

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

Wayne County Children and Youth Agency

May 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 Wayne County
Wayne County Courthouse
925 Court Street
Honesdale, PA 18431

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

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

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

¹ The accrual basis of accounting is required by DHS.

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

- For the **2014-2015 fiscal year**, our engagement resulted in 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 \$1,091 and decreasing nonreimbursable expenditures by \$10,924. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$5,719. All 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 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 nonreimbursable expenditures by \$4,360 and decreasing revenue by \$497. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$2,864. All adjustments are 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 nonreimbursable expenditures by \$10,629. Based on the application of the state participation rates, the adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$6,378. The 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 County representatives and agency management at an exit conference held on May 1, 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 Wayne County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

May 16, 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 Wayne County Children and Youth Agency provided in-home and placement services to 1,473 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2014 to JUNE 30, 2015

**WAYNE 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	\$	3,067,213
Supplemental Act 148		<u>0</u>
Total State Allocation		3,067,213
State Share (CY348) ²	\$	2,578,623
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	2,578,623
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	2,578,623
Actual Act 148 Revenues Received ⁴		<u>2,572,904</u>
Net Amount Due County/(State) ⁵	\$	<u><u>5,719</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.

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 AMENDED CY348
 FISCAL SUMMARY

A	B	C	D	E	F	G	H	I	J	K
GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	1,787	272	0	0	0	0	0	1,515	1,515	0
02. 90% REIMBURSEMENT	19,372	3,207	0	0	0	0	0	15,784	14,206	1,578
03. 80% REIMBURSEMENT	3,455,088	592,884	73,336	47,549	0	0	0	2,683,604	2,146,885	536,719
04. 60% REIMBURSEMENT	824,148	31,065	0	0	147,988	0	3,394	574,072	344,444	229,628
05. 50% REIMBURSEMENT	145,801	2,656	0	0	0	0	0	143,145	71,573	71,572
06. TOTAL NET CHILD WELFARE EXPEND.	4,446,196	663,992	73,336	47,549	147,988	0	3,394	3,418,120	2,578,623	839,497

YDCYFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	21,439	0						21,439		21,439

09. TOTAL EXPENDITURES	4,467,635	663,992	73,336	47,549	147,988	0	3,394	3,439,559	2,578,623	860,936
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- 10. TOTAL TITLE IV-D COLLECTIONS 51,261
- 11. TITLE IV-D Collections for IV-E Children 15,955
- 12. STATE ACT 148 - line 6 2,578,623
- 13. STATE ACT 148 ALLOCATION 3,067,213
- 14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,578,623

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,578,623
ACT 148 AMOUNT RECEIVED	2,572,904
ADJUSTMENT TO STATE SHARE	5,719

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	1,787	0		272	0		0	0	0	1,515	1,515	0
1-B ADOPTION ASSISTANCE	308,460	0	123,998	2,990			0	0	0	181,472	145,178	36,294
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	47,180	0	19,071	54			0	0	0	28,055	22,444	5,611
1-D COUNSELING - DEPENDENT	155,797	0		0	24,209	2,750	0	0	0	128,838	103,071	25,767
1-E COUNSELING - DELINQUENT	77,318	0		0	18,798	0	0	0	0	58,520	46,816	11,704
1-F DAY CARE	1,078	0		0	0	0	0	0	0	1,078	862	216
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	80,151	0		0	30,329	0	0	0	0	49,822	39,858	9,964
1-I HOMEMAKER SERVICE	244,192	0		37,315	0	0	0	0	0	206,877	165,502	41,375
1-J INTAKE & REFERRAL	806,075	0		122,378	0	0	0	0	0	683,697	546,958	136,739
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	168,163	0		25,472	0	0	0	0	0	142,691	114,153	28,538
1-N PROTECTIVE SERVICE - GENERAL	507,981	0		77,248	0	0	0	0	0	430,733	344,586	86,147
1-O SERVICE PLANNING	116,510	0		17,690	0	0	0	0	0	98,820	79,056	19,764
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	85,871	0		0	0	0	0	0	0	85,871	42,936	42,935
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	2,600,563	0	143,069	283,419	73,336	2,750	0	0	0	2,097,989	1,652,935	445,054
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	132,155	9,987		144		23,061	0	0	0	98,963	79,170	19,793
2-D COMMUNITY RESIDENTIAL - DELINQUENT	38,909	634		0		21,738	0	0	0	16,537	13,230	3,307
2-E EMERGENCY SHELTER - DEPENDENT	19,372	381		2,441	766	0	0	0	0	15,784	14,206	1,578
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	770,753	47,094		89,628	76,896	0	0	0	0	557,135	445,708	111,427
2-H FOSTER FAMILY - DELINQUENT	366	0		0	0	0	0	0	0	366	293	73
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	961,555	58,096	92,069	77,806	0	44,799	0	0	0	688,785	552,607	136,178
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	59,930	2,656								57,274	28,637	28,637
3-B RESIDENTIAL SERVICE - DEPENDENT	327,952	24,814		307		0	147,988	0	0	154,843	92,906	61,937
3-C RES. SERVICE - DELINQUENT (NON YDC/MFC)	52,587	5,547		0		0	0	0	0	47,040	28,224	18,816
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	704								(704)	(422)	(282)
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	440,469	33,721	0	307	0	0	147,988	0	0	258,453	149,345	109,108
4 ADMINISTRATION	443,609	0		67,322		0	0	0	3,394	372,893	223,736	149,157
TOTAL REVENUES	4,446,196	91,817	235,138	428,854	73,336	47,549	147,988	0	3,394	3,418,120	2,578,623	839,497

