\$	4,566,927
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	4,566,927
Less: Expenditures in Excess of the Approved State Allocation		<u>112,120</u>
Final Net State Share Payable ³	\$	4,454,807
Actual Act 148 Revenues Received ⁴		<u>4,454,807</u>
Net Amount Due County/(State) ⁵	\$	<u><u>0</u></u>

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

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

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

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

⁵ No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$112,120, as detailed above. While our adjustments resulted in a net increase of \$186,866 in expenditures for the agency for said fiscal year, as detailed on page 21 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.

**ADAMS 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	66,198	0	11,114	0	0	0	0	0	55,084	55,084	0
02. 90% REIMBURSEMENT	140,031	4,034	6,547	0	0	0	0	0	129,450	116,505	12,945
03. 80% REIMBURSEMENT	6,199,464	115,976	1,043,018	150,288	51,465	124,587	0	0	4,714,130	3,771,305	942,825
04. 60% REIMBURSEMENT	1,052,223	15,102	50,149	0	0	0	0	3,429	983,543	590,126	393,417
05. 50% REIMBURSEMENT	67,813	0	0	0	0	0	0	0	67,813	33,907	33,906
06. TOTAL NET CHILD WELFARE EXPEND	7,525,729	135,112	1,110,828	150,288	51,465	124,587	0	3,429	5,950,020	4,566,927	1,383,093
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	169,318	0							169,318		169,318
09. TOTAL EXPENDITURES	7,695,047	135,112	1,110,828	150,288	51,465	124,587	0	3,429	6,119,338	4,566,927	1,552,411
10. TOTAL TITLE IV-D COLLECTIONS	82,107										
11. TITLE IV-D Collections for IV-E Children	16,939										
12. STATE ACT 148 - line 6	4,566,927										
13. STATE ACT 148 ALLOCATION	4,454,807										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	4,454,807										
INVOICE											
AMENDED STATE SHARE (ACT 148)	4,566,927										
ACT 148 AMOUNT RECEIVED	4,454,807										
ADJUSTMENT TO STATE SHARE	112,120										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	66,198	0		11,114	0			0	0	55,084	55,084	0
1-B ADOPTION ASSISTANCE	764,520	0	352,999	3,110				0	0	408,411	326,729	81,682
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	145,547	0	21,695	0				0	0	123,852	99,082	24,770
1-D COUNSELING - DEPENDENT	465,327	0		0	150,288			0	0	315,039	252,031	63,008
1-E COUNSELING - DELINQUENT	232,707	0		21	0			0	0	232,686	186,149	46,537
1-F DAY CARE	1,735	0		0	0			0	0	1,735	1,388	347
1-G DAY TREATMENT - DEPENDENT	4,404	0		0	0			0	0	4,404	3,523	881
1-H DAY TREATMENT - DELINQUENT	34,555	0		0	0			0	0	34,555	27,644	6,911
1-I HOMEMAKER SERVICE	0	0		0	0			0	0	0	0	0
1-J INTAKE & REFERRAL	66,666	0		11,248	0			0	0	55,418	44,334	11,084
1-K LIFE SKILLS - DEPENDENT	0	0		0	0			0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0			0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	833,640	0		96,932	0			0	0	736,708	589,366	147,342
1-N PROTECTIVE SERVICE - GENERAL	1,649,095	0		267,514	0			0	0	1,381,581	1,105,265	276,316
1-O SERVICE PLANNING	0	0		0	0			0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	45,785	0		0	0			0	0	45,785	22,893	22,892
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0			0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,310,179	0	374,694	389,939	150,288	0	0	0	0	3,395,258	2,713,488	681,770
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	0	0	0	0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	241,377	615	31,650	0				0	0	209,112	167,290	41,822
2-D COMMUNITY RESIDENTIAL - DELINQUENT	744,703	22,829	32,169	0				0	0	689,705	551,764	137,941
2-E EMERGENCY SHELTER - DEPENDENT	53,401	0	2,111	4,436	0			0	0	46,854	42,169	4,685
2-F EMERGENCY SHELTER - DELINQUENT	86,630	4,034	0	0	0			0	0	82,596	74,336	8,260
2-G FOSTER FAMILY - DEPENDENT	951,951	92,306	92,961	121,921		51,465	124,587	0	0	468,711	374,969	93,742
2-H FOSTER FAMILY - DELINQUENT	3,822	621	621	506				0	0	2,695	2,156	539
2-I SUP. INDEPENDENT LIVING - DEPENDENT	58,393	226	5,582	4,089				0	0	48,496	38,797	9,699
2-J SUP. INDEPENDENT LIVING - DELINQUENT	1,022	0	0	0				0	0	1,022	818	204
2-K SUBTOTAL CBP	2,141,299	120,010	165,094	130,952	0	51,465	124,587	0	0	1,549,191	1,252,299	296,892
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	22,028	0		0				0	0	22,028	11,014	11,014
3-B RESIDENTIAL SERVICE - DEPENDENT	520	743	0	0				0	0	(223)	(334)	(89)
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	213,404	5,724	15,556	0				0	0	192,124	115,274	76,850
3-D SECURE RES. SERVICE (EXCEPT YDC)	446,531	8,345						0	0	438,186	262,912	175,274
3-E YDC SECURE	0	0						0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	682,483	14,812	15,556	0	0	0	0	0	0	652,115	389,066	263,049
4 ADMINISTRATION	391,768	290		34,593				0	0	353,456	212,074	141,382
5 TOTAL REVENUES	7,525,729	135,112	555,344	555,484	150,288	51,465	124,587	0	3,429	5,950,020	4,566,927	1,383,093

