

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

**CHILD CARE INFORMATION SERVICES
(CCIS)**

Draft Audit Guidelines

Fiscal Year 2017-18

CHILD CARE INFORMATION SERVICES (CCIS)
Draft Audit Guidelines

Draft Version

This draft version of the CCIS Audit Guidelines is being issued for use by those CCIS agencies that have a June 30, 2018 fiscal year end. The final version, which will be issued in the fall of 2018, will include changes effective July 1, 2018 related to the regional Early Learning Resource Centers (ELRCs). There will be no changes in the final version that will be effective prior to July 1, 2018.

Introduction

I. Purpose

These audit guidelines are designed for all Subsidized Child Care Programs operating the Child Care Information Services (CCIS) agencies to ensure:

- That the financial operations of the CCIS are in accordance with federal and Department of Human Services (DHS) Subsidized Child Care Program laws, regulations, and policies.
- That the CCIS subgrantees have complied with the DHS Subsidized Child Care CCIS grant/contract agreements.

II. Applicability

These guidelines are applicable to the audit of DHS funding provided to CCIS agencies for services rendered in accordance with grant requirements.

III. General Requirements

The audit should be performed in accordance with the following:

- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements (Subpart F) (where applicable)
- These CCIS Audit Guidelines

At a minimum, the auditor should have access to:

- Pennsylvania Code, Title 55, Chapter 3041 – Subsidized Child Care Eligibility www.pacode.com
- Pennsylvania Code, Title 55, Chapter 168 – Child Care
- DHS Approved CCIS grant
- CCIS Policy and Procedures Manual
- CCIS Provider Agreements
- Subgrants for Services
- Office of Child Development and Early Learning (OCDEL) Announcements (as applicable)
- OCDEL - Bureau of Child Care Subsidy Services Communiqués (as applicable)

IV. Audit Adjustments

Adjustments for unallowable costs should be properly disclosed in the Independent Accountant's Report on Applying Agreed-Upon Procedures and disclosed on all applicable supplemental schedules. If a corresponding adjustment to the schedules has been made, the report should so state. Audit findings must be specific as to the criteria upon which the adjustment is based, and the state fiscal period(s) affected, especially where questioned costs are involved.

NOTE: The subsidy coordinator from OCDEL must be notified of the time, date, and location of the pre-audit and post-audit conferences.

Child Care Information Services (CCIS)

I. Program Objectives

The objectives of the CCIS are to manage the local child care program for subsidized child care by providing the following services:

- Eligibility Determination – collect and evaluate client income documents, interpret and apply regulations and policy to process applications and redeterminations, follow-up on missing documentation, determine eligibility, conduct face-to-face interviews, establish and maintain child schedules for payment to providers, generate parent/provider notifications, maintain case files, process appeals and participate in appeal hearings
- Provider Payments - invoice for services, review invoices, authorize payments, prepare payments by check or direct deposit and maintain fiscal accounting records

- Resource and Referral - help parents locate and understand the benefits of quality child care and early learning programs, maintain current provider data information and perform online searches for parents
- Provider Management - maintain provider agreements, collect and verify rate information, manage out-of-state provider certification, and process relative/neighbor providers including initiating background checks, meeting face-to-face with providers and verifying documentation
- Funds Management - create budgets and budget revisions, referrals to the Office of Inspector General for suspected fraud, determine and collect overpayments, provide final expenditure reporting and fiscal year start-up and end information.

II. Program Procedures

The CCIS administers the Subsidized Child Care Program at the local level and is paid monthly for service and Administrative/Family Support Service costs (FSS). The CCIS performs family eligibility evaluations, resource and referral services, determines eligibility, and authorizes services for subsidized child care, manages a waiting list of eligible families for whom insufficient funds or lack of openings precludes immediate placement, executes provider agreements and delivers provider payment and management services for subsidized child care services purchased with grant funds. In addition, the CCIS must work with the County Assistance Office (CAO), Employment and Training contractors (E&T) and the Office of Inspector General (OIG). It may subgrant for some of the administrative functions with DHS approval.

III. Compliance Requirements and Suggested Audit Procedures

A. Types of Services Allowed or Unallowed

Compliance Requirement

Child care centers, group child care homes, family child care homes, legally unregulated providers, and in-home providers are service sites that may provide the following part or full day services on a daily rate basis for: Infant; Young Toddler; Older Toddler; Preschool, and School Age children. An enrollment summary must be issued by the CCIS for each service that is purchased under the terms of a provider agreement.