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	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	1,088	463		236	0	0	1,787	26	0	0	0	0
1-B ADOPTION ASSISTANCE	3,265	975	303,723	497	0	0	308,460	0	37	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	298	44	46,825	13	0	0	47,180	0	5	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	155,797	0	155,797	0	52	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	77,318	0	77,318	0	38	0	0	0
1-F DAY CARE	0	0		0	1,078	0	1,078	0	3	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	80,151	0	80,151	0	15	0	0	0
1-I HOMEMAKER SERVICE	136,200	76,975		21,894	0	9,123	244,192	71	0	0	0	0
1-J INTAKE & REFERRAL	504,107	210,864		65,656	2,291	23,157	806,075	1,940	17	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	103,195	40,421		19,043	0	5,504	168,163	12	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	321,256	110,878		56,933	2,159	16,755	507,981	140	13	0	0	0
1-O SERVICE PLANNING	77,244	27,921		7,639	0	3,706	116,510	101	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	85,871		85,871	0	72	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,146,653	468,541	350,548	171,911	404,665	58,245	2,600,563					
	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	0	0	0	1,012	131,143	0	132,155	1,042	5	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	38,909	0	38,909	220	3	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	6,427	12,945	0	19,372	246	15	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	118,518	61,059	0	66,239	518,874	6,063	770,733	11,854	56	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	366	0	366	4	1	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	118,518	61,059	0	73,678	702,237	6,063	961,555	13,366	80	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	80,125	0	80,125	322	9	0	20,195	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	3,179	324,773	0	327,952	1,229	8	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	52,587	0	52,587	218	5	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	0	0	0	3,179	457,485	0	460,664	1,769	22	0	20,195	0
ADMINISTRATION	212,312	68,415	0	159,260	0	4,866	444,853			1,244	0	0
TOTAL EXPENDITURES	1,477,483	598,015	350,548	408,028	1,564,387	69,174	4,467,635			1,244	20,195	0
	County Indirect Costs = \$ 119,341											

**WAYNE 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	\$ 1,787	\$ 0	\$ 1,787
Adoption Assistance	308,460	0	308,460
Subsidized Permanent Legal Custodianship	47,180	0	47,180
Counseling	233,100	15	233,115
Day Care	1,078	0	1,078
Day Treatment	80,151	0	80,151
Homemaker Service	244,192	0	244,192
Intake and Referral	806,075	0	806,075
Life Skills	0	0	0
Protective Service - Child Abuse	168,163	0	168,163
Protective Service - General	507,981	0	507,981
Service Planning	116,510	0	116,510
Juvenile Act Proceedings	85,871	0	85,871
Alternative Treatment	0	0	0
Community Residential	171,064	0	171,064
Emergency Shelter	19,372	0	19,372
Foster Family	772,049	(930)	771,119
Supervised Independent Living	0	0	0
Juvenile Detention Service	80,125	0	80,125
Residential Service	380,715	(176)	380,539
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	444,853	0	444,853
Combined Total Expense	<u>4,468,726</u>	<u>(1,091)</u>	<u>4,467,635</u>
Less Non-reimbursables	<u>32,363</u>	<u>(10,924)</u>	<u>21,439</u>
Total Net Expense	<u>\$ 4,436,363</u>	<u>\$ 9,833</u>	<u>\$ 4,446,196</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,477,483	\$ 0	\$ 1,477,483
Employee Benefits	598,015	0	598,015
Subsidies	350,548	0	350,548
Operating	408,204	(176)	408,028
Purchased Services	1,565,302	(915)	1,564,387
Fixed Assets	69,174	0	69,174
Combined Total Expense	<u>4,468,726</u>	<u>(1,091)</u>	<u>4,467,635</u>
Less Non-reimbursables	<u>32,363</u>	<u>(10,924)</u>	<u>21,439</u>
Total Net Expense	<u>\$ 4,436,363</u>	<u>\$ 9,833</u>	<u>\$ 4,446,196</u>

