

# 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

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# Berks County

## Children and Youth Agency

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April 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 Berks County  
County Services Center  
633 Court Street  
Reading, PA 19601

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 Berks County Children and Youth Agency (agency), legally known as Berks County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2014 to June 30, 2015, July 1, 2015 to June 30, 2016, and July 1, 2016 to June 30, 2017. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2015, June 30, 2016, and June 30, 2017.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Berks County.

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

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 4 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 \$316,767, and increasing revenue by \$10,719. Based on the application of the state participation rates, the 4 adjustments resulted in an amount due to the county totaling \$286,641. All 4 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 3 adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing expenditures by \$1,303,587 and decreasing revenue by \$1,812. However, no amount is due to the county or state because the agency's expenditures exceeded the Total State Act 148 Allocation by \$719,290, as detailed in Section 2, page 11 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in 3 adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$1,127,917, and increasing revenue by \$13,271. Based on the application of the state participation rates, the 3 adjustments resulted in an amount due to the state totaling \$1,061,963. All 3 adjustments are detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

In addition, due to the timing of the conduct of our prior engagement, the agency was not able to implement corrective actions to comply with the recommendations in the finding included in our prior engagement report, as detailed in Section 4 of this report. As a result, we concluded that this finding should be reissued as a repeat finding in the current section of our engagement report, as listed below and detailed in Section 5 of this report.

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

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

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<sup>1</sup> The accrual basis of accounting is required by DHS.

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 April 4, 2019.

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

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

Sincerely,



Eugene A. DePasquale  
Auditor General

April 18, 2019

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## BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Berks County Children and Youth Agency provided in-home and placement services to 3,017 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 4<sup>th</sup> Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). Any variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years 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**

**BERKS 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 <sup>1</sup>		\$ 28,655,281
Supplemental Act 148		<u>0</u>
Total State Allocation		28,655,281
State Share (CY348) <sup>2</sup>	\$ 28,426,151	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 28,426,151
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$ 28,426,151
Actual Act 148 Revenues Received <sup>4</sup>		<u>28,139,510</u>
Net Amount Due County/(State) <sup>5</sup>		<u><u>\$ 286,641</u></u>

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

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

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

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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.



**BERKS 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	1,288,845	178,038	0	0	0	0	0	1,110,807	1,110,807	0
02. 90% REIMBURSEMENT	1,878,472	135,042	0	0	0	0	0	1,721,480	1,549,332	172,148
03. 80% REIMBURSEMENT	39,658,107	1,083,387	1,571,067	318,913	0	0	192,789	28,692,328	22,953,863	5,738,465
04. 60% REIMBURSEMENT	3,225,758	93,743	238,081	0	131,234	0	16,437	2,746,263	1,647,758	1,098,505
05. 50% REIMBURSEMENT	2,401,429	55,586	17,063	0	0	0	0	2,328,780	1,164,391	1,164,389
06. TOTAL NET CHILD WELFARE EXPEND.	48,452,611	1,254,666	1,571,067	318,913	131,234	0	209,226	36,599,658	28,426,151	8,173,507

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	126,492	1,838						124,654	74,792	49,862
08. NON-REIMBURSABLE EXPENDITURES	0	0						0	0	0

09. TOTAL EXPENDITURES	48,579,103	1,256,504	1,571,067	318,913	131,234	0	209,226	36,724,312	28,500,943	8,223,369
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10. TOTAL TITLE IV-D COLLECTIONS 837,025

11. TITLE IV-D Collections for IV-E Children 56,013

12. STATE ACT 148 - line 6 28,426,151

13. STATE ACT 148 ALLOCATION 28,655,281

14. ADJUSTED STATE SHARE (lower of 12 or 13) 28,426,151

INVOICE	
AMENDED STATE SHARE (ACT 148)	28,426,151
ACT 148 AMOUNT RECEIVED	28,139,510
ADJUSTMENT TO STATE SHARE	286,641

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	1,288,845	0	178,038	0	0	0	0	0	0	1,110,807	1,110,807	0
1-B ADOPTION ASSISTANCE	6,905,184	0	2,634,762	24,678	0	0	0	0	0	4,245,744	3,396,595	849,149
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	469,846	0	117,569	0	0	0	0	0	0	352,277	281,822	70,455
1-D COUNSELING - DEPENDENT	2,952,800	5,875	0	1,433,635	0	0	0	0	0	1,513,290	1,210,632	302,658
1-E COUNSELING - DELINQUENT	1,104,188	0	0	137,432	0	0	0	0	0	966,756	773,405	193,351
1-F DAY CARE	8,050	0	0	0	0	0	0	0	0	8,050	6,440	1,610
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	981,221	0	148,484	0	0	0	0	0	0	832,737	666,190	166,547
1-J INTAKE & REFERRAL	1,576,805	0	243,230	0	0	0	0	0	0	1,333,575	1,066,860	266,715
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,607,104	0	275,549	0	0	0	0	0	0	1,331,555	1,065,244	266,311
1-N PROTECTIVE SERVICE - GENERAL	2,272,070	34,617	288,718	0	0	0	0	0	0	1,948,735	1,558,988	389,747
1-O SERVICE PLANNING	267,766	0	42,970	0	0	0	0	0	0	224,796	179,837	44,959
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	250,171	0	0	0	0	0	0	0	0	250,171	125,086	125,085
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	63,049	0	17,063	0	0	0	0	0	0	45,986	22,993	22,993
1-R <b>SUBTOTAL IN-HOME</b>	19,747,099	40,492	2,752,331	1,218,730	1,571,067	0	0	0	0	14,164,479	11,464,899	2,699,580
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	299,177	21,580	73,408	369	0	0	0	0	0	203,820	163,056	40,764
2-B ALTERNATIVE TREATMENT - DELINQUENT	315,813	16,677	0	0	0	0	0	0	0	299,136	239,309	59,827
2-C COMMUNITY RESIDENTIAL - DEPENDENT	5,195,211	267,263	735,486	5,003	0	0	0	0	0	4,187,459	3,349,967	837,492
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,572,556	100,734	112,576	0	0	0	0	0	0	2,559,246	1,887,397	471,849
2-E EMERGENCY SHELTER - DEPENDENT	1,220,226	0	100,003	31,563	0	0	0	0	0	1,088,660	979,794	108,866
2-F EMERGENCY SHELTER - DELINQUENT	658,246	21,950	3,476	0	0	0	0	0	0	632,820	569,538	63,282
2-G FOSTER FAMILY - DEPENDENT	12,842,053	621,359	1,456,954	1,631,240	0	318,913	0	0	192,789	8,620,798	6,896,638	1,724,160
2-H FOSTER FAMILY - DELINQUENT	286,394	15,282	8,359	0	0	0	0	0	0	262,753	210,202	52,551
2-I SUP. INDEPENDENT LIVING - DEPENDENT	1,869	0	0	268	0	0	0	0	0	1,601	1,281	320
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K <b>SUBTOTAL CBP</b>	23,391,545	1,064,845	2,490,262	1,668,443	0	318,913	0	0	192,789	17,656,293	14,297,182	3,359,111
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	2,088,209	55,586	0	0	0	0	0	0	0	2,032,623	1,016,312	1,016,311
3-B RESIDENTIAL SERVICE - DEPENDENT	967,256	37,869	45,930	1,992	0	131,234	0	0	0	750,231	450,139	300,092
3-C RES. SERVICE - DELINQUENT (NON-YDC/HFC)	1,102,766	55,874	11,045	0	0	0	0	0	0	1,035,847	621,508	414,339
3-D SECURE RES. SERVICE (EXCEPT YDC)	123,221	0	0	0	0	0	0	0	0	123,221	73,933	49,288
3-E YDC SECURE	126,492	1,838	0	0	0	0	0	0	0	124,654	74,792	49,862
3-F <b>SUBTOTAL INSTITUTIONAL</b>	4,407,944	151,167	56,975	1,992	0	131,234	0	0	0	4,066,576	2,236,684	1,829,892
4 ADMINISTRATION	1,032,515	0	0	179,114	0	0	0	0	16,437	836,964	502,178	334,786
5 TOTAL REVENUES	48,579,103	1,256,504	5,299,568	3,068,279	1,571,067	318,913	131,234	0	209,226	36,724,312	28,500,943	8,223,369