The provider must submit a monthly attendance invoice to the CCIS that reports the attendance of enrolled, eligible children. Payment to all providers, except for in-home care, is based on enrollment. For in-home care, payment is based on actual days attended. (CCIS Grant; CCIS Policy and Procedures Manual, OCDEL Policy Communiqué #15-08: Revised Appendix A of the Regulated Provider Agreement,

OCDEL Policy Communique #15-07 Revised In-Home Care Parent-Caretaker Provider Agreement; OCDEL Policy Communique 16-04 Revised Relative/Neighbor Provider Agreement & Appendix C.)

Suggested Audit Procedures

Ensure that the CCIS has necessary procedures and control of the enrollment summary process in PELICAN Child Care Works (CCW).

Test payments to providers to ensure that a valid enrollment summary was in place.

Trace a sample of provider invoices submitted to the CCIS to the provider's supporting documentation to verify that the number of service days/attended days was properly reflected. Trace a sample of payment summaries and actual provider payments remitted to the provider to the attendance invoice completed and submitted to the CCIS by the provider. Verify that the number of paid days (enrolled service days/attended days) was properly reflected.

Test a sample of in-home providers to verify that the agreement involved is with the parent, and that the provider acknowledged the parent as the employer, and that the CCIS paid based on attended days (not enrolled days).

Compliance Requirement

The CCIS will provide all parents, upon request, with resource and referral service to legally operating facilities. (CCIS Policy and Procedures Manual)

Suggested Audit Procedures

Verify that the CCIS has performed the required functions and report any instances of noncompliance.

When the parent agency of the CCIS is also operating a child care facility, verify that there is not a conflict of interest in making referrals to eligible clients.

Compliance Requirement

The three budgets in Rider 3 of the CCIS grant include separate and distinct funding for seven service populations:

- Rider 3A – Low Income – Funding for the subsidized population of working low-income families.
- Rider 3B – Former TANF– Funding for working families that were formerly receiving Temporary Assistance for Needy Families (TANF)
- Rider 3C – TANF – Funding for families currently receiving TANF Training, TANF Working, Supplemental Nutrition Assistance Program (SNAP), State MOE or General Assistance/Work Support 2 (GA/WS2)

Suggested Audit Procedures

Trace a sample of FSS expenses and provider payments to verify that the funding was appropriately cost allocated to the correct fund(s).

B. Eligibility – Low Income

Compliance Requirement

An initial determination of eligibility for Low Income clients must be completed before service is provided. A full redetermination of eligibility must be completed once every six months. (Subsidized Child Care Eligibility 55 PA Code §3041.122 and §3041.130)

Effective December 19, 2015, full redeterminations are required once every twelve months. (Reauthorization of Child Care Development Block Grant Act 1990 Sec. 658E (N) (related to protection of working parents)

Suggested Audit Procedure

Sample client files and verify that a current eligibility application form or a copy of the Application Summary page from PELICAN CCW is contained in each file. Note that this is merely a check for the **presence** of the required material in the records and does not require auditor judgment as to the content of the material.

C. Eligibility – Former TANF

Compliance Requirement

An initial determination of eligibility for Former TANF clients must be completed before service is provided. A full redetermination of eligibility must be completed once every six months. (Subsidized Child Care Eligibility 55 PA Code §3041.122 and §3041.130)

Effective December 19, 2015, full redeterminations are required once every twelve months. (Reauthorization of Child Care Development Block Grant Act 1990 Sec. 658E (N) (related to protection of working parents))

Suggested Audit Procedure

Sample client files and verify that a self-certification form, self-declaration form or application completed at the time of application is contained in each file. Note that this is merely a check for the **presence** of the required material in the records and does not require auditor judgment as to the content of the material.

D. Child Care Enrollment Rules – TANF, SNAP and General Assistance/Work Support 2

Compliance Requirement

An initial determination/assessment of child care rules for TANF, SNAP and GA clients must be completed before service is provided. Eligibility for child care is determined in the Client Information System (CIS) by the County Assistance Office (CAO) prior to the child care rules assessment in the PELICAN CCW. (PA Code, Title 55, Chapter 168 – Child Care)

Suggested Audit Procedure

Sample client files and verify that the client is eligible in CIS and that a current self-certification form is contained in each file. Note that this is merely a check for the **presence** of the required material in the records and does not require auditor judgment as to the content of the material.