ADAMS 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	41,797	17,082		6,377	450	492	66,198	51	1	0	0	0
1-A ADOPTION SERVICE	0	0	819,440	0	0	0	819,440	0	97	0	54,920	0
1-B ADOPTION ASSISTANCE	0	0	145,547	0	0	0	145,547	0	18	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0		0	465,327	0	465,327	0	101	0	0	0
1-D COUNSELING - DEPENDENT	0	0		119	232,588	0	232,707	0	63	0	0	0
1-E COUNSELING - DELINQUENT	0	0			1,735	0	1,735	0	3	0	0	0
1-F DAY CARE	0	0			4,404	0	4,404	0	1	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0			34,555	0	34,555	0	5	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	39,954	19,073		7,147	0	492	66,666	1,064	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0			0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	355,342	147,562		65,206	261,103	4,427	833,640	961	253	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	950,667	423,123		198,817	62,715	13,773	1,649,095	1,845	104	0	0	0
1-O SERVICE PLANNING	0	0			0	0	0	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					45,785	0	45,785	5	90	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,387,760	606,840	964,987	277,666	1,108,662	19,184	4,365,099			0	54,920	0
Number of Children receiving only NON-PURCHASED IN-Home Services 165												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	188	241,189	0	0	241,377	878	7	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,975	742,728	0	744,703	3,002	29	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	15,706	6,614		3,712	27,123	246	53,401	114	6	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		360	86,270	0	86,630	337	23	0	0	0
2-G FOSTER FAMILY - DEPENDENT	230,959	101,267		69,878	546,679	3,443	952,226	10,481	74	0	275	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	3,822	0	3,822	42	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	14,113	6,677	1,120	3,137	33,100	246	58,393	358	3	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	1,022	0	1,022	8	1	0	0	0
2-K SUBTOTAL CBP	260,778	114,558	1,120	79,250	1,681,933	3,935	2,141,574	15,220	144	0	275	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	22,028	0	22,028	76	3	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		520	0	0	520	295	1	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		194	213,210	0	213,404	1,026	7	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	446,531	0	446,531	1,497	8	0	0	0
3-E YDC SECURE	0	0		0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0		714	681,769	0	682,483	2,894	19	0	0	0
4 ADMINISTRATION	130,725	49,025	0	324,665	0	1,476	505,891			114,123	0	0
5 TOTAL EXPENDITURES	1,779,263	770,423	966,107	682,295	3,472,364	24,595	7,695,047			114,123	55,195	0
County Indirect Costs = \$ 300,989												

