

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

Carbon County Children and Youth Agency

January 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 Carbon County
Carbon County Courthouse Annex 2
Two Hazard Square, P.O. Box 129
Jim Thorpe, PA 18229-0129

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 Carbon County Children and Youth Agency (agency), legally known as Carbon County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2016 to June 30, 2017, and July 1, 2017 to June 30, 2018. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2017, and June 30, 2018.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards. We 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 Carbon 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 2016-2017 and 2017-2018 fiscal years based on the accrual basis of accounting.¹

¹ The accrual basis of accounting is required by DHS.

Independent Auditor's Report (Continued)

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

- For the **2016-2017 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing non-reimbursable expenditures by \$25,533 and increasing revenue by \$3,182. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$16,785. Both adjustments are detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 1 of this report.
- For the **2017-2018 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing non-reimbursable expenditures by \$42,315 and increasing revenue by \$4,662. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$29,041. Both adjustments are detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 2 of this report.

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

Finally, we included the observation listed below related to DHS' monitoring of County Children and Youth (C&Y) Agencies' compliance with the Child Protective Services Law (CPSL), as detailed in Section 4 of this report:

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 results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on January 22, 2020.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization of the adjustment amounts during DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

Independent Auditor's Report (Continued)

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Carbon County Children and Youth Agency.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

January 24, 2020

CONTENTS

	Page
<u>Background</u>	1
<u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2016 to June 30, 2017</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, 2017 to June 30, 2018</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
Adjustment Schedule	15
<u>Section 3 – Status of Prior Engagement Finding and Recommendations</u>	17
<u>Section 4 – Current Engagement Observation</u>	19
<u>Report Distribution List</u>	24

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 Carbon County Children and Youth Agency provided in-home and placement services to 2,105 children residing within the County during the 2017-2018 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**CARBON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	2,468,406
Supplemental Act 148			<u>0</u>
Total State Allocation			2,468,406
State Share (CY348) ²	\$		2,270,835
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,270,835
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,270,835
Actual Act 148 Revenues Received ⁴			<u>2,287,620</u>
Net Amount Due County/(State) ⁵		\$	<u>(16,785)</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.

CARBON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	4,117	0	336	0	0	0	0	0	3,781	3,781	0
02. 90% REIMBURSEMENT	139,892	0	14,356	31,063	0	0	0	0	94,473	85,026	9,447
03. 80% REIMBURSEMENT	2,552,332	49,571	280,339	19,656	39,096	0	0	0	2,163,670	1,730,937	432,733
04. 60% REIMBURSEMENT	825,534	38,312	24,240	0	0	41,951	0	1,531	719,500	431,700	287,800
05. 50% REIMBURSEMENT	39,182	400	0	0	0	0	0	0	38,782	19,391	19,391
06. TOTAL NET CHILD WELFARE EXPEND.	3,561,057	88,283	319,271	50,719	39,096	41,951	0	1,531	3,020,206	2,270,835	749,371

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	866,490	16,107							850,383	510,230	340,153

08. NON-REIMBURSABLE EXPENDITURES	25,533	0							25,533		25,533
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09. TOTAL EXPENDITURES	4,453,080	104,390	319,271	50,719	39,096	41,951	0	1,531	3,896,122	2,781,065	1,115,057
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10. TOTAL TITLE IV-D COLLECTIONS 0

11. TITLE IV-D Collections for IV-E Children 0

12. STATE ACT 148 - line 6 2,270,835

13. STATE ACT 148 ALLOCATION 2,468,406

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,270,835

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,270,835										
ACT 148 AMOUNT RECEIVED	2,287,620										
ADJUSTMENT TO STATE SHARE	(16,785)										

