

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

Susquehanna County Children and Youth Agency

October 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 Susquehanna County
Susquehanna County Courthouse
75 Public Avenue
Montrose, PA 18801

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 Susquehanna County Children and Youth Agency (agency), legally known as Susquehanna County Services for Children and Youth, 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 Susquehanna 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

Adjustments to the agency's submitted fiscal reports resulting from the procedures we performed during this engagement are as follows:

¹ The accrual basis of accounting is required by DHS.

- For the **2014-2015 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$26 and decreasing non-reimbursable expenditures by \$9,279. However, no amount is due to the county or state because agency expenditures exceeded the total State Act 148 Allocation by \$5,551. These adjustments are detailed in our amended fiscal reports for fiscal year 2014-2015, as included in Section 1 of this report.
- For the **2015-2016 fiscal year**, our engagement resulted in 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 \$1,280. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$1,024. This 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 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 non-reimbursable expenditures by \$360. Based on the application of the state participation rates, the adjustment resulted in an amount due to the county totaling \$216. This adjustment is detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 3 of this report.

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

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

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

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on October 2, 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 Susquehanna 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 stroke extending to the right.

Eugene A. DePasquale
Auditor General

October 9, 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 Susquehanna County Children and Youth Agency provided in-home and placement services to 1,693 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. The reports also include the impact of those costs and revenues 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

**SUSQUEHANNA 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	\$	2,014,144
Supplemental Act 148		<u>278,351</u>
Total State Allocation		2,292,495
State Share (CY348) ²	\$	2,298,046
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	2,298,046
Less: Expenditures in Excess of the Approved State Allocation		<u>5,551</u>
Final Net State Share Payable ³	\$	2,292,495
Actual Act 148 Revenues Received ⁴		<u>2,292,495</u>
Net Amount Due County/(State) ⁵	\$	<u><u>0</u></u>

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

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

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

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

⁵ No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$5,551, as detailed above. While our adjustments resulted in a net increase of \$9,253 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.

SUSQUEHANNA 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare Demonstration Project Title IV-E	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B		ASSISTANCE	TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	380,291	0	65,279	0	0	0	0	0	315,012	315,012	0
02. 90% REIMBURSEMENT	0	0	0	0	0	0	0	0	0	0	0
03. 80% REIMBURSEMENT	2,775,418	81,092	569,777	32,911	0	0	0	0	2,091,638	1,673,311	418,327
04. 60% REIMBURSEMENT	640,746	20,244	57,454	0	35,625	27,403	0	2,514	497,506	298,504	199,002
05. 50% REIMBURSEMENT	22,437	0	0	0	0	0	0	0	22,437	11,219	11,218
06. TOTAL NET CHILD WELFARE EXPEND.	3,818,892	101,336	692,510	32,911	35,625	27,403	0	2,514	2,926,593	2,298,046	628,547

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

08. NON-REIMBURSABLE EXPENDITURES	57,047	0							57,047		57,047
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09. TOTAL EXPENDITURES	3,875,939	101,336	692,510	32,911	35,625	27,403	0	2,514	2,983,640	2,298,046	685,594
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10. TOTAL TITLE IV-D COLLECTIONS 54,866

