

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

Washington County Children and Youth Agency

October 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Washington County
702 Courthouse Square
100 West Beau Street
Washington, PA 15301

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 Washington County Children and Youth Agency (agency), legally known as Washington 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, 2016 to June 30, 2017, and July 1, 2017 to June 30, 2018. 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, 2017, and June 30, 2018.

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 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 2016-2017 and 2017-2018 fiscal years based on the accrual basis of accounting.¹

¹ The accrual basis of accounting is required by DHS.

Independent Auditor's Report (Continued)

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

- For the **2016-2017 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$60,806. Based on the application of the state participation rates, these two adjustments resulted in an amount due to the state totaling \$50,279. Both adjustments are detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 1 of this report.
- For the **2017-2018 fiscal year**, our engagement resulted in three 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 \$141,647. Based on the application of the state participation rates, these two adjustments resulted in an amount due to the state totaling \$135,916. These adjustments are detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 2 of this report.

In addition, we found that the agency complied with the two findings included in our prior engagement report, as detailed in Section 3 of this report.

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 4 of this report.

Observation – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on July 16, 2020.

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 DHS of the decisions made regarding the approval and finalization of the adjustment amounts during 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.

Independent Auditor's Report

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Washington County Children and Youth Agency. If you have any questions, please feel free to contact Tracie Fountain, CPA, Director, Bureau of Children and Youth Services Audits at 717-787-1159.

Sincerely,

A handwritten signature in cursive script, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale
Auditor General

September 28, 2020

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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 Washington County Children and Youth Agency provided in-home and placement services to 3,398 children residing within the County during the 2017-2018 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), 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 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 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 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 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, 2016 to JUNE 30, 2017

**WASHINGTON 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		\$ 17,497,237
Supplemental Act 148		<u>0</u>
Total State Allocation		17,497,237
State Share (CY348) ²	\$ 13,941,148	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 13,941,148
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 13,941,148
Actual Act 148 Revenues Received ⁴		<u>13,991,427</u>
Net Amount Due County/(State) ⁵		<u><u>\$ (50,279)</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.

WASHINGTON 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	494,391	0	93,558	0	0	0	0	0	400,833	400,833	0
02. 90% REIMBURSEMENT	545,535	0	34,942	0	0	0	0	0	510,593	459,533	51,060
03. 80% REIMBURSEMENT	19,029,209	313,395	4,279,817	526,706	0	0	0	0	13,909,291	11,127,433	2,781,858
04. 60% REIMBURSEMENT	3,170,585	80,377	237,138	0	166,755	46,754	0	8,250	2,631,311	1,578,786	1,052,525
05. 50% REIMBURSEMENT	750,353	0	1,229	0	0	0	0	0	749,124	374,563	374,561
06. TOTAL NET CHILD WELFARE EXPEND.	23,990,073	393,772	4,646,684	526,706	166,755	46,754	0	8,250	18,201,152	13,941,148	4,260,004
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	639,540	0							639,540	383,724	255,816
08. NON-REIMBURSABLE EXPENDITURES	0	0							0	0	0
09. TOTAL EXPENDITURES	24,629,613	393,772	4,646,684	526,706	166,755	46,754	0	8,250	18,840,692	14,324,872	4,515,820
10. TOTAL TITLE IV-D COLLECTIONS	104,441										
11. TITLE IV-D Collections for IV-E Children	30,575										
12. STATE ACT 148 - line 6	13,941,148										
13. STATE ACT 148 ALLOCATION	17,497,237										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	13,941,148										
INVOICE											
AMENDED STATE SHARE (ACT 148)	13,941,148										
ACT 148 AMOUNT RECEIVED	13,991,427										
ADJUSTMENT TO STATE SHARE	(50,279)										

