

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

Chester County

Children and Youth Agency

June 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 Chester County
Commissioner's Office
313 W. Market Street, Suite 6202
West Chester, PA 19380-0991

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 Chester County Children and Youth Agency (agency), legally known as Chester County Department of Children, Youth and Families, 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 Chester County.

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

¹ The accrual basis of accounting is required by DHS.

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 one adjustment being made to the agency's submitted fiscal reports. This adjustment reclassified expenditures to the proper cost centers. Based on the application of the state participation rates, the adjustment resulted in an amount due to the county totaling \$6,303. The adjustment is 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 one adjustment being made to the agency's submitted fiscal reports. This adjustment reclassified expenditures to the proper cost centers. Based on the application of the state participation rates, the adjustment resulted in an amount due to the county totaling \$2,001. The adjustment is detailed in our amended fiscal reports for fiscal year 2015-2016, as included in Section 2 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share, as detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

In addition, we found that the agency complied with the finding included in our prior released audit report, as detailed in Section 4 of this report.

Finally, 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 5 of this report.

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

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

Sincerely,

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

Eugene A. DePasquale
Auditor General

June 5, 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 Chester County Children and Youth Agency provided in-home and placement services to 2,313 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), the DHS is responsible for making and enforcing all rules and regulations necessary and appropriate to the proper accomplishment of the child welfare duties and functions vested by law in the county institution districts or their successors. Title 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, outlines the rules and regulations relative to the County Administration of the Children and Youth Social Service Programs. Specifically, in compliance with 55 Pa. Code § 3140.31, the Counties must report their cumulative actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DHS through the Act 148 Invoice package. The expenditures reported in the Act 148 Invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by the DHS.

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4th Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). Any variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years 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

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

Approved State Allocation ¹		\$	16,357,712
Supplemental Act 148			<u>0</u>
Total State Allocation			16,357,712
State Share (CY348) ²	\$		15,143,882
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	15,143,882
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	15,143,882
Actual Act 148 Revenues Received ⁴			<u>15,137,579</u>
Net Amount Due County/(State) ⁵		\$	<u>6,303</u>

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

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

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

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

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

CHESTER 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	563,382	200	76,387	0	0	0	0	0	486,795	486,795	0
02. 90% REIMBURSEMENT	227,483	0	0	0	0	0	0	0	227,483	204,735	22,748
03. 80% REIMBURSEMENT	16,140,117	281,533	2,147,458	743,324	181,707	85,908	0	13,900	12,686,287	10,149,028	2,537,259
04. 60% REIMBURSEMENT	4,727,485	204,899	342,675	0	81,880	85,910	0	12,818	3,999,303	2,399,582	1,599,721
05. 50% REIMBURSEMENT	3,875,990	68,365	141	0	0	0	0	0	3,807,484	1,903,742	1,903,742
06. TOTAL NET CHILD WELFARE EXPEND.	25,534,457	554,997	2,566,661	743,324	263,587	171,818	0	26,718	21,207,352	15,143,882	6,063,470
YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	522,434	6,538							515,896	309,538	206,358
08. NON-REIMBURSABLE EXPENDITURES	5,196	0							5,196		5,196
09. TOTAL EXPENDITURES	26,062,087	561,535	2,566,661	743,324	263,587	171,818	0	26,718	21,728,444	15,453,420	6,275,024
10. TOTAL TITLE IV-D COLLECTIONS	0										
11. TITLE IV-D Collections for IV-E Children	0										
12. STATE ACT 148 - line 6	15,143,882										
13. STATE ACT 148 ALLOCATION	16,357,712										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	15,143,882										
INVOICE											
AMENDED STATE SHARE (ACT 148)	15,143,882										
ACT 148 AMOUNT RECEIVED	15,137,579										
ADJUSTMENT TO STATE SHARE	6,303										

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED CY 370A
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	563,382	200		76,387	0		0	0	0	486,795	486,795	0
I-B ADOPTION ASSISTANCE	1,093,039	0	503,050	16,045			0	0	0	573,944	459,155	114,789
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	101,252	0	23,322	880			0	0	0	77,050	61,640	15,410
I-D COUNSELING - DEPENDENT	2,940,230	0		205,625	90,017	0	0	0	0	2,644,588	2,115,670	528,918
I-E COUNSELING - DELINQUENT	1,763,894	0		1,828	653,307	0	0	0	0	1,108,759	887,007	221,752
I-F DAY CARE	115,148	0		15,766	0	0	0	0	0	99,382	79,506	19,876
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	405,859	0		57,195	0	0	0	0	0	348,664	278,931	69,733
I-K LIFE SKILLS - DEPENDENT	781,566	0		109,801	0	0	0	0	0	671,565	537,252	134,313
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,032,380	0		146,417	0	0	0	0	0	885,963	708,770	177,193
I-N PROTECTIVE SERVICE - GENERAL	1,089,262	0		154,663	0	0	0	0	0	934,599	747,679	186,920
I-O SERVICE PLANNING	773,446	0		110,095	0	0	0	0	0	663,351	530,681	132,670
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	324,860	0		0	0	0	0	0	0	324,860	162,430	162,430
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	34,695	0		141	0	0	0	0	0	34,554	17,277	17,277
I-R SUBTOTAL IN-HOME	11,018,813	200	526,372	894,843	743,324	0	0	0	0	8,854,074	7,072,793	1,781,281