11. TITLE IV-D Collections for IV-E Children 20,202

12. STATE ACT 148 - line 6 2,298,046

13. STATE ACT 148 ALLOCATION 2,292,495

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,292,495

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,298,046										
ACT 148 AMOUNT RECEIVED	2,292,495										
ADJUSTMENT TO STATE SHARE	5,551										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	380,291	0	0	65,279	0	0	0	0	0	315,012	315,012	0
I-B ADOPTION ASSISTANCE	449,038	0	202,338	0	0	0	0	0	0	246,700	197,360	49,340
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	180,526	0	0	0	0	0	0	0	0	180,526	144,421	36,105
I-D COUNSELING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	3,854	0	0	0	0	0	0	0	0	3,854	3,083	771
I-H DAY TREATMENT - DELINQUENT	1,108	0	0	0	0	0	0	0	0	1,108	886	222
I-I HOMEMAKER SERVICE	61,272	0	0	10,513	0	0	0	0	0	50,759	40,607	10,152
I-J INTAKE & REFERRAL	348,629	0	0	59,792	0	0	0	0	0	288,837	231,070	57,767
I-K LIFE SKILLS - DEPENDENT	5,034	0	0	0	0	0	0	0	0	5,034	4,027	1,007
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	170,620	0	0	28,958	0	0	0	0	0	141,662	113,330	28,332
I-N PROTECTIVE SERVICE - GENERAL	600,771	0	0	67,822	32,911	0	0	0	0	500,038	400,030	100,008
I-O SERVICE PLANNING	40,492	0	0	6,712	0	0	0	0	0	33,780	27,024	6,756
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	19,469	0	0	0	0	0	0	0	0	19,469	9,735	9,734
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	2,968	0	0	0	0	0	0	0	0	2,968	1,484	1,484
I-R SUBTOTAL IN-HOME	2,264,072	0	202,338	239,076	32,911	0	0	0	0	1,789,747	1,488,069	301,678
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	141,510	10,432	1,166	5,786	0	0	0	0	0	124,126	99,301	24,825
2-D COMMUNITY RESIDENTIAL - DELINQUENT	74,395	0	25,052	36	0	0	0	0	0	49,307	39,446	9,861
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	0	0	0	0	0	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	684,147	59,994	110,933	50,318	0	0	0	0	0	462,902	370,322	92,580
2-H FOSTER FAMILY - DELINQUENT	14,022	10,666	253	98	0	0	0	0	0	3,005	2,404	601
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	914,074	81,092	137,404	56,238	0	0	0	0	0	639,340	511,473	127,867
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	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	166,099	9,988	8,001	6,989	0	0	0	0	0	141,121	84,673	56,448
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	319,753	6,848	17,254	52	35,625	27,403	0	0	0	232,571	139,543	93,028
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	485,852	16,836	25,255	7,041	35,625	27,403	0	0	0	373,692	224,216	149,476
4 ADMINISTRATION	154,894	3,408	0	25,158	0	0	0	0	2,514	123,814	74,288	49,526
5 TOTAL REVENUES	3,818,892	101,336	364,997	327,513	32,911	35,625	27,403	0	2,514	2,926,593	2,298,046	628,547

SUSQUEHANNA 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
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON PS.SUB.	NON-REIM. PURCHASED SERV. SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
I-A ADOPTION SERVICE	178,640	141,869		46,433	232	13,117	380,291	100	4	0	0	0
I-B ADOPTION ASSISTANCE	0	0	449,038	0	0	0	449,038	0	47	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	180,526	0	0	0	180,526	0	19	0	0	0
I-D COUNSELING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	3,854	0	3,854	0	3	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	1,108	0	1,108	0	1	0	0	0
I-I HOMEMAKER SERVICE	28,012	33,260		0	0	0	61,272	75	0	0	0	0
I-J INTAKE & REFERRAL	161,462	127,782		43,353	0	16,032	348,629	1,061	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	5,034	0	5,034	0	1	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	79,959	63,440		20,663	0	6,558	170,620	186	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	184,358	137,217		53,975	204,088	21,133	600,771	832	42	0	0	0
I-O SERVICE PLANNING	18,658	12,595		6,324	0	2,915	40,492	508	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	19,469		19,469	0	71	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	2,968		2,968	0	6	0	0	0
I-R SUBTOTAL IN-HOME	651,089	516,163	629,564	170,748	236,753	59,755	2,264,072			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED 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	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	15,145	12,976	0	4,214	107,718	1,457	141,510	828	5	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	195	74,200	0	74,395	772	4	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	0	0	0	0	0	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	132,602	101,947	0	71,630	367,766	10,202	684,147	12,252	74	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	551	13,471	0	14,022	363	2	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	147,747	114,923	0	76,590	563,155	11,659	914,074	14,215	85	0	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED 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	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	17,553	15,221	0	6,462	125,406	1,457	166,099	690	3	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	309	319,444	0	319,753	1,447	9	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	17,553	15,221	0	6,771	444,850	1,457	485,852	2,137	12	0	0	0
4 ADMINISTRATION	35,260	27,148	0	149,533	0	0	211,941			57,047	0	0
5 TOTAL EXPENDITURES	851,649	673,455	629,564	403,642	1,244,758	72,871	3,875,939			57,047	0	0
County Indirect Costs = \$ 139,406												