CARBON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED CX370A
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 TANF	TITLE IV-B TANF	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	4,117	0	0	336	0	0	0	0	0	3,781	0	0
I-B ADOPTION ASSISTANCE	253,989	0	70,301	851	0	0	0	0	0	182,837	146,270	36,567
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	249,142	0	0	1,840	0	0	0	0	0	247,302	197,842	49,460
I-D COUNSELING - DEPENDENT	207,618	0	0	2,655	4,355	0	0	0	0	200,608	160,486	40,122
I-E COUNSELING - DELINQUENT	119,591	0	0	0	2,704	0	0	0	0	116,887	93,510	23,377
I-F DAY CARE	4,535	0	0	438	0	0	0	0	0	4,097	3,278	819
I-G DAY TREATMENT - DEPENDENT	27,131	0	0	884	12,597	0	0	0	0	13,650	10,920	2,730
I-H DAY TREATMENT - DELINQUENT	2,169	0	0	0	0	0	0	0	0	2,169	1,735	434
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	349,743	0	0	40,336	0	0	0	0	0	309,407	247,526	61,881
I-K LIFE SKILLS - DEPENDENT	5,151	0	0	503	0	0	0	0	0	4,648	3,718	930
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	161,977	0	0	18,438	0	0	0	0	0	143,539	114,831	28,708
I-N PROTECTIVE SERVICE - GENERAL	192,781	0	0	21,413	0	0	0	0	0	171,368	137,094	34,274
I-O SERVICE PLANNING	36,141	0	0	4,034	0	0	0	0	0	32,107	25,686	6,421
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	20,182	0	0	0	0	0	0	0	0	20,182	10,091	10,091
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,634,267	0	70,301	91,728	19,656	0	0	0	0	1,452,582	1,156,768	295,814
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	952	0	0	98	0	0	0	0	0	854	683	171
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	248,157	12,010	38,015	2,952	0	0	0	0	0	195,180	156,144	39,036
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	139,582	0	8,657	5,699	31,063	0	0	0	0	94,163	84,747	9,416
2-F EMERGENCY SHELTER - DELINQUENT	310	0	0	0	0	0	0	0	0	310	279	31
2-G FOSTER FAMILY - DEPENDENT	563,663	29,458	33,222	43,866	0	39,096	0	0	0	418,021	334,417	83,604
2-H FOSTER FAMILY - DELINQUENT	125,073	8,103	0	0	0	0	0	0	0	116,970	93,576	23,394
2-I SUP. INDEPENDENT LIVING - DEPENDENT	4,519	0	0	493	0	0	0	0	0	4,026	3,221	805
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,082,236	49,571	79,894	53,108	31,063	39,096	0	0	0	829,524	673,067	156,457
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	19,000	400	0	0	0	0	0	0	0	18,600	9,300	9,300
3-B RESIDENTIAL SERVICE - DEPENDENT	380,724	11,714	0	6,590	0	41,951	0	0	0	320,469	192,281	128,188
3-C RES. SERVICE - DELINQUENT (NON-YDC/FC)	299,341	22,135	0	0	0	0	0	0	0	277,206	166,324	110,882
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	866,490	16,107	0	0	0	0	0	0	0	850,383	510,230	340,153
SUBTOTAL INSTITUTIONAL	1,566,555	50,356	0	6,590	0	41,951	0	0	0	1,466,658	878,135	588,523
ADMINISTRATION	145,469	4,463	0	17,650	0	0	0	0	1,531	121,825	73,095	48,730
TOTAL REVENUES	4,427,547	104,390	150,195	169,076	50,719	39,096	41,951	0	1,531	3,870,589	2,781,065	1,089,524