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,064,135	68,688	91,564	15,612		0	0	0	888,271	710,617	177,654	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,485,718	60,141	31,045	1,483		0	0	0	1,393,049	1,114,439	278,610	
2-E EMERGENCY SHELTER - DEPENDENT	227,483	0	0	0	0	0	0	0	227,483	204,735	22,748	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-G FOSTER FAMILY - DEPENDENT	2,994,726	142,829	278,746	379,278		181,707	85,908	13,900	1,912,358	1,529,886	382,472	
2-H FOSTER FAMILY - DELINQUENT	499,662	9,875	2,865	2,178		0	0	0	484,744	387,795	96,949	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	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	
2-K SUBTOTAL CBP	6,271,724	281,533	404,220	398,551	0	181,707	85,908	13,900	4,905,905	3,947,472	958,433	

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
3-A JUVENILE DETENTION SERVICE	3,516,435	68,365		9,177					3,448,070	1,724,035	1,724,035	
3-B RESIDENTIAL SERVICE - DEPENDENT	1,085,602	76,066	37,400	9,177	81,880	85,910	0	0	795,169	477,101	318,068	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,540,362	128,833	13,703	928		0	0	0	1,396,898	838,139	558,759	
3-D SECURE RES. SERVICE (EXCEPT YDC)	104,890								104,890	62,934	41,956	
3-E YDC SECURE	522,434	6,538							515,896	309,538	206,358	
3-F SUBTOTAL INSTITUTIONAL	6,769,723	279,802	51,103	10,105	81,880	85,910	0	0	6,260,923	3,411,747	2,849,176	

4 ADMINISTRATION	1,996,631	0		281,467		0	0	0	12,818	1,702,346	1,021,408	680,938
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5 TOTAL REVENUES	26,056,891	561,535	981,695	1,584,966	743,324	263,587	171,818	0	26,718	21,723,248	15,453,420	6,269,828
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CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non P.S.Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	306,962	116,688		139,732	0	0	563,382	45	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,093,039	0	0	0	1,093,039	0	168	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	101,252	0	0	0	101,252	1	11	0	0	0
1-D COUNSELING - DEPENDENT	986,768	382,817		94,879	1,475,766	0	2,940,230	283	73	0	0	0
1-E COUNSELING - DELINQUENT	0	0		13,118	1,750,776	0	1,763,894	24	239	0	0	0
1-F DAY CARE	0	0		115,148	0	0	115,148	52	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 HOME/MAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	219,745	85,249		100,865	0	0	405,859	6,148	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	526,484	204,250		50,632	0	0	781,366	41	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	695,567	253,941		82,872	0	0	1,032,380	1,639	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	719,001	272,620		97,641	0	0	1,089,262	1,176	0	0	0	0
1-O SERVICE PLANNING	520,421	201,812		51,213	0	0	773,446	2,815	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					324,860	0	324,860	20	277	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					34,695	0	34,695	141	0	0	0	0
1-R SUBTOTAL IN-HOME	3,974,948	1,517,377	1,194,291	780,795	3,551,402	0	11,018,813					