E. Matching, Level of Effort, and/or Earmarking Requirements

There are no matching requirements.

F. Reporting Requirements

Compliance Requirement

The CCIS agencies are required to complete the FSS Expenditures for Low Income, Former TANF and TANF.

The CCISs are required to submit the following reports:

CCIS Recap Worksheet for the Fiscal Year (Annual)

Forms prescribed for use by the DHS are to be used (such as the recap worksheet). (CCIS Grant; CCIS Policy and Procedures Manual)

Suggested Audit Procedures (for the CCIS)

Verify that DHS-prescribed forms were used.

Obtain a full copy of the final CCIS Recap for the fiscal year and the supporting documentation, which consists of the Recap Worksheet.

NOTE: The final CCIS Recap for the fiscal year, with the corresponding attachments, becomes the supplemental financial schedule for this Section.

Trace data to the supporting documentation, such as worksheets, ledgers, and provider invoices.

Assure that interest earned by the CCIS on Federal and State funds is included in the CCIS Recap as Other Income and on the budget as an increase to the Service allocation.

Analyze the final CCIS Recap for the fiscal year to determine the accuracy of the summarization of those reports.

Verify that an initial CCIS Recap was submitted to the DHS by the contractual deadline.

Verify all revenue, including supplemental payments – which can be received as late as October of the new fiscal year.

Assure that a new CCIS Recap Worksheet was submitted along with any revised budgets to the DHS following receipt of supplemental payments.

Inquire of management regarding adjustments to reported revenues and/or expenditures that were not reflected on reports submitted to the OCDEL.

G. Special Tests and Provisions

Compliance Requirement – Rate Documentation

The Converted Payment Rate (CPR) is calculated from the Private Pay Rate (PPR) entered by the provider online through Provider Self Service (PSS) or entered by the CCIS agency within PELICAN CCW. The PPR entered is the published rate that the provider location charges the general public for child care services. Providers are paid the Subsidy Payment Rate which is the CPR or the DHS Maximum Child Care

Allowance (MCCA) rate, whichever is lower. The MCCA applicable to the provider's location is based on the county where the provider location resides. For out-of-state providers and in-home enrollments, the MCCA applicable to the client's location (county of residence) is used. (CCIS Grant; CCIS Policy and Procedures Manual, OCDEL Policy Communiqué #15-08: Revised Appendix A of the Regulated Provider Agreement.)

CCIS agencies will only convert private pay rates to CPR when:

- A new provider or location is established.
- An existing provider begins caring for a new care level.
- An existing provider begins operating with a new Tax ID.
- The Private Pay Rate is reduced below the MCCA or is already below the MCCA and the provider reduces it further.
- OCDEL allows a rate increase.

Suggested Audit Procedures

Test a sample of providers whose rates were paid by the CCIS. Test to ensure that the CCIS converted private pay rates correctly per the DHS guidelines above. Ensure that the CCIS entered the Provider's PPR into PELICAN CCW accurately by care level and unit of care and with the correct effective date.

Sample provider files for the presence of the provider's published rate sheet.

Compliance Requirement – Co-Payments

The CCIS is to determine the amount of the fee to be paid by the parent /caretaker (p/c) for Low Income and Former TANF clients in accordance with procedures contained in the Pennsylvania Code, Title 55, Chapter 3041. The service costs are to be reduced by the fees collected. (55 PA Code §3041.101 - §3041.109; CCIS Grant; CCIS Policy and Procedures Manual)

The CCIS is to determine the amount of the fee to be paid by the p/c for TANF clients participating in paid activities in accordance with procedures contained in the Pennsylvania Code, Title 55, Chapter 168. The service costs are to be reduced by the fees collected. (55 PA Code §168.20; CCIS Grant; CCIS Policy and Procedures Manual)

Suggested Audit Procedures

Analyze the CCIS' fee assessment and reporting procedures, and evaluate for conformity with applicable requirements.

Trace a sample of payment summaries and actual payments made to providers to verify that clients were assessed parent fees in accordance with policy and regulations and are reflected in the payments made to providers.