**WAYNE 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	10	1	CY-370 Adjustments			
				Administration - Non-Reimbursable Non-PS/Sub.	\$ 12,168	\$ (10,924)	\$ 1,244
				To decrease Non-Reimbursable expenditures by \$10,924 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			
CY-370	3-B	4	2	Residential Service (Dep.) - Operating	\$ 3,355	\$ (176)	\$ 3,179
	1-D	5		Counseling (Dep.) - Purchased Services	\$ 155,782	\$ 15	\$ 155,797
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 519,804	\$ (930)	\$ 518,874
				Total Adjustment Amount		\$ (1,091)	
				To decrease expenditures by \$1,091 to properly report Operating and Purchased Service expenses and reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**WAYNE 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		\$	3,349,092
Supplemental Act 148			<u>0</u>
Total State Allocation			3,349,092
State Share (CY348) ²	\$		2,718,921
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,718,921
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,718,921
Actual Act 148 Revenues Received ⁴			<u>2,716,057</u>
Net Amount Due County/(State) ⁵		\$	<u>2,864</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.

**WAYNE 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	15,423	0	2,404	0	0	0	0	0	13,019	13,019	0
02. 90% REIMBURSEMENT	22,482	0	1,716	2,359	0	0	0	0	18,407	16,566	1,841
03. 80% REIMBURSEMENT	3,645,953	47,284	625,174	70,977	47,549	0	0	0	2,854,969	2,283,975	570,994
04. 60% REIMBURSEMENT	848,862	15,526	88,131	0	0	147,988	0	3,092	594,125	356,476	237,649
05. 50% REIMBURSEMENT	100,948	3,168	10	0	0	0	0	0	97,770	48,885	48,885
06. TOTAL NET CHILD WELFARE EXPEND	4,633,668	65,978	717,435	73,336	47,549	147,988	0	3,092	3,578,290	2,718,921	859,369
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0	0	0	0	0	0	0	0	0	0
08. NON-REIMBURSABLE EXPENDITURES	13,740	0	0	0	0	0	0	0	13,740	0	13,740
09. TOTAL EXPENDITURES	4,647,408	65,978	717,435	73,336	47,549	147,988	0	3,092	3,592,030	2,718,921	873,109
10. TOTAL TITLE IV-D COLLECTIONS	50,212										
11. TITLE IV-D Collections for IV-E Children	24,179										
12. STATE ACT 148 - line 6	2,718,921										
13. STATE ACT 148 ALLOCATION	3,349,092										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	2,718,921										
INVOICE											
AMENDED STATE SHARE (ACT 148)	2,718,921										
ACT 148 AMOUNT RECEIVED	2,716,057										
ADJUSTMENT TO STATE SHARE	2,864										