	Number of Children receiving only NON-PURCHASED IN-Home Services = 0											
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	70,914	25,591	0	20,218	947,412	0	1,064,135	6,265	28	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	10,415	1,475,303	0	1,485,718	7,263	59	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	227,483	0	227,483	951	75	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	699,795	253,686	0	333,089	1,692,752	16,986	2,996,308	34,863	163	0	1,582	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	2,037	497,625	0	499,662	3,412	18	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	770,709	279,277	0	365,759	4,840,575	16,986	6,273,306	52,754	343	0	1,582	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	3,516,435	0	3,516,435	4,756	190	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	33,067	11,601	0	23,850	1,017,084	0	1,085,602	3,918	71	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	6,538	1,533,978	0	1,540,516	8,585	65	0	154	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	104,890	0	104,890	509	5	0	0	0
3-E YDC SECURE	0	0	0	0	522,434	0	522,434	1,067	5	0	0	0
3-F SUBTOTAL INSTITUTIONAL	33,067	11,601	0	30,388	6,694,821	0	6,769,877	18,835	336	0	154	0
4 ADMINISTRATION	925,557	357,887	0	716,647	0	0	2,000,091			3,460	0	0
5 TOTAL EXPENDITURES	5,704,281	2,166,142	1,194,291	1,893,589	15,086,798	16,986	26,062,087			3,460	1,736	0
	County Indirect Costs = \$ 295,588											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 543,235	\$ 20,147	\$ 563,382
Adoption Assistance	1,113,186	(20,147)	1,093,039
Subsidized Permanent Legal Custodianship	101,252	0	101,252
Counseling	4,704,124	0	4,704,124
Day Care	115,148	0	115,148
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	405,859	0	405,859
Life Skills	781,366	0	781,366
Protective Service - Child Abuse	1,032,380	0	1,032,380
Protective Service - General	1,089,262	0	1,089,262
Service Planning	773,446	0	773,446
Juvenile Act Proceedings	359,555	0	359,555
Alternative Treatment	0	0	0
Community Residential	2,549,853	0	2,549,853
Emergency Shelter	219,901	7,582	227,483
Foster Family	3,495,970	0	3,495,970
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,516,435	0	3,516,435
Residential Service	2,633,700	(7,582)	2,626,118
Secure Residential Service (Except YDC)	104,890	0	104,890
YDC Secure	522,434	0	522,434
Administration	2,000,091	0	2,000,091
Combined Total Expense	<u>26,062,087</u>	<u>0</u>	<u>26,062,087</u>
Less Non-reimbursables	<u>5,196</u>	<u>0</u>	<u>5,196</u>
Total Net Expense	<u>\$ 26,056,891</u>	<u>\$ 0</u>	<u>\$ 26,056,891</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,704,281	\$ 0	\$ 5,704,281
Employee Benefits	2,166,142	0	2,166,142
Subsidies	1,214,438	(20,147)	1,194,291
Operating	1,873,442	20,147	1,893,589
Purchased Services	15,086,798	0	15,086,798
Fixed Assets	16,986	0	16,986
Combined Total Expense	<u>26,062,087</u>	<u>0</u>	<u>26,062,087</u>
Less Non-reimbursables	<u>5,196</u>	<u>0</u>	<u>5,196</u>
Total Net Expense	<u>\$ 26,056,891</u>	<u>\$ 0</u>	<u>\$ 26,056,891</u>