WASHINGTON 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												
I-A ADOPTION SERVICE	494,391	0		93,558	0		0	0	400,833	400,833	0	0
I-B ADOPTION ASSISTANCE	3,783,243	0	1,481,149	3,458			0	0	2,298,636	1,838,909	459,727	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	624,437	0	119,610				0	0	504,827	403,862	100,965	0
I-D COUNSELING - DEPENDENT	1,277,120	43,448		11,728	337,333	0	0	0	884,611	707,689	176,922	0
I-E COUNSELING - DELINQUENT	83,558	0			22,339	0	0	0	61,219	48,975	12,244	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	130,280	0		0	56,321	0	0	0	73,959	59,167	14,792	0
I-H DAY TREATMENT - DELINQUENT	568,172	0		0	31,380	0	0	0	536,792	429,434	107,358	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	63,425	16,508		11,949	0	0	0	0	34,968	27,974	6,994	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	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	654,450	0		93,154	1,963	0	0	0	559,333	447,466	111,867	0
I-N PROTECTIVE SERVICE - GENERAL	4,113,832	24,332		662,970	77,128	0	0	0	3,349,402	2,679,522	669,880	0
I-O SERVICE PLANNING	120,210	5,216		22,604	242	0	0	0	92,148	73,718	18,430	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	387,037	0		448	0	0	0	0	386,589	193,295	193,294	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	17,056	0		781	0	0	0	0	16,275	8,138	8,137	0
I-R SUBTOTAL IN-HOME	12,317,211	89,504	1,600,759	900,650	526,706	0	0	0	9,199,592	7,318,982	1,880,610	0
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	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
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,026,337	26,473		24,440		0	0	0	975,424	780,339	195,085	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,456,295	259		130		0	0	0	1,455,906	1,164,725	291,181	0
2-E EMERGENCY SHELTER - DEPENDENT	414,498	0		34,942	0	0	0	0	379,556	341,600	37,956	0
2-F EMERGENCY SHELTER - DELINQUENT	131,037	0		0	0	0	0	0	131,037	117,933	13,104	0
2-G FOSTER FAMILY - DEPENDENT	5,118,280	197,159		1,088,182	758,775	0	0	0	3,074,164	2,459,331	614,833	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0		0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	9,570	0		1,668		0	0	0	7,902	6,322	1,580	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0		0	0	0	0	0	0	0
2-K SUBTOTAL CBP	8,156,017	223,891	1,088,182	819,955	0	0	0	0	6,023,989	4,870,250	1,153,739	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	346,260	0							346,260	173,130	173,130	0
3-B RESIDENTIAL SERVICE - DEPENDENT	370,942	7,999		10		166,755	46,754	0	149,424	89,654	59,770	0
3-C RES. SERVICE - DELINQUENT (NON YDCVFO)	1,077,700	72,378		0		0	0	0	1,005,322	603,193	402,129	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	452,360	0							452,360	271,416	180,944	0
3-E YDC SECURE	639,540	0							639,540	383,724	255,816	0
3-F SUBTOTAL INSTITUTIONAL	2,866,802	80,377	0	10	0	166,755	46,754	0	2,592,906	1,521,117	1,071,789	0
4 ADMINISTRATION	1,269,583	0		237,128		0	0	0	8,250	614,523	409,682	0
5 TOTAL REVENUES	24,629,613	393,772	2,688,941	1,957,743	526,706	166,755	46,754	0	18,840,692	14,324,872	4,515,820	0

WASHINGTON 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	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	302,537	119,368		69,469	3,017	0	494,391	50	1	0	0	0
1-B) ADOPTION ASSISTANCE	0	0	3,782,464	779	0	0	3,783,243	0	550	0	0	0
1-C) SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	624,437	0	0	0	624,437	0	54	0	0	0
1-D) COUNSELING - DEPENDENT	39,566	15,044		8,590	1,213,920	0	1,277,120	1	659	0	0	0
1-E) COUNSELING - DELINQUENT	0	0		0	83,558	0	83,558	0	52	0	0	0
1-F) DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G) DAY TREATMENT - DEPENDENT	0	0		0	130,280	0	130,280	0	52	0	0	0
1-H) DAY TREATMENT - DELINQUENT	0	0		0	568,172	0	568,172	0	117	0	0	0
1-I) HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J) INTAKE & REFERRAL	39,566	15,044		8,437	378	0	63,425	1,280	1	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	0	0	0	0	0	0	0	0
1-M) PROTECTIVE SERVICE - CHILD ABUSE	311,735	120,013		59,227	163,475	0	654,450	1,097	154	0	0	0
1-N) PROTECTIVE SERVICE - GENERAL	2,123,298	837,370		559,261	593,903	0	4,113,832	3,539	1,643	0	0	0
1-O) SERVICE PLANNING	75,514	29,836		14,105	755	0	120,210	1	1	0	0	0
1-P) JUVENILE ACT PROCEEDINGS - DEPENDENT				10,243	376,794		387,037	0	237	0	0	0
1-Q) JUVENILE ACT PROCEEDINGS - DELINQUENT				15,475	1,581		17,056	0	2	0	0	0
SUBTOTAL IN-HOME	2,892,216	1,136,675	4,406,901	745,586	3,135,833	0	12,317,211			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 2,193												
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	76,740	29,920		25,210	894,467	0	1,026,337	4,713	36	0	0	0
2-D) COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	3,348	1,452,947	0	1,456,295	8,323	52	0	0	0
2-E) EMERGENCY SHELTER - DEPENDENT	116,285	44,963		22,878	230,372	0	414,498	3,604	150	0	0	0
2-F) EMERGENCY SHELTER - DELINQUENT	0	0	0	0	131,037	0	131,037	760	45	0	0	0
2-G) FOSTER FAMILY - DEPENDENT	465,212	179,853		112,536	4,360,679	0	5,118,280	81,090	396	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	9,570	0	0	9,570	0	0	0	0	0
2-J) SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	658,237	254,736	0	173,542	7,069,502	0	8,156,017	98,490	679	0	0	0
ADMINISTRATION	265,553	101,275	0	873,512	2,774	26,469	1,269,583			0	0	0
TOTAL EXPENDITURES	3,816,006	1,492,686	4,406,901	1,796,561	13,090,990	26,469	24,629,613			0	0	0
County Indirect Costs = \$ 624,434												
INSTITUTIONAL PLACEMENT												
3-A) JUVENILE DETENTION SERVICE	0	0	0	1,335	344,925	0	346,260	1,411	101	0	0	0
3-B) RESIDENTIAL SERVICE - DEPENDENT	0	0	0	1,714	369,228	0	370,942	1,614	9	0	0	0
3-C) RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	872	1,076,828	0	1,077,700	5,648	50	0	0	0
3-D) SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	452,360	0	452,360	1,429	7	0	0	0
3-E) YDC SECURE	0	0	0	0	639,540	0	639,540	1,254	7	0	0	0
SUBTOTAL INSTITUTIONAL	0	0	0	3,921	2,882,881	0	2,886,802	11,356	174	0	0	0