Compliance Requirement – Child Care Provider Closures

The CCIS may not pay a regulated provider (center, family, or group) for more than 15 days of closure and may not pay a legally unregulated provider for any days of closure for any reason during a grant period. (CCIS Grant; OCDEL Policy and Procedures Manual, OCDEL Policy Communiqué #15-08: Revised Appendix A of the Regulated Provider Agreement, OCDEL Policy Communiqué 16-04 Revised Relative/Neighbor Provider Agreement & Appendix C.)

Suggested Audit Procedure

Analyze the CCIS's provider payment procedures and determine whether there are controls in place to prevent payment for closures for any reason in excess of the limit referenced above. In addition, verify that communication from providers of emergency and/or additional future closures, within the 15 day maximum, are entered into PELICAN CCW. Trace a sample of regulated providers' listed closings within the provider files to the data entered into PELICAN CCW to validate that the number of paid closings are accurately entered. Trace a sample of the legally unregulated provider data in PELICAN CCW to validate that there are no paid closings entered into PELICAN CCW.

Note: Effective March 16, 2015, regulated providers using PSS can enter their own closures into PELICAN CCW. See the Regulated Provider Agreement Appendix A for more information.

Compliance Requirement – Administrative Subcontracts

The CCIS may enter into a subcontract for its administrative functions, provided that the DHS has granted prior approval. (CCIS Grant)

Suggested Audit Procedure

If the CCIS has subgranted any portion of its administrative functions, ensure that appropriate prior authorization was received from the DHS.

Compliance Requirement –FSS Costs

The DHS will participate in the reimbursement of FSS costs up to the amount of FSS expenditures entered into PELICAN Child Care Works.

Suggested Audit Procedures

Trace the reported FSS expenditures to supporting documentation and ensure the validity of the expenditures.

Verify that the total FSS expenditures are consistent with the FSS expenditures entered into PELICAN.

Compliance Requirement – Indirect Costs/Cost Allocation

The CCIS' administrative staff may perform other non-CCIS administrative tasks that should not be charged to the CCIS grant. In such cases, a cost allocation method/plan should be maintained and adequately documented. If the CCIS has administrative staff that performs non-CCIS administrative tasks, the allocation of administrative costs between the CCIS grant and the other program(s) must be reasonable, equitable, and consistently applied. Any employee whose work hours are 40% or less for the CCIS grant must be paid under indirect costs.

Direct costs, as well as indirect costs, must be allocated in direct relation to the actual benefits accruing to the CCIS grant.

Note: Please see the Common Requirements Section of the DHS Single Audit Supplement Number 6 Compliance Requirement - Documentation of Personnel Services.

Suggested Audit Procedures

Ascertain whether non-CCIS administrative tasks are performed.

Analyze the cost allocation plan's documentation to determine that the FSS costs allocated between the CCIS and the non-CCIS programs are reasonable, equitable, and consistently applied.

Verify that the total amount charged for indirect costs does not exceed the allowable limit.

Compliance Requirement – Interest-Bearing Accounts

Funds received under the CCIS grant must be deposited in an interest-bearing account. If CCIS funds are co-mingled with other funds in an interest-bearing account, the CCIS' share of interest earned must be credited to the CCIS. The CCIS may use the earned interest income to increase services provided under the grant. Earned interest income cannot be used for FSS costs. All interest income not used for services must be returned to the DHS. (CCIS Grant, CCIS Policy and Procedures Manual)

Suggested Audit Procedures

Determine whether funding is held in an interest-bearing account and whether it is properly reported.

If funds are co-mingled in an interest-bearing account, determine whether the CCIS has been properly credited with its share of interest earned.

Verify that the interest income was not used for FSS costs.

Ascertain that the earned interest income was used to increase services provided under the grant or returned to the DHS.

Compliance Requirement – Fixed Assets

Fixed assets are major items that are expected to have a useful life of more than one year and which have a purchase price of \$5,000 or more. The title to fixed assets acquired by the CCIS with DHS funds shall rest with the DHS, unless otherwise approved in writing by the DHS, and shall be used only for the performance of the grant. A ledger of fixed assets purchased must be maintained. Fixed assets may be purchased with ongoing administrative funds within the approved grant budget. (CCIS Grant)

Suggested Audit Procedures

Verify that the title to assets acquired with grant funds rests with the DHS and that a ledger of fixed assets purchased is maintained.

Verify that the property is used for CCIS purposes.