**CHESTER 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	1-A	1	1	CY-370 Adjustment			
	1-B	1		Adoption Service - Operating	\$ 119,585	\$ 20,147	\$ 139,732
	2-E	5		Adoption Assistance - Subsidies	\$ 1,113,186	\$ (20,147)	\$ 1,093,039
	3-B	5		Emergency Shelter (Dependent) - Purchased Services	\$ 219,901	\$ 7,582	\$ 227,483
				Residential Service (Dependent) - Purchased Services	\$ 1,024,666	\$ (7,582)	\$ 1,017,084
			Total Adjustment Amount		0		
			<p>To reclassify expenditures to the proper cost center and object of expenditure on the CY-370 Expenditure Report. The agency revised the expenditure ledger subsequent to the submission of the Act 148 Invoice to Commonwealth DHS.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>				

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	17,297,115
Supplemental Act 148			<u>0</u>
Total State Allocation			17,297,115
State Share (CY348) ²	\$		15,337,680
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	15,337,680
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	15,337,680
Actual Act 148 Revenues Received ⁴			<u>15,335,679</u>
Net Amount Due County/(State) ⁵		\$	<u><u>2,001</u></u>

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

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

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

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

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

**CHESTER 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	536,384	0	82,001	0	0	0	0	0	454,383	454,383	0
02. 90% REIMBURSEMENT	178,846	0	0	0	0	0	0	0	178,846	160,961	17,885
03. 80% REIMBURSEMENT	16,678,687	332,382	2,124,280	743,324	181,703	85,907	0	5,323	13,205,768	10,564,616	2,641,152
04. 60% REIMBURSEMENT	4,562,727	252,757	443,722	0	81,884	85,911	0	13,059	3,685,394	2,211,237	1,474,157
05. 50% REIMBURSEMENT	4,064,781	171,508	308	0	0	0	0	0	3,892,965	1,946,483	1,946,482
06. TOTAL NET CHILD WELFARE EXPEND.	26,021,425	756,647	2,650,311	743,324	263,587	171,818	0	18,382	21,417,356	15,337,680	6,079,676
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	879,714	47							879,667	527,800	351,867
08. NON-REIMBURSABLE EXPENDITURES	0	0							0	0	0
09. TOTAL EXPENDITURES	26,901,139	756,694	2,650,311	743,324	263,587	171,818	0	18,382	22,297,023	15,865,480	6,431,543
10. TOTAL TITLE IV-D COLLECTIONS	0										
11. TITLE IV-D Collections for IV-E Children	0										
12. STATE ACT 148 - line 6	15,337,680										
13. STATE ACT 148 ALLOCATION	17,297,115										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	15,337,680										
INVOICE											
AMENDED STATE SHARE (ACT 148)	15,337,680										
ACT 148 AMOUNT RECEIVED	15,335,679										
ADJUSTMENT TO STATE SHARE	2,001										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	536,384	0		82,001	0			0	0	454,383	454,383	0
1-B ADOPTION ASSISTANCE	1,191,370	162	488,329	9,330				0	0	693,549	554,839	138,710
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/H	135,760	0	36,963					0	0	98,797	79,038	19,759
1-D COUNSELING - DEPENDENT	3,709,156	62,312		252,185	91,221			0	0	3,303,438	2,642,750	660,688
1-E COUNSELING - DELINQUENT	1,652,826	11,500		797	652,103			0	0	988,426	790,741	197,685
1-F DAY CARE	97,894	0		14,528				0	0	83,366	66,693	16,673
1-G DAY TREATMENT - DEPENDENT	0	0						0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0						0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0						0	0	0	0	0
1-J INTAKE & REFERRAL	417,971	0		63,007				0	0	354,964	283,971	70,993
1-K LIFE SKILLS - DEPENDENT	871,208	0		134,706				0	0	736,502	589,202	147,300
1-L LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	957,949	0		147,845				0	0	810,104	648,083	162,021
1-N PROTECTIVE SERVICE - GENERAL	981,238	0		151,686				0	0	829,552	663,642	165,910
1-O SERVICE PLANNING	863,313	0		132,291				0	0	731,022	584,818	146,204
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	302,259	0						0	0	302,259	151,130	151,129
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	39,619	217		308				0	0	39,094	19,547	19,547
1-R SUBTOTAL IN-HOME	11,756,947	74,191	525,292	988,684	743,324	0	0	0	0	9,425,456	7,528,837	1,896,619
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0						0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	985,272	76,776	55,143	20,034				0	0	833,319	666,655	166,664
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,861,514	64,634	39,779	1,634				0	0	1,755,467	1,404,374	351,093
2-E EMERGENCY SHELTER - DEPENDENT	178,846	0						0	0	178,846	160,961	17,885
2-F EMERGENCY SHELTER - DELINQUENT	0	0						0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,805,274	94,685	224,386	351,503		181,703	85,907	0	5,323	1,861,767	1,489,414	372,353
2-H FOSTER FAMILY - DELINQUENT	147,942	22,313		134				0	0	125,495	100,396	25,099
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0						0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-K SUBTOTAL CBP	5,978,848	258,408	319,308	373,305	0	181,703	85,907	0	5,323	4,754,894	3,821,800	933,094
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	3,722,903	171,291								3,551,612	1,775,806	1,775,806
3-B RESIDENTIAL SERVICE - DEPENDENT	1,254,270	137,223	91,130	11,726		81,884	85,911	0	0	846,396	507,838	338,558
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	866,367	115,534	10,529	1,211				0	0	739,093	443,456	295,637
3-D SECURE RES. SERVICE (EXCEPT YDC)	291,907	0								291,907	175,144	116,763
3-E YDC SECURE	879,714	47								879,667	527,800	351,867
3-F SUBTOTAL INSTITUTIONAL	7,015,161	424,095	101,659	12,937	0	81,884	85,911	0	0	6,308,675	3,430,044	2,878,631
4 ADMINISTRATION	2,150,183	0		329,126				0	13,059	1,807,998	1,084,799	723,199
5 TOTAL REVENUES	26,901,139	756,694	946,259	1,704,052	743,324	263,587	171,818	0	18,382	22,297,023	15,865,480	6,431,543

