

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

Armstrong County Children and Youth Agency

January 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Armstrong County
450 East Market Street, Suite 200
Kittanning, PA 16201

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 Armstrong County Children and Youth Services (agency). The purpose of this engagement is to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county for the fiscal years July 1, 2019 to June 30, 2020, and July 1, 2020 to June 30, 2021. The scope of our engagement was limited to the fiscal reports submitted to the Pennsylvania Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2020, and June 30, 2021.

Agency management is responsible for the preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations. 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. We also performed procedures 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.*). The engagement was not conducted, nor was it required to be, 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 Armstrong County.

We certify 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 2019-2020 and 2020-2021 fiscal years based on the accrual basis of accounting.¹

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

- For the **2019-2020 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 Net State Share by increasing agency expenditures by \$280. Based on the application of the state participation rates, this one adjustment resulted in an amount due to the county totaling \$224.
- **For the 2020-2021 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports.

This report includes the following observation:

Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements

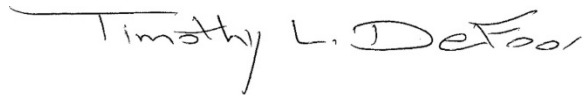
The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 9, 2023.

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 any recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of any recommended 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.

¹ In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures made from other appropriations or grant funds.

We appreciate the cooperation, assistance, and courtesy granted to our representatives by your officials and agency staff. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending from the start of the word "Timothy".

Timothy L. DeFoor
Auditor General
January 11, 2023

CONTENTS

	Page
Background.....	1
<u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2019 to June 30, 2020</u>	
Amended Computation of Final Net State Share.....	3
Amended CY-348 - Fiscal Summary.....	4
Amended CY-370A - Revenue Report.....	5
Amended CY-370 - Expenditure Report	6
Amended Summary of Expense and Expense Adjustments	7
Adjustment Schedule	8
<u>Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2020 to June 30, 2021</u>	
Amended Computation of Final Net State Share.....	10
Amended CY-348 - Fiscal Summary.....	11
Amended CY-370A - Revenue Report.....	12
Amended CY-370 - Expenditure Report	13
Amended Summary of Expense and Expense Adjustments	14
Section 3 – Status of Prior Engagement Finding and Recommendations	16
Section 4 – Current Engagement Observation.....	18
Report Distribution List	22

BACKGROUND

The Department of the Auditor General (department) 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. The department determines 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.” The Children and Youth Social Services Program is county-administered and state-supervised by DHS, with shared responsibility for achieving the commonwealth’s goal.

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

We reviewed the final, cumulative 4th quarter fiscal reports submitted to DHS, the agency’s related financial records, and other supporting documentation. This was done to determine whether the agency’s actual, cumulative expenditures and revenues were properly reported to DHS for the respective fiscal years. The amended fiscal reports below include any adjustments we considered necessary to reflect the agency’s actual related revenue, expenditures, and net state share for each fiscal year in our engagement period.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	2,846,620
Supplemental Act 148			<u>0</u>
Total State Allocation			2,846,620
State Share (CY348) ²	\$		2,683,850
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,683,850
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,683,850
Actual Act 148 Revenues Received ⁴			<u>2,683,626</u>
Net Amount Due County/(State) ⁵		\$	<u>224</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 auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's 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.

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
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	46,545	0	7,982	0	0	0	0	0	38,563	38,563	0
02. 90% REIMBURSEMENT	108,941	0	18,128	0	0	0	0	0	90,813	81,732	9,081
03. 80% REIMBURSEMENT	4,268,587	155,352	859,676	227,935	60,853	73,752	0	0	2,891,019	2,312,816	578,203
04. 60% REIMBURSEMENT	584,370	14,496	77,961	0	0	104,399	0	1,830	385,684	231,410	154,274
05. 50% REIMBURSEMENT	38,657	0	0	0	0	0	0	0	38,657	19,329	19,328
06. TOTAL NET CHILD WELFARE EXPEND.	5,047,100	169,848	963,747	227,935	60,853	178,151	0	1,830	3,444,736	2,683,850	760,886

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	88,662	0							88,662		88,662