CARBON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED CV370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	1,806	556		518	1,225	12	4,117	6	2	0	0	0
1-B ADOPTION ASSISTANCE	3,199	3,670	246,468	638	0	14	253,989	7	2	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	9,458	4,345	233,061	2,225	0	53	249,142	15	4	0	0	0
1-D COUNSELING - DEPENDENT	13,135	7,099		2,869	184,448	67	207,618	6	91	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	119,591	0	119,591	0	56	0	0	0
1-F DAY CARE	1,883	1,205	622	811	14	14	4,535	3	2	0	0	0
1-G DAY TREATMENT - DEPENDENT	5,879	832	1,094	19,301	25	25	27,131	5	6	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	2,169	0	0	2,169	0	3	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	178,627	125,880	44,191	0	0	1,045	349,743	1,460	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	5,151	0	0	0	0	0	5,151	1	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	92,559	46,622	22,270	0	526	271	161,977	297	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	111,042	66,211	11,433	3,824	0	0	192,781	1,004	111	0	0	0
1-O SERVICE PLANNING	16,515	15,144	4,378	0	104	0	36,141	39	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	20,182	0	20,182	0	43	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	439,254	271,564	479,529	90,238	351,551	2,131	1,634,267					
	Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	646	306	0	0	0	0	952	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	13,448	9,298	3,227	222,107	77	77	248,157	954	15	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	25,303	19,427	0	5,077	89,656	119	139,582	875	40	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	93,888	44,397	0	22,805	402,187	386	563,663	7,861	56	0	0	0
2-G FOSTER FAMILY - DEPENDENT	0	0	0	649	125,073	15	125,073	1,072	12	0	0	0
2-H FOSTER FAMILY - DELINQUENT	2,674	1,181	0	0	0	0	4,519	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	135,959	74,609	0	31,758	839,333	597	1,082,256	10,764	124	0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	19,000	0	19,000	70	8	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	30,897	20,265	0	6,381	323,029	152	380,724	1,514	19	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	299,341	0	299,341	1,127	14	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	866,490	0	866,490	1,406	13	0	0	0
3-F SUBTOTAL INSTITUTIONAL	30,897	20,265	0	6,381	1,507,860	152	1,565,555	4,117	54	0	0	0
4 ADMINISTRATION	34,466	14,599	0	121,580	160	197	171,002			25,533	0	0
5 TOTAL EXPENDITURES	640,576	381,037	479,529	249,957	2,698,904	3,077	4,453,080			25,533	0	0
	County Indirect Costs = \$ 113,247											