**CHESTER 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
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non P.S.Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	306,728	109,054		120,602	0	0	536,384	48	48	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,185,377	5,993	0	0	1,191,370	20	156	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SHI	0	0	135,760	0	0	0	135,760	3	13	0	0	0
1-D COUNSELING - DEPENDENT	1,100,279	414,404		118,174	2,076,299	0	3,709,156	135	137	0	0	0
1-E COUNSELING - DELINQUENT	0	0		4,862	1,647,964	0	1,652,826	10	287	0	0	0
1-F DAY CARE	0	0		97,894	0	0	97,894	47	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	245,021	92,284		80,666	0	0	417,971	6,791	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	587,048	221,103		63,057	0	0	871,208	202	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	2	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	641,618	217,026		99,305	0	0	957,949	1,658	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	653,199	228,074		99,965	0	0	981,238	1,365	0	0	0	0
1-O SERVICE PLANNING	588,820	209,212		65,281	0	0	863,313	3,023	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					302,259		302,259	0	244	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				39,619	0		39,619	155	0	0	0	0
1-R SUBTOTAL IN-HOME	4,122,713	1,491,157	1,321,137	795,418	4,026,522	0	11,756,947					
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non P.S.Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	81,882	31,084		23,909	848,397	0	985,272	4,971	39	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		11,286	1,850,228	0	1,861,514	8,741	63	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	178,846	0	178,846	1,715	34	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	793,749	277,079		395,349	1,339,097	0	2,805,274	25,587	163	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		846	147,096	0	147,942	1,057	12	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	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
2-K SUBTOTAL CBP	875,631	308,163	0	431,390	4,363,664	0	5,978,848	42,071	311	0	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non P.S.Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	0	3,722,903	0	3,722,903	5,206	207	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	39,402	14,569		25,620	1,174,679	0	1,254,270	5,380	73	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		8,948	857,419	0	866,367	6,028	55	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	291,907	0	291,907	1,446	26	0	0	0
3-E YDC SECURE	0	0		0	879,714	0	879,714	1,827	10	0	0	0
3-F SUBTOTAL INSTITUTIONAL	39,402	14,569	0	34,568	6,926,622	0	7,015,161	19,887	371	0	0	0
4 ADMINISTRATION	982,619	363,273	0	803,915	0	376	2,150,183					
5 TOTAL EXPENDITURES	6,020,365	2,177,162	1,321,137	2,065,291	15,316,808	376	26,901,139					
County Indirect Costs = \$ 402,112												

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 535,842	\$ 542	\$ 536,384
Adoption Assistance	1,191,912	(542)	1,191,370
Subsidized Permanent Legal Custodianship	135,760	0	135,760
Counseling	5,361,982	0	5,361,982
Day Care	97,894	0	97,894
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	417,971	0	417,971
Life Skills	871,208	0	871,208
Protective Service - Child Abuse	957,949	0	957,949
Protective Service - General	981,238	0	981,238
Service Planning	863,313	0	863,313
Juvenile Act Proceedings	341,878	0	341,878
Alternative Treatment	0	0	0
Community Residential	2,846,786	0	2,846,786
Emergency Shelter	172,538	6,308	178,846
Foster Family	2,953,216	0	2,953,216
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,722,903	0	3,722,903
Residential Service	2,126,945	(6,308)	2,120,637
Secure Residential Service (Except YDC)	291,907	0	291,907
YDC Secure	879,714	0	879,714
Administration	2,150,183	0	2,150,183
Combined Total Expense	<u>26,901,139</u>	<u>0</u>	<u>26,901,139</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 26,901,139</u>	<u>\$ 0</u>	<u>\$ 26,901,139</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,020,365	\$ 0	\$ 6,020,365
Employee Benefits	2,177,162	0	2,177,162
Subsidies	1,321,679	(542)	1,321,137
Operating	2,064,749	542	2,065,291
Purchased Services	15,316,808	0	15,316,808
Fixed Assets	376	0	376
Combined Total Expense	<u>26,901,139</u>	<u>0</u>	<u>26,901,139</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 26,901,139</u>	<u>\$ 0</u>	<u>\$ 26,901,139</u>

**CHESTER 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	1-A	1	1	CY-370 Adjustment			
	1-B	1		Adoption Service - Operating	\$ 120,060	\$ 542	\$ 120,602
	2-E	5		Adoption Assistance - Subsidies	\$ 1,185,919	\$ (542)	\$ 1,185,377
	3-B	5		Emergency Shelter (Dependent) - Purchased Services	\$ 172,538	\$ 6,308	\$ 178,846
				Residential Service (Dependent) - Purchased Services	\$ 1,180,987	\$ (6,308)	\$ 1,174,679
			Total Adjustment Amount		<u>0</u>		
			To reclassify expenditures to the proper cost center and object of expenditure on the CY-370 Expenditure Report. The agency revised the expenditure ledger subsequent to the submission of the Act 148 Invoice to Commonwealth DHS.				
			Title 55 PA Code, Chapter 3170.95(a)(b)				

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	16,811,523
Supplemental Act 148			<u>0</u>
Total State Allocation			16,811,523
State Share (CY348) ²	\$		16,011,189
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	16,011,189
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	16,011,189
Actual Act 148 Revenues Received ⁴			<u>16,011,189</u>
Net Amount Due County/(State) ⁵		\$	<u>0</u>