09. TOTAL EXPENDITURES	5,135,762	169,848	963,747	227,935	60,853	178,151	0	1,830	3,533,398	2,683,850	849,548
------------------------	-----------	---------	---------	---------	--------	---------	---	-------	-----------	-----------	---------

10. TOTAL TITLE IV-D COLLECTIONS 54,506

11. TITLE IV-D Collections for IV-E Children 7,344

12. STATE ACT 148 - line 6 2,683,850

13. STATE ACT 148 ALLOCATION 2,846,620

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,683,850

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,683,850
ACT 148 AMOUNT RECEIVED	2,683,626
ADJUSTMENT TO STATE SHARE	224

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
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	46,545	0		7,982	0		0	0	0	38,563	38,563	0
1-B ADOPTION ASSISTANCE	428,731	35,978	221,366	8,807			0	0	0	162,580	130,064	32,516
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	42,294	260	15,744	0			0	0	0	26,290	21,032	5,258
1-D COUNSELING - DEPENDENT	9,511	0		0	0		0	0	0	9,511	7,609	1,902
1-E COUNSELING - DELINQUENT	61,785	0		0	47,255		0	0	0	14,530	11,624	2,906
1-F DAY CARE	0	0		0	0		0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	233,765	0		12,058	131,067		0	0	0	90,640	72,512	18,128
1-H DAY TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J INTAKE & REFERRAL	35,718	0		6,144	0		0	0	0	29,574	23,659	5,915
1-K LIFE SKILLS - DEPENDENT	469,113	5,918		9,205	49,613		0	0	0	404,377	323,502	80,875
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	242,155	0		40,455	0		0	0	0	201,700	161,360	40,340
1-N PROTECTIVE SERVICE - GENERAL	1,037,143	934		176,759	0	60,853	0	0	0	798,597	638,878	159,719
1-O SERVICE PLANNING	158,598	0		27,207	0		0	0	0	131,391	105,113	26,278
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	38,657	0		0	0		0	0	0	38,657	19,329	19,328
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	2,804,015	43,090	237,110	288,617	227,935	60,853	0	0	0	1,946,410	1,553,245	393,165

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
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	774,992	37,002	90,663	93,625		73,752	0	0	0	479,950	383,960	95,990
2-D COMMUNITY RESIDENTIAL - DELINQUENT	135,963	6,548		0			0	0	0	129,415	103,532	25,883
2-E EMERGENCY SHELTER - DEPENDENT	105,726	0	9,154	8,974	0		0	0	0	87,598	78,838	8,760
2-F EMERGENCY SHELTER - DELINQUENT	3,215	0		0	0		0	0	0	3,215	2,894	321
2-G FOSTER FAMILY - DEPENDENT	411,600	42,492	60,110	41,579			0	0	0	267,419	213,935	53,484
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	196,510	26,220	37,737	11,564			0	0	0	120,989	96,791	24,198
2-J KINSHIP CARE - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	30,709	0	3,359	3,294			0	0	0	24,056	19,245	4,811
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-M SUBTOTAL CBP	1,658,715	112,262	201,023	159,036	0	0	73,752	0	0	1,112,642	899,195	213,447

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
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	0				0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	8,053	0	0	1,384			0	0	0	6,669	4,001	2,668
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	130,845	5,233	0	0		104,399	0	0	0	21,213	12,728	8,485
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0				0	0	0	0
3-E YDC SECURE	0	0		0	0				0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	138,898	5,233	0	1,384	0	104,399	0	0	0	27,882	16,729	11,153

4 ADMINISTRATION	445,472	9,263		76,577		0	0	0	1,830	357,802	214,681	143,121
5 TOTAL REVENUES	5,047,100	169,848	438,133	525,614	227,935	60,853	178,151	0	1,830	3,444,736	2,683,850	760,886

ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non-Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	20,536	14,962		9,852	0	1,195	46,545	21	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	428,731	0	0	0	428,731	56	0	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	42,294	0	0	0	42,294	6	0	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	9,511	0	9,511	9	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	61,785	0	61,785	13	0	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	38,447	20,805		10,031	163,287	1,195	233,765	19	19	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	10,862	6,613		14,260	0	3,983	35,718	1,084	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	30,500	20,054		2,720	415,440	399	469,113	18	164	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	135,021	71,109		25,082	6,162	4,781	242,155	275	96	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	559,180	389,242		75,472	3,458	9,959	1,037,311	1,113	100	168	0	0
1-O SERVICE PLANNING	83,847	54,999		15,769	0	3,983	158,598	260	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	38,657		38,657	0	105	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	878,393	577,784	471,025	153,186	698,300	25,495	2,804,183			168		0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	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	44,942	36,206		18,060	674,474	1,593	775,275	3,326	21	283	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	690	135,273	0	135,273	614	5	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	22,699	14,162		8,273	60,193	399	105,726	860	35	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	3,215	0	3,215	20	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	94,049	55,352		45,920	213,621	2,789	411,731	5,750	47	131	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	34,115	20,219		21,672	119,745	797	196,548	4,456	20	38	0	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	6,271	5,188		1,780	17,081	398	30,718	118	2	9	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-M SUBTOTAL CBP	202,076	131,127	0	96,395	1,223,602	5,976	1,659,176	15,144	132	461	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	OPERATING SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	3,297	2,811		1,547	0	398	8,053	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	130,845	0	130,845	429	3	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	3,297	2,811	0	1,547	130,845	398	138,898	429	3	0	0	0
4 ADMINISTRATION	147,218	135,391	0	242,930	0	7,966	533,505			88,033	0	0
5 TOTAL EXPENDITURES	1,230,984	847,113	471,025	494,058	2,052,747	39,835	5,135,762			88,662	0	0
County Indirect Costs = \$ 203,264												

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
AMENDED**

SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 46,545	\$ 0	\$ 46,545
Adoption Assistance	428,731	0	428,731
Subsidized Permanent Legal Custodianship	42,294	0	42,294
Counseling	71,296	0	71,296
Day Care	0	0	0
Day Treatment	233,765	0	233,765
Homemaker Service	0	0	0
Intake and Referral	35,718	0	35,718
Life Skills	469,113	0	469,113
Protective Service - Child Abuse	242,155	0	242,155
Protective Service - General	1,037,311	0	1,037,311
Service Planning	158,598	0	158,598
Juvenile Act Proceedings	38,657	0	38,657
Alternative Treatment	0	0	0
Community Residential	910,958	280	911,238
Emergency Shelter	108,941	0	108,941
Foster Family	411,731	0	411,731
Kinship Care	196,548	0	196,548
Supervised Independent Living	30,718	0	30,718
Juvenile Detention Service	0	0	0
Residential Service	138,898	0	138,898
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	533,505	0	533,505
Combined Total Expense	<u>5,135,482</u>	<u>280</u>	<u>5,135,762</u>
Less Non-reimbursables	<u>88,662</u>	<u>0</u>	<u>88,662</u>
Total Net Expense	<u>\$ 5,046,820</u>	<u>\$ 280</u>	<u>\$ 5,047,100</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,230,984	\$ 0	\$ 1,230,984
Employee Benefits	847,113	0	847,113
Subsidies	471,025	0	471,025
Operating	494,058	0	494,058
Purchased Services	2,052,467	280	2,052,747
Fixed Assets	39,835	0	39,835
Combined Total Expense	<u>5,135,482</u>	<u>280</u>	<u>5,135,762</u>
Less Non-reimbursables	<u>88,662</u>	<u>0</u>	<u>88,662</u>
Total Net Expense	<u>\$ 5,046,820</u>	<u>\$ 280</u>	<u>\$ 5,047,100</u>

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-C	5	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Community Residential (Dependent) - Purchased Services</p> <p>To increase expenditures by \$280 because an invoice total was not properly reported on the the fourth quarter Act 148 Invoice Package submitted to Commonwealth DHS and reconcile to the agency's expenditure ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 674,194	\$ 280	\$ 674,474

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	3,202,819
Supplemental Act 148			<u>0</u>
Total State Allocation			3,202,819
State Share (CY348) ²	\$		3,013,498
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,013,498
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,013,498
Actual Act 148 Revenues Received ⁴			<u>3,013,498</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</u></u>

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

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

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's 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.

