

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

Schuylkill County

Children and Youth Agency

October 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Schuylkill County
Schuylkill County Courthouse
401 North Second Street
Pottsville, PA 17901-2528

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

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance¹ with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Schuylkill 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 2014-15, 2015-16, and 2016-17 fiscal years.

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 in total impacted the agency's Final Net State Share by increasing agency expenditures by \$13,741. However, no amount is due to the county or state because agency's expenditures exceeded the total State Act 148 Allocation by \$10,981. 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 no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share, as detailed in our amended fiscal reports for fiscal year 2015-2016, as included in Section 2 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$1,685. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$1,328. This adjustment is detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

Furthermore, we conducted additional procedures beyond those necessary to ascertain and certify the total Commonwealth expenditures paid on behalf of children residing within the county. We performed those additional procedures to determine whether the agency implemented internal controls to sufficiently reduce the risk of overbillings or fraudulent billings by contracted In-Home Purchased Service Providers occurring and going undetected. Opportunities to strengthen the agency's internal controls over its invoice review and approval process for these expenditures were identified and are included in the finding listed below, and as detailed in Section 4 of this report.

Finding – The Schuylkill County Children and Youth Agency Should Develop and Implement Internal Control Policies and Procedures in Order to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers

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 agency management at an exit conference held on October 5, 2018.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the recommended adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made

regarding the approval and finalization of the adjustment amounts during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

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

Sincerely,



Eugene A. DePasquale
Auditor General

October 15, 2018

Endnote

¹ The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies, as well as the volunteers/employees of their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and the Commonwealth DHS. Details regarding these deficiencies are further outlined in the Observation included in this report.

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Schuylkill County Children and Youth Agency provided in-home and placement services to 3,835 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2014 to JUNE 30, 2015

**SCHUYLKILL 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	\$	10,131,293
Supplemental Act 148		<u>487,846</u>
Total State Allocation		10,619,139
State Share (CY348) ²	\$	10,630,120
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	10,630,120
Less: Expenditures in Excess of the Approved State Allocation		<u>10,981</u>
Final Net State Share Payable ³	\$	10,619,139
Actual Act 148 Revenues Received ⁴		<u>10,619,139</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 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 \$10,981, as detailed above. While our adjustments resulted in a net increase of \$13,741 in expenditures for the agency for said fiscal year, as detailed on page 7 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the the Final Net State Share of Expenditures.

**SCHUYLKILL 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	110,334	1,064	19,784	0	0	0	0	0	89,486	89,486	0
02. 90% REIMBURSEMENT	147,119	0	37,692	0	0	0	0	0	109,427	98,484	10,943
03. 80% REIMBURSEMENT	15,090,790	369,004	2,831,393	176,662	0	0	0	0	11,713,731	9,370,982	2,342,749
04. 60% REIMBURSEMENT	2,113,933	60,388	256,164	0	115,591	45,300	0	8,746	1,627,744	976,646	651,098
05. 50% REIMBURSEMENT	189,248	72	133	0	0	0	0	0	189,043	94,522	94,521
06. TOTAL NET CHILD WELFARE EXPEND.	17,651,424	430,528	3,145,166	176,662	115,591	45,300	0	8,746	13,729,431	10,630,120	3,099,311

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	287,594	3,771							283,823	170,294	113,529

08. NON-REIMBURSABLE EXPENDITURES	41,191	0							41,191		41,191
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09. TOTAL EXPENDITURES	17,980,209	434,299	3,145,166	176,662	115,591	45,300	0	8,746	14,054,445	10,800,414	3,254,031
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10. TOTAL TITLE IV-D COLLECTIONS 182,410