BERKS 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 SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchase)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>	638,570	256,993	223,737	167,678	1,867	1,288,845	1,582	215	0	0	0	0
1-A ADOPTION SERVICE	0	0	6,905,184	0	0	6,905,184	0	1,418	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	469,846	0	0	469,846	0	46	0	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	2,952,800	0	0	2,952,800	0	1,179	0	0	0	0
1-D COUNSELING - DEPENDENT	0	0	1,104,188	0	0	1,104,188	0	434	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	8,050	0	0	8,050	0	7	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	569,591	233,895	176,086	0	1,649	981,221	128	6	0	0	0	0
1-J INTAKE & REFERRAL	916,087	373,592	284,548	0	2,578	1,576,805	3,037	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	921,793	377,920	284,149	20,567	2,675	1,607,104	1,607	0	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,315,510	539,227	413,566	0	3,767	2,272,070	1,069	0	0	0	0	0
1-O SERVICE PLANNING	1,55,642	63,647	47,969	0	508	267,766	6,475	0	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	22,579	227,592	0	250,171	0	1,285	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	63,049	0	0	63,049	372	0	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	4,517,193	1,845,274	7,375,030	4,480,875	13,044	19,747,099	0	0	0	0	0	0
Number of Children receiving <b>only NON-PURCHASED IN-Home Services</b> 15,601												
<b>COMMUNITY BASED PLACEMENT</b>	0	0	0	0	0	0	0	0	0	0	0	0
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	299,177	0	299,177	1,322	21	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	315,813	0	315,813	2,251	34	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	5,195,211	0	5,195,211	23,296	238	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	2,572,556	0	2,572,556	13,415	112	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	31,522	1,188,704	0	1,220,226	13,009	596	0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	658,246	0	658,246	2,905	152	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,074,421	848,279	876,773	9,037,051	5,529	12,842,053	133,716	349	0	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	286,394	0	286,394	2,036	12	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	1,404	0	465	1,869	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 <b>SUBTOTAL CBP</b>	2,074,421	848,279	909,699	19,553,152	5,994	23,391,545	191,950	1,514	0	0	0	0
<b>INSTITUTIONAL PLACEMENT</b>	0	0	0	0	0	0	0	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	0	0	0	2,088,209	0	2,088,209	7,438	194	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	967,256	0	967,256	4,323	29	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT DC/FC)	0	0	0	1,102,766	0	1,102,766	6,827	47	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	123,221	0	123,221	534	5	0	0	0	0
3-E YDC SECURE	0	0	0	126,492	0	126,492	253	2	0	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	4,407,944	0	4,407,944	19,375	277	0	0	0	0
4 <b>ADMINISTRATION</b>	70,511	27,784	0	934,006	0	214	1,032,515	0	0	0	0	0
5 <b>TOTAL EXPENDITURES</b>	6,662,125	2,721,337	7,375,030	3,359,388	28,441,971	19,252	48,579,103	0	0	0	0	0
County Indirect Costs = \$ 902,761												

**BERKS COUNTY CHILDREN AND YOUTH AGENCY**  
**FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015**  
**AMENDED**  
**SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 1,418,412	\$ (129,567)	\$ 1,288,845
Adoption Assistance	6,905,184	0	6,905,184
Subsidized Permanent Legal Custodianship	469,846	0	469,846
Counseling	4,024,319	32,669	4,056,988
Day Care	8,050	0	8,050
Day Treatment	0	0	0
Homemaker Service	1,051,420	(70,199)	981,221
Intake and Referral	1,690,516	(113,711)	1,576,805
Life Skills	0	0	0
Protective Service - Child Abuse	1,910,631	(303,527)	1,607,104
Protective Service - General	1,976,537	295,533	2,272,070
Service Planning	310,732	(42,966)	267,766
Juvenile Act Proceedings	359,028	(45,808)	313,220
Alternative Treatment	618,638	(3,648)	614,990
Community Residential	6,925,502	842,265	7,767,767
Emergency Shelter	1,887,894	(9,422)	1,878,472
Foster Family	12,989,259	139,188	13,128,447
Supervised Independent Living	1,869	0	1,869
Juvenile Detention Service	2,088,209	0	2,088,209
Residential Service	2,119,419	(49,397)	2,070,022
Secure Residential Service (Except YDC)	123,221	0	123,221
YDC Secure	126,492	0	126,492
Administration	1,257,158	(224,643)	1,032,515
Combined Total Expense	<u>48,262,336</u>	<u>316,767</u>	<u>48,579,103</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 48,262,336</u>	<u>\$ 316,767</u>	<u>\$ 48,579,103</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,635,290	\$ 26,835	\$ 6,662,125
Employee Benefits	3,252,712	(531,375)	2,721,337
Subsidies	7,375,030	0	7,375,030
Operating	3,432,400	(73,012)	3,359,388
Purchased Services	27,547,670	894,301	28,441,971
Fixed Assets	19,234	18	19,252
Combined Total Expense	<u>48,262,336</u>	<u>316,767</u>	<u>48,579,103</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 48,262,336</u>	<u>\$ 316,767</u>	<u>\$ 48,579,103</u>

**BERKS 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 Adjustments			
CY-370	1-A	1	1	Adoption Service - Wages and Salaries	\$ 699,480	\$ (60,910)	\$ 638,570
	1-I	1		Homemaker Service - Wages and Salaries	\$ 614,643	\$ (45,052)	\$ 569,591
	1-J	1		Intake & Referral - Wages and Salaries	\$ 1,001,354	\$ (85,267)	\$ 916,087
	1-M	1		Protective Service Child Abuse - Wages and Salaries	\$ 958,952	\$ (37,159)	\$ 921,793
	1-N	1		Protective Service General - Wages and Salaries	\$ 1,133,435	\$ 182,075	\$ 1,315,510
	1-O	1		Service Planning - Wages and Salaries	\$ 183,707	\$ (28,065)	\$ 155,642
	2-G	1		Foster Family (Dependent) - Wages and Salaries	\$ 1,848,003	\$ 226,418	\$ 2,074,421
	4	1		Administration - Wages and Salaries	\$ 195,716	\$ (125,205)	\$ 70,511
	1-A	2		Adoption Service - Employee Benefits	\$ 342,750	\$ (85,757)	\$ 256,993
	1-I	2		Homemaker Service - Employee Benefits	\$ 301,617	\$ (67,722)	\$ 233,895
	1-J	2		Intake & Referral - Employee Benefits	\$ 491,562	\$ (117,970)	\$ 373,592
	1-M	2		Protective Service Child Abuse - Employee Benefits	\$ 470,763	\$ (92,843)	\$ 377,920
	1-N	2		Protective Service General - Employee Benefits	\$ 529,819	\$ 9,408	\$ 539,227
	1-O	2		Service Planning - Employee Benefits	\$ 89,712	\$ (26,065)	\$ 63,647
	2-G	2		Foster Family (Dependent) - Employee Benefits	\$ 905,877	\$ (57,598)	\$ 848,279
	4	2		Administration - Employee Benefits	\$ 120,612	\$ (92,828)	\$ 27,784
	1-A	4		Adoption Service - Operating	\$ 199,956	\$ 23,781	\$ 223,737
	1-I	4		Homemaker Service - Operating	\$ 120,949	\$ 55,137	\$ 176,086
	1-J	4		Intake & Referral - Operating	\$ 195,024	\$ 89,524	\$ 284,548
	1-M	4		Protective Service Child Abuse - Operating	\$ 478,242	\$ (194,093)	\$ 284,149
	1-N	4		Protective Service General - Operating	\$ 309,520	\$ 104,046	\$ 413,566
	1-O	4		Service Planning - Operating	\$ 36,804	\$ 11,165	\$ 47,969
	1-P	4		Juvenile Act Proceedings (Dependent) - Operating	\$ -	\$ 22,579	\$ 22,579
	1-Q	4		Juvenile Act Proceedings (Delinquent) - Operating	\$ 131,437	\$ (68,388)	\$ 63,049
	2-A	4		Alternative Treatment (Dependent) - Operating	\$ 2,749	\$ (2,749)	\$ -
	2-C	4		Community Residential (Dependent) - Operating	\$ 36,222	\$ (36,222)	\$ -
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 48,820	\$ (17,298)	\$ 31,522
	2-G	4		Foster Family (Dependent) - Operating	\$ 916,488	\$ (39,715)	\$ 876,773
	3-B	4		Residential Service (Dependent) - Operating	\$ 14,166	\$ (14,166)	\$ -
	4	4		Administration - Operating	\$ 940,619	\$ 10,007	\$ 950,626
	1-A	5		Adoption Service - Purchased Services	\$ 174,361	\$ (6,683)	\$ 167,678
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 2,920,131	\$ 32,669	\$ 2,952,800
	1-I	5		Homemaker Service - Purchased Services	\$ 12,563	\$ (12,563)	\$ -
	1-M	5		Protective Service Child Abuse - Purchased Services	\$ -	\$ 20,567	\$ 20,567
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 227,591	\$ 1	\$ 227,592
	2-A	5		Alternative Treatment (Dependent) - Purchased Services	\$ 300,076	\$ (899)	\$ 299,177
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 4,316,724	\$ 878,487	\$ 5,195,211
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 1,180,828	\$ 7,876	\$ 1,188,704
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 9,026,974	\$ 10,077	\$ 9,037,051
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 1,002,487	\$ (35,231)	\$ 967,256
	1-A	6		Adoption Service - Fixed Assets	\$ 1,865	\$ 2	\$ 1,867
	1-I	6		Homemaker Service - Fixed Assets	\$ 1,648	\$ 1	\$ 1,649
	1-J	6		Intake & Referral - Fixed Assets	\$ 2,576	\$ 2	\$ 2,578
	1-M	6		Protective Service Child Abuse - Fixed Assets	\$ 2,674	\$ 1	\$ 2,675
	1-N	6		Protective Service General - Fixed Assets	\$ 3,763	\$ 4	\$ 3,767
	1-O	6		Service Planning - Fixed Assets	\$ 509	\$ (1)	\$ 508
	2-G	6		Foster Family (Dependent) - Fixed Assets	\$ 5,523	\$ 6	\$ 5,529
	4	6		Administration - Fixed Assets	\$ 211	\$ 3	\$ 214
				Total Adjustment Amount		\$ 333,387	
				To increase expenditures by \$333,387 to properly report total expenditures and reconcile to the agency's final expenditure ledger. Revisions were made to the expenditure ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