**ADAMS 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	\$ 66,198	\$ 0	\$ 66,198
Adoption Assistance	819,440	0	819,440
Subsidized Permanent Legal Custodianship	145,547	0	145,547
Counseling	698,034	0	698,034
Day Care	1,735	0	1,735
Day Treatment	38,959	0	38,959
Homemaker Service	0	0	0
Intake and Referral	66,666	0	66,666
Life Skills	0	0	0
Protective Service - Child Abuse	833,640	0	833,640
Protective Service - General	1,649,095	0	1,649,095
Service Planning	0	0	0
Juvenile Act Proceedings	45,785	0	45,785
Alternative Treatment	0	0	0
Community Residential	986,080	0	986,080
Emergency Shelter	140,031	0	140,031
Foster Family	956,048	0	956,048
Supervised Independent Living	59,415	0	59,415
Juvenile Detention Service	22,028	0	22,028
Residential Service	213,924	0	213,924
Secure Residential Service (Except YDC)	446,531	0	446,531
YDC Secure	0	0	0
Administration	204,902	300,989	505,891
Combined Total Expense	<u>7,394,058</u>	<u>300,989</u>	<u>7,695,047</u>
Less Non-reimbursables	<u>55,195</u>	<u>114,123</u>	<u>169,318</u>
Total Net Expense	<u>\$ 7,338,863</u>	<u>\$ 186,866</u>	<u>\$ 7,525,729</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,779,263	\$ 0	\$ 1,779,263
Employee Benefits	770,423	0	770,423
Subsidies	966,107	0	966,107
Operating	381,306	300,989	682,295
Purchased Services	3,472,364	0	3,472,364
Fixed Assets	24,595	0	24,595
Combined Total Expense	<u>7,394,058</u>	<u>300,989</u>	<u>7,695,047</u>
Less Non-reimbursables	<u>55,195</u>	<u>114,123</u>	<u>169,318</u>
Total Net Expense	<u>\$ 7,338,863</u>	<u>\$ 186,866</u>	<u>\$ 7,525,729</u>

**ADAMS 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	\$ 23,676	\$ 300,989	\$ 324,665
				To increase Operating Expenditures by \$300,989 to properly report indirect costs to 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.	\$ -	\$ 114,123	\$ 114,123
				To increase Non-Reimbursable Non Purchased Services/Subsidies by \$114,123 to properly report indirect costs that exceeded the two percent cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING

Prior Engagement Finding – Noncompliance – Adams County Children and Youth Agency Failed to Perform Annual Physical Inventories of Fixed Assets (Not Resolved)

In our two prior audit reports, for the fiscal years July 1, 2008 to June 30, 2010, and July 1, 2010 to June 30, 2014, we cited the agency for failing to perform annual physical inventories of fixed assets.

During our current engagement, we found that the Adams County Children and Youth Agency (agency) failed to perform annual physical inventories of fixed assets for the 2014-2015 and 2015-2016 fiscal years. Therefore, we concluded that the inclusion of a repeat finding was warranted in the Current Engagement Finding and Recommendations section (Section 5) of this report.

SECTION 5

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance: Failure to Perform Annual Physical Inventories of Fixed Assets

Condition: As detailed in our Status of Prior Engagement Finding and Recommendation section (Section 4) of this report, during our current engagement, we found that the agency again failed to perform annual physical inventories of fixed assets for the 2014-2015 and 2015-2016 fiscal years. While the agency maintained a fixed assets listing for each of the three fiscal years included in our engagement scope period, the agency failed to verify the existence of the fixed assets included on the respective fixed assets inventory listings through the performance of annual physical inventories for the two cited fiscal years. Regarding the 2016-2017 fiscal year, the agency provided documentation evidencing the performance of a physical inventory of fixed assets during the months of August and September 2016 and also provided our auditors documentation evidencing the conduct of a second physical inventory performed on March 23, 2017, after the agency office was moved to the new County Human Services Building. However, the agency did not develop and implement corresponding written policy and procedures.

Criteria: Title 55 Pa. Code, § 3170.77 (f) (4), related to ownership of fixed assets, states:

Ownership Responsibilities. In accordance with sound business practice, the holder of fixed assets shall:

Perform an annual physical inventory at the end of the funding period/fiscal year by sighting and verifying the inventory listing. Discrepancies shall be documented and kept on file with the invoices, inventory reports, and other papers which are subject to audit.