11. TITLE IV-D Collections for IV-E Children 35,365

12. STATE ACT 148 - line 6 10,630,120

13. STATE ACT 148 ALLOCATION 10,619,139

14. ADJUSTED STATE SHARE (lower of 12 or 13) 10,619,139

INVOICE											
AMENDED STATE SHARE (ACT 148)	10,630,120										
ACT 148 AMOUNT RECEIVED	10,619,139										
ADJUSTMENT TO STATE SHARE	10,981										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	110,334	1,064		19,784	0		0	0	0	89,486	89,486	0
1-B ADOPTION ASSISTANCE	972,483	0	442,455	5,382			0	0	0	524,646	419,717	104,929
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	303,029	0	40,591	0			0	0	0	262,438	209,950	52,488
1-D COUNSELING - DEPENDENT	1,901,223	0		80	2,997		0	0	0	1,901,223	1,520,978	380,245
1-E COUNSELING - DELINQUENT	806,425	0		0	0		0	0	0	803,348	642,678	160,670
1-F DAY CARE	1,518	0		0	0		0	0	0	1,518	1,214	304
1-G DAY TREATMENT - DEPENDENT	218,557	0		0	158,189		0	0	0	60,368	48,294	12,074
1-H DAY TREATMENT - DELINQUENT	19,154	0		0	15,476		0	0	0	3,678	2,942	736
1-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J INTAKE & REFERRAL	5,589	0		1,005	0		0	0	0	4,584	3,667	917
1-K LIFE SKILLS - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	36,619	0		0	0		0	0	0	36,619	29,295	7,324
1-M PROTECTIVE SERVICE - CHILD ABUSE	598,902	6,836		106,373	0		0	0	0	485,693	388,554	97,139
1-N PROTECTIVE SERVICE - GENERAL	2,461,433	27,092		425,900	0		0	0	0	2,008,441	1,606,753	401,688
1-O SERVICE PLANNING	1,604,582	18,789		287,412	0		0	0	0	1,298,381	1,038,705	259,676
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	91,326	0		133	0		0	0	0	91,193	45,597	45,596
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	5,580	0		0	0		0	0	0	5,580	2,790	2,790
1-R SUBTOTAL IN-HOME	9,136,754	53,781	483,046	846,069	176,662	0	0	0	0	7,577,196	6,050,620	1,526,576
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	163,505	2,901	27,301	0			0	0	0	133,303	106,642	26,661
2-B ALTERNATIVE TREATMENT - DELINQUENT	228,069	11,082	3,989	4			0	0	0	212,994	170,395	42,599
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,192,204	47,498	281,396	27,120			0	0	0	836,190	668,952	167,238
2-D COMMUNITY RESIDENTIAL - DELINQUENT	743,902	27,031	112,297	0			0	0	0	604,574	483,659	120,915
2-E EMERGENCY SHELTER - DEPENDENT	147,119	0	24,404	13,288			0	0	0	109,427	98,484	10,943
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	3,772,303	227,408	454,570	606,733			0	0	0	2,483,592	1,986,874	496,718
2-H FOSTER FAMILY - DELINQUENT	61,293	367	5,197	3,588			0	0	0	52,141	41,713	10,428
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUBTOTAL CBP	6,308,395	316,287	909,154	650,733	0	0	0	0	0	4,432,221	3,556,719	875,502
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	92,342	72					0	0	0	92,270	46,135	46,135
3-B RESIDENTIAL SERVICE - DEPENDENT	283,555	5,509	33,750	5,824			33,975	0	0	204,497	122,698	81,799
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	484,122	34,152	27,345	7			115,591	0	0	295,702	177,421	118,281
3-D SECURE RES. SERVICE (EXCEPT YDC)	293,075	12,370						0	0	280,705	168,423	112,282
3-E YDC SECURE	287,594	3,771						0	0	283,823	170,294	113,529
3-F SUBTOTAL INSTITUTIONAL	1,440,688	55,874	61,095	5,831	0	115,591	45,300	0	0	1,156,997	684,971	472,026
4 ADMINISTRATION	1,053,181	8,357		189,238			0	0	0	8,746	508,104	338,736
5 TOTAL REVENUES	17,939,018	434,299	1,453,295	1,691,871	176,662	115,591	45,300	0	8,746	14,013,254	10,800,414	3,212,840

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED CY 370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	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	63,168	28,403		18,763	0	0	110,334	22	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	975,207	0	0	0	975,207	0	148	0	2,724	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	303,029	0	0	0	303,029	0	56	0	0	0
1-D COUNSELING - DEPENDENT	0	0		4,750	1,913,822	0	1,918,572	0	1,147	0	17,349	0
1-E COUNSELING - DELINQUENT	0	0		445	814,060	0	814,505	0	179	0	8,080	0
1-F DAY CARE	0	0		0	1,518	0	1,518	0	1	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	218,557	0	218,557	0	35	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	19,154	0	19,154	0	4	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	0	0		5,589	0	0	5,589	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	36,619	0	36,619	0	103	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	363,031	165,284		67,697	3,850	0	599,862	612	9	960	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,476,316	674,823		239,017	71,277	0	2,461,433	1,891	146	0	0	0
1-O SERVICE PLANNING	998,694	452,187		153,701	0	0	1,604,582	4,609	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				3,051	88,275		91,326	0	745	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				3,980	5,870		9,850	0	16	0	4,270	0
1-R SUBTOTAL IN-HOME	2,901,209	1,320,697	1,278,236	496,993	3,173,002	0	9,170,137			960	32,423	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	163,505	0	163,505	723	10	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	362	227,707	0	228,069	1,014	22	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	94,245	42,927	0	14,851	1,040,181	0	1,192,204	5,400	38	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	2,318	741,584	0	743,902	3,628	29	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	1,441	145,678	0	147,119	1,920	82	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	489,634	221,061	0	120,998	2,941,410	0	3,773,103	57,828	253	800	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	150	61,143	0	61,293	702	3	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	583,879	263,988	0	140,120	5,321,208	0	6,309,195	71,215	437	800	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	5,182	87,160	0	92,342	304	28	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	19,781	9,173	0	9,545	245,056	0	283,555	1,081	9	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	18,118	466,004	0	484,122	3,131	22	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	25	293,050	0	293,075	1,061	4	0	0	0
3-E YDC SECURE	0	0	0	0	287,594	0	287,594	601	6	0	0	0
3-F SUBTOTAL INSTITUTIONAL	19,781	9,173	0	32,870	1,378,864	0	1,440,688	6,178	69	0	0	0
4 ADMINISTRATION	440,625	197,435	0	422,129	0	0	1,060,189			7,008	0	0
5 TOTAL EXPENDITURES	3,945,494	1,791,293	1,278,236	1,092,112	9,873,074	0	17,980,209			8,768	32,423	0
County Indirect Costs = \$ 300,377												