**BERKS 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	2	<p style="text-align: center;">CY-370A Adjustments</p> <p>Administration - Operating</p> <p>To decrease Indirect Costs by \$16,620 to reconcile to the County Cost Allocation Plan.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 950,626	\$ (16,620)	\$ 934,006
CY-370A	1-D 1-N 2-A 2-B 2-C 2-D 2-F 2-G 2-H 3-A 3-B 3-C 3-E	2	3	<p>Counseling (Dependent) - Program Income</p> <p>Protective Service General - Program Income</p> <p>Alternative Treatment (Dependent) - Program Income</p> <p>Alternative Treatment (Delinquent) - Program Income</p> <p>Community Residential (Dependent) - Program Income</p> <p>Community Residential (Delinquent) - Program Income</p> <p>Emergency Shelter (Delinquent) - Program Income</p> <p>Foster Family (Dependent) - Program Income</p> <p>Foster Family (Delinquent) - Program Income</p> <p>Juvenile Detention Service - Program Income</p> <p>Residential Service (Dependent) - Program Income</p> <p>Residential Service (Delinquent) - Program Income</p> <p>YDC Secure - Program Income</p> <p>Total Adjustment Amount</p> <p>To increase program income by \$11,793 to properly report the total amount received and reconcile to the final revenue ledger. Revisions were made to the revenue ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	<p>\$ 5,820</p> <p>\$ 34,292</p> <p>\$ 21,377</p> <p>\$ 16,520</p> <p>\$ 264,755</p> <p>\$ 99,789</p> <p>\$ 21,744</p> <p>\$ 615,526</p> <p>\$ 15,139</p> <p>\$ 55,064</p> <p>\$ 37,514</p> <p>\$ 55,350</p> <p>\$ 1,821</p>	<p>\$ 55</p> <p>\$ 325</p> <p>\$ 203</p> <p>\$ 157</p> <p>\$ 2,508</p> <p>\$ 945</p> <p>\$ 206</p> <p>\$ 5,833</p> <p>\$ 143</p> <p>\$ 522</p> <p>\$ 355</p> <p>\$ 524</p> <p>\$ 17</p> <p><u>\$ 11,793</u></p>	<p>\$ 5,875</p> <p>\$ 34,617</p> <p>\$ 21,580</p> <p>\$ 16,677</p> <p>\$ 267,263</p> <p>\$ 100,734</p> <p>\$ 21,950</p> <p>\$ 621,359</p> <p>\$ 15,282</p> <p>\$ 55,586</p> <p>\$ 37,869</p> <p>\$ 55,874</p> <p>\$ 1,838</p>
CY-370A	4	9	4	<p>Administration - Medical Assistance</p> <p>To decrease Medical Assistance by \$1,074 to properly report the total amount received and reconcile to the final revenue ledger. Revisions were made to the revenue ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 17,511	\$ (1,074)	\$ 16,437

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2015 to JUNE 30, 2016**

**BERKS 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 <sup>1</sup>		\$	29,451,418
Supplemental Act 148			<u>0</u>
Total State Allocation			29,451,418
State Share (CY348) <sup>2</sup>	\$		30,170,708
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	30,170,708
Less: Expenditures in Excess of the Approved State Allocation			<u>719,290</u>
Final Net State Share Payable <sup>3</sup>		\$	29,451,418
Actual Act 148 Revenues Received <sup>4</sup>			<u>29,451,418</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>0</u></u>

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

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

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

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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 \$719,290. Our audit adjustments resulted in a net \$1,007,510 increase to the State Share amount (after the state participation rates are applied) minus a \$288,220 Act 148 overpayment, as detailed in Finding No. 2 from Section 5 page 33 of this report. The agency cannot receive state reimbursement in excess of the Total Act 148 Allocation. Thus, there is no impact on the Final Net State Share of Expenditures.



**BERKS 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	1,299,721	0	65,141	0	0	0	0	0	1,234,580	1,234,580	0
02. 90% REIMBURSEMENT	1,676,950	15,765	133,331	0	0	0	0	0	1,527,854	1,375,068	152,786
03. 80% REIMBURSEMENT	40,631,180	975,710	6,832,075	1,571,067	318,913	0	0	145,002	30,788,413	24,630,729	6,157,684
04. 60% REIMBURSEMENT	3,229,628	89,583	216,667	0	0	131,234	0	15,921	2,776,223	1,665,735	1,110,488
05. 50% REIMBURSEMENT	2,586,835	51,168	6,475	0	0	0	0	0	2,529,192	1,264,596	1,264,596
06. TOTAL NET CHILD WELFARE EXPEND.	49,424,314	1,132,226	7,253,689	1,571,067	318,913	131,234	0	160,923	38,856,262	30,170,708	8,685,554

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	371,622	5,579							366,043	219,626	146,417

08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0
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09. TOTAL EXPENDITURES	49,795,936	1,137,805	7,253,689	1,571,067	318,913	131,234	0	160,923	39,222,305	30,390,334	8,831,971
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10. TOTAL TITLE IV-D COLLECTIONS 718,351

11. TITLE IV-D Collections for IV-E Children 33,626

12. STATE ACT 148 - line 6 30,170,708

13. STATE ACT 148 ALLOCATION 29,451,418

14. ADJUSTED STATE SHARE (lower of 12 or 13) 29,451,418

INVOICE											
AMENDED STATE SHARE (ACT 148)	30,170,708										
ACT 148 AMOUNT RECEIVED	29,451,418										
ADJUSTMENT TO STATE SHARE	719,290										