Cause: Even though the agency was made aware of DHS' requirements to perform an annual physical inventory of fixed assets and to establish a corresponding written policy during the conduct of our two prior engagements, the agency failed to take corrective action to ensure an annual physical inventory was performed and documented during the 2014-2015 and 2015-2016 fiscal years and failed to develop and implement corresponding written policy and procedures during our current engagement period.

Effect: Agency assets might not have been properly acquired, secured or disposed of in accordance with funding regulations, which could lead to loss/misuse of assets and inappropriate reimbursement of state/federal funds.

Recommendation: We recommend that agency management ensures that physical inventories of fixed assets are conducted annually and that evidence of the conduct of these inventories is

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

maintained. We further recommend that agency management develop and implement corresponding written policy and procedures.

Agency Response: Adams County Children and Youth Services would like to thank the Department of the Auditor General Office for their guidance and support during the audit process for fiscal years 2014-2015 to 2016-2017. We will continue to try to make improvements in our accounting procedures. The current fiscal officer did not have an updated fixed asset inventory when he was appointed to his position. With relocating to the new Human Services Building, the fixed asset inventory is current and the agency will continue to conduct an annual physical inventory count.

Auditor's Conclusion: We commend the agency for taking action to complete a physical inventory of fixed assets during the 2016-2017 fiscal year. During the conduct of our next audit, we will review and determine whether the agency conducted annual fixed asset inventory procedures and established corresponding written policy and procedures.

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 2 – The Adams County Children and Youth Agency Should Develop and Implement Internal Control Policies and Procedures in Order to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers

Condition: During the 2014-2015, 2015-2016, and 2016-2017 fiscal years, the Adams County Children and Youth Agency (agency) paid contracted In-Home Purchased Service providers¹ (providers) a total of \$2,660,826 for services rendered directly to at-risk children and their families.²

We evaluated the agency’s internal control procedures over its invoice review and approval process related to reducing the risk of paying overbillings or fraudulent billings included on invoices submitted by these providers for services rendered directly to at-risk children and their families and not detecting those overpayments. We judgmentally selected 10 providers that were utilized during the 2016-2017 fiscal year, judgmentally selected 20 invoices totaling \$128,075 paid to those providers, and obtained the approved invoices corresponding to the \$128,075 expended.

The cited providers were contracted as Fee-for-Service providers. The approved contracts for the Fee-for-Service providers included an agreed upon fee-for-service rate per unit (days/hours/sessions), and costs invoiced by these types of providers were calculated by multiplying the contracted service rate by the number of units each respective Fee-for-Service provider listed on its submitted invoices. While the monthly invoices submitted by the Fee-for-Service providers included the names of the individuals who received the services, the agency did not provide any evidence that the validity of the number of units invoiced for each listed individual was substantiated.

Furthermore, while agency management thought their formally implemented invoice review and approval procedures were sufficient to reduce the risk of paying overbillings or fraudulent billings included on invoices submitted by these providers, we concluded that the agency’s policy and procedures in effect during our engagement scope period were not strong enough to

¹ Agency management stated that 40 providers were utilized during the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the amount of time it would have taken, based on how agency records are maintained, we did not verify the accuracy of this number, which is included for contextual purposes only. However, we did perform procedures to obtain reasonable assurance that the agency paid In-Home Purchased Service Providers a total of \$2,806,261 during the noted engagement scope period.

² When evaluating the agency’s internal control procedures over its invoice review and approval process, we excluded Juvenile Act Proceedings costs and/or Adoption Service costs totaling \$145,435 from the \$2,806,261 total the agency paid to contracted In-Home Purchased Service providers during our engagement scope period because, due to the nature of these costs, they are not subject to the same risks as costs invoiced by In-Home Purchased Service Providers rendering services directly to at-risk children and their families.

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

reduce this risk. In addition, the agency could not provide us evidence substantiating that fiscal staff performed the internal control procedures described in its written policy.

Finally, regarding the remaining In-Home Purchased Services providers for whom we performed no testing procedures, agency management informed us that they did not require these providers to submit any documentation other than submitted invoices during the aforementioned fiscal years.