**CARBON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 4,117	\$ 0	\$ 4,117
Adoption Assistance	253,989	0	253,989
Subsidized Permanent Legal Custodianship	249,142	0	249,142
Counseling	327,209	0	327,209
Day Care	4,535	0	4,535
Day Treatment	29,300	0	29,300
Homemaker Service	0	0	0
Intake and Referral	349,743	0	349,743
Life Skills	5,151	0	5,151
Protective Service - Child Abuse	161,977	0	161,977
Protective Service - General	192,781	0	192,781
Service Planning	36,141	0	36,141
Juvenile Act Proceedings	20,182	0	20,182
Alternative Treatment	952	0	952
Community Residential	248,157	0	248,157
Emergency Shelter	139,892	0	139,892
Foster Family	688,736	0	688,736
Supervised Independent Living	4,519	0	4,519
Juvenile Detention Service	19,000	0	19,000
Residential Service	680,065	0	680,065
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	866,490	0	866,490
Administration	171,002	0	171,002
Combined Total Expense	<u>4,453,080</u>	<u>0</u>	<u>4,453,080</u>
Less Non-reimbursables	<u>0</u>	<u>25,533</u>	<u>25,533</u>
Total Net Expense	<u>\$ 4,453,080</u>	<u>\$ (25,533)</u>	<u>\$ 4,427,547</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 640,576	\$ 0	\$ 640,576
Employee Benefits	381,037	0	381,037
Subsidies	479,529	0	479,529
Operating	249,957	0	249,957
Purchased Services	2,698,904	0	2,698,904
Fixed Assets	3,077	0	3,077
Combined Total Expense	<u>4,453,080</u>	<u>0</u>	<u>4,453,080</u>
Less Non-reimbursables	<u>0</u>	<u>25,533</u>	<u>25,533</u>
Total Net Expense	<u>\$ 4,453,080</u>	<u>\$ (25,533)</u>	<u>\$ 4,427,547</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub.</p> <p>To increase Non-Reimbursable Non Purchased Services/ Subsidies by \$25,533 to report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ -	\$ 25,533.00	\$ 25,533.00
CY-370A	2-C 2-G 2-H 3-B 3-C 3-E 4	2 2 2 2 2 2 2	2	<p style="text-align: center;">CY-370A Adjustment</p> <p>Community Residential (Dep.) - Program Income</p> <p>Foster Family (Dep.) - Program Income</p> <p>Foster Family (Del.) - Program Income</p> <p>Residential Service (Dep.) - Program Income</p> <p>Residential. Service (Del.) - Program Income</p> <p>YDC Secure - Program Income</p> <p>Administration - Program Income</p> <p>Total Adjustment Amount</p> <p>To increase program income by \$3,182 to include revenue received subsequent to the agency's submission of the Act 148 invoice to Commonwealth DHS and reconcile to the agency's final revenue ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	<p>\$ 12,009</p> <p>\$ 29,254</p> <p>\$ 7,702</p> <p>\$ 11,642</p> <p>\$ 20,947</p> <p>\$ 15,164</p> <p>\$ 4,090</p>	<p>\$ 1</p> <p>\$ 204</p> <p>\$ 401</p> <p>\$ 72</p> <p>\$ 1,188</p> <p>\$ 943</p> <p>\$ 373</p> <p>\$ 3,182</p>	<p>\$ 12,010</p> <p>\$ 29,458</p> <p>\$ 8,103</p> <p>\$ 11,714</p> <p>\$ 22,135</p> <p>\$ 16,107</p> <p>\$ 4,463</p>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**CARBON 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		\$	2,561,919
Supplemental Act 148			<u>0</u>
Total State Allocation			2,561,919
State Share (CY348) ²	\$		2,532,878
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,532,878
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,532,878
Actual Act 148 Revenues Received ⁴			<u>2,561,919</u>
Net Amount Due County/(State) ⁵		\$	<u>(29,041)</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.

CARBON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	3,345	0	263	0	0	0	0	0	3,082	3,082	0
02. 90% REIMBURSEMENT	138,636	0	18,836	11,241	0	0	0	0	108,559	97,703	10,856
03. 80% REIMBURSEMENT	2,915,256	85,409	423,490	39,477	39,096	0	0	0	2,327,784	1,862,226	465,558
04. 60% REIMBURSEMENT	1,072,586	47,253	55,564	0	0	41,951	0	2,233	925,585	555,351	370,234
05. 50% REIMBURSEMENT	29,032	0	0	0	0	0	0	0	29,032	14,516	14,516
06. TOTAL NET CHILD WELFARE EXPEND.	4,158,855	132,662	498,153	50,718	39,096	41,951	0	2,233	3,394,042	2,532,878	861,164

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	419,479	5,313							414,166	248,500	165,666

08. NON-REIMBURSABLE EXPENDITURES	42,315	0							42,315		42,315
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09. TOTAL EXPENDITURES	4,620,649	137,975	498,153	50,718	39,096	41,951	0	2,233	3,850,523	2,781,378	1,069,145
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10. TOTAL TITLE IV-D COLLECTIONS 45,312

11. TITLE IV-D Collections for IV-E Children 2,465

12. STATE ACT 148 - line 6 2,532,878

13. STATE ACT 148 ALLOCATION 2,561,919

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,532,878

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,532,878
ACT 148 AMOUNT RECEIVED	2,561,919
ADJUSTMENT TO STATE SHARE	(29,041)