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

REVENUE SOURCES												
MAJOR SERVICE CATEGORIES & COST CENTERS												
	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	15,423	0		2,404	0				0	13,019	13,019	0
1-B ADOPTION ASSISTANCE	368,217	0	161,857	3,491					0	202,869	162,295	40,574
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	48,156	0	17,985						0	30,171	24,137	6,034
1-D COUNSELING - DEPENDENT	207,301	0			35,674	1,246			0	170,381	136,305	34,076
1-E COUNSELING - DELINQUENT	122,185	0			23,995				0	98,190	78,552	19,638
1-F DAY CARE	1,201	0							0	1,201	961	240
1-G DAY TREATMENT - DEPENDENT	4,963	0							0	4,963	3,970	993
1-H DAY TREATMENT - DELINQUENT	113,499	0			11,308				0	102,191	81,753	20,438
1-I HOMEMAKER SERVICE	243,586	258		37,524					0	205,804	164,643	41,161
1-J INTAKE & REFERRAL	832,615	786		127,530					0	704,299	563,439	140,860
1-K LIFE SKILLS - DEPENDENT	0	0							0	0	0	0
1-L LIFE SKILLS - DELINQUENT	18,250	0							0	18,250	14,600	3,650
1-M PROTECTIVE SERVICE - CHILD ABUSE	130,226	173		20,189					0	109,864	87,891	21,973
1-N PROTECTIVE SERVICE - GENERAL	580,760	546		88,639					0	491,575	393,260	98,315
1-O SERVICE PLANNING	101,482	80		15,691					0	85,711	68,569	17,142
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	62,342	0		10					0	62,332	31,166	31,166
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0							0	0	0	0
1-R SUBTOTAL IN-HOME	2,850,206	1,843	179,842	295,478	70,977	1,246	0	0	0	2,300,820	1,824,560	476,260
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0							0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	28,204	2,688							0	25,516	20,413	5,103
2-C COMMUNITY RESIDENTIAL - DEPENDENT	106,696	0	25,170	198	46,303				0	35,025	28,020	7,005
2-D COMMUNITY RESIDENTIAL - DELINQUENT	64,680	1,058							0	63,622	50,898	12,724
2-E EMERGENCY SHELTER - DEPENDENT	22,482	0	1,167	549	2,359				0	18,407	16,566	1,841
2-F EMERGENCY SHELTER - DELINQUENT	0	0							0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	654,514	41,695	52,316	74,565					0	485,938	388,750	97,188
2-H FOSTER FAMILY - DELINQUENT	0	0							0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	19,418	0		19					0	19,399	15,519	3,880
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	0
2-K SUBTOTAL CBP	895,994	45,441	78,653	75,331	2,359	46,303	0	0	0	647,907	520,166	127,741
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	38,606	3,168							0	35,438	17,719	17,719
3-B RESIDENTIAL SERVICE - DEPENDENT	156,415	1,146	11,434	543			52,166		0	91,126	54,676	36,450
3-C RES. SERVICE - DELINQUENT (NON YDC/FC)	173,706	14,021					95,822		0	63,863	38,318	25,545
3-D SECURE RES. SERVICE (EXCEPT YDC)	20,275	200							0	20,075	12,045	8,030
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	389,002	18,535	11,434	543	0	0	147,988	0	0	210,502	122,758	87,744
4 ADMINISTRATION	498,466	159		76,154		0	0	0	3,092	419,061	251,437	167,624
5 TOTAL REVENUES	4,633,668	65,978	269,929	447,506	73,336	47,549	147,988	0	3,092	3,578,290	2,718,921	859,369

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	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
1-A ADOPTION SERVICE	8,406	2,842		1,739	0	2,436	15,423	22	0	0	0	0
1-B ADOPTION ASSISTANCE	1,024	463	366,509	206	0	15	368,217	43	43	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	48,156	0	0	0	48,156	0	5	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	207,301	0	207,301	0	159	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	122,185	0	122,185	0	35	0	0	0
1-F DAY CARE	0	0	0	0	1,201	0	1,201	0	2	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	4,963	0	4,963	0	1	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	113,499	0	113,499	0	18	0	0	0
1-I HOMEMAKER SERVICE	140,040	75,208		21,804	0	6,534	243,586	97	0	0	0	0
1-J INTAKE & REFERRAL	538,260	211,652		67,079	2,585	13,039	832,615	2,232	22	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	18,250	0	18,250	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	78,220	26,567		23,293	53	2,093	130,226	13	1	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	368,362	138,862		60,014	2,841	10,681	580,760	143	18	0	0	0
1-O SERVICE PLANNING	67,929	21,693		9,846	0	2,014	101,482	178	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	64	62,278		62,278	0	72	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,202,241	477,287	414,665	184,045	535,156	36,812	2,850,206			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	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	28,204	0	28,204	166	4	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	1,550	105,146	0	106,696	790	4	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	64,680	0	64,680	366	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,831	18,651	0	22,482	266	15	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	100,118	50,813		47,671	453,537	2,433	654,572	9,623	64	0	58	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	1,735	17,683	0	19,418	111	2	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	100,118	50,813	0	54,787	687,901	2,433	896,052	11,322	90	0	58	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	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	52,288	0	52,288	209	9	0	13,682	0
3-B RESIDENTIAL SERVICE - DEPENDENT	1,015	112	0	6,288	149,000	0	156,415	572	7	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,212	172,494	0	173,706	761	7	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	275	20,000	0	20,275	64	1	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,015	112	0	7,775	393,782	0	402,684	1,606	24	0	13,682	0
4 ADMINISTRATION	262,592	76,754	0	156,620	10	2,490	498,466			0	0	0
TOTAL EXPENDITURES	1,565,966	604,966	414,665	403,227	1,616,849	41,735	4,647,408			0	13,740	0
	County Indirect Costs = \$ 120,929											