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

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

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

In addition, 55 Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

- *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 thought the invoice review and approval procedures performed by agency staff during the fiscal years included in our engagement scope period were sufficient. The agency maintained formal written internal control policies and procedures, which included a review of case files to determine if the children were authorized for the services and comparing invoiced rates to the contract. In addition, the casework supervisors relied on their knowledge of cases, feedback from caseworkers, provider-created child progress reports, and communication with providers to determine if the invoiced number of units were accurate. However, we determined that the performance of these procedures alone does not provide reasonable assurance that contracted In-Home Purchased Services were actually provided, and if provided, provided for the number of units invoiced and in adherence to the requirements of the respected provider’s executed contract terms.

Effect: The agency’s lack of fiscal-related monitoring procedures that are strong enough to provide reasonable assurance that the contracted In-Home Purchased services were actually provided, and if provided, provided for the number of units invoiced for each listed individual, and failure to maintain evidence substantiating that fiscal staff performed the internal control procedures described in its written policy, increases 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 strengthen its internal control procedures by developing and implementing fiscal-related monitoring procedures designed to reduce its risk of paying for overbillings and fraudulent billings submitted by In-Home

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are adequate to obtain 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 and for the number of units invoiced.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, should include, but not be limited to, the following:

- Updating implemented formal policies and procedures detailing the specific internal control procedures, including fiscal-related In-Home monitoring procedures that must be performed to reduce the agency’s risk of paying overbillings or fraudulent billings by In-Home Purchased Service providers. The implemented fiscal-related monitoring procedures must be sufficient to assess the validity of the number of units invoiced by Fee-for-Service providers.
- Performance of on-site monitoring visits of In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the validity of the number of units invoiced by Fee-for-Service providers, and that related services were actually provided according to executed contract terms.
- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Services costs were actually provided.³
- 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 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.

We further recommend that the agency maintain sufficient evidence documenting 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.

³ For any Program-Funded providers, fiscal-related monitoring should include verification of the provider’s operating costs invoiced to the agency.

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Agency Response: Adams County Children and Youth Services would like to thank the Department of the Auditor General Office for their guidance and support during the audit process for fiscal years 2014-2015 to 2016-2017. We will continue to try to make improvements in our accounting procedures. With the combined efforts of the Administrative and Fiscal Staff, the agency has and will continue to improve the Contract Monitoring procedures. The agency has already performed two audits of providers' records and files at their offices. More of these audits will be scheduled in the future to reduce the risk of Fraudulent Billings by Contracted In-Home Purchased Services Providers.

Auditor's Conclusion: We commend Adams County Children and Youth Services 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 these contracted In-Home Purchased Services providers. During our next audit of the agency, we will review the agency's updated policy and procedures, which agency management stated were implemented during the 2017-2018 fiscal year, and determine whether the agency implemented fiscal related monitoring procedures strong enough to reduce the risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Services 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 Law⁴ (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).⁵ 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,⁶ 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 Adams County Children and Youth Agency provided in-home and placement services to 1,389 children residing within the County during the 2016-2017 fiscal year.

Day Treatment Centers and Child Residential Facilities

Beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL

⁴ Please note that the CPSL was extensively amended during the period of 2013-2015 with 24 pieces of child protection legislation, as well as one additional piece of legislation enacted in 2016. The Commonwealth’s Keep Kids Safe website states that the amendments enacted are “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 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>, accessed August 21, 2018.

⁵ 23 Pa.C.S. §§ 6344 and 6344.2.

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).

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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.⁷

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁸ 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"⁹ in their provider executed contracts. Instead, all C&Y agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

⁷ 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).

⁸ 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.

⁹ 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.

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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.¹⁰

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 providers¹¹ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

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

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

¹⁰ 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.

¹¹ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

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(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.¹² Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

Auditor General Senior Management's Follow-up Conclusion Statement

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

¹² 23 Pa.C.S. § 6344.4.

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monitoring by a county C&Y agency and DHS becoming aware of those issues.¹³

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 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 non-compliance 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.

ADAMS COUNTY CHILDREN AND YOUTH AGENCY
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