**SCHUYLKILL 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	\$ 110,329	\$ 5	\$ 110,334
Adoption Assistance	975,207	0	975,207
Subsidized Permanent Legal Custodianship	303,029	0	303,029
Counseling	2,733,077	0	2,733,077
Day Care	1,518	0	1,518
Day Treatment	237,711	0	237,711
Homemaker Service	0	0	0
Intake and Referral	5,589	0	5,589
Life Skills	36,619	0	36,619
Protective Service - Child Abuse	598,493	1,369	599,862
Protective Service - General	2,461,277	156	2,461,433
Service Planning	1,604,468	114	1,604,582
Juvenile Act Proceedings	101,176	0	101,176
Alternative Treatment	391,574	0	391,574
Community Residential	1,924,549	11,557	1,936,106
Emergency Shelter	147,119	0	147,119
Foster Family	3,833,915	481	3,834,396
Supervised Independent Living	0	0	0
Juvenile Detention Service	92,342	0	92,342
Residential Service	767,673	4	767,677
Secure Residential Service (Except YDC)	293,075	0	293,075
YDC Secure	287,594	0	287,594
Administration	1,060,134	55	1,060,189
Combined Total Expense	<u>17,966,468</u>	<u>13,741</u>	<u>17,980,209</u>
Less Non-reimbursables	<u>41,191</u>	<u>0</u>	<u>41,191</u>
Total Net Expense	<u>\$ 17,925,277</u>	<u>\$ 13,741</u>	<u>\$ 17,939,018</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,945,494	\$ 0	\$ 3,945,494
Employee Benefits	1,791,293	0	1,791,293
Subsidies	1,278,236	0	1,278,236
Operating	1,089,915	2,197	1,092,112
Purchased Services	9,861,530	11,544	9,873,074
Fixed Assets	0	0	0
Combined Total Expense	<u>17,966,468</u>	<u>13,741</u>	<u>17,980,209</u>
Less Non-reimbursables	<u>41,191</u>	<u>0</u>	<u>41,191</u>
Total Net Expense	<u>\$ 17,925,277</u>	<u>\$ 13,741</u>	<u>\$ 17,939,018</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustment			
CY-370	1-A	4	1	Adoption Services - Operating	\$ 18,758	\$ 5	\$ 18,763
	1-M	4		Protective Services Child Abuse - Operating	\$ 66,328	\$ 1,369	\$ 67,697
	1-N	4		Protective Services General - Operating	\$ 238,861	\$ 156	\$ 239,017
	1-O	4		Service Planning - Operating	\$ 153,587	\$ 114	\$ 153,701
	2-C	4		Community Residential (Dep.) - Operating	\$ 14,838	\$ 13	\$ 14,851
	2-D	5		Community Residential (Dep.) - Purchased Services	\$ 730,040	\$ 11,544	\$ 741,584
	2-G	4		Foster Family (Dep.) - Operating	\$ 120,517	\$ 481	\$ 120,998
	3-B	4		Residential Service (Dep.) - Operating	\$ 9,541	\$ 4	\$ 9,545
	4	4		Administration - Operating	\$ 422,074	\$ 55	\$ 422,129
				Total Adjustment Amount		<u>\$ 13,741</u>	
				To increase expenditures by \$13,741 to reconcile to the agency's final expenditure ledger. The agency made adjustments to the expenditure ledger after submission of the fiscal reports to the Commonwealth Department of Human Services			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**SCHUYLKILL 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	\$	10,453,465
Supplemental Act 148		<u>931,495</u>
Total State Allocation		11,384,960
State Share (CY348) ²	\$	11,384,960
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	11,384,960
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	11,384,960
Actual Act 148 Revenues Received ⁴		<u>11,384,960</u>
Net Amount Due County/(State) ⁵	\$	<u><u>0</u></u>

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

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

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

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

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

**SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED CY3-48
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	151,666	4,247	27,527	0	0	0	0	0	119,892	119,892	0
02. 90% REIMBURSEMENT	244,954	0	64,700	0	0	0	0	0	180,254	162,229	18,025
03. 80% REIMBURSEMENT	16,644,207	466,916	3,290,423	176,662	28,898	0	0	0	12,681,308	10,145,046	2,536,262
04. 60% REIMBURSEMENT	1,880,710	53,207	268,490	0	86,693	45,300	0	9,150	1,417,870	850,722	567,148
05. 50% REIMBURSEMENT	214,142	0	0	0	0	0	0	0	214,142	107,071	107,071
06. TOTAL NET CHILD WELFARE EXPEND.	19,135,679	524,370	3,651,140	176,662	115,591	45,300	0	9,150	14,613,466	11,384,960	3,228,506

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	949,478	12,433							937,045	562,227	374,818

08. NON-REIMBURSABLE EXPENDITURES	47,387	0							47,387		47,387
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09. TOTAL EXPENDITURES	20,132,544	536,803	3,651,140	176,662	115,591	45,300	0	9,150	15,597,898	11,947,187	3,650,711
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10. TOTAL TITLE IV-D COLLECTIONS 216,144