**WAYNE 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	\$ 15,423	\$ 0	\$ 15,423
Adoption Assistance	368,217	0	368,217
Subsidized Permanent Legal Custodianship	48,156	0	48,156
Counseling	329,486	0	329,486
Day Care	1,201	0	1,201
Day Treatment	118,462	0	118,462
Homemaker Service	243,586	0	243,586
Intake and Referral	832,615	0	832,615
Life Skills	18,250	0	18,250
Protective Service - Child Abuse	130,226	0	130,226
Protective Service - General	580,760	0	580,760
Service Planning	101,482	0	101,482
Juvenile Act Proceedings	62,342	0	62,342
Alternative Treatment	28,204	0	28,204
Community Residential	171,376	0	171,376
Emergency Shelter	22,482	0	22,482
Foster Family	654,572	0	654,572
Supervised Independent Living	19,418	0	19,418
Juvenile Detention Service	52,288	0	52,288
Residential Service	330,121	0	330,121
Secure Residential Service (Except YDC)	20,275	0	20,275
YDC Secure	0	0	0
Administration	498,466	0	498,466
Combined Total Expense	<u>4,647,408</u>	<u>0</u>	<u>4,647,408</u>
Less Non-reimbursables	<u>18,100</u>	<u>(4,360)</u>	<u>13,740</u>
Total Net Expense	<u>\$ 4,629,308</u>	<u>\$ 4,360</u>	<u>\$ 4,633,668</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,565,966	\$ 0	\$ 1,565,966
Employee Benefits	604,966	0	604,966
Subsidies	414,665	0	414,665
Operating	403,227	0	403,227
Purchased Services	1,616,849	0	1,616,849
Fixed Assets	41,735	0	41,735
Combined Total Expense	<u>4,647,408</u>	<u>0</u>	<u>4,647,408</u>
Less Non-reimbursables	<u>18,100</u>	<u>(4,360)</u>	<u>13,740</u>
Total Net Expense	<u>\$ 4,629,308</u>	<u>\$ 4,360</u>	<u>\$ 4,633,668</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	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 \$4,360 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>	\$ 4,360	\$ (4,360)	\$ -
CY-370A	3-A	1	2	<p style="text-align: center;">CY-370A Adjustment</p> <p>Juvenile Detention Service - Program Income</p> <p>To decrease program income by \$497 to properly report revenue and reconcile to the agency's final revenue ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 3,665	\$ (497)	\$ 3,168

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**WAYNE 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		\$	3,139,499
Supplemental Act 148			<u>0</u>
Total State Allocation			3,139,499
State Share (CY348) ²	\$		3,033,807
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,033,807
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,033,807
Actual Act 148 Revenues Received ⁴			<u>3,027,429</u>
Net Amount Due County/(State) ⁵		\$	<u><u>6,378</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.

WAYNE 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	10,999	56	1,641	0	0	0	0	0	9,302	9,302	0											
02. 90% REIMBURSEMENT	24,400	0	2,683	0	3,000	0	0	0	18,717	16,845	1,872											
03. 80% REIMBURSEMENT	3,799,739	39,838	638,304	73,336	44,549	0	0	0	3,003,712	2,402,970	600,742											
04. 60% REIMBURSEMENT	1,241,720	23,464	177,470	0	0	147,988	0	3,180	889,618	533,771	355,847											
05. 50% REIMBURSEMENT	145,052	3,214	0	0	0	0	0	0	141,838	70,919	70,919											
06. TOTAL NET CHILD WELFARE EXPEND.	5,221,910	66,572	820,098	73,336	47,549	147,988	0	3,180	4,063,187	3,033,807	1,029,380											

YDC/YFC PLACEMENT COSTS																						
07. 60% DHS PARTICIPATION	84,660	0																				

08. NON-REIMBURSABLE EXPENDITURES	9,521	0																				
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09. TOTAL EXPENDITURES	5,316,091	66,572	820,098	73,336	47,549	147,988	0	3,180	4,157,368	3,084,603	1,072,765											
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10. TOTAL TITLE IV-D COLLECTIONS 50,300

11. TITLE IV-D Collections for IV-E Children 10,254

12. STATE ACT 148 - line 6 3,033,807

13. STATE ACT 148 ALLOCATION 3,139,499

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,033,807

INVOICE																						
AMENDED STATE SHARE (ACT 148)	3,033,807																					
ACT 148 AMOUNT RECEIVED	3,027,429																					
ADJUSTMENT TO STATE SHARE	6,378																					