Determine that fixed assets purchased with ongoing Admin/FSS funds are within the FSS cost limitation and are properly reported within the Admin/FSS Budget and Admin/FSS Expenditures in PELICAN-CCW on the Fixed Asset line item.

Compliance Requirement – Movement of Funds

The grantee may not move funds within its budget from the FSS portion of the budget to the service portion of the SAME budget without OCDEL approval.

The grantee must request OCDEL approval before August 31 to move funds between categories in the FSS portion of Rider 3A, 3B and 3C; when those changes are not related to a supplemental payment or a funding adjustment as directed by OCDEL. (CCIS Grant)

OCDEL may instruct the grantee to adjust the total allocation amounts, effectively changing the total grant amount. These changes can occur at any time from the start of the grant period through October 31 following the end of the fiscal year.

Note: OCDEL may change service and FSS allocation amounts between August 31 and October 31 in order to reimburse statewide expenditures across all CCIS agencies. As a result, the CCIS agency may use available funds from any funding source to cover its expenditures. OCDEL will properly account for funds in the Commonwealth Accounting System after receipt of final Recap reports.

Suggested Audit Procedure

Verify that approval was requested before August 31 for any movement of funds between categories in the FSS portion of Rider 3A, 3B and 3C, or to purchase fixed assets with additional funds received throughout the grant period.

Verify that budgets were adjusted in order to provide sufficient allocations to cover the grantee's expenditures as reported on the CCIS Recap.

Verify that budgets were not adjusted after October 31 following the conclusion of the fiscal year.

Compliance Requirement – Line of Credit Repayment

The CCIS may borrow funds through a line of credit in order to meet Service and/or FSS expenses. The balance of any lines of credit must be paid in full by October 31 of the following fiscal year. (CCIS Grant)

Suggested Audit Procedure

Determine if the CCIS borrowed funds during the fiscal year using a line of credit. Verify that the balance of the line of credit, for expenses/payments made for the fiscal year was paid in full by October 31 of the following fiscal year.

Reference payments for the line of credit throughout the fiscal year and reasons for maintaining any outstanding balance.

Compliance Requirement – Service Subcontracts

The CCIS may enter into two types of subcontracts: Special Populations and Transition to Parent Choice. Each has a funding limit and criteria that are specified in the CCIS grant. (CCIS Grant; CCIS Policy and Procedures Manual)

Suggested Audit Procedure

Verify that the conditions and limitations for subcontracting contained in the CCIS Grant and the CCIS Policy and Procedures Manual were met.

Compliance Requirement – Subrecipient Monitoring

If the CCIS subcontracts all or part of the CCIS function, it is responsible for ensuring that the subgranted CCIS adheres to the regulations and requirements of the program. The CCIS must require, through its agreement with the subgrantee(s), the inclusion of these audit guidelines as part of the subgrantee's audit process. (CCIS Grant)

Suggested Audit Procedure

If the CCIS sub grants all or part of the CCIS function, verify that the CCIS, through its agreement with its subgrantor(s), has included reference to these audit guidelines as they relate to the subgrantor's audit.

IV. Applicable Regulations and Procedures

A. Child Care Information Services Grant

PA Code, Title 55, Chapter 3041

PA Code, Title 55, Chapter 168

CCIS Policy and Procedures Manual

Federal Register 7 CFR 273 – Food and Nutrition Service

B. Catalog of Federal Domestic Assistance (CFDA) References

CFDA# 10.561 – State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)

CFDA# 93.575 – Child Care and Development Block Grant (CCDBG)

CFDA# 93.558 – Temporary Assistance for Needy Families (TANF)

CFDA# 93.596 – Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF)

CFDA# 93.667 – Social Services Block Grant (SSBG)

NOTE: The CCIS funding sources and amounts are located in PELICAN CCW. The CCISs have access to instructions on how to locate the CFDA numbers for their allocation and payment amounts. (CCIS Policy and Procedures Manual Chapter 111 Recaps)

V. Supplemental Financial Information

A. Supplemental Financial Schedules

1. The required supplemental financial schedule for this program consists of the Final CCIS Recap for the fiscal year-end June 30 listed below:

- CCIS Recap for the Fiscal Year (Annual)

An Independent Accountant’s Report on Applying Agreed-Upon Procedures should accompany the supplemental financial schedule, unless included in the Auditor’s Report on Supplemental Information. The format for this report is included in Appendix I.