11. TITLE IV-D Collections for IV-E Children 53,195

12. STATE ACT 148 - line 6 11,384,960

13. STATE ACT 148 ALLOCATION 11,384,960

14. ADJUSTED STATE SHARE (lower of 12 or 13) 11,384,960

INVOICE	
AMENDED STATE SHARE (ACT 148)	11,384,960
ACT 148 AMOUNT RECEIVED	11,384,960
ADJUSTMENT TO STATE SHARE	0

**SCHUYLKILL 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												
I-A ADOPTION SERVICE	151,666	4,247		27,527	0		0	0	0	119,892	119,892	0
I-B ADOPTION ASSISTANCE	1,071,064	0	482,984	12,964					0	575,116	460,093	115,023
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	331,971	0	45,167						0	286,804	229,443	57,361
I-D COUNSELING - DEPENDENT	1,887,827	0							0	1,887,827	1,510,262	377,565
I-E COUNSELING - DELINQUENT	804,695	0		81	59,846				0	744,768	595,814	148,954
I-F DAY CARE	0	0							0	0	0	0
I-G DAY TREATMENT - DEPENDENT	215,079	0			116,816				0	98,263	78,610	19,653
I-H DAY TREATMENT - DELINQUENT	0	0							0	0	0	0
I-I HOME/MAKER SERVICE	0	0							0	0	0	0
I-J INTAKE & REFERRAL	2,874	0		536					0	2,338	1,870	468
I-K LIFE SKILLS - DEPENDENT	0	0							0	0	0	0
I-L LIFE SKILLS - DELINQUENT	33,240	0							0	33,240	26,592	6,648
I-M PROTECTIVE SERVICE - CHILD ABUSE	561,059	10,772		100,118					0	450,169	360,135	90,034
I-N PROTECTIVE SERVICE - GENERAL	2,781,471	58,145		488,333					0	2,234,993	1,787,994	446,999
I-O SERVICE PLANNING	1,651,544	33,400		300,290					0	1,317,854	1,054,283	263,571
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	91,796	0							0	91,796	45,898	45,898
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	11,156	0							0	11,156	5,578	5,578
I-R	9,595,442	106,564	528,151	929,849	176,662	0	0	0	0	7,854,216	6,276,464	1,577,752
SUBTOTAL IN-HOME												

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	79,417	2,703	17,032	0					0	59,682	47,746	11,936
2-B ALTERNATIVE TREATMENT - DELINQUENT	151,974	3,647	16,421	0					0	131,906	105,525	26,381
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,403,820	47,712	207,108	23,861		28,898	0		0	1,096,241	876,993	219,248
2-D COMMUNITY RESIDENTIAL - DELINQUENT	787,410	24,977	137,637	4					0	624,792	499,834	124,958
2-E EMERGENCY SHELTER - DEPENDENT	244,954	0	37,677	27,023					0	180,254	162,229	18,025
2-F EMERGENCY SHELTER - DELINQUENT	0	0							0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	4,845,341	285,173	662,788	792,906					0	3,104,474	2,483,579	620,895
2-H FOSTER FAMILY - DELINQUENT	12,971	387	2,193	0					0	10,391	8,313	2,078
2-I SUP. INDEPENDENT LIVING - DEPENDENT	22,450	0							0	22,450	17,960	4,490
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	0
2-K	7,548,337	364,599	1,080,856	843,794	0	28,898	0	0	0	5,230,190	4,202,179	1,028,011
SUBTOTAL CBP												

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	111,190	0							0	111,190	55,595	55,595
3-B RESIDENTIAL SERVICE - DEPENDENT	276,626	9,038	15,170	10,485		57,795	22,650		0	161,488	96,893	64,595
3-C RES. SERVICE - DELINQUENT (NON-YDC/YFC)	237,285	14,699	32,649	0		28,898	22,650		0	138,389	83,033	55,356
3-D SECURE RES. SERVICE (EXCEPT YDC)	216,671	11,704							0	204,967	122,980	81,987
3-E YDC SECURE	949,478	12,433							0	937,045	562,227	374,818
3-F	1,791,250	47,874	47,819	10,485	0	86,693	45,300	0	0	1,553,079	920,728	632,351
SUBTOTAL INSTITUTIONAL												

ADMINISTRATION	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
4	1,150,128	17,766		210,186			0	0	0	913,026	547,816	365,210
TOTAL REVENUES	20,085,157	536,803	1,656,826	1,994,314	176,662	115,591	45,300	0	9,150	15,550,511	11,947,187	3,603,324

SCHUYLKILL 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 SUBSIDIES	OPERATING 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
I-A ADOPTION SERVICE	83,910	40,830		16,108	0	10,818	151,666	20	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,071,064	0	0	0	1,071,064	0	162	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	331,971	0	0	0	331,971	0	58	0	0	0
I-D COUNSELING - DEPENDENT	0	0		6,561	1,911,467	0	1,918,028	0	975	0	30,201	0
I-E COUNSELING - DELINQUENT	0	0		415	809,330	0	809,745	0	162	0	5,050	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	215,079	0	215,079	0	24	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	0	0		2,874	0	0	2,874	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	33,240	0	33,240	0	92	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	306,443	148,546		62,681	11,300	32,089	561,059	636	23	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,530,139	741,646		275,242	78,596	155,848	2,781,471	1,654	102	0	0	0
I-O SERVICE PLANNING	940,537	456,160		159,719	0	95,128	1,651,544	4,259	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				3,596	88,200		91,796	0	664	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				4,856	12,926		17,782	0	26	0	6,626	0
I-R SUBTOTAL IN-HOME	2,861,029	1,387,182	1,403,035	532,052	3,160,138	293,883	9,637,319			0	41,877	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	79,417	0	79,417	395	8	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	97	151,877	0	151,974	659	17	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	73,248	35,647	0	12,207	1,273,201	9,517	1,403,820	6,011	34	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,967	785,443	0	787,410	3,483	24	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	4,144	240,810	0	244,954	3,381	135	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	580,017	280,778	0	136,482	3,792,465	55,799	4,845,541	80,448	357	3	197	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	12,971	0	12,971	230	3	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	22,450	0	22,450	120	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	653,265	316,425	0	154,897	6,358,634	65,316	7,548,537	94,727	579	3	197	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	5,949	105,241	0	111,190	373	30	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	30,074	14,826	0	14,388	210,953	6,385	276,626	1,046	12	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	22,451	214,834	0	237,285	951	14	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	216,671	0	216,671	739	4	0	0	0
3-E YDC SECURE	0	0	0	0	949,478	0	949,478	1,975	14	0	0	0
3-F SUBTOTAL INSTITUTIONAL	30,074	14,826	0	42,788	1,697,177	6,385	1,791,250	5,084	74	0	0	0
4 ADMINISTRATION	435,062	208,589	0	470,669	0	41,118	1,155,438			5,310	0	0
TOTAL EXPENDITURES	3,979,430	1,927,022	1,403,035	1,200,406	11,215,949	406,702	20,132,544			5,313	42,074	0
County Indirect Costs = \$ 338,854												