**SUSQUEHANNA 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	\$ 380,291	\$ 0	\$ 380,291
Adoption Assistance	449,038	0	449,038
Subsidized Permanent Legal Custodianship	180,526	0	180,526
Counseling	0	0	0
Day Care	0	0	0
Day Treatment	4,962	0	4,962
Homemaker Service	61,272	0	61,272
Intake and Referral	348,629	0	348,629
Life Skills	5,034	0	5,034
Protective Service - Child Abuse	170,620	0	170,620
Protective Service - General	600,771	0	600,771
Service Planning	40,492	0	40,492
Juvenile Act Proceedings	22,437	0	22,437
Alternative Treatment	0	0	0
Community Residential	215,905	0	215,905
Emergency Shelter	0	0	0
Foster Family	698,169	0	698,169
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	485,852	0	485,852
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	211,967	(26)	211,941
Combined Total Expense	<u>3,875,965</u>	<u>(26)</u>	<u>3,875,939</u>
Less Non-reimbursables	<u>66,326</u>	<u>(9,279)</u>	<u>57,047</u>
Total Net Expense	<u>\$ 3,809,639</u>	<u>\$ 9,253</u>	<u>\$ 3,818,892</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 851,649	\$ 0	\$ 851,649
Employee Benefits	673,455	0	673,455
Subsidies	629,564	0	629,564
Operating	403,668	(26)	403,642
Purchased Services	1,244,758	0	1,244,758
Fixed Assets	72,871	0	72,871
Combined Total Expense	<u>3,875,965</u>	<u>(26)</u>	<u>3,875,939</u>
Less Non-reimbursables	<u>66,326</u>	<u>(9,279)</u>	<u>57,047</u>
Total Net Expense	<u>\$ 3,809,639</u>	<u>\$ 9,253</u>	<u>\$ 3,818,892</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	CY-370 Adjustments			
				Administration - Operating	\$ 403,668	\$ (26)	\$ 403,642
				To decrease Administration Operating expenses by \$26 to properly report indirect costs and reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	4	10	2	Administration - Non-Reimbursable Non-PS/Sub.	\$ 66,326	\$ (9,279)	\$ 57,047
				To decrease non-reimbursable expenditures by \$9,729 to properly report the amount of indirect costs which exceed the 2% cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**SUSQUEHANNA 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	\$	2,307,567
Supplemental Act 148		<u>0</u>
Total State Allocation		2,307,567
State Share (CY348) ²	\$	2,158,114
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	2,158,114
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	2,158,114
Actual Act 148 Revenues Received ⁴		<u>2,159,138</u>
Net Amount Due County/(State) ⁵	\$	<u><u>(1,024)</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.

**SUSQUEHANNA 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	318,515	0	53,496	0	0	0	0	0	265,019	265,019	0
02. 90% REIMBURSEMENT	72,076	0	0	0	0	0	0	0	72,076	64,869	7,207
03. 80% REIMBURSEMENT	2,741,449	79,135	579,080	32,911	0	0	0	0	2,050,323	1,640,257	410,066
04. 60% REIMBURSEMENT	465,670	9,547	98,795	0	35,625	27,403	0	2,178	292,122	175,273	116,849
05. 50% REIMBURSEMENT	25,389	0	0	0	0	0	0	0	25,389	12,696	12,693
06. TOTAL NET CHILD WELFARE EXPEND.	3,623,099	88,682	731,371	32,911	35,625	27,403	0	2,178	2,704,929	2,158,114	546,815

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

08. NON-REIMBURSABLE EXPENDITURES	61,831	0							61,831		61,831
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09. TOTAL EXPENDITURES	3,684,930	88,682	731,371	32,911	35,625	27,403	0	2,178	2,766,760	2,158,114	608,646
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10. TOTAL TITLE IV-D COLLECTIONS 46,039

11. TITLE IV-D Collections for IV-E Children 19,026

12. STATE ACT 148 - line 6 2,158,114

13. STATE ACT 148 ALLOCATION 2,307,567

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,158,114

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,158,114
ACT 148 AMOUNT RECEIVED	2,159,138
ADJUSTMENT TO STATE SHARE	(1,024)