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	3,345	0		263	0				0	3,082	3,082	0
1-B ADOPTION ASSISTANCE	186,724	0	70,967	1,154					0	114,603	91,682	22,921
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	302,135	0	0	1,945					0	300,190	240,152	60,038
1-D COUNSELING - DEPENDENT	259,534	0		2,959	0				0	256,575	205,260	51,315
1-E COUNSELING - DELINQUENT	111,445	0			0				0	111,445	89,156	22,289
1-F DAY CARE	2,707	0		237	0				0	2,470	1,976	494
1-G DAY TREATMENT - DEPENDENT	35,592	0		1,321	20,841				0	13,430	10,744	2,686
1-H DAY TREATMENT - DELINQUENT	22,188	0			18,636				0	3,552	2,842	710
1-I HOMEMAKER SERVICE	0	0			0				0	0	0	0
1-J INTAKE & REFERRAL	310,921	0		38,572	0				0	272,349	217,879	54,470
1-K LIFE SKILLS - DEPENDENT	21,800	0		2,711	0				0	19,089	15,271	3,818
1-L LIFE SKILLS - DELINQUENT	0	0			0				0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	195,349	0		24,206	0				0	171,143	136,914	34,229
1-N PROTECTIVE SERVICE - GENERAL	269,166	0		32,507	0				0	236,659	189,327	47,332
1-O SERVICE PLANNING	54,863	0		6,805	0				0	48,058	38,446	9,612
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	21,032	0			0				0	21,032	10,516	10,516
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0				0	0	0	0
1-R SUBTOTAL IN-HOME	1,796,801	0	70,967	112,680	39,477	0	0	0	0	1,573,677	1,253,247	320,430
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	2,476	0		310					0	2,166	1,733	433
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0							0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	292,941	18,536	34,224	4,251					0	235,930	188,744	47,186
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0							0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	136,740	0	12,201	6,635	11,241				0	106,663	95,997	10,666
2-F EMERGENCY SHELTER - DELINQUENT	1,896	0			0				0	1,896	1,706	190
2-G FOSTER FAMILY - DEPENDENT	781,308	53,838	78,521	121,698		39,096			0	488,155	390,524	97,631
2-H FOSTER FAMILY - DELINQUENT	57,228	13,035							0	44,193	35,354	8,839
2-I SUP. INDEPENDENT LIVING - DEPENDENT	8,879	0		1,102					0	7,777	6,222	1,555
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	0
2-K SUBTOTAL CBP	1,281,468	85,409	124,946	133,996	11,241	39,096	0	0	0	886,780	720,280	166,500
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	8,000	0							0	8,000	4,000	4,000
3-B RESIDENTIAL SERVICE - DEPENDENT	554,755	22,205	24,559	8,256			41,951		0	457,784	274,670	183,114
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	364,306	15,355							0	348,951	209,371	139,580
3-D SECURE RES. SERVICE (EXCEPT YDC)	419,479	438							0	(458)	(273)	(183)
3-E YDC-SECURE	419,479	5,313							0	414,166	248,500	165,666
3-F SUBTOTAL INSTITUTIONAL	1,346,540	43,331	24,559	8,256	0	0	41,951	0	0	1,228,443	736,266	492,177
4 ADMINISTRATION	153,525	9,235		22,749		0	0	0	2,233	119,308	71,585	47,723
5 TOTAL REVENUES	4,578,334	137,975	220,472	277,681	50,718	39,096	41,951	0	2,233	3,808,208	2,781,378	1,026,830