**WASHINGTON 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	\$ 499,430	\$ (5,039)	\$ 494,391
Adoption Assistance	3,783,243	0	3,783,243
Subsidized Permanent Legal Custodianship	624,437	0	624,437
Counseling	1,361,308	(630)	1,360,678
Day Care	0	0	0
Day Treatment	698,452	0	698,452
Homemaker Service	0	0	0
Intake and Referral	64,055	(630)	63,425
Life Skills	0	0	0
Protective Service - Child Abuse	658,859	(4,409)	654,450
Protective Service - General	4,153,512	(39,680)	4,113,832
Service Planning	120,840	(630)	120,210
Juvenile Act Proceedings	404,093	0	404,093
Alternative Treatment	0	0	0
Community Residential	2,484,521	(1,889)	2,482,632
Emergency Shelter	547,424	(1,889)	545,535
Foster Family	5,126,468	(8,188)	5,118,280
Supervised Independent Living	9,570	0	9,570
Juvenile Detention Service	346,260	0	346,260
Residential Service	1,448,642	0	1,448,642
Secure Residential Service (Except YDC)	452,360	0	452,360
YDC Secure	639,540	0	639,540
Administration	1,267,405	2,178	1,269,583
Combined Total Expense	<u>24,690,419</u>	<u>(60,806)</u>	<u>24,629,613</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 24,690,419</u>	<u>\$ (60,806)</u>	<u>\$ 24,629,613</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,816,006	\$ 0	\$ 3,816,006
Employee Benefits	1,492,686	0	1,492,686
Subsidies	4,406,901	0	4,406,901
Operating	1,857,367	(60,806)	1,796,561
Purchased Services	13,090,990	0	13,090,990
Fixed Assets	26,469	0	26,469
Combined Total Expense	<u>24,690,419</u>	<u>(60,806)</u>	<u>24,629,613</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 24,690,419</u>	<u>\$ (60,806)</u>	<u>\$ 24,629,613</u>

**WASHINGTON 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	1-A	4	1	CY370 Adjustments				
	1-D	4		Adoption Service - Operating	\$ 74,508	\$ (5,039)	\$ 69,469	
	1-J	4		Counseling (Dependent) - Operating	\$ 9,220	\$ (630)	\$ 8,590	
	1-M	4		Intake & Referral - Operating	\$ 9,067	\$ (630)	\$ 8,437	
	1-N	4		Protective Service Child Abuse - Operating	\$ 63,636	\$ (4,409)	\$ 59,227	
	1-O	4		Protective Service General - Operating	\$ 598,941	\$ (39,680)	\$ 559,261	
	2-C	4		Service Planning - Operating	\$ 14,735	\$ (630)	\$ 14,105	
	2-E	4		Community Residential (Dependent) - Operating	\$ 27,099	\$ (1,889)	\$ 25,210	
	2-G	4		Emergency Shelter (Dependent) - Operating	\$ 24,767	\$ (1,889)	\$ 22,878	
	4	4		Foster Family (Dependent) - Operating	\$ 120,724	\$ (8,188)	\$ 112,536	
					Administration - Operating	\$ 871,334	\$ 62,984	\$ 934,318
					Total Adjustment Amount		\$ -	
					<p>To reclassify \$62,984 from various Operating costs centers to Operating Administration. The agency reported building maintenance costs, from the County Cost Allocation Plan, as direct costs and allocated the amount across cost centers. The agency was not eligible to report the building maintenance costs as direct occupancy costs because the agency also reported and received state reimbursement for office building rent. OCYF Bulletin 00-95-12 states that Maintenance In Lieu of Rent is allowable for state reimbursement when an C&Y agency office is housed in a County owned building and the agency does not pay rent to reside in a noncounty owned building.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>			
CY370	4	4	2	Administration - Operating	\$ 929,909	\$ (60,806)	\$ 869,103	
				<p>To decrease indirect costs by net \$60,806 to properly report the amount eligible for state reimbursement. Reported indirect costs were overstated by \$146,152 because employee benefits paid on behalf of retired agency employees was included in the agency reported amount for indirect costs and is non-allowable; understated by \$62,984 because indirect costs were reported as direct costs and allocated to the cost centers (see adjustment #1); and understated by \$22,362 because of an error in the agency's calculation of total indirect costs.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletins 3140-18-01 and 00-95-12</p>				

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	15,305,282
Supplemental Act 148			<u>0</u>
Total State Allocation			15,305,282
State Share (CY348) ²	\$		14,721,507
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	14,721,507
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	14,721,507
Actual Act 148 Revenues Received ⁴			<u>14,857,423</u>
Net Amount Due County/(State) ⁵		\$	<u>(135,916)</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.