2. All organizations that are submitting a single audit in accordance with 2 CFR Part 200, Subpart F, are also required to include in their single audit reporting package a supplemental schedule, which is to be subjected to an Agreed-Upon Procedures engagement. The schedule, for which an example is included in Appendix II, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue confirmation received from the Commonwealth of Pennsylvania.

B. Related Information

The following reports/schedules are available from the auditee and may be needed to complete/verify the supplemental financial schedule(s) specified above. **NOTE:** Please consult with the county to obtain the Instructions for the Annual Income and Expenditure Report for the fiscal year that coordinates with the audit period.

- CCIS Recap for the Fiscal Year (Annual)

VI. General Information

Record Retention

The DHS follows 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). However, the Uniform Guidance also requires records to be retained longer in the case of litigation, claims, and/or audit findings. For these reasons records should be retained until litigation, claims, and/or audit findings are resolved/settled and final action has been taken.

Audit Report Due Dates

Audit reports required by the Uniform Guidance are to be submitted within nine months following the end of the audited period/fiscal year. For entities with the following year ends the submission dates are as follows (example):

<u>Audit Period Ended</u>	<u>Report Submission Due Date</u>
June 30, 2018	March 31, 2019
December 31, 2018	September 30, 2019

Report Submission

The CCIS must submit an electronic copy of the single audit report package to the Federal Audit Clearinghouse. The CCIS must then send a copy of the confirmation from the Federal Audit Clearinghouse to the Office of the Budget, Bureau of Audits, at RA-BOASingleAudit@pa.gov.

The audit package should include:

- The financial audit report
- The single audit report
- Any applicable Corrective Actions Plan (when findings have been issued.)
- The DHS required supplemental schedules and corresponding Independent Accountant's Report on Applying Agreed-Upon Procedures (Appendix 1 and Appendix 2) and/or any contract-required schedules
- Data Collection Form
- Management Letter

Please refer to the Office of the Budget, Bureau of Audits instructions for single audit report submission at:

<http://www.budget.pa.gov/Services/ForGranteesAndSubrecipients/Pages/SingleAuditSubmissions.aspx>

Requests for Confirmation

The Office of the Budget, Comptroller Operations processes a wide variety of requests for confirmation and has a special unit for this purpose. Such requests should always include the number of the contract/grant in question as well as the name of the program as it is used at the state level. Cut-off methodology and dates also vary; therefore, requests should include a list of the amounts to be confirmed, along with the total of the payments in question. Blanket requests for confirmation that do not contain the elements referenced above are discouraged.

Confirmation requests should be e-mailed to:

RA-AuditConfirmation@state.pa.us

Confirmations requests regarding PROMISE payments only should be e-mailed to:

RA-QAPromiseConf@state.pa.us

Points of Contact

Questions regarding this Audit Guide, DHS audit policy, and specific programs funded either directly or indirectly through DHS should be directed to:

Commonwealth of Pennsylvania
Department of Human Services
Bureau of Financial Operations
Audit Resolution Section
3 Ginko Drive – 2nd Floor
Hilltop Building
P.O. Box 2675
Harrisburg, Pennsylvania 17110-2675

Email: RA-pwauditresolution@state.pa.us

APPENDIX I: Reporting

CCIS RECAP SUPPLEMENTAL FINANCIAL SCHEDULES

DRAFT

ATTENTION: The information contained below is for Government Operated, Non-profit, and For-profit Child Care Information Services (CCIS) agencies that contract directly with the Department of Human Services (DHS). However, these guidelines are also applicable if the CCIS subcontracts all or part of the CCIS function.

CCIS RECAP SUPPLEMENTAL FINANCIAL SCHEDULES

Introduction

NOTE: The submission of information related to Appendix I is not affected by the issuance of 2 CFR Part 200, Subpart F. Please review the Audit Clause contained in the CCIS contract to determine whether a Single Audit or Program Specific (Yellow-book) audit is required.

There are several reasons for requiring the CCIS Recap supplemental financial schedules and the corresponding Independent Accountant's Report on Applying Agreed-Upon Procedures including: timing, varying bases of program accounting, and the level of audit work required. Even though the fiscal year used by many entities for financial reporting purposes ends on June 30, some entities have alternate fiscal year end dates. For this reason those entities are required to submit expenditure reports and grant/contract-specific information based upon the Commonwealth's July 1 to June 30 fiscal year, or other program periods, such as the October 1 to September 30 federal fiscal year (when required). Both the single audit and supplemental schedules must be submitted in accordance with the Office of Budget, Bureau of Audits' requirements.