CARBON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										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 Children Served (by county)	9 Children Served (Purchased)	10 Non- Reimbursable Non PS/Sub.		11 Non-Reim. Purchased Serv/ Subsidies
IN-HOME												
1-A ADOPTION SERVICE	976	592	518	1,215	44	3,345	4	2	0	0	0	
1-B ADOPTION ASSISTANCE	4,025	4,618	177,391	634	56	186,724	5	2	0	0	0	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	8,799	4,453	286,486	2,204	193	302,135	8	2	0	0	0	
1-D COUNSELING - DEPENDENT	13,624	7,179	2,838	235,646	247	259,534	8	127	0	0	0	
1-E COUNSELING - DELINQUENT	0	0	0	111,445	0	111,445	0	61	0	0	0	
1-F DAY CARE	0	1,248	0	620	785	2,707	0	2	0	0	0	
1-G DAY TREATMENT - DEPENDENT	8,544	920	1,084	24,949	95	35,592	4	7	0	0	0	
1-H DAY TREATMENT - DELINQUENT	0	0	0	22,188	0	22,188	0	6	0	0	0	
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	
1-J INTAKE & REFERRAL	131,186	132,131	0	43,784	3,820	310,921	1,848	0	0	0	0	
1-K LIFE SKILLS - DEPENDENT	21,800	0	0	0	0	21,800	3	0	0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	122,092	49,270	0	22,063	0	195,349	159	0	0	0	0	
1-N PROTECTIVE SERVICE - GENERAL	141,905	108,056	11,327	6,891	987	269,166	521	39	0	0	0	
1-O SERVICE PLANNING	34,610	15,542	4,334	0	377	54,863	66	0	0	0	0	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	21,032	21,032	0	59	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	487,561	324,009	463,877	89,406	424,151	1,796,801	0	0	0	0	0	
Number of Children receiving only NON-PURCHASED IN-Home Services: 26												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	2,182	0	0	0	2,476	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	20,380	10,396	0	3,226	258,658	292,941	1,818	6	0	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	28,244	19,813	0	5,030	83,215	136,740	798	20	0	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	1,896	1,896	14	2	0	0	0	
2-G FOSTER FAMILY - DEPENDENT	70,734	50,991	0	22,312	635,863	781,508	8,411	42	0	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	57,228	57,228	825	4	0	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	6,954	1,222	0	646	0	8,879	0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	128,494	82,716	0	31,214	1,036,860	1,281,468	11,866	74	0	0	0	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	8,000	8,000	32	5	0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	36,375	23,308	0	6,322	488,199	554,755	3,099	12	0	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	364,306	364,306	1,560	16	0	0	0	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	
3-E YDC SECURE	0	0	0	0	419,479	419,479	727	6	0	0	0	
3-F SUBTOTAL INSTITUTIONAL	36,375	23,308	0	6,322	1,279,984	1,346,540	5,418	39	0	0	0	
4 ADMINISTRATION	38,013	15,406	0	141,670	32	195,840	0	0	42,315	0	0	
5 TOTAL EXPENDITURES	690,443	445,439	463,877	268,612	2,741,027	4,620,649	0	0	42,315	0	0	
County Indirect Costs = \$ 133,410												

**CARBON 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	\$ 3,345	\$ 0	\$ 3,345
Adoption Assistance	186,724	0	186,724
Subsidized Permanent Legal Custodianship	302,135	0	302,135
Counseling	370,979	0	370,979
Day Care	2,707	0	2,707
Day Treatment	57,780	0	57,780
Homemaker Service	0	0	0
Intake and Referral	310,921	0	310,921
Life Skills	21,800	0	21,800
Protective Service - Child Abuse	195,349	0	195,349
Protective Service - General	269,166	0	269,166
Service Planning	54,863	0	54,863
Juvenile Act Proceedings	21,032	0	21,032
Alternative Treatment	2,476	0	2,476
Community Residential	292,941	0	292,941
Emergency Shelter	138,636	0	138,636
Foster Family	838,536	0	838,536
Supervised Independent Living	8,879	0	8,879
Juvenile Detention Service	8,000	0	8,000
Residential Service	919,061	0	919,061
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	419,479	0	419,479
Administration	195,840	0	195,840
Combined Total Expense	<u>4,620,649</u>	<u>0</u>	<u>4,620,649</u>
Less Non-reimbursables	<u>0</u>	<u>42,315</u>	<u>42,315</u>
Total Net Expense	<u>\$ 4,620,649</u>	<u>\$ (42,315)</u>	<u>\$ 4,578,334</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 690,443	\$ 0	\$ 690,443
Employee Benefits	445,439	0	445,439
Subsidies	463,877	0	463,877
Operating	268,612	0	268,612
Purchased Services	2,741,027	0	2,741,027
Fixed Assets	11,251	0	11,251
Combined Total Expense	<u>4,620,649</u>	<u>0</u>	<u>4,620,649</u>
Less Non-reimbursables	<u>0</u>	<u>42,315</u>	<u>42,315</u>
Total Net Expense	<u>\$ 4,620,649</u>	<u>\$ (42,315)</u>	<u>\$ 4,578,334</u>