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 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	548,456	91,581	0	0	0	0	0	456,875	456,875	0
02. 90% REIMBURSEMENT	625,779	34,601	0	0	0	0	0	591,178	532,060	59,118
03. 80% REIMBURSEMENT	20,081,535	4,727,892	526,706	0	0	0	0	14,538,360	11,630,686	2,907,674
04. 60% REIMBURSEMENT	3,390,411	203,162	0	166,755	46,754	0	12,205	2,885,326	1,731,196	1,154,130
05. 50% REIMBURSEMENT	743,255	1,876	0	0	0	0	0	741,379	370,690	370,689
06. TOTAL NET CHILD WELFARE EXPEND.	25,389,436	5,059,112	526,706	166,755	46,754	0	12,205	19,213,118	14,721,507	4,491,611

YDCYFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	394,668							394,668	236,801	157,867

08. NON-REIMBURSABLE EXPENDITURES	0							0		0
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09. TOTAL EXPENDITURES	25,784,104	5,059,112	526,706	166,755	46,754	0	12,205	19,607,786	14,958,308	4,649,478
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10. TOTAL TITLE IV-D COLLECTIONS 106,944

11. TITLE IV-D Collections for IV-E Children 19,724

12. STATE ACT 148 - line 6 14,721,507

13. STATE ACT 148 ALLOCATION 15,305,282

14. ADJUSTED STATE SHARE (lower of 12 or 13) 14,721,507

INVOICE	
AMENDED STATE SHARE (ACT 148)	14,721,507
ACT 148 AMOUNT RECEIVED	14,857,423
ADJUSTMENT TO STATE SHARE	(135,916)

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 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	548,456	0	1,593,080	91,581	0	0	0	0	456,875	456,875	0	0
I-B ADOPTION ASSISTANCE	4,006,189	0	1,593,080	4,140	0	0	0	0	2,408,969	1,927,175	481,794	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	738,190	0	164,391	0	0	0	0	0	573,799	459,039	114,760	0
I-D COUNSELING - DEPENDENT	921,183	43,448	0	11,310	271,962	0	0	0	594,463	475,570	118,893	0
I-E COUNSELING - DELINQUENT	164,348	0	0	0	32,715	0	0	0	131,633	105,306	26,327	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	123,465	0	0	0	54,089	0	0	0	69,376	55,501	13,875	0
I-H DAY TREATMENT - DELINQUENT	678,504	0	0	0	158,843	0	0	0	519,661	415,729	103,932	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	68,362	16,508	0	11,431	0	0	0	0	40,423	32,338	8,085	0
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	624,870	0	0	90,979	6,096	0	0	0	527,795	422,236	105,559	0
I-N PROTECTIVE SERVICE - GENERAL	4,545,064	24,332	0	652,912	3,001	0	0	0	3,864,819	3,091,855	772,964	0
I-O SERVICE PLANNING	139,815	5,216	0	23,370	0	0	0	0	111,229	88,983	22,246	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	409,367	0	0	342	0	0	0	0	409,025	204,513	204,512	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	13,794	0	0	1,534	0	0	0	0	12,260	6,130	6,130	0
SUBTOTAL IN-HOME	12,981,607	89,504	1,757,471	887,599	526,706	0	0	0	9,720,327	7,741,250	1,979,077	0
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	893,969	32,100	0	22,771	0	0	0	0	839,098	671,278	167,820	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,416,515	2,950	0	39	0	0	0	0	1,413,526	1,130,821	282,705	0
2-E EMERGENCY SHELTER - DEPENDENT	464,298	0	0	34,601	0	0	0	0	429,697	386,727	42,970	0
2-F EMERGENCY SHELTER - DELINQUENT	161,481	0	0	0	0	0	0	0	161,481	145,333	16,148	0
2-G FOSTER FAMILY - DEPENDENT	5,752,293	164,023	1,215,382	938,087	0	0	0	0	3,434,801	2,747,841	686,960	0
2-H FOSTER FAMILY - DELINQUENT	8,768	0	0	0	0	0	0	0	8,768	7,014	1,754	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	8,697,324	199,073	1,215,382	995,498	0	0	0	0	6,287,371	5,089,014	1,198,357	0
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	320,094	0	0	0	0	0	0	0	320,094	160,047	160,047	0
3-B RESIDENTIAL SERVICE - DEPENDENT	337,604	17,804	0	455	0	166,755	46,754	0	105,836	63,502	42,334	0
3-C RES. SERVICE - DELINQUENT (NON YDC/FC)	1,166,635	58,405	0	212	0	0	0	0	1,108,018	664,811	443,207	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	559,614	0	0	0	0	0	0	0	559,614	335,768	223,846	0
3-E YDC SECURE	394,668	0	0	0	0	0	0	0	394,668	236,801	157,867	0
3-F SUBTOTAL INSTITUTIONAL	2,778,615	76,209	0	667	0	166,755	46,754	0	2,488,230	1,460,929	1,027,301	0
4 ADMINISTRATION	1,326,538	0	0	202,495	0	0	0	0	1,111,858	667,115	444,743	0
5 TOTAL REVENUES	25,784,104	364,786	2,972,853	2,086,259	526,706	166,755	46,754	12,205	19,607,786	14,958,308	4,649,478	0