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
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	54,627	0	7,666	0	0	0	0	0	46,961	46,961	0
02. 90% REIMBURSEMENT	115,294	0	8,804	0	0	0	0	0	106,490	95,841	10,649
03. 80% REIMBURSEMENT	4,755,010	184,170	843,359	227,935	60,853	178,151	10,500	0	3,250,042	2,600,032	650,010
04. 60% REIMBURSEMENT	492,482	3,737	65,895	0	0	0	0	2,416	420,434	252,260	168,174
05. 50% REIMBURSEMENT	36,808	0	0	0	0	0	0	0	36,808	18,404	18,404
06. TOTAL NET CHILD WELFARE EXPEND.	5,454,221	187,907	925,724	227,935	60,853	178,151	10,500	2,416	3,860,735	3,013,498	847,237

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

08. NON-REIMBURSABLE EXPENDITURES	81,515	0							81,515		81,515
09. TOTAL EXPENDITURES	5,535,736	187,907	925,724	227,935	60,853	178,151	10,500	2,416	3,942,250	3,013,498	928,752

10. TOTAL TITLE IV-D COLLECTIONS	75,429										
11. TITLE IV-D Collections for IV-E Children	10,388										
12. STATE ACT 148 - line 6	3,013,498										
13. STATE ACT 148 ALLOCATION	3,203,819										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	3,013,498										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,013,498										
ACT 148 AMOUNT RECEIVED	3,013,498										
ADJUSTMENT TO STATE SHARE	0										

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
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 Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	54,627	0		7,666	0			0	0	46,961	46,961	0
1-B ADOPTION ASSISTANCE	468,179	24,928	253,568	9,190				0	0	180,493	144,394	36,099
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	53,554	868	18,123	0				0	0	34,563	27,650	6,913
1-D COUNSELING - DEPENDENT	33,542	15,000						0	0	18,542	14,834	3,708
1-E COUNSELING - DELINQUENT	91,913	0			61,860			0	0	30,053	24,042	6,011
1-F DAY CARE	0	0						0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	195,073	0		11,163	66,371			0	0	117,539	94,031	23,508
1-H DAY TREATMENT - DELINQUENT	0	0						0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0						0	0	0	0	0
1-J INTAKE & REFERRAL	52,567	0		8,051	0			0	0	44,516	35,613	8,903
1-K LIFE SKILLS - DEPENDENT	595,674	0		13,462	99,704			10,500	0	472,008	377,606	94,402
1-L LIFE SKILLS - DELINQUENT	350	0						0	0	350	280	70
1-M PROTECTIVE SERVICE - CHILD ABUSE	272,972	0		39,953	0			0	0	233,019	186,415	46,604
1-N PROTECTIVE SERVICE - GENERAL	1,086,839	200		163,901	0	60,853		0	0	861,885	689,508	172,377
1-O SERVICE PLANNING	191,902	0		29,334	0			0	0	162,568	130,054	32,514
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	36,808	0						0	0	36,808	18,404	18,404
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0						0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,134,000	40,996	271,691	282,720	227,935	60,853	0	10,500	0	2,239,305	1,789,792	449,513

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0				0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	683,418	38,561	73,399	54,469		178,151		0	0	338,838	271,070	67,768
2-D COMMUNITY RESIDENTIAL - DELINQUENT	265,595	35,883						0	0	229,712	183,770	45,942
2-E EMERGENCY SHELTER - DEPENDENT	90,438	0	877	7,927	0			0	0	81,634	73,471	8,163
2-F EMERGENCY SHELTER - DELINQUENT	24,856	0						0	0	24,856	22,370	2,486
2-G FOSTER FAMILY - DEPENDENT	466,762	45,552	67,750	42,800				0	0	310,660	248,528	62,132
2-H FOSTER FAMILY - DELINQUENT	0	0						0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	238,086	22,518	38,809	16,287				0	0	160,472	128,378	32,094
2-J KINSHIP CARE - DELINQUENT	0	0						0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	58,584	660		3,100				0	0	54,824	43,859	10,965
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-M SUBTOTAL CBP	1,827,739	143,174	180,835	124,583	0	178,151	0	0	0	1,200,996	971,446	229,550