SUSQUEHANNA 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.	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	318,515	0	53,496	0	0	0	0	0	0	265,019	265,019	0
I-B ADOPTION ASSISTANCE	497,659	0	229,685	0	0	0	0	0	0	267,974	214,379	53,595
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	162,179	0	0	0	0	0	0	0	0	162,179	129,743	32,436
I-D COUNSELING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	2,335	0	0	0	0	0	0	0	0	2,335	1,868	467
I-I HOME MAKER SERVICE	46,931	0	7,896	0	0	0	0	0	0	39,035	31,228	7,807
I-J INTAKE & REFERRAL	380,334	0	64,342	0	0	0	0	0	0	315,992	252,794	63,198
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	120,739	0	20,031	0	0	0	0	0	0	100,708	80,566	20,142
I-N PROTECTIVE SERVICE - GENERAL	510,019	0	52,948	0	32,911	0	0	0	0	424,160	339,328	84,832
I-O SERVICE PLANNING	49,106	0	8,226	0	0	0	0	0	0	40,880	32,704	8,176
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	19,101	0	0	0	0	0	0	0	0	19,101	9,551	9,550
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	663	0	0	0	0	0	0	0	0	663	332	331
I-R SUBTOTAL IN-HOME	2,107,581	0	229,685	206,939	32,911	0	0	0	0	1,638,046	1,357,512	280,534

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.	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	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	203,234	14,796	14,981	5,104	0	0	0	0	0	168,353	134,682	33,671
2-D COMMUNITY RESIDENTIAL - DELINQUENT	33,889	0	0	0	0	0	0	0	0	33,889	27,111	6,778
2-E EMERGENCY SHELTER - DEPENDENT	52,493	0	0	0	0	0	0	0	0	52,493	47,244	5,249
2-F EMERGENCY SHELTER - DELINQUENT	19,583	0	0	0	0	0	0	0	0	19,583	17,625	1,958
2-G FOSTER FAMILY - DEPENDENT	686,317	61,328	124,586	48,573	0	0	0	0	0	451,830	361,464	90,366
2-H FOSTER FAMILY - DELINQUENT	14,661	2,614	1,228	1,480	0	0	0	0	0	9,339	7,471	1,868
2-I SUP. INDEPENDENT LIVING - DEPENDENT	34,046	397	0	0	0	0	0	0	0	33,649	26,919	6,730
2-J SUP. INDEPENDENT LIVING - DELINQUENT	1,044,223	79,135	140,795	55,157	0	0	0	0	0	769,136	622,316	146,820
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.	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	5,625	0	8,906	6,851	0	0	0	0	0	5,625	2,813	2,812
3-B RESIDENTIAL SERVICE - DEPENDENT	85,738	662	14,889	5,391	0	0	0	0	0	49,039	29,423	19,616
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	250,019	3,062	56,532	81	0	0	0	0	0	143,073	85,844	57,229
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INSTITUTIONAL	341,382	3,724	71,421	5,472	0	35,625	27,403	0	0	197,737	118,080	79,657
ADMINISTRATION	129,913	5,823	0	21,902	0	0	0	0	2,178	100,101	60,006	40,004
TOTAL REVENUES	3,623,099	88,682	441,901	289,470	32,911	35,625	27,403	0	2,178	2,704,929	2,158,114	546,815

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	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	181,744	84,457	47,119	1,083	0	0	318,315	93	14	0	0	0
1-B ADOPTION ASSISTANCE	0	0	497,659	0	0	0	497,659	0	52	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	162,179	0	0	0	162,179	0	21	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	2,335	0	2,335	0	1	0	0	0
1-I HOME/MAKER SERVICE	23,995	22,936	0	0	0	0	46,931	87	0	0	0	0
1-J INTAKE & REFERRAL	220,238	96,399	56,803	0	0	6,894	380,334	1,239	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	73,498	32,043	14,314	0	884	0	120,739	259	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	194,287	70,063	46,955	0	194,505	4,209	510,019	927	35	0	0	0
1-O SERVICE PLANNING	30,510	10,752	7,332	0	512	0	49,106	489	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	19,101	0	19,101	0	77	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	663	0	663	0	5	0	0	0
1-R SUBTOTAL IN-HOME	724,272	316,650	659,838	172,523	217,687	16,611	2,107,581	1,475	130	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	16,409	9,027	4,491	172,921	386	0	203,234	1,145	5	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	33,889	0	0	33,889	266	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	52,493	0	0	52,493	1,142	47	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	19,583	0	0	19,583	106	5	0	0	0
2-G FOSTER FAMILY - DEPENDENT	138,850	59,624	80,393	404,244	3,206	0	686,317	13,801	68	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	292	14,369	0	0	14,661	392	2	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	34,046	0	34,046	182	1	0	0	0
2-K SUBTOTAL CBP	155,259	68,651	85,176	731,545	3,592	0	1,044,223	17,034	130	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	5,625	0	0	5,625	25	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	17,008	9,296	5,346	53,671	417	0	85,738	194	5	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	496	249,523	0	0	250,019	1,256	9	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	17,008	9,296	5,842	308,819	417	0	341,382	1,475	15	0	0	0
4 ADMINISTRATION	22,173	16,336	0	153,201	0	34	191,744	0	0	61,831	0	0
5 TOTAL EXPENDITURES	918,712	410,933	659,838	416,742	1,258,051	20,654	3,684,930	0	0	61,831	0	0
	County Indirect Costs = \$ 144,676											