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 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	548,456	0	0	91,581	0	0	0	0	456,875	456,875	0	
1-B ADOPTION ASSISTANCE	4,006,189	0	1,593,080	4,140	0	0	0	0	2,408,969	1,927,175	481,794	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	738,190	0	164,391	0	0	0	0	0	573,799	459,039	114,760	
1-D COUNSELING - DEPENDENT	921,183	43,448	0	11,310	271,962	0	0	0	594,463	475,570	118,893	
1-E COUNSELING - DELINQUENT	164,348	0	0	0	32,715	0	0	0	131,633	105,306	26,327	
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	
1-G DAY TREATMENT - DEPENDENT	123,465	0	0	54,089	0	0	0	0	69,376	55,501	13,875	
1-H DAY TREATMENT - DELINQUENT	678,504	0	0	158,843	0	0	0	0	519,661	415,729	103,932	
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	
1-J INTAKE & REFERRAL	68,362	16,508	0	11,431	0	0	0	0	40,423	32,338	8,085	
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	624,870	0	0	90,979	6,096	0	0	0	527,795	422,236	105,559	
1-N PROTECTIVE SERVICE - GENERAL	4,545,064	24,332	0	652,912	3,001	0	0	0	3,864,819	3,091,855	772,964	
1-O SERVICE PLANNING	139,815	5,216	0	23,370	0	0	0	0	111,229	88,983	22,246	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	409,367	0	0	342	0	0	0	0	409,025	204,513	204,512	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	13,794	0	0	1,534	0	0	0	0	12,260	6,130	6,130	
SUBTOTAL IN-HOME	12,981,607	89,504	1,757,471	887,599	526,706	0	0	0	9,720,327	7,741,250	1,979,077	
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	893,969	32,100	0	22,771	0	0	0	0	839,098	671,278	167,820	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,416,515	2,950	0	39	0	0	0	0	1,413,526	1,130,821	282,705	
2-E EMERGENCY SHELTER - DEPENDENT	464,298	0	0	34,601	0	0	0	0	429,697	386,727	42,970	
2-F EMERGENCY SHELTER - DELINQUENT	161,481	0	0	0	0	0	0	0	161,481	145,333	16,148	
2-G FOSTER FAMILY - DEPENDENT	5,752,293	164,023	1,215,382	938,087	0	0	0	0	3,434,801	2,747,841	686,960	
2-H FOSTER FAMILY - DELINQUENT	8,768	0	0	0	0	0	0	0	8,768	7,014	1,754	
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	
SUBTOTAL CBP	8,697,324	199,073	1,215,382	995,498	0	0	0	0	6,287,371	5,089,014	1,198,357	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	320,094	0	0	0	0	0	0	0	320,094	160,047	160,047	
3-B RESIDENTIAL SERVICE - DEPENDENT	337,604	17,804	0	455	0	0	0	0	105,836	63,502	42,334	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,166,635	58,405	0	212	0	0	0	0	1,108,018	664,811	443,207	
3-D SECURE RES. SERVICE (EXCEPT YDC)	559,614	0	0	0	0	0	0	0	559,614	335,768	223,846	
3-E YDC SECURE	394,668	0	0	0	0	0	0	0	394,668	236,801	157,867	
SUBTOTAL INSTITUTIONAL	2,778,615	76,209	0	667	0	0	0	0	2,488,230	1,460,929	1,027,301	
4 ADMINISTRATION	1,326,558	0	0	202,495	0	0	0	0	1,111,858	667,115	444,743	
5 TOTAL REVENUES	25,784,104	364,786	2,972,853	2,086,259	526,706	166,755	46,754	0	19,607,786	14,958,308	4,649,478	

**WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 554,034	\$ (5,578)	\$ 548,456
Adoption Assistance	4,006,189	0	4,006,189
Subsidized Permanent Legal Custodianship	738,190	0	738,190
Counseling	1,254,508	(168,977)	1,085,531
Day Care	0	0	0
Day Treatment	801,969	0	801,969
Homemaker Service	0	0	0
Intake and Referral	69,159	(797)	68,362
Life Skills	0	0	0
Protective Service - Child Abuse	630,448	(5,578)	624,870
Protective Service - General	4,595,264	(50,200)	4,545,064
Service Planning	141,409	(1,594)	139,815
Juvenile Act Proceedings	423,161	0	423,161
Alternative Treatment	0	0	0
Community Residential	2,312,078	(1,594)	2,310,484
Emergency Shelter	628,169	(2,390)	625,779
Foster Family	5,772,216	(11,155)	5,761,061
Supervised Independent Living	0	0	0
Juvenile Detention Service	320,094	0	320,094
Residential Service	1,504,239	0	1,504,239
Secure Residential Service (Except YDC)	559,614	0	559,614
YDC Secure	394,668	0	394,668
Administration	<u>1,220,342</u>	<u>106,216</u>	<u>1,326,558</u>
Combined Total Expense	25,925,751	(141,647)	25,784,104
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 25,925,751</u>	<u>\$ (141,647)</u>	<u>\$ 25,784,104</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 4,118,960	\$ 0	\$ 4,118,960
Employee Benefits	1,741,951	0	1,741,951
Subsidies	4,744,359	0	4,744,359
Operating	1,917,238	26,533	1,943,771
Purchased Services	13,345,713	(168,180)	13,177,533
Fixed Assets	<u>57,530</u>	<u>0</u>	<u>57,530</u>
Combined Total Expense	25,925,751	(141,647)	25,784,104
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 25,925,751</u>	<u>\$ (141,647)</u>	<u>\$ 25,784,104</u>

**WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	1-D	5	1	CY-370 Adjustments			
				Counseling (Dependent) - Purchased Services	\$ 1,021,910	\$ (168,180)	\$ 853,730
				To decrease Purchase Services expenditures by \$168,180 to reconcile with the agency's final expenditure ledger. The reason for the variance could not be explained by the agency.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	1-A	4	2	Adoption Service - Operating	\$ 86,193	\$ (5,578)	\$ 80,615
	1-D	4		Counseling (Dependent) - Operating	\$ 10,416	\$ (797)	\$ 9,619
	1-J	4		Intake & Referral - Operating	\$ 10,589	\$ (797)	\$ 9,792
	1-M	4		Protective Service Child Abuse - Operating	\$ 83,011	\$ (5,578)	\$ 77,433
	1-N	4		Protective Service General - Operating	\$ 728,422	\$ (50,200)	\$ 678,222
	1-O	4		Service Planning - Operating	\$ 20,537	\$ (1,594)	\$ 18,943
	2-C	4		Community Residential (Dependent) - Operating	\$ 23,626	\$ (1,594)	\$ 22,032
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 32,667	\$ (2,390)	\$ 30,277
	2-G	4		Foster Family (Dependent) - Operating	\$ 160,095	\$ (11,155)	\$ 148,940
	4	4		Administration - Operating	\$ 725,351	\$ 79,683	\$ 805,034
					Total Adjustment Amount		\$ -
				To reclassify \$79,683 from various Operating costs centers to Operating Administration. The agency reported building maintenance costs, from the County Cost Allocation Plan, as direct costs and allocated the amount across cost centers. The agency was not eligible to report the building maintenance costs as direct occupancy costs because the agency also reported and received state reimbursement for office building rent. OCYF Bulletin 00-95-12 states that Maintenance In Lieu of Rent is allowable for state reimbursement when an C&Y agency office is housed in a County owned building and the agency does not pay rent to reside in a noncounty owned building.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY370	4	4	3	Administration - Operating	\$ 805,034	\$ 26,533	\$ 831,567
				To increase indirect costs by net \$26,533 to properly report the amount eligible for state reimbursement. Reported indirect costs were overstated by \$75,513 because employee benefits paid on behalf of retired agency employees was included in the agency reported amount for indirect costs and is non-allowable; understated by \$79,683 because indirect costs were reported as direct costs and allocated to the cost centers (see adjustment #2); and understated by \$22,363 because of an error in the agency's calculation of total indirect costs.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletins 3140-18-01 and 00-95-12			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 The Washington County Children and Youth Agency Should Implement and Document Internal Control Policies and Procedures in Order to Reduce the Risk of Paying Overbillings or Fraudulent Billings Submitted by Contracted In-Home Purchased Service Providers

In our prior engagement report, for the fiscal years July 1, 2012 to June 30, 2016, we cited the Washington County Children and Youth Agency (agency) for failure to have internal control policies and procedures in place to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service Providers. For contracted In-Home Fee-for-Service providers, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on these providers' submitted invoices. Agency management stated, during the conduct of our previous engagement, they did not have policies and procedures in place to obtain reasonable assurance that the services related to the fees invoiced by contracted Fee-for-Service In-Home Purchased Services providers were actually provided, and provided in adherence to executed contract terms. The agency had no contracts with Program-Funded In-Home Purchased Services providers.

During the conduct of our current engagement, we determined that as of November 4, 2016, contracted Fee-for-Service In-Home Purchased Service providers are required to complete sign-in sheets for direct contacts with clients and include these sign-in sheets with invoices submitted to the agency for payment. When the invoices and sign-in sheets are received, agency fiscal staff compare the sign-in sheets to the respective submitted invoices and then contact the provider to discuss and resolve any identified problems. In addition, as of May 2017, a provider monitoring review is performed for at least two contracted Fee-for-Service In-Home Purchased Service providers per year. These monitoring reviews include a fiscal-related portion during which case files are reviewed to assess delivery of services as required, and a substantiation of service hours billed to the county agency. All monitoring review procedures, along with findings and recommendations, are summarized in a report which is forwarded to the provider for a response and proposed corrective actions. We obtained evidence substantiating that the agency's fiscal monitoring policy and procedures were implemented in November 2016 to obtain reasonable assurance that services related to invoiced In-Home Purchased Services fees were actually provided. The evidence obtained included: written policy and procedures; contracted In-Home Purchased providers submitted invoices and related sign-in sheets to substantiate the number of units invoiced; and on-site provider monitoring reports completed after May 2017.