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	0	0						0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	12,946	0		1,975				0	0	10,971	6,583	4,388
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	72,494	0						0	0	72,494	43,496	28,998
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0						0	0	0	0	0
3-E YDC SECURE	0	0						0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	85,440	0		1,975	0			0	0	83,465	50,079	33,386

4 ADMINISTRATION	407,042	3,737		63,920				0	0	2,416	202,181	134,788
5 TOTAL REVENUES	5,454,221	187,907	452,526	473,198	227,935	60,853	178,151	10,500	2,416	3,860,735	3,013,498	847,237

ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
 AMENDED CV370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										9 Children Served (Purchased)	10 Non-Reimbursable Non PS/Sub.	11 Non-Reim. Purchased Serv/ Subsidies	12 Program Income related to all Non-Reimbursable		
	1 WAGES AND SALARIES	2 EMPLOYEE BENEFITS	3 SUBSIDIES	4 OPERATING	5 PURCHASED SERVICES	6 FIXED ASSETS	7 TOTAL EXPENDITURES	8 DAYS OF CARE	9 Children Served (Purchased)	10 Non-Reimbursable Non PS/Sub.						
IN-HOME																
1-A ADOPTION SERVICE	26,313	18,905		5,887	3,283	239	54,627	18		5	0	0	0	0	0	
1-B ADOPTION ASSISTANCE	0	0	468,179	0	0	0	468,179	0	64	6	0	0	0	0	0	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	53,554	0	0	0	53,554	0	0	0	0	0	0	0	0	
1-D COUNSELING - DEPENDENT	0	0		33,542	0	0	33,542	0	15	0	0	0	0	0	0	
1-E COUNSELING - DELINQUENT	0	0		91,913	0	0	91,913	0	15	0	0	0	0	0	0	
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
1-G DAY TREATMENT - DEPENDENT	39,335	25,365		8,174	121,960	239	195,073	21	21	0	0	0	0	0	0	
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
1-J INTAKE & REFERRAL	23,939	20,704		7,126	0	798	52,567	1,328	0	0	0	0	0	0	0	
1-K LIFE SKILLS - DEPENDENT	47,778	33,862		7,065	506,889	80	595,674	19	171	0	0	0	0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0		350	0	0	350	0	0	0	0	0	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	153,746	90,116		16,952	11,200	958	272,972	264	111	0	0	0	0	0	0	
1-N PROTECTIVE SERVICE - GENERAL	578,629	434,343		60,455	11,419	2,074	1,086,920	1,311	118	81	0	0	0	0	0	
1-O SERVICE PLANNING	104,955	77,258		8,812	0	877	191,902	262	0	0	0	0	0	0	0	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	36,808		36,808	0	124	0	0	0	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	974,695	700,553	521,733	114,821	817,014	5,265	3,134,081			81	0	0	0	0	0	
	LRCP = Legal Representation for Children in Placement = \$ 0															
	LRNP = Legal Representation for Children Non-Placement = \$ 0															
COMMUNITY BASED PLACEMENT																
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		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	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	52,435	41,483		15,580	573,837	320	683,655	2,818	16	237	0	0	0	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		803	264,792	0	265,595	1,040	6	0	0	0	0	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	26,876	18,804		5,981	38,698	79	90,438	394	29	0	0	0	0	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	24,856	0	24,856	312	6	0	0	0	0	0	0	
2-G FOSTER FAMILY - DEPENDENT	85,204	53,793		31,194	296,178	478	466,847	6,309	33	85	0	0	0	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
2-I KINSHIP CARE - DEPENDENT	55,855	35,165		23,714	123,143	239	238,116	4,206	22	30	0	0	0	0	0	
2-J KINSHIP CARE - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
2-K SUP. INDEPENDENT LIVING - DEPENDENT	10,547	8,653		1,423	37,881	80	58,584	223	1	0	0	0	0	0	0	
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
2-M SUBTOTAL CBP	230,917	157,898	0	78,695	1,359,385	1,196	1,828,091	15,302	113	352	0	0	0	0	0	
INSTITUTIONAL PLACEMENT																
3-A JUVENILE DETENTION SERVICE	0	0		0	0	0	0	0	0	0	0	0	0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	6,773	5,260		834	0	79	12,946	0	0	0	0	0	0	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		0	72,494	0	72,494	221	2	0	0	0	0	0	0	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		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	0	0	
3-F SUBTOTAL INSTITUTIONAL	6,773	5,260	0	834	72,494	79	85,440	221	2	0	0	0	0	0	0	
ADMINISTRATION	129,485	129,215	0	227,921	67	1,436	488,124			81,082	0	0	0	0	0	
TOTAL EXPENDITURES	1,341,870	992,926	521,733	422,271	2,248,960	7,976	5,535,736			81,515	0	0	0	0	0	
	County Indirect Costs = \$ 210,397															