**BERKS 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
I-A ADOPTION SERVICE	1,299,721	0	65,141	0	0	0	0	0	0	1,234,580	1,234,580	0
I-B ADOPTION ASSISTANCE	7,440,533	0	2,811,358	0	0	0	0	0	0	4,629,175	3,703,340	925,835
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	526,991	0	120,948	0	0	0	0	0	0	406,043	324,834	81,209
I-D COUNSELING - DEPENDENT	3,764,479	7,931	0	1,433,635	0	0	0	0	0	2,322,913	1,858,330	464,583
I-E COUNSELING - DELINQUENT	947,808	0	0	137,432	0	0	0	0	0	810,376	648,301	162,075
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	1,149,307	0	57,722	0	0	0	0	0	0	1,091,585	873,268	218,317
I-J INTAKE & REFERRAL	1,793,826	0	100,900	0	0	0	0	0	0	1,692,926	1,354,341	338,585
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,874,576	0	106,704	0	0	0	0	0	0	1,767,872	1,414,298	353,574
I-N PROTECTIVE SERVICE - GENERAL	2,143,142	0	94,438	0	0	0	0	0	0	2,048,704	1,638,963	409,741
I-O SERVICE PLANNING	163,633	0	8,651	0	0	0	0	0	0	154,982	123,986	30,996
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	360,538	0	0	0	0	0	0	0	0	360,538	180,269	180,269
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	158,827	0	6,475	0	0	0	0	0	0	152,352	76,176	76,176
I-R SUBTOTAL IN-HOME	21,623,381	7,931	2,932,306	440,031	1,571,067	0	0	0	0	16,672,046	13,430,686	3,241,360
<b>COMMUNITY BASED PLACEMENT</b>	<b>TOTAL REIMBURSABLE EXPENDITURES</b>	<b>PROGRAM INCOME</b>	<b>TITLE IV-E MAINTENANCE</b>	<b>TITLE IV-E ADMIN.</b>	<b>TANF</b>	<b>TITLE XX</b>	<b>TITLE IV-B</b>	<b>Child Welfare Demonstration Project Title IV-E</b>	<b>MEDICAL ASSISTANCE</b>	<b>NET REIMBURSABLE EXPENDITURES</b>	<b>STATE ACT 148</b>	<b>LOCAL SHARE</b>
2-A ALTERNATIVE TREATMENT - DEPENDENT	163,935	5,259	42,081	72	0	0	0	0	0	116,523	93,218	23,305
2-B ALTERNATIVE TREATMENT - DELINQUENT	475,630	33,520	13,566	0	0	0	0	0	0	428,544	342,835	85,709
2-C COMMUNITY RESIDENTIAL - DEPENDENT	3,719,101	79,019	727,966	1,006	0	0	0	0	0	2,911,110	2,328,888	582,222
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,956,043	72,931	60,404	0	0	0	0	0	0	1,822,708	1,458,166	364,542
2-E EMERGENCY SHELTER - DEPENDENT	1,142,537	0	97,433	35,898	0	0	0	0	0	1,009,206	908,285	100,921
2-F EMERGENCY SHELTER - DELINQUENT	534,413	15,765	1,373,809	1,306,531	0	0	0	0	0	518,648	466,783	51,865
2-G FOSTER FAMILY - DEPENDENT	14,119,438	772,674	2,807	318,913	0	0	0	0	145,002	10,202,509	8,162,007	2,040,502
2-H FOSTER FAMILY - DELINQUENT	382,218	4,376	2,807	2,606	0	0	0	0	0	372,429	297,943	74,486
2-I SUP. INDEPENDENT LIVING - DEPENDENT	10,520	0	0	506	0	0	0	0	0	10,014	8,011	2,003
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CRP	22,503,835	983,544	2,318,066	1,346,619	0	318,913	0	0	145,002	17,391,691	14,066,136	3,325,555
<b>INSTITUTIONAL PLACEMENT</b>	<b>TOTAL REIMBURSABLE EXPENDITURES</b>	<b>PROGRAM INCOME</b>	<b>TITLE IV-E MAINTENANCE</b>	<b>TITLE IV-E ADMIN.</b>	<b>TANF</b>	<b>TITLE XX</b>	<b>TITLE IV-B</b>	<b>Child Welfare Demonstration Project Title IV-E</b>	<b>MEDICAL ASSISTANCE</b>	<b>NET REIMBURSABLE EXPENDITURES</b>	<b>STATE ACT 148</b>	<b>LOCAL SHARE</b>
3-A JUVENILE DETENTION SERVICE	2,067,470	51,168	0	542	0	0	0	0	0	2,016,302	1,008,151	1,008,151
3-B RESIDENTIAL SERVICE - DEPENDENT	699,214	42,547	102,360	542	0	131,234	0	0	0	422,531	253,519	169,012
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,064,131	47,036	56,179	0	0	0	0	0	0	960,916	576,550	384,366
3-D SECURE RES. SERVICE (EXCEPT YDC)	365,746	0	0	0	0	0	0	0	0	365,746	219,448	146,298
3-E YDC SECURE	371,622	5,579	158,539	542	0	0	0	0	0	366,043	219,626	146,417
3-F SUBTOTAL INSTITUTIONAL	4,568,183	146,330	158,539	542	0	131,234	0	0	0	4,131,538	2,277,294	1,854,244
4 ADMINISTRATION	1,100,537	0	0	57,586	0	0	0	0	15,921	1,027,030	616,218	410,812
5 TOTAL REVENUES	49,795,936	1,137,805	5,408,911	1,844,778	1,571,067	318,913	131,234	0	160,923	39,222,305	30,390,334	8,831,971

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	614,964	272,091		226,361	181,725	4,580	1,299,721	350	6,184	0	0	0
I-B ADOPTION ASSISTANCE	0	0	7,440,533	0	0	0	7,440,533	0	5,690	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	526,991	0	0	0	526,991	0	175	0	0	0
I-D COUNSELING - DEPENDENT	0	0			3,764,479	0	3,764,479	0	2,448	0	0	0
I-E COUNSELING - DELINQUENT	0	0			947,808	0	947,808	0	1,033	0	0	0
I-F DAY CARE	0	0			0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	650,994	296,803		196,653	0	4,857	1,149,307	241	13	0	0	0
I-J INTAKE & REFERRAL	1,018,205	464,220		303,805	0	7,596	1,793,826	5,148	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,066,362	483,939		316,424	0	7,851	1,874,576	3,494	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,215,132	551,768		367,280	0	8,962	2,143,142	4,374	0	0	0	0
I-O SERVICE PLANNING	92,880	42,345		27,716	0	692	163,633	10,123	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				19,981	340,557		360,538	0	4,562	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				158,827			158,827	723	0	0	0	0
I-R <b>SUBTOTAL IN-HOME</b>	4,658,537	2,111,166	7,967,524	1,617,047	5,234,569	34,538	21,623,381					
	Number of Children receiving only NON-PURCHASED IN-Home Services 17,797											
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	163,935	0	163,935	585	13	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	475,630	0	475,630	3,303	140	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	3,719,101	0	3,719,101	16,623	294	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	1,956,043	0	1,956,043	9,850	434	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	32,411	1,110,126	0	1,142,537	12,770	687	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0		534,413	0	534,413	2,291	163	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,001,397	912,935	0	832,706	10,360,936	11,464	14,119,438	175,736	2,381	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	382,218	0	382,218	2,708	38	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	7,083	0	3,437	10,520	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 <b>SUBTOTAL CBP</b>	2,001,397	912,935	0	872,200	18,702,402	14,901	22,503,835	223,866	4,150	0	0	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	2,067,470	0	2,067,470	7,361	632	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	699,214	0	699,214	4,864	72	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	1,064,131	0	1,064,131	5,674	10	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	365,746	0	365,746	1,305	23	0	0	0
3-E YDC SECURE	0	0	0	0	371,622	0	371,622	771	10	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	0	4,568,183	0	4,568,183	19,975	747	0	0	0
<b>ADMINISTRATION</b>	100,489	46,541	0	952,824	0	683	1,100,537					
<b>TOTAL EXPENDITURES</b>	6,760,423	3,070,642	7,967,524	3,442,071	28,505,154	50,122	49,795,936					
	County Indirect Costs = \$ 913,639											