**SUSQUEHANNA 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	\$ 318,515	\$ 0	\$ 318,515
Adoption Assistance	497,659	0	497,659
Subsidized Permanent Legal Custodianship	162,179	0	162,179
Counseling	0	0	0
Day Care	0	0	0
Day Treatment	2,335	0	2,335
Homemaker Service	46,931	0	46,931
Intake and Referral	380,334	0	380,334
Life Skills	0	0	0
Protective Service - Child Abuse	120,739	0	120,739
Protective Service - General	510,019	0	510,019
Service Planning	49,106	0	49,106
Juvenile Act Proceedings	19,764	0	19,764
Alternative Treatment	0	0	0
Community Residential	237,123	0	237,123
Emergency Shelter	72,076	0	72,076
Foster Family	702,258	(1,280)	700,978
Supervised Independent Living	34,046	0	34,046
Juvenile Detention Service	5,625	0	5,625
Residential Service	335,757	0	335,757
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	191,744	0	191,744
Combined Total Expense	<u>3,686,210</u>	<u>(1,280)</u>	<u>3,684,930</u>
Less Non-reimbursables	<u>61,831</u>	<u>0</u>	<u>61,831</u>
Total Net Expense	<u>\$ 3,624,379</u>	<u>\$ (1,280)</u>	<u>\$ 3,623,099</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 918,712	\$ 0	\$ 918,712
Employee Benefits	410,933	0	410,933
Subsidies	659,838	0	659,838
Operating	416,742	0	416,742
Purchased Services	1,259,331	(1,280)	1,258,051
Fixed Assets	20,654	0	20,654
Combined Total Expense	<u>3,686,210</u>	<u>(1,280)</u>	<u>3,684,930</u>
Less Non-reimbursables	<u>61,831</u>	<u>0</u>	<u>61,831</u>
Total Net Expense	<u>\$ 3,624,379</u>	<u>\$ (1,280)</u>	<u>\$ 3,623,099</u>

**SUSQUEHANNA 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	2-G	5	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Foster Family (Dependent) - Purchased Services</p> <p>To decrease purchased service expenditures by \$1,280 because the agency could not explain why the final expenditure ledger did not reconcile to the agency submitted CY-370 Expenditure Report.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 405,524	\$ (1,280)	\$ 404,244

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**SUSQUEHANNA 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	\$	2,621,430
Supplemental Act 148		<u>0</u>
Total State Allocation		2,621,430
State Share (CY348) ²	\$	2,070,737
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	2,070,737
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	2,070,737
Actual Act 148 Revenues Received ⁴		<u>2,070,521</u>
Net Amount Due County/(State) ⁵	\$	<u><u>216</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 is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

SUSQUEHANNA 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	306,607	0	47,787	0	0	0	0	0	258,820	258,820	0
02. 90% REIMBURSEMENT	46,359	0	0	0	0	0	0	0	46,359	41,723	4,636
03. 80% REIMBURSEMENT	2,519,746	71,160	512,527	32,911	0	0	0	0	1,903,148	1,522,518	380,630
04. 60% REIMBURSEMENT	505,402	19,341	50,493	0	35,625	27,403	0	1,847	370,693	222,417	148,276
05. 50% REIMBURSEMENT	52,810	2,294	0	0	0	0	0	0	50,516	25,259	25,257
06. TOTAL NET CHILD WELFARE EXPEND.	3,430,924	92,795	610,807	32,911	35,625	27,403	0	1,847	2,629,536	2,070,737	558,799

