

AMENDED FISCAL REPORTS For Fiscal Year:

July 1, 2017 to June 30, 2018

Cambria County Children and Youth Agency

February 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Cambria County
Cambria County Courthouse
200 South Center Street
Ebensburg, PA 15931

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 Cambria County Children and Youth Agency (agency), legally known as Cambria 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 year July 1, 2017 to June 30, 2018. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal year ended June 30, 2018.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not 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 Cambria 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 2017-2018 fiscal year based on the accrual basis of accounting.¹

¹ The accrual basis of accounting is required by DHS.

Independent Auditor's Report (Continued)

The procedures performed during this engagement resulted in no adjustments to the agency's submitted fiscal reports for the fiscal year included in our engagement scope period. The fiscal reports for the **2017-2018 fiscal year** are included in Section 1 of this report.

In addition, we found that the agency complied with the finding included in our prior engagement report, as detailed in Section 2 of this report.

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 3 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 February 13, 2020.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of the adjustment amounts during 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 Cambria County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

February 18, 2020

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Cambria County Children and Youth Agency provided in-home and placement services to 1,997 children residing within the County during the 2017-2018 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

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

Approved State Allocation ¹		\$	6,146,853
Supplemental Act 148			<u>408,066</u>
Total State Allocation			6,554,919
State Share (CY348) ²	\$	6,554,919	
Less: Major Service Category Adjustment		<u>0</u>	
Net State Share	\$	6,554,919	
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>	
Final Net State Share Payable ³	\$	6,554,919	
Actual Act 148 Revenues Received ⁴		<u>6,554,919</u>	
Net Amount Due County/(State) ⁵	\$	<u><u>0</u></u>	

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

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

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

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

⁵ 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.

**AMENDED CY348
FISCAL SUMMARY**

[illegible]

10. TOTAL TITLE IV-D COLLECTIONS	77,155
11. TITLE IV-D Collections for IV-E Children	33,943
12. STATE ACT 148 - line 6	6,554,919
13. STATE ACT 148 ALLOCATION	6,554,919
14. ADJUSTED STATE SHARE (lower of 12 or 13)	6,554,919
INVOICE	
AMENDED STATE SHARE (ACT 148)	6,554,919
ACT 148 AMOUNT RECEIVED	6,554,919
ADJUSTMENT TO STATE SHARE	0

CAMBRIA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	212,494	150		40,247	0			0	0	172,097	172,097	0
1-B ADOPTED PERMANENT LEGAL CUSTODIANSHIP	1,734,081	0	772,486	18,086			0	0	0	943,509	754,807	188,702
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	267,525	0	64,672				0	0	0	202,853	162,282	40,571
1-D COUNSELING - DEPENDENT	869,155	0		44,261	233,120	3,385	0	0	0	586,389	469,110	117,279
1-E COUNSELING - DELINQUENT	20,161	0			0		0	0	0	11,166	8,933	2,233
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	215,495	0		1,114	58,427	0	0	0	0	155,954	124,764	31,190
1-J INTAKE & REFERRAL	136,577	0		25,836	0	0	0	0	0	110,741	88,593	22,148
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	89,295	0		0	46,481	0	0	0	0	42,814	34,251	8,563
1-M PROTECTIVE SERVICE - CHILD ABUSE	521,090	0		94,460	3,600	0	0	0	0	423,030	338,424	84,606
1-N PROTECTIVE SERVICE - GENERAL	1,764,110	450		331,951	0	0	0	0	0	1,431,709	1,145,368	286,341
1-O SERVICE PLANNING	114,948	0		21,478	1,245	0	0	0	0	92,225	73,780	18,445
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	150,454	0		6,878	0		0	0	0	143,576	71,789	71,787
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	3,064	0		83	0		0	0	0	2,981	1,491	1,490
1-R SUBTOTAL IN-HOME	6,098,449	600	837,158	584,394	353,868	3,385	0	0	0	4,319,044	3,445,689	873,355

COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0		0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	391,161	21,133	90,995	6,300		4,500	0	0	0	268,233	214,587	53,646
2-D COMMUNITY RESIDENTIAL - DELINQUENT	165,638	3,556	54,768			4,319	0	0	0	102,995	82,395	20,600
2-E EMERGENCY SHELTER - DEPENDENT	154,384	0	34,309	9	0		0	0	0	120,066	108,060	12,006
2-F EMERGENCY SHELTER - DELINQUENT	401,888	1,643	26,789	0	176,358	0	0	0	0	197,098	177,388	19,710
2-G FOSTER FAMILY - DEPENDENT	4,101,925	173,319	626,163	688,698		17,964	13,092	0	0	2,582,689	2,066,152	516,537
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	93,343	0	11,907	75		3,234	0	0	0	78,127	62,502	15,625
2-J SUP. INDEPENDENT LIVING - DELINQUENT	3,745	0	1,850	0		0	0	0	0	1,895	1,516	379
2-K SUBTOTAL CBP	5,312,084	199,651	846,781	695,082	176,358	30,017	13,092	0	0	3,351,103	2,712,600	638,503

INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	0	0							0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	347,916	19,816	81,079	4,903		54,362	19,638	0	0	168,118	100,870	67,248
3-C RES. SERVICE - DELINQUENT (NON YDC-YFC)	397,169	9,149	106,930	0		43,388	19,638	0	0	218,064	130,838	87,226
3-D SECURE RES. SERVICE (EXCEPT YDC)	104,025	0						0	0	104,025	62,415	41,610
3-E YDC SECURE	58,277	0								58,277	34,966	23,311
3-F SUBTOTAL INSTITUTIONAL	907,387	28,965	188,009	4,903	0	97,750	39,276	0	0	548,484	329,089	219,395

4 ADMINISTRATION	218,451	0		41,341		0	0	0	6,266	170,844	102,507	68,337
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5 TOTAL REVENUES	12,536,371	229,216	1,871,948	1,325,720	530,226	131,152	52,368	0	6,266	8,389,475	6,589,885	1,799,590
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EXPENDITURE REPORT

County Indirect Costs = \$ 112,750

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 217,681	\$ 0	\$ 217,681
Adoption Assistance	1,734,081	0	1,734,081
Subsidized Permanent Legal Custodianship	267,525	0	267,525
Counseling	895,541	0	895,541
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	215,495	0	215,495
Intake and Referral	141,764	0	141,764
Life Skills	89,295	0	89,295
Protective Service - Child Abuse	533,540	0	533,540
Protective Service - General	1,809,670	0	1,809,670
Service Planning	118,061	0	118,061
Juvenile Act Proceedings	153,518	0	153,518
Alternative Treatment	0	0	0
Community Residential	557,837	0	557,837
Emergency Shelter	556,272	0	556,272
Foster Family	4,123,710	0	4,123,710
Supervised Independent Living	97,088	0	97,088
Juvenile Detention Service	0	0	0
Residential Service	746,123	0	746,123
Secure Residential Service (Except YDC)	104,025	0	104,025
YDC Secure	58,277	0	58,277
Administration	220,525	0	220,525
Combined Total Expense	12,640,028	0	12,640,028
Less Non-reimbursables	103,657	0	103,657
Total Net Expense	\$ <u>12,536,371</u>	\$ <u>0</u>	\$ <u>12,536,371</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,387,077	\$ 0	\$ 2,387,077
Employee Benefits	982,909	0	982,909
Subsidies	2,003,027	0	2,003,027
Operating	842,729	0	842,729
Purchased Services	6,400,804	0	6,400,804
Fixed Assets	23,482	0	23,482
Combined Total Expense	12,640,028	0	12,640,028
Less Non-reimbursables	103,657	0	103,657
Total Net Expense	\$ <u>12,536,371</u>	\$ <u>0</u>	\$ <u>12,536,371</u>

SECTION 2

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

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 (Resolved)

In our prior engagement report, for the fiscal years July 1, 2014 to June 30, 2017, we cited the Cambria County Children and Youth Agency (agency) for failure to develop and implement internal control policies and procedures requiring adequate supporting documentation evidencing that services related to fees invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms. Due to the timing of our prior audit, agency management informed us that they did not require any of the Fee-for-Service In-Home providers or Program-Funded providers it contracted with during our prior engagement to submit any documentation, other than submitted invoices, to substantiate the fees invoiced by these respective providers. We concluded that the agency did not have sufficient controls in place to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

Our current engagement scope period was the 2017-2018 fiscal year. During the conduct of our current engagement, we obtained evidence substantiating that, as of May 2017, the agency developed and implemented a 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 and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms.

The agency's fiscal-related monitoring policy over In-Home Purchased Service providers states the agency will annually perform on-site fiscal-related monitoring visits of all contracted In-Home Purchased Service providers and compare submitted invoices to the respective provider's records substantiating the number of units invoiced by Fee-for-Service providers and operating costs invoiced by Program-Funded providers. The agency utilizes a monitoring tool which requires obtaining sign-in sheets from providers and reviewing service authorization verifications. Furthermore, the procedures specify that when supporting documentation is not available, or if the supporting documentation does not fully substantiate the invoiced number of units or operating costs, the provider is notified of the finding and is given 15 days to respond with a corrective action plan. If there is a need for deficiency reconciliation, the agency will provide instructions to the provider with a time frame to make the corrections.

To assess the sufficiency of these procedures, we reviewed an on-site monitoring report and related supporting documentation for a review conducting during the 2017-2018 fiscal year and

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

noted that it included an explanation of what specific supporting documentation was compared to the invoices selected for testing to substantiate the invoiced number of units or provider operating costs, along with the results of the review and a conclusion.

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

SECTION 3

CURRENT ENGAGEMENT OBSERVATION

CAMBRIA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

The Child Protective Services Law (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).² To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,³ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by DHS OCYF, the Cambria County Children and Youth Agency provided in-home and placement services to 1,997 children residing within the County during the 2017-2018 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, DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the

² 23 Pa.C.S. §§ 6344 and 6344.2.

³ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2018, via Finding 2018-010).

CAMBRIA COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

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

Contracted In-Home Preventative Service Providers

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

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

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

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

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

⁶ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

CAMBRIA COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

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.⁹ 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.

⁹ As of the date of this report, DHS has not notified us that the Single Audit Supplement has been updated.

CAMBRIA COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

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.¹⁰ However, recent amendments to the CPSL extend this time frame from one year to five years.¹¹ 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.¹²

¹⁰ 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.

¹¹ 23 Pa.C.S. § 6344.4.

¹² 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.¹³

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

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

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