As is the case with other financial statements, management (the auditee) is responsible for the preparation of the required supplemental financial schedules. The auditor is asked to perform certain procedures on these schedules and incorporate all such schedules into the Audit package using the Independent Accountants Report on Applying Agreed-Upon Procedures.

Schedules

The CCIS Recap supplemental financial schedules are required from all CCIS providers, as the schedules are used in completing the program settlement.

Independent Accountant's Report on Applying Agreed-Upon Procedures

An Independent Accountant's Report on Applying Agreed-Upon Procedures (AUP) must be submitted with the supplemental information referenced above and is considered an integral part of the audit package. The procedures are provided in this appendix. This engagement should be performed in accordance with AICPA Statement on Standards for Attestation Engagements No.10, Agreed-Upon Procedures Engagements, as amended (AT §201). It is used to provide information relevant to the supplemental financial schedules. **The issuance of this report in no way absolves the auditor from his/her responsibility to disclose financial errors and/or compliance deficiencies or fraud. The standards pertaining to adequate disclosure still apply to this engagement.**

The AUP must be submitted regardless of the fiscal year of the auditee. The procedures are: (a) verify by comparison of the amounts and classifications to ensure that the schedules have been accurately compiled and reflect the audited books and records of the auditee and are at the requested level of detail; (b) inquire of management regarding adjustments to revenues and/or expenditures; (c) provide a detailed listing of the necessary adjustments and/or findings affecting the schedules.

Audit Adjustments/Findings

Because many of the audits received by DHS are conducted on a fiscal period other than that required for the supplemental information, **it is very important that all adjustments be properly disclosed in the AUP and disclosed on all supplemental schedules.** If corresponding adjustments to the schedules have been made, the report should so state. Audit findings must be specific as to state the fiscal period(s) affected, especially where questioned costs are involved.

Content of the Schedules

The information contained in these schedules should include the results of the auditor's inquiries and the audit work performed. **They are not to be routinely submitted as previously reported by the auditee.** However, in cases where there are no adjustments, a provider-prepared schedule that has been amended to include a specific cross-reference to the AUP is acceptable.

Interest income earned on DHS funds must be reflected on the applicable supplemental financial schedule.

Technical Assistance

Questions regarding this Audit Guide, DHS audit policy, and specific programs funded either directly or indirectly through DHS should be directed to:

Commonwealth of Pennsylvania
Department of Human Services
Bureau of Financial Operations
Division of Audit and Review
Audit Resolution Section
3 Ginko Drive
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675
RA-pwauditresolution@pa.gov

CCIS RECAP FOR FY 2017-2018

CONTRACTOR: _____

COUNTY: _____

FEDERAL ID NO.: _____

PREPARED BY: _____

CONTRACT NO.: _____

PHONE NO.: _____

	Low Income		Former TANF		LI & FT TOTAL
	ADMIN	SERVICE	ADMIN	SERVICE	
<i>Revenue</i>					
DHS Funds					
Interest					
Audit Adjustments					
Other (e.g., Penalties)					
Total Revenue					
<i>Expenditures</i>					
Final Report Totals					
Total Expenditures					
Subtotal-LI/FT					

CCIS RECAP FOR FY 2017-2018

CONTRACTOR: _____

COUNTY: _____

FEDERAL ID NO.: _____

PREPARED BY: _____

CONTRACT NO.: _____

PHONE NO.: _____

	TANF FSS	TANF SERVICE		TANF TOTAL
		TRAINING	WORKING	
<i>Revenue</i>				
DHS Funds				
Interest				
Audit Adjustments				
Other (e.g., Penalties)				
Total Revenue				
<i>Expenditures</i>				
Final Report Totals				
Total Expenditures				
TOTAL DUE DHS				

CCIS RECAP FOR FY 2017-2018

CONTRACTOR: _____

COUNTY: _____

FEDERAL ID NO.: _____

PREPARED BY: _____

CONTRACT NO.: _____

PHONE NO.: _____

	STATE MOE/GA FSS	SERVICE		STATE MOE/GA TOTAL
		STATE MOE	GENL ASSIST/WS2	
<i>Revenue</i>				
DHS Funds				
Interest				
Audit Adjustments				
Other (e.g., Penalties)				
Total Revenue				
<i>Expenditures</i>				
Final Report Totals				
Total Expenditures				
TOTAL DUE DHS				