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 1,474,172	\$ (174,451)	\$ 1,299,721
Adoption Assistance	7,415,900	24,633	7,440,533
Subsidized Permanent Legal Custodianship	530,342	(3,351)	526,991
Counseling	3,424,710	1,287,577	4,712,287
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	1,176,254	(26,947)	1,149,307
Intake and Referral	2,053,886	(260,060)	1,793,826
Life Skills	0	0	0
Protective Service - Child Abuse	2,179,580	(305,004)	1,874,576
Protective Service - General	1,925,926	217,216	2,143,142
Service Planning	175,879	(12,246)	163,633
Juvenile Act Proceedings	364,854	154,511	519,365
Alternative Treatment	670,102	(30,537)	639,565
Community Residential	4,910,005	765,139	5,675,144
Emergency Shelter	1,902,956	(226,006)	1,676,950
Foster Family	14,271,544	230,112	14,501,656
Supervised Independent Living	10,520	0	10,520
Juvenile Detention Service	2,067,470	0	2,067,470
Residential Service	2,037,032	(273,687)	1,763,345
Secure Residential Service (Except YDC)	365,746	0	365,746
YDC Secure	371,622	0	371,622
Administration	<u>1,163,849</u>	<u>(63,312)</u>	<u>1,100,537</u>
Combined Total Expense	48,492,349	1,303,587	49,795,936
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 48,492,349</u>	<u>\$ 1,303,587</u>	<u>\$ 49,795,936</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,032,587	\$ (272,164)	\$ 6,760,423
Employee Benefits	3,501,500	(430,858)	3,070,642
Subsidies	7,946,242	21,282	7,967,524
Operating	3,305,915	136,156	3,442,071
Purchased Services	26,605,167	1,899,987	28,505,154
Fixed Assets	<u>100,938</u>	<u>(50,816)</u>	<u>50,122</u>
Combined Total Expense	48,492,349	1,303,587	49,795,936
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 48,492,349</u>	<u>\$ 1,303,587</u>	<u>\$ 49,795,936</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustments			
CY-370	1-A	1	1	Adoption Service - Wages and Salaries	\$ 699,673	\$ (84,709)	\$ 614,964
	1-I	1		Homemaker Service - Wages and Salaries	\$ 681,875	\$ (30,881)	\$ 650,994
	1-J	1		Intake & Referral - Wages and Salaries	\$ 1,204,022	\$ (185,817)	\$ 1,018,205
	1-M	1		Protective Service Child Abuse - Wages and Salaries	\$ 1,155,595	\$ (89,233)	\$ 1,066,362
	1-N	1		Protective Service General - Wages and Salaries	\$ 1,097,676	\$ 117,456	\$ 1,215,132
	1-O	1		Service Planning - Wages and Salaries	\$ 104,524	\$ (11,644)	\$ 92,880
	2-G	1		Foster Family (Dependent) - Wages and Salaries	\$ 1,947,419	\$ 53,978	\$ 2,001,397
	4	1		Administration - Wages and Salaries	\$ 141,803	\$ (41,314)	\$ 100,489
	1-A	2		Adoption Service - Employee Benefits	\$ 347,241	\$ (75,150)	\$ 272,091
	1-I	2		Homemaker Service - Employee Benefits	\$ 339,684	\$ (42,881)	\$ 296,803
	1-J	2		Intake & Referral - Employee Benefits	\$ 599,289	\$ (135,069)	\$ 464,220
	1-M	2		Protective Service Child Abuse - Employee Benefits	\$ 575,249	\$ (91,310)	\$ 483,939
	1-N	2		Protective Service General - Employee Benefits	\$ 547,269	\$ 4,499	\$ 551,768
	1-O	2		Service Planning - Employee Benefits	\$ 52,110	\$ (9,765)	\$ 42,345
	2-G	2		Foster Family (Dependent) - Employee Benefits	\$ 970,028	\$ (57,093)	\$ 912,935
	4	2		Administration - Employee Benefits	\$ 70,630	\$ (24,089)	\$ 46,541
	1-B	3		Adoption Assistance - Subsidies	\$ 7,415,900	\$ 24,633	\$ 7,440,533
	1-C	3		Subsidized Permanent Legal Custodianship - Subsidies	\$ 530,342	\$ (3,351)	\$ 526,991
	1-A	4		Adoption Service - Operating	\$ 263,754	\$ (37,393)	\$ 226,361
	1-I	4		Homemaker Service - Operating	\$ 139,007	\$ 57,646	\$ 196,653
	1-J	4		Intake & Referral - Operating	\$ 235,179	\$ 68,626	\$ 303,805
	1-M	4		Protective Service Child Abuse - Operating	\$ 433,022	\$ (116,598)	\$ 316,424
	1-N	4		Protective Service General - Operating	\$ 263,019	\$ 104,261	\$ 367,280
	1-O	4		Service Planning - Operating	\$ 17,840	\$ 9,876	\$ 27,716
	1-P	4		Juvenile Act Proceedings (Dependent) - Operating	\$ -	\$ 19,981	\$ 19,981
	1-Q	4		Juvenile Act Proceedings (Delinquent) - Operating	\$ 137,818	\$ 21,009	\$ 158,827
	2-A	4		Alternative Treatment (Dependent) - Operating	\$ 1,401	\$ (1,401)	\$ -
	2-C	4		Community Residential (Dependent) - Operating	\$ 20,178	\$ (20,178)	\$ -
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 42,101	\$ (9,690)	\$ 32,411
	2-G	4		Foster Family (Dependent) - Operating	\$ 784,640	\$ 48,066	\$ 832,706
	3-B	4		Residential Service (Dependent) - Operating	\$ 10,758	\$ (10,758)	\$ -
	4	4		Administration - Operating	\$ 950,115	\$ 34,287	\$ 984,402
	1-A	5		Adoption Service - Purchased Services	\$ 154,245	\$ 27,480	\$ 181,725
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 2,476,902	\$ 1,287,577	\$ 3,764,479
	1-I	5		Homemaker Service - Purchased Services	\$ 5,846	\$ (5,846)	\$ -
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 227,036	\$ 113,521	\$ 340,557
	2-A	5		Alternative Treatment (Dependent) - Purchased Services	\$ 193,071	\$ (29,136)	\$ 163,935
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 2,933,784	\$ 785,317	\$ 3,719,101
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 1,326,442	\$ (216,316)	\$ 1,110,126
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 10,160,617	\$ 200,319	\$ 10,360,936
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 962,143	\$ (262,929)	\$ 699,214
	1-A	6		Adoption Service - Fixed Assets	\$ 9,259	\$ (4,679)	\$ 4,580
	1-I	6		Homemaker Service - Fixed Assets	\$ 9,842	\$ (4,985)	\$ 4,857
	1-J	6		Intake & Referral - Fixed Assets	\$ 15,396	\$ (7,800)	\$ 7,596
	1-M	6		Protective Service Child Abuse - Fixed Assets	\$ 15,714	\$ (7,863)	\$ 7,851
	1-N	6		Protective Service General - Fixed Assets	\$ 17,962	\$ (9,000)	\$ 8,962
	1-O	6		Service Planning - Fixed Assets	\$ 1,405	\$ (713)	\$ 692
	2-G	6		Foster Family (Dependent) - Fixed Assets	\$ 26,622	\$ (15,158)	\$ 11,464
	4	6		Administration - Fixed Assets	\$ 1,301	\$ (618)	\$ 683
				Total Adjustment Amount		\$ 1,335,165	
				To increase expenditures by \$1,335,165 to properly report total expenditures and reconcile to the agency's final expenditure ledger. Revisions were made to the expenditure ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

**BERKS 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	2	<p style="text-align: center;">CY-370 Adjustments (Continued)</p> <p>Administration - Operating</p> <p>To decrease Indirect Costs by \$31,578 to reconcile to the County Cost Allocation Plan.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 984,402	\$ (31,578)	\$ 952,824
CY-370A	4	9	3	<p style="text-align: center;">CY-370A Adjustments</p> <p>Administration - Medical Assistance</p> <p>To decrease Medical Assistance by \$1,812 to properly report the total amount received and reconcile to the final revenue ledger. Revisions were made to the revenue ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 17,715	\$ (1,812)	\$ 15,903

# SECTION 3

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2016 to JUNE 30, 2017**

**BERKS 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 <sup>1</sup>		\$	30,162,890
Supplemental Act 148			<u>83,335</u>
Total State Allocation			30,246,225
State Share (CY348) <sup>2</sup>	\$		29,184,262
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	29,184,262
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	29,184,262
Actual Act 148 Revenues Received <sup>4</sup>			<u>30,246,225</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>(1,061,963)</u></u>

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

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

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

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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.