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

08. NON-REIMBURSABLE EXPENDITURES	44,594	0							44,594		44,594
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09. TOTAL EXPENDITURES	3,475,518	92,795	610,807	32,911	35,625	27,403	0	1,847	2,674,130	2,070,737	603,393
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10. TOTAL TITLE IV-D COLLECTIONS 41,962

11. TITLE IV-D Collections for IV-E Children 10,444

12. STATE ACT 148 - line 6 2,070,737

13. STATE ACT 148 ALLOCATION 2,621,430

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,070,737

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,070,737										
ACT 148 AMOUNT RECEIVED	2,070,521										
ADJUSTMENT TO STATE SHARE	216										

SUSQUEHANNA 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	306,607	0	47,787	9,451	0	0	0	0	0	258,820	218,119	54,530
1-B ADOPTION ASSISTANCE	521,622	0	239,522	0	0	0	0	0	0	272,649	135,937	33,984
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	169,921	0	0	0	0	0	0	0	0	169,921	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	46,822	0	7,260	0	0	0	0	0	0	39,562	31,650	7,912
1-J INTAKE & REFERRAL	356,913	0	56,170	0	0	0	0	0	0	300,743	240,594	60,149
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	132,772	0	18,404	0	0	0	0	0	0	114,368	91,494	22,874
1-N PROTECTIVE SERVICE - GENERAL	457,348	0	45,222	32,911	0	0	0	0	0	379,215	303,372	75,843
1-O SERVICE PLANNING	48,034	0	7,396	0	0	0	0	0	0	40,638	32,510	8,128
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	27,373	0	0	0	0	0	0	0	0	27,373	13,687	13,686
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	687	0	0	0	0	0	0	0	0	687	344	343
1-R SUBTOTAL IN-HOME	2,068,099	0	239,522	191,690	32,911	0	0	0	0	1,603,976	1,326,527	277,449

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	121,298	6,052	4,535	0	0	0	0	0	0	110,711	88,569	22,142
2-D COMMUNITY RESIDENTIAL - DELINQUENT	12,000	2,634	0	0	0	0	0	0	0	9,366	7,493	1,873
2-E EMERGENCY SHELTER - DEPENDENT	33,959	0	0	0	0	0	0	0	0	33,959	30,563	3,396
2-F EMERGENCY SHELTER - DELINQUENT	12,400	0	0	0	0	0	0	0	0	12,400	11,160	1,240
2-G FOSTER FAMILY - DEPENDENT	586,778	61,796	90,399	34,168	0	0	0	0	0	400,415	320,332	80,083
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	52,021	328	0	0	0	0	0	0	0	51,693	41,354	10,339
2-J SUP. INDEPENDENT LIVING - DELINQUENT	14,217	350	0	0	0	0	0	0	0	13,867	11,094	2,773
2-K SUBTOTAL CBP	832,673	71,160	90,399	38,703	0	0	0	0	0	632,411	510,565	121,846

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	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	24,750	2,294	0	0	0	0	0	0	0	22,456	11,228	11,228
3-B RESIDENTIAL SERVICE - DEPENDENT	172,484	3,764	0	5,961	0	0	0	0	0	99,731	59,839	39,892
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	181,471	1,823	21,020	42	0	0	0	0	0	158,586	95,152	63,434
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	378,705	7,881	21,020	6,003	0	35,625	27,403	0	0	280,773	166,219	114,554