**SCHUYLKILL 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	\$ 151,666	\$ 0	\$ 151,666
Adoption Assistance	1,071,064	0	1,071,064
Subsidized Permanent Legal Custodianship	331,971	0	331,971
Counseling	2,727,773	0	2,727,773
Day Care	0	0	0
Day Treatment	215,079	0	215,079
Homemaker Service	0	0	0
Intake and Referral	2,874	0	2,874
Life Skills	33,240	0	33,240
Protective Service - Child Abuse	561,059	0	561,059
Protective Service - General	2,781,471	0	2,781,471
Service Planning	1,651,544	0	1,651,544
Juvenile Act Proceedings	109,578	0	109,578
Alternative Treatment	231,391	0	231,391
Community Residential	2,191,230	0	2,191,230
Emergency Shelter	244,954	0	244,954
Foster Family	4,858,512	0	4,858,512
Supervised Independent Living	22,450	0	22,450
Juvenile Detention Service	111,190	0	111,190
Residential Service	513,911	0	513,911
Secure Residential Service (Except YDC)	216,671	0	216,671
YDC Secure	949,478	0	949,478
Administration	1,155,438	0	1,155,438
Combined Total Expense	20,132,544	0	20,132,544
Less Non-reimbursables	47,387	0	47,387
Total Net Expense	\$ 20,085,157	\$ 0	\$ 20,085,157

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,979,430	\$ 0	\$ 3,979,430
Employee Benefits	1,927,022	0	1,927,022
Subsidies	1,403,035	0	1,403,035
Operating	1,200,406	0	1,200,406
Purchased Services	11,215,949	0	11,215,949
Fixed Assets	406,702	0	406,702
Combined Total Expense	20,132,544	0	20,132,544
Less Non-reimbursables	47,387	0	47,387
Total Net Expense	\$ 20,085,157	\$ 0	\$ 20,085,157

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**SCHUYLKILL 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	\$	11,175,608
Supplemental Act 148		<u>612,506</u>
Total State Allocation		11,788,114
State Share (CY348) ²	\$	11,786,786
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	11,786,786
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	11,786,786
Actual Act 148 Revenues Received ⁴		<u>11,788,114</u>
Net Amount Due County/(State) ⁵	\$	<u><u>(1,328)</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.

SCHUYLKILL 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	179,658	2,382	31,376	0	0	0	0	0	145,900	145,900	0
02. 90% REIMBURSEMENT	159,602	15	3,052	0	0	0	0	0	156,535	140,882	15,653
03. 80% REIMBURSEMENT	17,173,943	414,580	3,805,754	176,583	115,591	0	0	0	12,661,435	10,129,147	2,532,288
04. 60% REIMBURSEMENT	2,366,568	55,546	194,586	0	0	45,300	0	8,170	2,062,966	1,237,779	825,187
05. 50% REIMBURSEMENT	266,182	28	0	0	0	0	0	0	266,154	133,078	133,076
06. TOTAL NET CHILD WELFARE EXPEND.	20,145,953	472,551	4,034,768	176,583	115,591	45,300	0	8,170	15,292,990	11,786,786	3,506,204

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	941,970	5,221							936,749	562,049	374,700

08. NON-REIMBURSABLE EXPENDITURES	35,830	0							35,830		35,830
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09. TOTAL EXPENDITURES	21,123,753	477,772	4,034,768	176,583	115,591	45,300	0	8,170	16,265,569	12,348,835	3,916,734
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10. TOTAL TITLE IV-D COLLECTIONS 167,358