WAYNE 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	10,999	56		1,641	0		0	0	0	9,302	9,302	0
1-B ADOPTION ASSISTANCE	378,550	0	173,274	6,530					0	198,746	198,746	39,749
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	43,543	0	15,327	0					0	28,216	22,573	5,643
1-D COUNSELING - DEPENDENT	303,221	0		0	60,375	0	0	0	0	242,846	194,277	48,569
1-E COUNSELING - DELINQUENT	183,478	0		0	12,961	0	0	0	0	170,517	136,414	34,103
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	2,122	0		0	0	0	0	0	0	2,122	1,698	424
1-H DAY TREATMENT - DELINQUENT	29,409	165		0	0	0	0	0	0	29,244	23,395	5,849
1-I HOMEMAKER SERVICE	329,532	724		49,100	0	0	0	0	0	279,708	223,766	55,942
1-J INTAKE & REFERRAL	886,550	2,005		131,050	0	0	0	0	0	753,495	602,796	150,699
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	97,613	223		13,796	0	0	0	0	0	83,594	66,875	16,719
1-N PROTECTIVE SERVICE - GENERAL	671,621	1,415		98,761	0	0	0	0	0	571,445	457,156	114,289
1-O SERVICE PLANNING	87,411	167		12,986	0	0	0	0	0	74,258	59,406	14,852
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	54,302	0		0	0	0	0	0	0	54,302	27,151	27,151
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,078,351	4,755	188,601	313,864	73,336	0	0	0	0	2,497,795	1,983,806	513,989
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	74,999	2,154		159	0	23,774	0	0	0	48,912	39,130	9,782
2-D COMMUNITY RESIDENTIAL - DELINQUENT	84,166	8,508		7,405	0	20,775	0	0	0	47,478	37,982	9,496
2-E EMERGENCY SHELTER - DEPENDENT	22,589	0		2,367	0	3,000	0	0	0	16,906	15,215	1,691
2-F EMERGENCY SHELTER - DELINQUENT	1,811	0		0	0	0	0	0	0	1,811	1,650	181
2-G FOSTER FAMILY - DEPENDENT	618,164	24,477		60,969	68,931	0	0	0	0	463,787	371,030	92,757
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	9,360	0		16	0	0	0	0	0	9,344	7,475	1,869
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	811,089	35,139	70,741	69,422	0	47,549	0	0	0	588,238	472,462	115,776
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	90,750	3,214		508	0	90,643	0	0	0	87,536	43,768	43,768
3-B RESIDENTIAL SERVICE - DEPENDENT	386,195	3,901		90,163	10	57,345	0	0	0	200,980	120,588	80,392
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	248,536	16,719		15,281	0	0	0	0	0	159,181	95,509	63,672
3-D SECURE RES. SERVICE (EXCEPT YDC)	114,475	2,176		0	0	0	0	0	0	112,299	67,379	44,920
3-E YDC SECURE	84,660	0		0	0	0	0	0	0	84,660	50,796	33,864
3-F SUBTOTAL INSTITUTIONAL	924,616	26,010	105,444	518	0	147,988	0	0	0	644,656	378,040	266,616
ADMINISTRATION	492,514	668		71,508	0	0	0	0	3,180	417,158	250,295	166,863
TOTAL REVENUES	5,306,570	66,572	364,786	455,312	73,336	47,549	147,988	0	3,180	4,147,847	3,084,603	1,063,244