4 ADMINISTRATION	151,447	13,754	23,470	0	0	0	0	0	1,847	112,376	67,426	44,950
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5 TOTAL REVENUES	3,430,924	92,795	350,941	259,866	32,911	35,625	27,403	0	1,847	2,629,536	2,070,737	558,799
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SUSQUEHANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME	183,506	80,926	0	38,977	525	2,673	306,607	82	10	0	0	0
1-A ADOPTION SERVICE	0	0	521,622	0	0	0	521,622	0	61	0	0	0
1-B ADOPTION ASSISTANCE	0	0	169,921	0	0	0	169,921	0	21	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	0	0	0	0	0	0	0	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	24,192	22,650	0	0	0	0	46,822	90	0	0	0	0
1-J INTAKE & REFERRAL	214,833	86,879	51,573	0	0	3,628	356,913	1,094	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	75,990	27,217	16,530	10,598	2,437	0	132,772	230	23	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	183,855	66,773	36,900	165,989	3,831	0	457,348	948	27	0	0	0
1-O SERVICE PLANNING	30,926	10,583	5,753	0	772	0	48,034	467	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	27,373	0	27,373	0	63	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	687	0	687	0	1	0	0	0
1-R SUBTOTAL IN-HOME	713,302	295,008	691,543	149,733	205,172	13,341	2,068,099	0	0	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 1,422												
COMMUNITY BASED PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	16,301	8,689	0	3,767	92,274	267	121,298	642	4	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	12,000	0	12,000	60	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	33,959	0	33,959	646	29	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	12,400	0	12,400	62	4	0	0	0
2-G FOSTER FAMILY - DEPENDENT	128,665	51,951	0	60,596	343,669	1,897	586,778	11,576	55	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	52,021	0	52,021	365	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	14,217	0	14,217	76	1	0	0	0
2-K SUBTOTAL CBP	144,966	60,640	0	64,363	560,540	2,164	832,673	13,427	95	0	0	0
INSTITUTIONAL PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	0	0	0	0	24,750	0	24,750	99	2	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	22,580	10,778	0	4,944	133,675	507	172,484	687	6	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	328	181,143	0	181,471	716	7	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	22,580	10,778	0	5,272	339,568	507	378,705	1,502	15	0	0	0
4 ADMINISTRATION	30,986	17,967	0	146,734	0	354	196,041	0	0	44,594	0	0
5 TOTAL EXPENDITURES	911,834	384,393	691,543	366,102	1,105,280	16,366	3,475,518	0	0	44,594	0	0
County Indirect Costs = \$ 137,369												

**SUSQUEHANNA 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	\$ 306,607	\$ 0	\$ 306,607
Adoption Assistance	521,622	0	521,622
Subsidized Permanent Legal Custodianship	169,921	0	169,921
Counseling	0	0	0
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	46,822	0	46,822
Intake and Referral	356,913	0	356,913
Life Skills	0	0	0
Protective Service - Child Abuse	132,772	0	132,772
Protective Service - General	457,348	0	457,348
Service Planning	48,034	0	48,034
Juvenile Act Proceedings	28,060	0	28,060
Alternative Treatment	0	0	0
Community Residential	133,298	0	133,298
Emergency Shelter	46,359	0	46,359
Foster Family	586,778	0	586,778
Supervised Independent Living	66,238	0	66,238
Juvenile Detention Service	24,750	0	24,750
Residential Service	353,955	0	353,955
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	196,041	0	196,041
Combined Total Expense	<u>3,475,518</u>	<u>0</u>	<u>3,475,518</u>
Less Non-reimbursables	<u>44,954</u>	<u>(360)</u>	<u>44,594</u>
Total Net Expense	<u>\$ 3,430,564</u>	<u>\$ 360</u>	<u>\$ 3,430,924</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 911,834	\$ 0	\$ 911,834
Employee Benefits	384,393	0	384,393
Subsidies	691,543	0	691,543
Operating	366,102	0	366,102
Purchased Services	1,105,280	0	1,105,280
Fixed Assets	16,366	0	16,366
Combined Total Expense	<u>3,475,518</u>	<u>0</u>	<u>3,475,518</u>
Less Non-reimbursables	<u>44,954</u>	<u>(360)</u>	<u>44,594</u>
Total Net Expense	<u>\$ 3,430,564</u>	<u>\$ 360</u>	<u>\$ 3,430,924</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non-PS/Sub.</p> <p>To decrease non-reimbursable expenditures by \$360 to properly report the amount of indirect costs which exceed the 2% cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 44,954	\$ (360)	\$ 44,594

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – The Susquehanna County Children and Youth Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Susquehanna County Children and Youth Agency (agency) for failure to obtain reasonable assurance that In-Home Purchased Service providers, responsible for providing In-Home services directly to at-risk children and their families, actually performed the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to executed contract terms between the agency and the respective provider. Agency management informed us that, during the fiscal years included in our prior engagement scope period, agency fiscal staff verified that all children listed on the Fee-for-Service providers' submitted invoices were authorized to receive the invoiced services, and the invoiced rates were compared to contracts. However, no fiscal-related monitoring procedures were performed to obtain reasonable assurance that the contracted services related to In-Home Purchased Service fees invoiced by Fee-for-Service In-Home providers were actually provided on the dates, and for the number of units, for each individual listed on the providers' submitted invoices or that contracted services related to contracted costs invoiced by Program-Funded Purchased Services providers were actually provided.