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

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

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

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

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

CHESTER 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	505,427	1,113	59,188	0	0	0	0	0	445,126	445,126	0
02. 90% REIMBURSEMENT	427,724	0	0	0	0	0	0	0	427,724	384,952	42,772
03. 80% REIMBURSEMENT	17,004,322	333,994	1,991,196	743,323	181,699	85,910	0	7,299	13,660,901	10,928,722	2,732,179
04. 60% REIMBURSEMENT	4,681,730	316,870	347,739	0	81,888	85,908	0	11,675	3,837,650	2,302,589	1,535,061
05. 50% REIMBURSEMENT	4,127,659	226,529	1,532	0	0	0	0	0	3,899,598	1,949,800	1,949,798
06. TOTAL NET CHILD WELFARE EXPEND.	26,746,862	878,506	2,399,655	743,323	263,587	171,818	0	18,974	22,270,999	16,011,189	6,259,810
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	613,530	202							613,328	367,997	245,331
08. NON-REIMBURSABLE EXPENDITURES	0	0							0	0	0
09. TOTAL EXPENDITURES	27,360,392	878,708	2,399,655	743,323	263,587	171,818	0	18,974	22,884,327	16,379,186	6,505,141
10. TOTAL TITLE IV-D COLLECTIONS	0										
11. TITLE IV-D Collections for IV-E Children	0										
12. STATE ACT 148 - line 6	16,011,189										
13. STATE ACT 148 ALLOCATION	16,811,523										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	16,011,189										
INVOICE											
AMENDED STATE SHARE (ACT 148)	16,011,189										
ACT 148 AMOUNT RECEIVED	16,011,189										
ADJUSTMENT TO STATE SHARE	0										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	505,427	1,113		59,188	0			0	0	445,126	445,126	0
1-B ADOPTION ASSISTANCE	1,272,559	0	524,028	10,631				0	0	737,900	590,320	147,580
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	123,096	0	32,861					0	0	90,235	72,188	18,047
1-D COUNSELING - DEPENDENT	4,078,777	62,951		164,305	107,400			0	0	3,744,121	2,995,297	748,824
1-E COUNSELING - DELINQUENT	1,704,119	0		940	635,923			0	0	1,067,256	853,805	213,451
1-F DAY CARE	33,826	0		3,966				0	0	29,860	23,888	5,972
1-G DAY TREATMENT - DEPENDENT	0	0		0	0			0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0			0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0			0	0	0	0	0
1-J INTAKE & REFERRAL	368,556	0		42,800	0			0	0	325,556	260,445	65,111
1-K LIFE SKILLS - DEPENDENT	758,799	0		88,413	0			0	0	670,386	536,309	134,077
1-L LIFE SKILLS - DELINQUENT	0	0		0	0			0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	979,281	0		114,851	0			0	0	864,430	691,544	172,886
1-N PROTECTIVE SERVICE - GENERAL	950,864	0		111,347	0			0	0	839,517	671,614	167,903
1-O SERVICE PLANNING	1,120,417	0		133,420	0			0	0	986,997	789,598	197,399
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	273,895	0		0	0			0	0	273,895	136,948	136,947
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	38,181	0		1,532				0	0	36,649	18,325	18,324
1-R SUBTOTAL IN-HOME	12,207,597	64,064	556,889	731,393	743,323	0	0	0	0	10,111,928	8,085,407	2,026,521
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0				0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,106,378	77,538	46,483	17,132				0	0	965,225	772,180	193,045
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,513,314	82,642	3,698	813				0	0	1,426,361	1,141,089	285,272
2-E EMERGENCY SHELTER - DEPENDENT	427,724	0		0	0			0	0	427,724	384,952	42,772
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0			0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,863,429	99,952	319,290	376,165		181,699	85,910	0	7,299	1,793,114	1,434,491	358,623
2-H FOSTER FAMILY - DELINQUENT	130,907	10,911		53				0	0	119,943	95,954	23,989
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0				0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0				0	0	0	0	0
2-K SUBTOTAL CBP	6,041,952	271,043	369,471	394,163	0	181,699	85,910	0	7,299	4,732,367	3,828,666	903,701
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	3,815,583	226,529						0	0	3,589,054	1,794,527	1,794,527
3-B RESIDENTIAL SERVICE - DEPENDENT	1,227,847	226,975	55,195	16,142		81,888	85,908	0	0	761,739	457,043	304,696
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	963,067	87,299	12,061	500				0	0	863,207	517,924	345,283
3-D SECURE RES. SERVICE (EXCEPT YDC)	241,584	0						0	0	241,584	144,950	96,634
3-E YDC SECURE	613,530	202						0	0	613,328	367,997	245,331
3-F SUBTOTAL INSTITUTIONAL	6,861,611	541,005	67,256	16,642	0	81,888	85,908	0	0	6,068,912	3,282,441	2,786,471
4 ADMINISTRATION	2,249,232	2,596		263,841				0	11,675	1,971,120	1,182,672	788,448
5 TOTAL REVENUES	27,360,392	878,708	993,616	1,406,039	743,323	263,587	171,818	0	18,974	22,884,327	16,379,186	6,505,141