11. TITLE IV-D Collections for IV-E Children 60,162

12. STATE ACT 148 - line 6 11,786,786

13. STATE ACT 148 ALLOCATION 11,788,114

14. ADJUSTED STATE SHARE (lower of 12 or 13) 11,786,786

INVOICE											
AMENDED STATE SHARE (ACT 148)	11,786,786										
ACT 148 AMOUNT RECEIVED	11,788,114										
ADJUSTMENT TO STATE SHARE	(1,328)										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	179,658	2,382		31,376						145,900	495,264	123,816
1-B ADOPTION ASSISTANCE	1,153,896	0	521,216	13,600						619,080	257,126	64,282
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	377,836	0	56,428							321,408	1,770,004	442,501
1-D COUNSELING - DEPENDENT	2,212,505	0								2,212,505	540,095	135,024
1-E COUNSELING - DELINQUENT	745,372	0		70,253						675,119	0	0
1-F DAY CARE	0	0								0	0	0
1-G DAY TREATMENT - DEPENDENT	149,940	0		106,330						43,610	34,888	8,722
1-H DAY TREATMENT - DELINQUENT	0	0								0	0	0
1-I HOMEMAKER SERVICE	0	0								0	0	0
1-J INTAKE & REFERRAL	2,462	0		435						2,027	1,622	405
1-K LIFE SKILLS - DEPENDENT	0	0								0	0	0
1-L LIFE SKILLS - DELINQUENT	36,708	0								36,708	29,366	7,342
1-M PROTECTIVE SERVICE - CHILD ABUSE	501,255	8,393		86,806						406,056	324,845	81,211
1-N PROTECTIVE SERVICE - GENERAL	2,713,881	44,933		455,388						2,213,560	1,770,848	442,712
1-O SERVICE PLANNING	1,480,428	25,272		255,856						1,199,300	959,440	239,860
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	141,764	0								141,764	70,882	70,882
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	1	0								1	1	0
1-R SUBTOTAL IN-HOME	9,695,706	80,980	577,644	843,461	176,583					8,017,038	6,400,281	1,616,757
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0								0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0								0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,498,135	34,088		19,722		115,591				1,328,734	1,062,987	265,747
2-D COMMUNITY RESIDENTIAL - DELINQUENT	480,946	9,852		100						470,994	376,795	94,199
2-E EMERGENCY SHELTER - DEPENDENT	159,602	15								156,535	140,882	15,653
2-F EMERGENCY SHELTER - DELINQUENT	0	0								0	0	0
2-G FOSTER FAMILY - DEPENDENT	5,740,914	288,600		940,473						3,056,259	2,445,007	611,252
2-H FOSTER FAMILY - DELINQUENT	79,665	3,442		148						76,075	60,860	15,215
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0								0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0								0	0	0
2-K SUBTOTAL CBP	7,959,262	335,997	1,458,634	960,443		115,591				5,088,597	4,086,531	1,002,066
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	124,417	28								124,389	62,195	62,194
3-B RESIDENTIAL SERVICE - DEPENDENT	317,318	0								317,318	190,391	126,927
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	604,294	29,245				45,300				529,749	317,849	211,900
3-D SECURE RES. SERVICE (EXCEPT YDC)	325,230	9,021								316,209	189,725	126,484
3-E YDC SECURE	941,970	5,221								936,749	562,049	374,700
3-F SUBTOTAL INSTITUTIONAL	2,313,229	43,515	0	0	0	45,300				2,224,414	1,322,209	902,205
ADMINISTRATION												
4 ADMINISTRATION	1,119,726	17,280		194,586						8,170	899,690	359,876
TOTAL REVENUES	21,087,923	477,772	2,036,278	1,998,490	176,583	115,591	45,300	0	8,170	16,229,739	12,348,835	3,880,904

SCHUYLKILL 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	EMPLOYEE BENEFITS SUBSIDIES	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
IN-HOME												
I-A ADOPTION SERVICE	82,088	40,467		57,103	0	0	179,658	36	0	0	0	0
I-B ADOPTION ASSISTANCE	0	1,153,896		0	0	0	1,153,896	0	656	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	377,836		0	0	0	377,836	0	213	0	0	0
I-D COUNSELING - DEPENDENT	0	0		4,138	2,227,154	0	2,231,292	0	2,049	0	18,787	0
I-E COUNSELING - DELINQUENT	0	0		749,337	0	0	749,337	0	591	0	3,965	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	149,940	0	149,940	0	39	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	0	0		2,462	0	0	2,462	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	36,708	0	36,708	0	158	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	291,980	144,836		62,939	1,500	0	501,255	517	3	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,560,690	775,477		290,585	871,129	0	2,713,881	6,142	367	0	0	0
I-O SERVICE PLANNING	881,085	437,620		161,723	0	0	1,480,428	6,636	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				5,496	136,268		141,764	0	2,743	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	6,256		6,256	0	27	0	6,255	0
I-R SUBTOTAL IN-HOME	2,815,843	1,398,400	1,531,732	584,446	3,394,292	0	9,724,713			0	29,007	0
Number of Children receiving only NON-PURCHASED IN-Home Services 13,074												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	68,207	33,651		12,045	1,384,232	0	1,498,135	6,411	102	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		1,138	479,808	0	480,946	2,391	43	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		2,718	156,884	0	159,602	2,231	113	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	638,413	316,156		145,920	4,640,425	0	5,740,914	95,663	1,175	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		1,218	78,447	0	79,665	544	8	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	706,620	349,807	0	163,039	6,739,796	0	7,959,262	107,230	1,441	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	399,754	195,575		551,220	0	0	1,126,549			6,823	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		7,163	117,254	0	124,417	443	33	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		3,699	313,619	0	317,318	1,476	28	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		17,277	587,017	0	604,294	2,959	43	0	0	0
3-E YDC SECURE	0	0		0	0	0	325,230	979	16	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	28,139	2,285,090	0	2,313,229	7,704	149	0	0	0
4 ADMINISTRATION	399,754	195,575	0	551,220	0	0	1,126,549			6,823	0	0
5 TOTAL EXPENDITURES	3,922,217	1,943,782	1,531,732	1,306,844	12,419,178	0	21,123,753			6,823	29,007	0
County Indirect Costs = \$ 388,317												