WAYNE 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
IN-HOME	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
I-A ADOPTION SERVICE	7,422	2,425		1,124	0	28	10,999	18	0	0	0	0
I-B ADOPTION ASSISTANCE	1,253	567	376,730	0	0	0	378,550	42	42	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	43,543	0	0	0	43,543	5	5	0	0	0
I-D COUNSELING - DEPENDENT	0	0		0	303,221	0	303,221	0	132	0	0	0
I-E COUNSELING - DELINQUENT	0	0		0	183,478	0	183,478	0	40	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	2,122	0	2,122	0	1	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	29,409	0	29,409	0	9	0	0	0
I-I HOMEMAKER SERVICE	202,751	97,981		27,762	0	1,038	329,532	154	0	0	0	0
I-J INTAKE & REFERRAL	585,273	221,449		76,689	887	2,352	886,550	1,921	13	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	59,693	21,350		11,667	4,673	230	97,613	24	26	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	443,888	150,605		72,251	3,188	1,689	671,621	168	23	0	0	0
I-O SERVICE PLANNING	59,445	21,011		6,752	0	203	87,411	160	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	54,302		54,302	0	68	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,359,725	515,388	420,273	196,145	581,280	5,540	3,078,351			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 2,506												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	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	0	0	0	1,376	73,638	0	75,014	409	5	0	15	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	84,166	0	84,166	478	3	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	4,398	18,214	0	22,612	324	15	0	23	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	216	1,595	0	1,811	55	1	0	0	0
2-G FOSTER FAMILY - DEPENDENT	101,572	54,835	0	65,252	396,155	350	618,164	8,348	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	9,190	170	0	9,360	0	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	101,572	54,835	0	80,432	573,938	350	811,127	9,614	80	0	38	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	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	90,750	0	90,750	363	16	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	7,118	379,077	0	386,195	1,315	10	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	945	247,591	0	248,536	1,228	12	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	43	114,432	0	114,475	385	2	0	0	0
3-E YDC SECURE	0	0	0	0	84,660	0	84,660	166	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	8,106	916,510	0	924,616	3,457	41	0	0	0
4 ADMINISTRATION	257,523	74,176	0	169,300	0	998	501,997			9,483	0	0
5 TOTAL EXPENDITURES	1,718,820	644,399	420,273	453,983	2,071,728	6,888	5,316,091			9,483	38	0
County Indirect Costs = \$ 129,695												

**WAYNE 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	\$ 10,999	\$ 0	\$ 10,999
Adoption Assistance	378,550	0	378,550
Subsidized Permanent Legal Custodianship	43,543	0	43,543
Counseling	486,699	0	486,699
Day Care	0	0	0
Day Treatment	31,531	0	31,531
Homemaker Service	329,532	0	329,532
Intake and Referral	886,550	0	886,550
Life Skills	0	0	0
Protective Service - Child Abuse	97,613	0	97,613
Protective Service - General	671,621	0	671,621
Service Planning	87,411	0	87,411
Juvenile Act Proceedings	54,302	0	54,302
Alternative Treatment	0	0	0
Community Residential	159,180	0	159,180
Emergency Shelter	24,423	0	24,423
Foster Family	618,164	0	618,164
Supervised Independent Living	9,360	0	9,360
Juvenile Detention Service	90,750	0	90,750
Residential Service	634,731	0	634,731
Secure Residential Service (Except YDC)	114,475	0	114,475
YDC Secure	84,660	0	84,660
Administration	501,997	0	501,997
Combined Total Expense	5,316,091	0	5,316,091
Less Non-reimbursables	20,150	(10,629)	9,521
Total Net Expense	\$ 5,295,941	\$ 10,629	\$ 5,306,570

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,718,820	\$ 0	\$ 1,718,820
Employee Benefits	644,399	0	644,399
Subsidies	420,273	0	420,273
Operating	453,983	0	453,983
Purchased Services	2,071,728	0	2,071,728
Fixed Assets	6,888	0	6,888
Combined Total Expense	5,316,091	0	5,316,091
Less Non-reimbursables	20,150	(10,629)	9,521
Total Net Expense	\$ 5,295,941	\$ 10,629	\$ 5,306,570

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	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 \$10,629 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>	\$ 20,112	\$ (10,629)	\$ 9,483

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – Wayne County Children and Youth Services 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 Wayne County Children and Youth Agency (agency) for failure to obtain reasonable assurance that contracted In-Home Purchased Service providers actually performed the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to the requirements of the executed contract terms between the agency and the respective In-Home provider. Agency management informed us that while monthly program-related monitoring meetings were held with In-Home Purchased Service providers to discuss service progress and outcomes, no fiscal-related monitoring procedures were performed to determine whether the contracted services related to invoiced In-Home Purchased Service fees were actually provided. We concluded that the agency did not have sufficient controls in place to obtain reasonable assurance that contracted services invoiced by In-Home Purchased Service providers were actually provided and if provided, provided in adherence to key executed contract terms.

Our current engagement scope period included the 2014-2015, 2015-2016, and 2016-2017 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until October 25, 2017, well after the June 30, 2017, end of our current engagement scope period. Therefore, these control deficiencies and corresponding risks continued to exist for all three fiscal years included in our current engagement scope period. As such, we concluded that the issuance of a repeat finding is warranted. This repeat finding is included in the Current Engagement Finding and Recommendations section (Section 5) of this report.