**ARMSTRONG COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 54,627	\$ 0	\$ 54,627
Adoption Assistance	468,179	0	468,179
Subsidized Permanent Legal Custodianship	53,554	0	53,554
Counseling	125,455	0	125,455
Day Care	0	0	0
Day Treatment	195,073	0	195,073
Homemaker Service	0	0	0
Intake and Referral	52,567	0	52,567
Life Skills	596,024	0	596,024
Protective Service - Child Abuse	272,972	0	272,972
Protective Service - General	1,086,920	0	1,086,920
Service Planning	191,902	0	191,902
Juvenile Act Proceedings	36,808	0	36,808
Alternative Treatment	0	0	0
Community Residential	949,250	0	949,250
Emergency Shelter	115,294	0	115,294
Foster Family	466,847	0	466,847
Kinship Care	238,116	0	238,116
Supervised Independent Living	58,584	0	58,584
Juvenile Detention Service	0	0	0
Residential Service	85,440	0	85,440
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	488,124	0	488,124
Combined Total Expense	<u>5,535,736</u>	<u>0</u>	<u>5,535,736</u>
Less Non-reimbursables	<u>81,515</u>	<u>0</u>	<u>81,515</u>
Total Net Expense	<u>\$ 5,454,221</u>	<u>\$ 0</u>	<u>\$ 5,454,221</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,341,870	\$ 0	\$ 1,341,870
Employee Benefits	992,926	0	992,926
Subsidies	521,733	0	521,733
Operating	422,271	0	422,271
Purchased Services	2,248,960	0	2,248,960
Fixed Assets	7,976	0	7,976
Combined Total Expense	<u>5,535,736</u>	<u>0</u>	<u>5,535,736</u>
Less Non-reimbursables	<u>81,515</u>	<u>0</u>	<u>81,515</u>
Total Net Expense	<u>\$ 5,454,221</u>	<u>\$ 0</u>	<u>\$ 5,454,221</u>

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

The prior report included the following finding:

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

In our prior engagement report, covering the July 1, 2017 to June 30, 2019 fiscal years, we cited the Armstrong County Children and Youth Agency (agency) through August 2018 for not requiring In-Home Purchased Service providers to submit any documentation, other than their submitted invoices, to substantiate that services related to the fees invoiced by these providers were actually provided and provided in adherence to executed contract terms.

During the conduct of our current engagement, we obtained evidence substantiating that, as of September 2018, the agency developed and implemented fiscal-related monitoring policy and procedures designed to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

The agency's fiscal-related monitoring policy for In-Home Purchased Service providers states that the agency performs quarterly fiscal-related monitoring of each contracted In-Home Purchased Service provider. During these reviews, the agency randomly selects invoices and compares the invoiced number of units to the respective provider's supporting documentation which includes encounter forms, contact sheets, or client verification forms. The policy further states that the agency maintains a spreadsheet with the details and results of each review and all discrepancies are addressed with the provider.

To assess the sufficiency of these procedures, we reviewed several monitoring reports and verified the agency obtained sufficient documentation to verify the invoiced number of units.

Based on the procedures performed during our current engagement, we concluded the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT OBSERVATION

ARMSTRONG COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements

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

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

In February 2018, DHS senior management staff affirmed that DHS is responsible for communicating contract-monitoring expectations to the C&Y agencies and for implementing a

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

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

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

ARMSTRONG COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

method to ensure certification monitoring is being performed adequately. DHS staff also stated these expectations were communicated to C&Y agencies on numerous occasions since 2016.