**CHESTER 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
IN-HOME													
1-A	ADOPTION SERVICE	280,592	105,736		119,099	0	0	505,427	35	0	0	0	0
1-B	ADOPTION ASSISTANCE	0	0	1,272,559	0	0	0	1,272,559	0	192	0	0	0
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	123,096	0	0	0	123,096	0	38	0	0	0
1-D	COUNSELING - DEPENDENT	953,694	363,450		105,357	2,656,276	0	4,078,777	280	49	0	0	0
1-E	COUNSELING - DELINQUENT	0	0		7,979	1,696,140	0	1,704,119	180	180	0	0	0
1-F	DAY CARE	0	0		33,826	0	0	33,826	20	0	0	0	0
1-G	DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I	HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J	INTAKE & REFERRAL	212,378	80,937		75,041	0	0	368,356	6,283	0	0	0	0
1-K	LIFE SKILLS - DEPENDENT	508,837	193,916		56,046	0	0	758,799	272	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	660,717	225,697		92,867	0	0	979,281	1,679	0	0	0	0
1-N	PROTECTIVE SERVICE - GENERAL	606,465	218,123		126,276	0	0	950,864	1,492	0	0	0	0
1-O	SERVICE PLANNING	764,783	281,090		74,544	0	0	1,120,417	3,171	0	0	0	0
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT				0	273,895		273,895	0	114	0	0	0
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT				38,181	0		38,181	131	0	0	0	0
1-R	SUBTOTAL IN-HOME	3,987,466	1,468,949	1,395,655	729,216	4,626,311	0	12,207,597			0	0	0
		Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT													
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	91,696	35,575	0	24,843	954,264	0	1,106,378	5,260	54	0	0	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	7,082	1,506,432	0	1,513,514	6,145	46	0	0	0
2-E	EMERGENCY SHELTER - DEPENDENT	0	0	0	0	427,724	0	427,724	1,356	63	0	0	0
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	852,962	306,355	0	329,997	1,374,115	0	2,863,429	16,892	87	0	0	0
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	445	130,462	0	130,907	919	5	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K	SUBTOTAL CBP	944,658	341,930	0	362,367	4,392,997	0	6,041,952	30,572	255	0	0	0
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	0	0	0	0	3,815,583	0	3,815,583	5,108	245	0	0	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	45,375	17,231	0	73,036	1,092,205	0	1,227,847	2,756	45	0	0	0
3-C	RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	4,209	958,858	0	963,067	3,704	36	0	0	0
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	241,584	0	241,584	1,385	5	0	0	0
3-E	YDC SECURE	0	0	0	0	613,530	0	613,530	1,222	12	0	0	0
3-F	SUBTOTAL INSTITUTIONAL	45,375	17,231	0	77,245	6,721,760	0	6,861,611	14,175	343	0	0	0
4	ADMINISTRATION	821,695	317,681	0	1,109,856	0	0	2,249,232			0	0	0
5	TOTAL EXPENDITURES	5,799,194	2,145,791	1,395,655	2,278,684	15,741,068	0	27,360,392			0	0	0
		County Indirect Costs = \$ 440,023											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 505,427	\$ 0	\$ 505,427
Adoption Assistance	1,272,559	0	1,272,559
Subsidized Permanent Legal Custodianship	123,096	0	123,096
Counseling	5,782,896	0	5,782,896
Day Care	33,826	0	33,826
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	368,356	0	368,356
Life Skills	758,799	0	758,799
Protective Service - Child Abuse	979,281	0	979,281
Protective Service - General	950,864	0	950,864
Service Planning	1,120,417	0	1,120,417
Juvenile Act Proceedings	312,076	0	312,076
Alternative Treatment	0	0	0
Community Residential	2,619,892	0	2,619,892
Emergency Shelter	427,724	0	427,724
Foster Family	2,994,336	0	2,994,336
Supervised Independent Living	0	0	0
Juvenile Detention Service	3,815,583	0	3,815,583
Residential Service	2,190,914	0	2,190,914
Secure Residential Service (Except YDC)	241,584	0	241,584
YDC Secure	613,530	0	613,530
Administration	<u>2,249,232</u>	<u>0</u>	<u>2,249,232</u>
Combined Total Expense	<u>27,360,392</u>	<u>0</u>	<u>27,360,392</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 27,360,392</u>	<u>\$ 0</u>	<u>\$ 27,360,392</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,799,194	\$ 0	\$ 5,799,194
Employee Benefits	2,145,791	0	2,145,791
Subsidies	1,395,655	0	1,395,655
Operating	2,278,684	0	2,278,684
Purchased Services	15,741,068	0	15,741,068
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Combined Total Expense	<u>27,360,392</u>	<u>0</u>	<u>27,360,392</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 27,360,392</u>	<u>\$ 0</u>	<u>\$ 27,360,392</u>