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Based on the results of the procedures performed during the conduct of our current engagement, we concluded, that from November 4, 2016 through the end of our current engagement scope period, the agency had sufficient fiscal-related monitoring policy and procedures in place for contracted Fee-for-Service In-Home Purchased Service providers to provide evidence that substantiated the validity of the number of units invoiced for each individual listed on these providers' submitted invoices and reduce the agency's risk of paying overbillings and/or fraudulent billings submitted by these providers. Therefore, we concluded that the issuance of a repeat finding is not warranted. However, we recommend that, if the agency would contract with Program-Funded In-Home Purchased Service providers, fiscal-related monitoring policy and procedures should be implemented to substantiate operating costs invoiced by these providers, along with the implementation of monitoring policy and procedures to obtain reasonable assurance that services related to the invoiced Program-Funded operating costs were actually provided.

Finding No. 2 – Noncompliance - Failure to Perform an Annual Physical Inventory of Fixed Assets and to Provide an Updated Listing of All Agency Fixed Assets

In our prior engagement report, for the fiscal years July 1, 2012 to June 30, 2016, we cited the Washington County Children and Youth Agency (agency) for a failure to perform annual physical inventories of fixed assets for the 2012-2013, 2013-2014, and 2014-2015 fiscal years. Furthermore, while we found the agency maintained an updated fixed asset listing for each fiscal year included in our prior engagement scope period, the agency failed to implement written policies and procedures or perform physical inventories of fixed assets for the 2012-2013, 2013-2014, and 2014-2015 fiscal years.

During the conduct of our current engagement, we determined that in addition to continuously updating the inventory listing, two staff members complete an annual physical inventory of fixed assets by viewing each and every asset on the fixed asset inventory listing. The inventory listing is initialed and dated to indicate each inventory item was viewed. After completion, the fiscal manager reviews the completed physical inventory and discrepancies are investigated and resolved. Also, the fixed assets policy and procedures are discussed with all agency staff during a meeting prior to the start of the annual physical inventory. We obtained evidence substantiating the agency's statements and that the agency maintained updated fixed asset inventory listings and performed annual physical inventories of fixed assets for the 2016-2017 and 2017-2018 fiscal years. The evidence obtained included: written policies and procedures; fixed asset inventory listings; and documented completed fixed asset physical inventories.

Based on the results of procedures performed during the conduct of our current engagement, we concluded the agency performed annual physical inventories of fixed assets and implemented corresponding sufficient written policy and procedures, along with maintaining

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

updated fixed asset inventory listings for both fiscal years included in our current engagement scope period. Therefore, the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT OBSERVATION

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Observation – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

The vast majority of Pennsylvania’s County Children and Youth (C&Y) Agencies contract with non-government In-Home Preventative Service Providers (Contracted Providers) to deliver services to children outside of an institutional or community-based setting, and those services are referred to as In-Home Purchased Services.² The Child Protective Services Law (CPSL) requires the conduct of Criminal Background Checks and Child Abuse History Clearances (Certifications) for all Contracted Providers’ (and their respective subcontractors’) employees and direct volunteers.³

Since 2016, we have communicated concerns to the Pennsylvania Department of Human Services (DHS) that these Contracted Providers were not being monitored for compliance with the CPSL certification mandates, specifically as it relates to obtaining assurance as to the sufficiency of each C&Y Agency’s procedures for reviewing the Certifications of Contracted Providers’ employees and volunteers and their respective subcontractors, whose duties require them to come into direct contact with children and taking appropriate corrective action when disqualifying incidents are identified. Furthermore, these Contracted Providers are not subject to licensure nor annual inspections under the Human Services Code (Code).⁴ Our concerns were communicated through the inclusion of a standardized observation in our C&Y Program engagement reports and through correspondence with DHS.

In February 2018, DHS senior management staff affirmed that DHS is responsible for communicating contract monitoring expectations to the C&Y Agencies and for implementing a method to ensure that the certification monitoring is being performed adequately. DHS staff also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

² Institutional and community-based settings are those in which the child is outside of the home for the entire time (e.g., Juvenile Detention, Residential Services, Secure Residential, Youth Development Camps, Youth Forestry Camps, Foster Care, Emergency Shelter, Group Homes, etc.). In-Home supportive services are provided while the child is in their own home or supportive services provided to the child or child’s family while the child is in substitute care.

³ 23 Pa.C.S. §§ 6344 and 6344.2. Please note that CPSL 23 Pa.C.S. § 6344.4 now requires recertification of the required state and federal background checks and the child abuse clearance every 60 months.

⁴ Based on a recent communication with DHS in early September 2020, the agency candidly indicated that it lacks sufficient budgetary resources, leading to inadequate staffing to provide for the licensure and inspection of these Contracted Providers, which includes a large population of not only these providers, but also their subcontractors. Further, the implication of these budgetary constraints is that it would not be reasonable to pursue or support related legislation to make these Contracted Providers and their subcontractors subject to licensure and inspection. Please see the Special Note in Endnote 1.

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. The major purpose of our letter was to express our concerns, as detailed above.