SECTION 5

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

WAYNE 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 Wayne County Children and Youth Agency (agency) lacked internal control policies and procedures designed to sufficiently reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-For-Service Purchased Service providers, the agency could not provide evidence that it substantiated the validity of the number of units invoiced for each individual listed on these providers’ submitted invoices. Furthermore, the agency failed to provide supporting documentation evidencing that the contracted services related to the fees invoiced by these providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider’s contract terms.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management indicated they developed formal, written fiscal-related monitoring policy and corresponding procedures. However, this new fiscal-related monitoring process was not implemented before the end of our current engagement scope period of June 30, 2017. If agency management has implemented monitoring policies and procedures during the fiscal years included in our next regularly scheduled engagement, we will review and evaluate them to determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided and in reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

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*

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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 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 October 2017, well after the June 30, 2017, end of our current engagement scope period. 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 agency’s risk of paying overbillings

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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 implement written fiscal-related monitoring policy, and corresponding procedures, designed to sufficiently reduce the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are sufficient in providing agency management reasonable assurance that services related to the fees invoiced by contracted In-Home Purchased Service providers were actually provided, provided in adherence to executed contract terms, and in reducing the agency's risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, must be sufficient to assess the validity of the number of units invoiced by contracted Fee-For-Service providers.

If the agency enters into contracts with Program-Funded In-Home Purchased Services providers, the fiscal-related monitoring must be sufficient to assess the validity of those providers' invoiced operating costs. Agency management should consider procedures such as the following:

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

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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; and,
- The agency maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which contracted 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: 1. Wayne County Children and Youth Services (CYS) will review and monitor five percent (5%), of all of its contracted in-home service providers, or at least 3, whichever is greater on an annual basis. The monitoring shall be documented using a tool CYC is developing to document, at a minimum, the following:

- a. Contractor shall have either written or electronic documentation to verify that each in-home service was provided to a child/family consumer which shall include name, date, location, duration of time. A minimum of 5% of children/families per invoice, or three (3) children/families, whichever is greater, will be randomly selected by the CYC agency for annual review and presented to the Contractor at the time of the visit for such documentation/verification;
- b. Consistent with the intent of the Commonwealth and the Agency to assure the safety of children receiving in-home services, CYC will verify that required clearances for agency personnel include: Police, child, and FBI, in addition to verification that the debarment query of data bases to identify those who have not been cleared through of waste, fraud and abuse, or other anomalies, as identified by the Commonwealth and/or other authoritative bodies;
- c. In accordance with Wayne County's participation in the System of Care (SoC) grant requirements, in which Youth and Families develop strategies to assist youth serving agencies to better and/or more effectively serving them, CYC will, in its on-site visit, perform review, inspection, and monitor of physical surroundings and assess welcoming culture, effectiveness of strategies, etc., as

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- well as other recommendations provided by both the Youth and Family subcommittee of SoC.
- d. The review tool will contain observations, findings, and be signed by the CYS reviewer as well as the Contractor representative, and may contain recommendations or other comments;
 - e. CYS will assure that its contract documents with In-Home Contractors will include language so as to advise the Contractor of such review, CYS expectations, and the review tool.
2. As part of the monitoring, CYS will select at least three (3) invoices for each provider on which it has based reimbursement to the Contractor for its services, review supporting documentation to assure that services were provided, and that those services were provided to any child/family on the date(s) and in the manner, frequency and duration as were authorized by CYS. In addition, CYS will continue its rigorous internal fiscal review of invoices and supporting documentation as it remits payments to Contractors.
 3. CYS will provide the packet of information and the tool for review to its CYS Regional Office as well as the County Commission for approval.
 4. It is expected that CYS will be in position to implement its plans in regard to these policies by the end of the 2018-2019 fiscal year.

Auditor's Conclusion: We commend Wayne 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 Services providers. During our next regularly scheduled engagement, we will review the agency's implemented policy and procedures and determine whether they are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings by contracted In-Home Purchased Services providers going undetected.

SECTION 6

CURRENT ENGAGEMENT OBSERVATION

WAYNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

The Child Protective Services 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 Wayne County Children and Youth Agency provided in-home and placement services to 1,473 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

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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accompanying License Inspection Summaries. However, we are unable to attest to: 1) the timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁴

Contracted In-Home Preventative Service Providers

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

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

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

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

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

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

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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.

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

Greater Scrutiny of Arrest and Conviction Records

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained.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

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

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

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

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

¹³ The agency stated that it plans to conduct monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "Consistent with the intent of the Commonwealth and the Agency to assure the safety of children receiving in-home services, CYS will verify that required clearances for In-Home provider personnel include: Police, child, and FBI, in addition to verification that the debarment query of data bases to identify those who have not been cleared through of waste, fraud and abuse, or other anomalies, as identified by the Commonwealth and/or other authoritative bodies."

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