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to then DHS Deputy Secretary for Children, Youth and Families, which was also delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs. The major purpose of our letter was to express our concerns, as detailed above.

DHS Corrective Actions Taken

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

C&Y agencies are required to:

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

As part of the Single Audit, the auditors are required to perform agreed-upon procedures with regard to the supplemental schedule noted above, including the following:

- Obtain a listing of contracted providers that deliver in-home coded services for the C&Y agency.
- Test the listing of contracted providers for completeness.

ARMSTRONG COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

- Analyze the C&Y agency’s documentation of monitoring activities for adequacy of monitoring, the C&Y agency’s obtaining of any necessary corrective action plans, the C&Y agency’s timely follow-up on corrective action plans, and the adequacy and accuracy of the monitoring documentation as represented on the supplemental schedule.
- Disclose any exceptions or findings within the Single Audit package for items not reflected on the supplemental schedule.

Our Current Position

We believe that the requirements that DHS included in its supplement are great first steps in obtaining assurance of the C&Y agencies’ compliance with the CPSL certification requirements. Specifically, having independent auditors reviewing the adequacy of the C&Y agencies’ monitoring of the CPSL background check requirements for contracted providers annually, and reporting the C&Y agencies’ monitoring efforts in a supplemental schedule of the Single Audit package that is provided to DHS appears to be effective. As part of the CPSL certification monitoring process, it is incumbent upon DHS to review the supplemental schedule and any exceptions or findings within the Single Audit packages to ascertain whether the C&Y agencies are properly monitoring for CPSL certification requirements of its contracted providers. However, as of March 2021, DHS officials acknowledged that staff have not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS is especially concerning considering DHS as the oversight agency could remain unaware of improper monitoring being performed by a C&Y agency and/or non-compliance with the CPSL occurring despite receiving an audit report disclosing such information. Therefore, we believe that it is imperative that DHS review the Single Audit packages for CPSL compliance by the C&Y agencies in a timely manner.

Alternatively, DHS could implement its own monitoring process whereby it reviews the adequacy of each C&Y agency’s monitoring to ensure the agency’s contracted providers and their subcontractors complied with CPSL certification requirements. The process would include reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.¹

⁵ DHS informed us that they merely verbally inquire about the status of C&Y agencies’ respective corrective action plans during their monitoring process.

ARMSTRONG COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Conclusion

As the oversight agency, it is our opinion that DHS should ensure that every C&Y agency and its respective contracted providers are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the adequacy of each C&Y Agency's procedures for reviewing the certifications of their contracted providers' employees and volunteers and their subcontractors (whose duties require them to come into direct contact with children) and taking appropriate corrective action when disqualifying incidents are identified. We continue to believe that these children remain particularly vulnerable because contracted in-home services are often times provided outside the presence and view of others.

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

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y agencies' contracted providers and their subcontractors.

ARMSTRONG COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Ms. Valerie A. Arkoosh, MD, MPH
Acting Secretary
Department of Human Services

Ms. Natalie Bates
Acting Deputy Secretary
Office of Children, Youth and Families
Department of Human Services

Ms. Tia Petrovitz
Fiscal Management Specialist 4
Division of County Programs
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Mr. Jim Flanagan
Section Chief
Financial Reporting and Payments Section
Division of Financial Policy and Operations
Bureau of Financial Operations
Department of Human Services

Mr. David Bryan, CPA, CGMA
Manager
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

Ms. Linda L. Herrold
Audit Specialist
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

The Commissioners of Armstrong County

Ms. Paula McClure
Administrator
Armstrong County Children & Youth Agency

Ms. Carly Hileman
Fiscal Officer
Armstrong County Children & Youth Agency

Ms. Tammie Gaff
Acting Controller
Armstrong County

Mr. Michael Burns, CPA
Director
Bureau of Accounting & Financial Management
Office of Comptroller Operations
Office of the Budget

Mr. R. Dennis Welker
Special Audit Services
Bureau of Audits
Office of the Budget

Ms. Melanie Retherford
Human Services Program Specialist Supervisor
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Ms. Melissa Erazo
Director
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.