CCIS RECAP FOR FY 2017-2018

CONTRACTOR: _____

COUNTY: _____

FEDERAL ID NO.: _____

PREPARED BY: _____

CONTRACT NO.: _____

PHONE NO.: _____

	Supplemental Nutrition Assistance Program (SNAP)		
	<i>FSS</i>	SERVICE	<i>TOTAL</i>
<i>Revenue</i>			
DHS Funds			
Interest			
Audit Adjustments			
Other (e.g., Penalties)			
Total Revenue			
<i>Expenditures</i>			
Final Report Totals			
Total Expenditures			
TOTAL DUE DHS			

APPENDIX II: Reporting

RECONCILIATION SUPPLEMENTAL FINANCIAL SCHEDULE

DRAFT

ATTENTION: The information contained below is for Government Operated, Non-profit, and For-profit Child Care Information Services (CCIS) agencies that contract directly with the Department of Human Services (DHS) and are submitting a single audit in accordance with 2 CFR Part 200, Subpart F, or Title 45, CFR 75.501(i), as appropriate. However, these guidelines are also applicable if the CCIS subcontracts all or part of the CCIS function.

RECONCILIATION SUPPLEMENTAL FINANCIAL SCHEDULE

Introduction

NOTE: The submission of information related to Appendix II is not affected by the issuance of 2 CFR Part 200, Subpart F. Please review the Audit Clause contained in the CCIS contract to determine whether a Single Audit or Program Specific (Yellow-book) audit is required.

All CCIS Agencies who are submitting a single audit in accordance with 2 CFR Part 200, Subpart F are also required to include in their single audit reporting package a supplemental schedule, which is to be subjected to an Agreed-Upon Procedures engagement. The schedule, for which an example is included in this Appendix, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards (SEFA) to the Federal award income received from the Pennsylvania Department of Human Services (DHS), as noted in the revenue confirmation received from the Commonwealth of Pennsylvania. The procedures to be performed on the reconciliation schedule are as follows:

- (a) Agree the expenditure amounts listed on the reconciliation schedule under the “Federal Expenditures per the SEFA” column C to the audited Schedule of Expenditures of Federal Awards (SEFA).
- (b) Agree the receipt amounts listed on the reconciliation schedule under the “Federal Awards Received per the audit confirmation reply from Pennsylvania” column D to the subrecipient Federal amounts that were reflected in the audit confirmation reply from the Office of Budget, Comptroller Operations.
- (c) Recalculate the amounts listed under the “Difference” column E and the “% Difference” column F.

- (d) Agree the amounts listed under the “Difference” column E to the audited books and records of the CCIS Agency.
- (e) Agree the “Detailed Explanation of the Differences” to the audited books and records of the CCIS Agency.
- (f) Based on the procedures detailed in paragraphs (a) through (e) above, disclose any adjustments and/or findings which have not been reflected on the corresponding schedules (List each separately.).

As is the case with other financial statements, management (the auditee) is responsible for the preparation of the required supplemental financial schedules. The auditor is asked to perform certain procedures on these schedules and incorporate all such schedules into the Audit package using the Independent Accountant’s Report on Applying Agreed-Upon Procedures.

Technical Assistance

Questions regarding this Audit Guide, DHS audit policy, and specific programs funded either directly or indirectly through DHS should be directed to:

Commonwealth of Pennsylvania
Department of Human Services
Bureau of Financial Operations
Division of Audit and Review
Audit Resolution Section
3 Ginko Drive
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675
RA-pwauditresolution@pa.gov

Entity Name

Year Ended {ORGANIZATION'S FINANCIAL STATEMENT DATE}

SUPPLEMENTAL SCHEDULE

RECONCILIATION

Federal Awards Passed through the Pennsylvania Department of Human Services
Expenditures per the SEFA to Revenue Received per the Pennsylvania Audit Confirmation Reply

(A)	(B)	(C)	(D)	(E)	(F)	(G)
CFDA Name	CFDA Number	Federal Expenditures per the SEFA	Federal Awards Received per the audit confirmation reply from Pennsylvania	Difference (C-D)	% Difference (E/D)	Detailed Explanation of the Differences
		\$	\$	\$	%	

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