DHS Corrective Actions Taken

In an effort to further address our concerns, DHS expanded its CPSL adherence requirements for C&Y Agencies through the issuance of its 2019 revision of its Single Audit Supplement (Supplement) for counties, effective for the fiscal years ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor provider adherence to the CPSL background check requirements to assure the safety of children receiving prevention, reunification, and aftercare services (services coded as in-home).
- Document these efforts and report them to DHS on a supplemental schedule included in each counties' Single Audit package.
- Create a listing of providers that deliver in-home coded services.
- Monitor a sample of in-home service providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to providers and obtain a corrective action plan.
- Follow-up on implementation of the corrective action plan within six months.
- Document the results of the monitoring.

Single Auditors are required to:

- Obtain a listing of providers that deliver in-home coded services for the C&Y Agency.
- Test the listing of providers for completeness.
- Analyze the C&Y Agency's documentation of monitoring activities for adequacy of monitoring, the C&Y Agency's obtaining of any necessary corrective action plans, the C&Y Agency's timely follow-up on

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

corrective action plans, and the adequacy and accuracy of the monitoring documentation.

Our Current Position

We are glad that the DHS' 2019 revision to its Supplement requires (1) C&Y Agencies to document their monitoring of Contracted Providers' compliance with the CPSL; (2) the Single Auditors to evaluate the adequacy of this documentation; and (3) the documentation be provided to DHS for its review. However, the Supplement is entirely silent with regards to actions DHS will take if Single Auditors find a C&Y Agency failed to identify disqualifying incidents and/or failed to take appropriate corrective actions when disqualifying convictions that would prohibit employees and volunteers from having direct contact with children receiving services were identified.

We believe that the requirements that DHS included in its Supplement are great first steps in obtaining assurance of the C&Y Agencies' compliance with the CPSL certification requirements **if the requirements are actually being followed consistently and routinely by each county C&Y Agency**. Therefore, as the oversight agency, we believe that it is imperative that DHS implement its own monitoring process to obtain assurance that each C&Y Agency is following the CPSL certification requirements by ensuring that appropriate corrective actions are taken if it is found by the Single Auditors that C&Y Agencies are not adequately protecting the safety of these already at-risk children. This specifically relates to obtaining assurance as to the sufficiency of each C&Y Agency's procedures for reviewing the Certifications of the Contracted Providers' employees and volunteers (whose duties require them to come into direct contact with children) and their respective subcontractors and taking appropriate corrective action when disqualifying incidents are identified.¹ Furthermore, we continue to believe that these children remain particularly vulnerable since the in-home services are sometimes provided outside the presence and view of others, which has been further aggravated by the current COVID-19 crisis.⁵

Conclusion

As previously stated, as the oversight agency, DHS must implement its own monitoring process that will provide DHS management with the assurance that every C&Y Agency and their

⁵ Various article point to children in commonwealth experiencing more abuse. See May 11, 2020, <https://www.ydr.com/story/news/2020/05/11/coronavirus-pa-hospitals-seeing-more-severe-child-abuse-injuries/3103045001/>; June 20, 2020, <https://www.buckscountycouriertimes.com/news/20200620/state-more-child-abuse-calls-coming-in-than-at-start-of-pandemic-but-still-being-underreported/>; and July 17, 2020, <https://www.goerie.com/news/20200717/child-abuse-in-pandemic-as-hospitals-see-more-severe-injuries-the-worst-is-yet-to-come> (accessed July 29, 2020).

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respective Contracted Providers and their subcontractors are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the sufficiency of each C&Y Agency's procedures for reviewing the Certifications of their Contracted Providers' employees and volunteers and their subcontractors (whose duties require them to come into direct contact with children) and taking appropriate corrective action when disqualifying incidents are identified. On August 31, 2020, DHS informed us that they began receiving the supplemental schedules (monitoring documentation) for Single Audits conducted for the fiscal years ended June 30, 2019. DHS further stated that, beginning in October, 2020, they plan to review these supplement schedules and each county's Corrective Action Plan (CAP) for CPSL adherence as a part of its on-site reviews of counties.

Finally, we note that in addition to following up with DHS on these issues, our Department will also reach out to the newly appointed Child Advocate Nicole Yancy and the new Council on Reform, as well as the Pennsylvania Senate and House of Representatives committee chairs focused on the protection of children and youth to ensure they are aware of our concerns.

ⁱ **Special Note:** In marked contrast to contracted foster care parents/providers and day treatment centers/child residential facilities, as well as 12 other types of facilities and programs, these C&Y Contracted Providers are not subject to annual licensure and an inspection process in accordance with the Human Services Code (Code). As noted in an earlier footnote, DHS recently made the candid statement that it lacks sufficient budgetary resources, leading to inadequate staffing, to provide for the licensure and inspection of these Contracted Providers.

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y Agencies' Contracted Providers and their subcontractors. However, it is important to note that these children under the care of the Contracted Providers remain particularly vulnerable since the in-home services are sometimes provided outside the presence and view of others, which has been further aggravated by the current COVID-19 crisis.

WASHINGTON COUNTY CHILDREN AND YOUTH AGENCY
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This report was originally distributed to the following:

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