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

A	B	C	D	E	F	G	H	I	J	K
GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	0	150,795	0	0	0	0	0	1,041,297	1,041,297	0
02. 90% REIMBURSEMENT	20,607	114,498	0	0	0	0	0	1,557,940	1,402,146	155,794
03. 80% REIMBURSEMENT	924,737	7,620,708	1,571,067	318,913	0	0	118,643	29,764,716	23,811,771	5,952,945
04. 60% REIMBURSEMENT	4,584,122	390,857	0	0	131,234	0	15,707	3,936,071	2,361,642	1,574,429
05. 50% REIMBURSEMENT	1,177,794	14,193	0	0	0	0	0	1,134,812	567,406	567,406
06. TOTAL NET CHILD WELFARE EXPEND.	48,965,837	8,291,051	1,571,067	318,913	131,234	0	134,350	37,434,836	29,184,262	8,250,574

YDC/YFC PLACEMENT COSTS										
07. 60% DHSPARTICIPATION	501,840	7,791						494,049	296,429	197,620

08. NON-REIMBURSABLE EXPENDITURES	0	0						0		0
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09. TOTAL EXPENDITURES	49,467,677	1,092,177	8,291,051	1,571,067	318,913	131,234	0	37,928,885	29,480,691	8,448,194
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10. TOTAL TITLE IV-D COLLECTIONS 820,964

11. TITLE IV-D Collections for IV-E Children 64,265

12. STATE ACT 148 - line 6 29,184,262

13. STATE ACT 148 ALLOCATION 30,246,225

14. ADJUSTED STATE SHARE (lower of 12 or 13) 29,184,262

INVOICE	
AMENDED STATE SHARE (ACT 148)	29,184,262
ACT 148 AMOUNT RECEIVED	30,246,225
ADJUSTMENT TO STATE SHARE	(1,061,963)

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	1,192,092	0		150,795	0		0	0	0	1,041,297	0	0
1-B ADOPTION ASSISTANCE	7,881,444	0	3,028,659	64,013				0	0	4,788,772	3,831,017	957,755
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	430,911	0	99,951	0				0	0	330,960	264,768	66,192
1-D COUNSELING - DEPENDENT	3,106,177	1,982		0	1,433,635	0	0	0	0	1,670,560	1,336,448	334,112
1-E COUNSELING - DELINQUENT	838,977	0		0	137,432	0	0	0	0	701,545	561,236	140,309
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	1,124,565	0		123,051	0	0	0	0	0	1,001,514	801,211	200,303
1-J INTAKE & REFERRAL	1,999,284	0		247,856	0	0	0	0	0	1,751,428	1,401,142	350,286
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	2,030,773	0		287,395	0	0		0	0	1,743,378	1,394,702	348,676
1-N PROTECTIVE SERVICE - GENERAL	2,163,618	0		224,584	0	0		0	0	1,939,034	1,551,227	387,807
1-O SERVICE PLANNING	74,643	0		10,626	0	0	0	0	0	64,017	51,214	12,803
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	147,284	0		0	0	0	0	0	0	147,284	73,642	73,642
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	(37,278)	0		14,193	0			0	0	(51,471)	(25,736)	(25,736)
1-R SUBTOTAL IN-HOME	20,952,490	1,982	3,128,610	1,122,513	1,571,067	0	0	0	0	15,128,318	12,282,168	2,846,150
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	65,052	6,925	20,434	241		0	0	0	0	37,452	29,962	7,490
2-B ALTERNATIVE TREATMENT - DELINQUENT	348,413	16,183	0	0		0	0	0	0	332,230	265,784	66,446
2-C COMMUNITY RESIDENTIAL - DEPENDENT	3,894,069	76,291	838,568	2,722		0	0	0	0	2,976,488	2,381,190	595,298
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,754,204	65,428	39,258	0		0	0	0	0	1,649,518	1,319,614	329,904
2-E EMERGENCY SHELTER - DEPENDENT	1,019,698	0	80,521	33,977	0	0	0	0	0	905,200	814,680	90,520
2-F EMERGENCY SHELTER - DELINQUENT	673,347	20,607	0	0	0	0	0	0	0	652,740	587,466	65,274
2-G FOSTER FAMILY - DEPENDENT	13,867,298	727,319	1,113,240	1,518,640		318,913	0	0	118,643	10,070,543	8,056,434	2,014,109
2-H FOSTER FAMILY - DELINQUENT	519,089	30,023	155	113		0	0	0	0	488,798	391,038	97,760
2-I SUP. INDEPENDENT LIVING - DEPENDENT	220,268	586	0	1,202		0	0	0	0	218,480	174,784	43,696
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-K SUBTOTAL CBP	22,361,438	943,362	2,092,176	1,556,895	0	318,913	0	0	118,643	17,331,449	14,020,952	3,310,497
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	1,067,788	28,789								1,038,999	519,500	519,499
3-B RESIDENTIAL SERVICE - DEPENDENT	1,644,109	51,820	157,703	1,372		0	131,234	0	0	1,301,980	781,188	520,792
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,265,096	58,433	69,321	0		0	0	0	0	1,137,342	682,405	454,937
3-D SECURE RES. SERVICE (EXCEPT YDC)	334,913	0							0	334,913	200,948	133,965
3-E YDC SECURE	501,840	7,791								494,049	296,429	197,620
3-F SUBTOTAL INSTITUTIONAL	4,813,746	146,833	227,024	1,372	0	0	131,234	0	0	4,307,283	2,480,470	1,826,813
4 ADMINISTRATION	1,340,004	0		162,461		0	0	0	15,707	1,161,836	697,101	464,735
5 TOTAL REVENUES	49,467,677	1,092,177	5,447,810	2,843,241	1,571,067	318,913	131,234	0	134,350	37,928,885	29,480,691	8,448,194

BERKS 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 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
<b>IN-HOME</b>	538,480	249,185	7,881,444	209,240	192,130	3,057	1,192,092	6,529	395	0	0	0
1-A ADOPTION SERVICE	0	0	7,881,444	0	0	0	7,881,444	0	5,938	0	0	0
1-B ADOPTION ASSISTANCE	0	0	430,911	0	0	0	430,911	0	171	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	0	0	3,106,177	0	3,106,177	0	2,646	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	838,977	0	838,977	0	1,136	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	628,242	306,956	186,002	0	3,365	0	1,124,565	281	61	0	0	0
1-J INTAKE & REFERRAL	1,125,680	539,533	327,636	0	6,435	0	1,999,284	4,490	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,144,015	546,400	334,208	0	6,150	0	2,030,773	3,837	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,212,620	575,910	367,853	0	7,235	0	2,163,618	4,258	0	0	0	0
1-O SERVICE PLANNING	41,117	20,614	12,682	0	230	0	74,643	3,762	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	21,306	0	125,978	0	147,284	0	4,539	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	(37,278)	0	0	0	(37,278)	503	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	4,690,154	2,238,598	8,312,355	1,421,649	4,263,262	26,472	20,952,490	0	0	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 11,848												
<b>COMMUNITY BASED PLACEMENT</b>	0	0	0	0	65,052	0	65,052	716	24	0	0	0
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	348,413	0	348,413	2,036	60	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	3,894,069	0	3,894,069	16,763	289	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	1,754,204	0	1,754,204	8,499	268	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	992,206	0	992,206	11,383	477	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	673,347	0	673,347	2,673	179	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	2,067,049	978,133	3,689	932,365	9,877,060	9,002	13,867,298	169,713	2,339	0	0	0
2-G FOSTER FAMILY - DEPENDENT	0	0	0	0	519,089	0	519,089	3,683	44	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	(0)	0	7,237	210,220	2,811	220,268	730	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 <b>SUBTOTAL CBP</b>	2,067,049	978,133	3,689	967,094	18,333,660	11,813	22,561,438	216,196	3,688	0	0	0
<b>INSTITUTIONAL PLACEMENT</b>	141,847	70,004	0	1,127,311	0	842	1,340,004	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,067,788	0	1,067,788	3,730	193	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	1,644,109	0	1,644,109	2,264	40	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	1,265,096	0	1,265,096	6,297	91	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	334,913	0	334,913	1,142	16	0	0	0
3-E YDC SECURE	0	0	0	0	501,840	0	501,840	984	15	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	0	4,813,746	0	4,813,746	14,417	355	0	0	0
4 <b>ADMINISTRATION</b>	141,847	70,004	0	1,127,311	0	842	1,340,004	0	0	0	0	0
5 <b>TOTAL EXPENDITURES</b>	6,899,050	3,286,735	8,316,044	3,516,054	27,410,668	39,127	49,467,677	0	0	0	0	0
County Indirect Costs = \$ 1,032,439												