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding - The Chester County Children and Youth Agency Paid Contractors for Counseling Services for In-Home Delinquent Children but Failed to Obtain Reasonable Assurance That Services Were Actually Provided (Resolved)

In our prior engagement report, covering the July 1, 2010 through the June 30, 2014, fiscal years, we cited the Chester County Children and Youth Agency (agency) for failing to obtain reasonable assurance that providers of Counseling - Delinquent services, responsible for providing In-Home counseling services directly to delinquent at-risk children and their families, actually performed the services for which the agency was invoiced, and subsequently paid, and that these services were provided in adherence to executed contract terms between the agency and the respective providers.

Agency management informed us that the Counseling – Delinquent Service providers’ invoices were reviewed and approved by the Chester County Juvenile Probation Office (JPO), and the corresponding costs were reported on the Children and Youth agency’s fiscal reports submitted to the Commonwealth Department of Human Services (DHS). For contracted In-Home Counseling – Delinquent 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 Counseling – Delinquent 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 Counseling – Delinquent Purchased Service providers, the agency failed to perform any procedures that would provide reasonable assurance that contracted services were actually provided.

During the conduct of our current engagement, agency management provided evidence that, as of July 1, 2014, the JPO began performing the same fiscal-related monitoring procedures the Children and Youth agency previously designed to reduce its risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms. These fiscal-related monitoring procedures include performing on-site fiscal-related monitoring, on at least an annual basis, of all contracted In-Home Counseling-Delinquent providers to compare submitted invoices to the respective provider’s records substantiating the number of units invoiced by Fee-for-Service providers and operating costs invoiced by Program-Funded providers. Furthermore, the procedures specified that when required supporting documentation is not available, or if the supporting documentation does not fully substantiate the invoiced number of units or operating costs, the provider is contacted to resolve such identified issues. The procedures further

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

specified that a corrective action plan is to be developed and the provider will either refund the agency by check or a future invoice will be reduced by the amount for which no supporting documentation was provided.

While we determined that the JPO performed fiscal-related monitoring procedures during the fiscal years included in our current engagement scope period that mirrored the fiscal-related monitoring procedures performed by the C&Y agency for their contracted In-Home Purchased Service providers, we noted that the JPO did not formally issue fiscal-related monitoring policy, and corresponding procedures, of its own until February 27, 2018. Therefore, we have no assurance that the fiscal-related monitoring procedures performed by JPO staff during the fiscal years included in our current engagement scope period were consistently performed, thus, possibly increasing the JPO's risk of failing to detect overbillings or fraudulent billings submitted by contracted JPO providers during these fiscal years.

While we commend the JPO management for subsequently adopting formal written fiscal-related monitoring policy and corresponding procedures, and concluded that the issuance of a repeat finding is not warranted, we note that without the issuance of a formal policy that accompanies developed procedures, JPO management's risk of paying overbillings or fraudulent billings submitted by contracted JPO providers would not be reduced to a reasonable level.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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).² To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,³ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Chester County Children and Youth Agency provided in-home and placement services to 2,313 children residing within the County during the 2014-2016 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

² 23 Pa.C.S. §§ 6344 and 6344.2.

³ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2018, via Finding 2018-010).

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁴

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁵ we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted audit engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring"⁶ in their provider executed contracts. Instead, all C&Y 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

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

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

⁶ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (no less frequently than quarterly) to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

DHS Senior Management Follow-Up Response

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

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

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

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

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

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

Greater Scrutiny of Arrest and Conviction Records

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained.⁹ However, recent amendments to the CPSL extend this time frame from one year to five years.¹⁰ 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.¹¹

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*

⁹ 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.

¹⁰ 23 Pa.C.S. § 6344.4.

¹¹ The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible noncompliance occurring at the beginning of the fiscal year. The period of delay would be higher when the Single Audit is not received within nine months from the end of the fiscal year.

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Service providers are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.¹²

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

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

¹² As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

¹³ It should be noted that agency management of the Chester County Children and Youth Agency (agency) chose to include a response to this observation, as follows: "We note that for many years Chester County CYF has included as part of our on-site provider monitoring procedures a review of whether contracted providers' employees had the appropriate clearances prior to being hired. Currently, this procedure is included in the on-site monitoring of all CYF and JPO contracted providers." However, during our conduct of this engagement we did not perform a review of Chester's CPSL review policies and procedures nor documentation substantiating the results of such conducted reviews.

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