**SCHUYLKILL 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	\$ 179,701	\$ (43)	\$ 179,658
Adoption Assistance	1,153,896	0	1,153,896
Subsidized Permanent Legal Custodianship	377,836	0	377,836
Counseling	2,980,629	0	2,980,629
Day Care	0	0	0
Day Treatment	149,940	0	149,940
Homemaker Service	0	0	0
Intake and Referral	2,462	0	2,462
Life Skills	36,708	0	36,708
Protective Service - Child Abuse	501,379	(124)	501,255
Protective Service - General	2,714,572	(691)	2,713,881
Service Planning	1,480,785	(357)	1,480,428
Juvenile Act Proceedings	148,020	0	148,020
Alternative Treatment	0	0	0
Community Residential	1,979,116	(35)	1,979,081
Emergency Shelter	159,602	0	159,602
Foster Family	5,820,868	(289)	5,820,579
Supervised Independent Living	0	0	0
Juvenile Detention Service	124,417	0	124,417
Residential Service	921,612	0	921,612
Secure Residential Service (Except YDC)	325,230	0	325,230
YDC Secure	941,970	0	941,970
Administration	1,126,695	(146)	1,126,549
Combined Total Expense	<u>21,125,438</u>	<u>(1,685)</u>	<u>21,123,753</u>
Less Non-reimbursables	<u>35,830</u>	<u>0</u>	<u>35,830</u>
Total Net Expense	<u>\$ 21,089,608</u>	<u>\$ (1,685)</u>	<u>\$ 21,087,923</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,923,902	\$ (1,685)	\$ 3,922,217
Employee Benefits	1,943,782	0	1,943,782
Subsidies	1,531,732	0	1,531,732
Operating	1,306,844	0	1,306,844
Purchased Services	12,419,178	0	12,419,178
Fixed Assets	0	0	0
Combined Total Expense	<u>21,125,438</u>	<u>(1,685)</u>	<u>21,123,753</u>
Less Non-reimbursables	<u>35,830</u>	<u>0</u>	<u>35,830</u>
Total Net Expense	<u>\$ 21,089,608</u>	<u>\$ (1,685)</u>	<u>\$ 21,087,923</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustment			
CY-370	1-A	1	1	Adoption Service - Wages & Salaries	\$ 82,131	\$ (43)	\$ 82,088
	1-M	1		Protective Service Child Abuse - Wages & Salaries	\$ 292,104	\$ (124)	\$ 291,980
	1-N	1		Protective Service General - Wages & Salaries	\$ 1,561,381	\$ (691)	\$ 1,560,690
	1-O	1		Service Planning - Wages & Salaries	\$ 881,442	\$ (357)	\$ 881,085
	2-C	1		Community Residential (Dep.) - Wages & Salaries	\$ 68,242	\$ (35)	\$ 68,207
	2-G	1		Foster Family (Dep.) - Wages & Salaries	\$ 638,702	\$ (289)	\$ 638,413
	4	1		Administration - Wages & Salaries	\$ 399,900	\$ (146)	\$ 399,754
				Total Adjustment Amount		<u>\$ (1,685)</u>	
				To decrease Wages & Salaries by \$1,685 to eliminate an expenditure which was reported with the Independent Living Grant and also reported on the CY-370 Expenditure Report.			
				Title 55 PA Code, Chapter 3170.95 (a)(b)			

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – The Schuylkill County Children and Youth Agency Should Develop and Implement Internal Control Policies and Procedures in Order to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers

Condition: During the 2014-2015, 2015-2016, and 2016-2017 fiscal years, the Schuylkill County Children and Youth Agency (agency) paid In-Home Purchased Service providers¹ (providers) a total of \$5,683,962² for services rendered directly to at-risk children and their families.

We evaluated the agency's internal control procedures over its invoice review and approval process related to reducing the risk of paying overbillings or fraudulent billings included on invoices submitted by those providers for services rendered directly to at-risk children and their families and not detecting those overpayments. We judgmentally selected 15 providers contracted to provide In-Home Services directly to the at-risk children and their families that were utilized during the 2014-2015, 2015-2016, and 2016-2017 fiscal years, judgmentally selecting 19 invoices totaling \$438,893 paid to those providers, and obtained the approved invoices corresponding to the \$438,893 expended.

The cited providers were contracted as Fee-for-Service providers. Approved contracts for Fee-for-Service providers include an agreed upon fee-for-service rate per unit (hours) invoiced, and costs invoiced by these types of providers are calculated by multiplying the contracted service rate by the number of units each respective Fee-for-Service provider listed on its submitted invoices. While the monthly invoices submitted by these Fee-for-Service providers included the names of the individuals these providers attested received the invoiced services, the agency failed to provide evidence substantiating each listed individual's actual attendance/participation.

Furthermore, agency management has not formally adopted written internal control policies and procedures, or documented and maintained evidence of the performance of control

¹ Agency management stated that 45 providers were utilized during the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the amount of time it would have taken, based on how agency records are maintained, we did not verify the accuracy of this number, which is included for contextual purposes only. However, we did perform procedures to obtain reasonable assurance that the agency paid In-Home Purchased Service Providers a total of \$9,687,584 during the noted engagement scope period.

² When evaluating the agency's internal control procedures over its invoice review and approval process, we excluded Juvenile Act Proceedings costs and Adoption costs totaling \$4,003,622 from the \$9,687,584 total the agency paid to contracted In-Home Purchased Service providers during our engagement scope period because, due to the nature of these costs, they are not subject to the same risks as costs invoiced by In-Home Purchased Service Providers rendering services directly to at-risk children and their families.

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

procedures related to reducing the risk or paying overbillings or fraudulent billings submitted by these providers.

Finally, regarding the remaining In-Home Purchased Services providers for whom we performed no testing procedures, agency management informed us that they were subjected to the same procedures as detailed above.

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

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

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 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; Bulletin 3140-14-02, applicable for fiscal year ended 6/30/2015; and Bulletin 3140-15-02, applicable for fiscal year ended 6/30/2016: 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...”*

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”

Cause: Agency management thought the invoice review and approval procedures performed during the fiscal years included in our engagement scope period were sufficient. These procedures included calculating the mathematical accuracy of invoices, comparing contracted rates to rates on invoices, and verifying children listed on invoices were approved for the invoiced services. In addition, agency management stated that the contract manager performed annual on-site monitoring visits of purchased service providers; however, the monitoring consisted of mostly programmatic procedures. The fiscal-related monitoring questions/procedures performed during the on-site visits did not include a review of the provider’s supporting documentation for invoiced In-Home services. We determined that performance of these procedures alone did not provide reasonable assurance that contracted In-Home Purchased Services were actually provided, and if provided, provided for the number of units for each individual listed on Fee-for-Service providers’ invoices.