**BERKS COUNTY CHILDREN AND YOUTH AGENCY**  
**FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017**  
**AMENDED**  
**SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 1,478,295	\$ (286,203)	\$ 1,192,092
Adoption Assistance	7,890,560	(9,116)	7,881,444
Subsidized Permanent Legal Custodianship	430,911	0	430,911
Counseling	4,515,089	(569,935)	3,945,154
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	1,026,522	98,043	1,124,565
Intake and Referral	2,051,900	(52,616)	1,999,284
Life Skills	0	0	0
Protective Service - Child Abuse	2,377,605	(346,832)	2,030,773
Protective Service - General	1,864,307	299,311	2,163,618
Service Planning	88,315	(13,672)	74,643
Juvenile Act Proceedings	394,227	(284,221)	110,006
Alternative Treatment	471,041	(57,576)	413,465
Community Residential	6,133,851	(485,578)	5,648,273
Emergency Shelter	1,702,853	(9,808)	1,693,045
Foster Family	14,678,483	(292,096)	14,386,387
Supervised Independent Living	220,268	0	220,268
Juvenile Detention Service	1,067,788	0	1,067,788
Residential Service	2,024,171	885,034	2,909,205
Secure Residential Service (Except YDC)	334,913	0	334,913
YDC Secure	501,840	0	501,840
Administration	<u>1,342,656</u>	<u>(2,652)</u>	<u>1,340,004</u>
Combined Total Expense	50,595,595	(1,127,917)	49,467,677
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 50,595,595</u>	<u>\$ (1,127,917)</u>	<u>\$ 49,467,677</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 6,863,220	\$ 35,830	\$ 6,899,050
Employee Benefits	3,417,602	(130,867)	3,286,735
Subsidies	8,321,471	(5,427)	8,316,044
Operating	3,415,472	100,582	3,516,054
Purchased Services	28,515,737	(1,105,069)	27,410,668
Fixed Assets	<u>62,093</u>	<u>(22,966)</u>	<u>39,127</u>
Combined Total Expense	50,595,595	(1,127,917)	49,467,677
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 50,595,595</u>	<u>\$ (1,127,917)</u>	<u>\$ 49,467,677</u>

**BERKS 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 Adjustments			
CY-370	1-A	1	1	Adoption Service - Wages and Salaries	\$ 663,060	\$ (124,580)	\$ 538,480
	1-I	1		Homemaker Service - Wages and Salaries	\$ 601,680	\$ 26,562	\$ 628,242
	1-J	1		Intake & Referral - Wages and Salaries	\$ 1,211,885	\$ (86,205)	\$ 1,125,680
	1-M	1		Protective Service Child Abuse - Wages and Salaries	\$ 1,166,469	\$ (22,454)	\$ 1,144,015
	1-N	1		Protective Service General - Wages and Salaries	\$ 1,062,356	\$ 150,264	\$ 1,212,620
	1-O	1		Service Planning - Wages and Salaries	\$ 53,154	\$ (12,037)	\$ 41,117
	2-G	1		Foster Family (Dependent) - Wages and Salaries	\$ 1,875,952	\$ 191,097	\$ 2,067,049
	4	1		Administration - Wages and Salaries	\$ 228,664	\$ (86,817)	\$ 141,847
	1-A	2		Adoption Service - Employee Benefits	\$ 332,385	\$ (83,200)	\$ 249,185
	1-I	2		Homemaker Service - Employee Benefits	\$ 292,042	\$ 14,914	\$ 306,956
	1-J	2		Intake & Referral - Employee Benefits	\$ 601,798	\$ (62,265)	\$ 539,533
	1-M	2		Protective Service Child Abuse - Employee Benefits	\$ 584,686	\$ (38,286)	\$ 546,400
	1-N	2		Protective Service General - Employee Benefits	\$ 526,216	\$ 49,694	\$ 575,910
	1-O	2		Service Planning - Employee Benefits	\$ 26,606	\$ (5,992)	\$ 20,614
	2-G	2		Foster Family (Dependent) - Employee Benefits	\$ 944,937	\$ 33,196	\$ 978,133
	4	2		Administration - Employee Benefits	\$ 108,932	\$ (38,928)	\$ 70,004
	1-B	3		Adoption Assistance - Subsidies	\$ 7,890,560	\$ (9,116)	\$ 7,881,444
	2-G	3		Foster Family (Dependent) - Subsidies	\$ -	\$ 3,689	\$ 3,689
	1-A	4		Adoption Service - Operating	\$ 246,153	\$ (36,913)	\$ 209,240
	1-I	4		Homemaker Service - Operating	\$ 121,022	\$ 64,980	\$ 186,002
	1-J	4		Intake & Referral - Operating	\$ 228,257	\$ 99,379	\$ 327,636
	1-M	4		Protective Service Child Abuse - Operating	\$ 616,526	\$ (282,318)	\$ 334,208
	1-N	4		Protective Service General - Operating	\$ 264,405	\$ 103,448	\$ 367,853
	1-O	4		Service Planning - Operating	\$ 8,196	\$ 4,486	\$ 12,682
	1-P	4		Juvenile Act Proceedings (Dependent) - Operating	\$ -	\$ 21,306	\$ 21,306
	1-Q	4		Juvenile Act Proceedings (Delinquent) - Operating	\$ 123,272	\$ (160,550)	\$ (37,278)
	2-A	4		Alternative Treatment (Dependent) - Operating	\$ 2,007	\$ (2,007)	\$ -
	2-C	4		Community Residential (Dependent) - Operating	\$ 22,516	\$ (22,516)	\$ -
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 37,083	\$ (9,591)	\$ 27,492
	2-G	4		Foster Family (Dependent) - Operating	\$ 723,534	\$ 208,831	\$ 932,365
	3-B	4		Residential Service (Dependent) - Operating	\$ 11,458	\$ (1,458)	\$ -
	4	4		Administration - Operating	\$ 1,003,806	\$ 64,104	\$ 1,067,910
	1-A	5		Adoption Service - Purchased Services	\$ 231,723	\$ (39,593)	\$ 192,130
	1-D	5		Counseling (Dependent) - Purchased Services	\$ 3,676,112	\$ (569,935)	\$ 3,106,177
	1-I	5		Homemaker Service - Purchased Services	\$ 6,450	\$ (6,450)	\$ -
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 270,955	\$ (144,977)	\$ 125,978
	2-A	5		Alternative Treatment (Dependent) - Purchased Services	\$ 120,621	\$ (55,569)	\$ 65,052
	2-C	5		Community Residential (Dependent) - Purchased Services	\$ 4,353,258	\$ (459,189)	\$ 3,894,069
	2-D	5		Community Residential (Delinquent) - Purchased Services	\$ 1,758,077	\$ (3,873)	\$ 1,754,204
	2-E	5		Emergency Shelter (Dependent) - Purchased Services	\$ 992,423	\$ (217)	\$ 992,206
	2-G	5		Foster Family (Dependent) - Purchased Services	\$ 10,598,818	\$ (721,758)	\$ 9,877,060
	3-B	5		Residential Service (Dependent) - Purchased Services	\$ 747,617	\$ 896,492	\$ 1,644,109
	1-A	6		Adoption Service - Fixed Assets	\$ 4,974	\$ (1,917)	\$ 3,057
	1-I	6		Homemaker Service - Fixed Assets	\$ 5,328	\$ (1,963)	\$ 3,365
	1-J	6		Intake & Referral - Fixed Assets	\$ 9,960	\$ (3,525)	\$ 6,435
	1-M	6		Protective Service Child Abuse - Fixed Assets	\$ 9,924	\$ (3,774)	\$ 6,150
	1-N	6		Protective Service General - Fixed Assets	\$ 11,330	\$ (4,095)	\$ 7,235
	1-O	6		Service Planning - Fixed Assets	\$ 359	\$ (129)	\$ 230
	2-G	6		Foster Family (Dependent) - Fixed Assets	\$ 16,153	\$ (7,151)	\$ 9,002
	4	6		Administration - Fixed Assets	\$ 1,254	\$ (412)	\$ 842
				Total Adjustment Amount		\$ (1,187,318)	
				To decrease expenditures by \$1,187,318 to properly report total expenditures and reconcile to the agency's final expenditure ledger. Revisions were made to the expenditure ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