Our current engagement scope period included the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until February 2018, well after the June 30, 2017, end of our current engagement period. Therefore, these control deficiencies and corresponding risks continued to exist for the three fiscal years included in our current engagement scope period. As such, we concluded that the issuance of a repeat finding is warranted. This repeat finding is included in the Current Engagement Finding and Recommendations section (Section 5) of this report.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

SUSQUEHANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Condition: As detailed in our Status of Prior Engagement Finding and Recommendations section (Section 4) of this report, the Susquehanna County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-For-Service Purchased Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on invoices submitted by these providers. For contracted In-Home Program-Funded providers, the agency failed to provide supporting documentation evidencing that services related to contracted costs invoiced by this provider, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider’s contract terms.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management stated they developed and implemented fiscal-related monitoring policy, and corresponding procedures, on March 1, 2018, to obtain reasonable assurance that contracted In-Home services were actually provided and to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. Because agency management did not fully implement these updated policies and procedures until after the close of our current engagement scope period (June 30, 2017), we did not assess the sufficiency of these newly created monitoring policies and procedures during the conduct of our current engagement. We will review and evaluate the implemented policies and procedures during the conduct of our next regularly scheduled engagement of this agency and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided, and that the number of units invoiced by contracted Fee-for-Service In-Home providers and the contracted costs invoiced by contracted Program-Funded In-Home providers are properly substantiated, thus reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

SUSQUEHANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

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

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

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

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”
- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and

SUSQUEHANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”

Cause: Due to the timing of the conduct of our prior engagement, agency management was not notified of these internal control deficiencies until February 2018, well after the June 30, 2017, end of our current engagement scope period. Agency management informed us that it implemented internal control procedures over payments to In-Home providers on March 1, 2018. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years (2014-2015, 2015-2016 and 2016-2017) included in our current engagement scope period.

Effect: The agency’s lack of internal control procedures, during the fiscal years included in our current engagement scope period, designed to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers, increased agency management’s risk of:

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

Recommendations: We again recommend that agency management ensure that the agency’s newly created/implemented monitoring procedures are sufficient in reducing the agency’s risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are sufficient in providing agency management 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, must be sufficient to assess the validity of the number of units invoiced by Fee-for-Service providers and the invoiced contract costs of Program-Funded In-Home Purchased Service providers. Procedures typically performed to achieve these objectives are listed below for agency management’s consideration and comparison to its newly created and implemented procedures:

- Performance of on-site fiscal-related monitoring visits of In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the validity the number of units invoiced by Fee-for-Service providers and of

SUSQUEHANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

costs invoiced by any Program-Funded providers, and that related services were actually provided according to executed contract terms.

- Requiring In-Home Purchased Service providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Service costs were actually provided.

We again further recommend that agency management ensure that:

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

Agency Management Response: The agency provided the auditor a copy of a Memorandum that was distributed to fiscal staff upon the completion of the prior audit. In addition to fiscal staff comparing the signature sheets received from the provider agency to the invoice, the fiscal staff will sign and date the invoice to indicate it was received. The agency requested the provider agency begin completing sign-in sheets for all face to face contacts and disseminated a copy of the memo to the provider agency at the following month's staff meeting in April 2019. Proof of the memo is that the agency has been receiving sign-in sheets since the time of both a verbal request and dissemination of the memo.

Auditor's Conclusion: We commend Susquehanna County Children and Youth Agency management on their efforts to develop and implement formal, written fiscal-related monitoring policy and procedures for contracted In-Home Purchased Service providers. During our next audit of the agency, we will review the agency's implemented policy and procedures and determine whether they are sufficient to reduce the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers and such erroneous payments going undetected.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

SUSQUEHANNA COUNTY CHILDREN AND YOUTH AGENCY
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Observation – Significant Control Deficiencies Exist in the Commonwealth Department of Human Services’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)

The Child Protective Services Law (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).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 Susquehanna County Children and Youth Agency provided in-home and placement services to 1,693 children residing within the County during the 2016-2017 fiscal year.

Day Treatment Centers and Child Residential Facilities

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

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).

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

Contracted In-Home Preventative Service Providers

For contracted In-Home Preventative Service providers, 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.⁵ 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 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" in their provider executed contracts.⁶ 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 to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

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

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

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This report was originally distributed to the following:

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