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

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

Recommendation: We recommend that agency management implement fiscal-related monitoring policy, and corresponding procedures, designed to reduce the agency’s risk of paying overbillings and fraudulent billings submitted by In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

adequate to obtain reasonable assurance that the services related to the fees invoiced by contracted In-Home Purchased Service providers were actually provided, and provided in adherence to executed contract terms.

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

- Development and implementation of formal policies and procedures detailing the specific internal control procedures, including fiscal-related In-Home monitoring procedures, that must be performed to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers. The implemented fiscal-related monitoring procedures must be sufficient to assess the validity of the number of units invoiced by Fee-for-Service providers.
- Performance of on-site 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 of the number of units invoiced by Fee-for-Service providers, and that related services were actually provided according to executed contract terms.
- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Services costs were actually provided.³
- Ensuring that agency staff responsible for reviewing and approving submitted In-Home Purchased Services providers’ invoices for payment are made aware of the results of 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 invoice review and approval process for these providers.

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

³ For program-funded providers, fiscal-related monitoring should include verification of these providers’ operating costs invoiced to the agency.

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Agency Representative Response: The agency will develop a standard process for the monitoring of invoicing procedures for In-Home purchased services providers to ensure that fraudulent or overbillings do not occur. This will include developing written procedures over how the monitoring process is completed and what happens if a fraudulent or overbilling situation is discovered.

Auditor's Conclusion: We commend Schuylkill County Children and Youth Services management on acknowledging the deficiencies that exists in the agency's invoice review and approval process for In-Home Purchased Services providers during the fiscal years included in our engagement scope period, and their plans to develop and implement formal, written fiscal-related monitoring policy and procedures for these contracted In-Home Purchased Services providers. During our next audit of the agency, we will review the agency's policy and procedures to determine whether the implemented fiscal-related monitoring policy, and corresponding procedures, designed to sufficiently reduce the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

SCHUYLKILL COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

The Child Protective Services Law⁴ (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).⁵ To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,⁶ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Schuylkill County Children and Youth Agency provided in-home and placement services to 3,835 children residing within the County during the 2016-2017 fiscal year.

⁴ Please note that the CPSL was extensively amended in 2013, 2014, and 2015 with 24 pieces of legislation “[being] enacted, changing how Pennsylvania responds to child abuse. These changes will significantly impact the reporting, investigation, assessment, prosecution and judicial handling of child abuse and neglect cases. The new laws will expand and further define mandatory reporters and the reporting process, increase penalties for those mandated to report suspected child abuse who fail to do so, and provide protections from employment discrimination for filing a good faith report of child abuse.” See <http://keepkidssafe.pa.gov/laws/index.htm> last accessed on September 2, 2016. Please note that although this particular DHS’ keepkidssafe.pa.gov link only refers to 23, instead of 24, pieces of legislation, we were able to confirm that the link should actually refer to 24 pieces of legislation, just as in the following DHS’ link: <http://keepkidssafe.pa.gov/index.htm>

⁵ 23 Pa.C.S. §§ 6344 and 6344.2.

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

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Day Treatment Centers and Child Residential Facilities

Beginning July 1, 2012, the DHS Bureau of Human Services' Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, the DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁷

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁸ we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted audit engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring"⁹ in their provider executed contracts. Instead, all C&Y

⁷ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

⁸ Please note that based on recent correspondence with DHS, these providers are referred to as "private providers delivering prevention and reunification services." We refer to them as *contracted In-Home Preventative Service providers* throughout our observation for ease of understanding.

⁹ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (no less frequently than quarterly) to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks

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agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

Therefore, we concluded that DHS had not taken every action to obtain reasonable assurance that C&Y agencies were taking enough action to ensure the safety and welfare of the vulnerable, at risk children receiving in-home preventative services. Further, because DHS has not implemented a process to ensure that C&Y agencies are consistently monitoring the CPSL adherence of the contracted In-Home Preventative Service providers' employees and volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.¹⁰

DHS Senior Management Follow-Up Response

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers¹¹ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

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

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

¹⁰ The *2017 Annual Child Protective Services Report* notes that the DHS' Office of Children, Youth and Families (OCYF) and its regional offices (in Philadelphia, Scranton, Harrisburg, and Pittsburgh) have responsibilities that include, among others: "Monitoring, licensing, and providing technical assistance to CCYA and private children and youth agencies and facilities." [Emphasis added.], p. 7; http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf, accessed August 3, 2018.

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

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

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

Greater Scrutiny of Arrest and Conviction Records

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained. However, recent amendments to the CPSL extend this time frame from one year to five years.¹² Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

Auditor General Senior Management's Follow-up Conclusion Statement

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we

¹² 23 Pa.C.S. § 6344.4.

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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.¹³

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

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

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.¹⁴

¹³ The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible 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.

¹⁴ The agency stated that it conducts monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "The agency's contract manager completes periodic checks of the provider's compliance with CPSL requirements. However, the agency will develop a standard process, which will include written policies and procedures." We did not perform procedures to evaluate the agency's performance of those procedures.

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This report was originally distributed to the following:

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