**BERKS 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	2	CY-370 Adjustments (Continued)			
				Administration - Operating	\$ 1,067,910	\$ 59,401	\$ 1,127,311
				To increase Indirect Costs by \$59,401 to reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370A			3	CY-370A Adjustment			
	1-D	2		Counseling (Dependent) - Program Income	\$ 1,958	\$ 24	\$ 1,982
	2-A	2		Alternative Treatment (Dependent) - Program Income	\$ 6,841	\$ 84	\$ 6,925
	2-B	2		Alternative Treatment (Delinquent) - Program Income	\$ 15,986	\$ 197	\$ 16,183
	2-C	2		Community Residential (Dependent) - Program Income	\$ 75,364	\$ 927	\$ 76,291
	2-D	2		Community Residential (Delinquent) - Program Income	\$ 64,633	\$ 795	\$ 65,428
	2-F	2		Emergency Shelter (Delinquent) - Program Income	\$ 20,357	\$ 250	\$ 20,607
	2-G	2		Foster Family (Dependent) - Program Income	\$ 718,482	\$ 8,837	\$ 727,319
	2-H	2		Foster Family (Delinquent) - Program Income	\$ 29,658	\$ 365	\$ 30,023
	2-I	2		Supervised Independent Living (Dependent)- Program Income	\$ 579	\$ 7	\$ 586
	3-A	2		Juvenile Detention Service - Program Income	\$ 28,439	\$ 350	\$ 28,789
	3-B	2		Residential Service (Dependent) - Program Income	\$ 51,190	\$ 630	\$ 51,820
	3-C	3		Residential Service (Delinquent) - Program Income	\$ 57,723	\$ 710	\$ 58,433
	3-E	2		YDC Secure - Program Income	\$ 7,696	\$ 95	\$ 7,791
					Total Adjustment Amount		\$ 13,271
			To increase program income by \$13,271 to properly report the amount received and reconcile to the final agency revenue ledger. Revisions were made to the revenue ledger subsequent to the submission of the Act 148 Invoice to the State Department of Human Services.				
			Title 55 PA Code, Chapter 3170.95(a)(b)				

## SECTION 4

# STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

BERKS COUNTY CHILDREN AND YOUTH AGENCY  
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

**Finding – Berks County Children and Youth Agency Failed to Provide Supporting Documentation Evidencing That In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers (Unresolved)**

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

Our current engagement scope period included the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until June 27, 2017, three days prior to the end of our current engagement scope period on June 30, 2017. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years included in our current engagement scope period. As such, we concluded that the issuance of a repeat finding is warranted. This repeat finding is included in the Current Engagement Finding and Recommendations section (Section 5) of this report.



## SECTION 5

# CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

BERKS COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

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

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management provided documentation describing formal, written monitoring policy, and corresponding procedures, they indicated were effective as of July 2017, with the initial fiscal-related monitoring procedures conducted in October 2017, to obtain reasonable assurance that contracted In-Home services were actually provided and to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. Because agency management did not implement these policy and procedures until after the close of our current engagement scope period (June 30, 2017), we did not assess the sufficiency of these newly implemented monitoring policies and procedures during the conduct of our current engagement. We will review and evaluate these implemented monitoring policies and procedures during the conduct of our next regularly scheduled engagement of this agency and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided, and that the number of units invoiced by contracted Fee-For Service and operating costs invoiced by contracted Program-Funded In-Home providers are properly substantiated, thus, reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

BERKS COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

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

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

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

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”
- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *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

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maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”

Cause: Due to the timing of our prior engagement, agency management was not notified of these internal control deficiencies until June 27, 2017, three days prior to the end of our current engagement scope period on June 30, 2017. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years (2014-2015, 2015-2016 and 2016-2017) included in our current engagement scope period.

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

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

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

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

- Performance of on-site fiscal-related 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 the number of units invoiced by Fee-for-Service providers and operating costs invoiced by Program-Funded providers, and that related services were actually provided according to executed contract terms.

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- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation with submitted invoices evidencing that services related to invoiced In-Home Purchased Services costs were actually provided.<sup>2</sup>

The specific fiscal-related monitoring procedures selected by agency management may consist of procedures performed prior to payment of the providers' submitted invoices, procedures performed subsequent to payment to verify the existence of documentation substantiating the invoiced costs, or some combination of such pre- and post-payment monitoring procedures.

Furthermore, we again recommend that agency management ensure that:

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

Agency Representative Response: In July of 2017, Berks County Children and Youth Services (BCCYS) implemented an in-home provider monitoring policy and procedure for all in-home provider contracts. All in-home providers are required to complete an In-Home Services Documentation Form that is completed after every face-to-face contact with a child and/or family. Each quarter, BCCYS reviewed signature pages for these services and compared them to what had been invoiced. Five percent of the families who received services were pulled randomly from each of seven identified provider agencies. For FY 17/18, BCCYS found that \$11,075.97 of billed services had either lacked sufficient evidence that the service was provided as invoiced or that the service had been improperly invoiced. These monies have been reimbursed to the County from the provider agencies.

Auditor's Conclusion: We commend agency management on acknowledging the deficiencies that existed in the agency's invoice review and approval process for contracted In-Home Purchased Service 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

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

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procedures for these contracted In-Home Purchased Service providers. During our next audit of the agency, we will review the agency's implemented monitoring policy and procedures and determine whether they are sufficient in reducing the agency's 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 Department of Human Services’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)**

The Child Protective Services Law (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).<sup>3</sup> 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,<sup>4</sup> 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 Berks County Children and Youth Agency provided in-home and placement services to 3,017 children residing within the County during the 2016-2017 fiscal year.

**Day Treatment Centers and Child Residential Facilities**

Beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, the DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the

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<sup>3</sup> 23 Pa.C.S. §§ 6344 and 6344.2.

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



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

**Contracted In-Home Preventative Service Providers**

For contracted *In-Home Preventative Service providers*,<sup>6</sup> 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"<sup>7</sup> 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.

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

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

<sup>6</sup> 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.

<sup>7</sup> 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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volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.<sup>8</sup>

**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 providers<sup>9</sup> to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

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

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

We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken to address the issues we raised in our March 18, 2018, Position Statement letter to DHS would

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<sup>8</sup> 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](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf), accessed August 3, 2018.

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

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

**Auditor General Senior Management's Follow-up Conclusion Statement**

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

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

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

<sup>11</sup> 23 Pa.C.S. § 6344.4.

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

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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.<sup>13</sup>

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).<sup>14</sup>

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

<sup>14</sup> The agency stated "Annual on-site provider monitoring for all In-Home contracted providers was implemented in July of 2017. The on-site visits include monitoring in the following areas: employee records to ensure clearances are completed appropriately prior to hire and every five years after, case files are properly stored and include proof of proper supervision and assess client-accessible areas to ensure there are no observable safety threats. For FY 17/18, BCCYS staff reviewed approximately five percent of the employees' clearances and ensure that they have clearances prior to their start date as well as updated clearances within the CPSL guidelines. Any provider agency staff hired without all clearances completed are expected to not have any client contact without another experienced staff member present. Some agencies had not kept expired employee clearances which showed their clearances at time of hire but have now begun doing so." We did not perform procedures to evaluate the agency's performance of those procedures.

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