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

REPORT REFERENCE			ADI. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	CY-370 Adjustment			
				Administration - Non-Reimbursable Non PS/Sub. To increase Non-Reimbursable Non Purchased Services/ Subsidies by \$42,315 to report indirect costs which exceed the two percent cost limitation. Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12	\$ -	\$ 42,315	\$ 42,315
CY-370A	2-H 3-C 3-D 3-E 4	2	2	CY-370A Adjustment			
				Foster Family (Del.) - Program Income	\$ 10,135	\$ 2,900	\$ 13,035
				Residential Service (Del.) - Program Income	\$ 15,356	\$ (1)	\$ 15,355
				Secure Residential - Program Income	\$ -	\$ 458	\$ 458
				YDC Secure - Program Income	\$ 5,771	\$ (458)	\$ 5,313
				Administration - Program Income	\$ 7,472	\$ 1,763	\$ 9,235
Total Adjustment Amount						\$ 4,662	
To increase program income by \$4,662 to include revenue received subsequent to the agency's submission of the Act 148 invoice to Commonwealth DHS and reconcile to the agency's final revenue ledger. Title 55 PA Code, Chapter 3170.95(a)(b)							

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – The Carbon County Children and Youth Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided. (RESOLVED)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2016, we cited the Carbon County Children and Youth Agency (agency) for failure to obtain reasonable assurance that In-Home Purchased Service providers actually provided the services for which the agency was invoiced, and subsequently paid, and that if provided, provided in adherence to the requirements of the respective provider’s executed contract terms. While agency management informed us that a verification of the mathematical accuracy of the charges on the invoices was performed in addition to verifying children listed on the invoices were approved for the services, the agency failed to implement fiscal-related monitoring procedures that would provide reasonable assurance the number of units charged for each individual listed on the invoices submitted by Fee-for-Service providers were valid.

During the conduct of our current engagement, we obtained evidence substantiating that, as of July 2016, 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 and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided.

The agency’s fiscal-related monitoring policy for In-Home Purchased Service providers states that the agency requires In-Home providers to submit with invoices sign-in sheets detailing each family contact and a signature by the client, parent or guardian verifying the services were received. The invoices and related sign-in sheets are compared by the Fiscal Officer and the provider is contacted if there are discrepancies or missing information. The agency also conducts invoice sampling throughout the fiscal year to verify the provider’s support documentation agrees with the invoices. A log is maintained detailing the name of the provider, sampling dates, invoices reviewed, and the sampling results.

To assess the sufficiency of these procedures, we reviewed In-Home Purchased Services invoices for the 2016-2017 and 2017-2018 fiscal years and found that sign-in sheets accompanied all invoices reviewed and that there was evidence that a comparison of the documents was performed. We also obtained a copy of the sampling log which provided evidence that invoices were compared to sign-in sheets and other supporting documentation for all In-Home providers that were used regularly during the 2016-17 and 2017-18 fiscal years. The sampling log also included the results of the agency’s review and, if applicable, issues found and corrections made.

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

CARBON 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 Carbon County Children and Youth Agency provided in-home and placement services to 2,105 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).

CARBON 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 volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁷

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.

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

CARBON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

DHS Senior Management Follow-Up Response

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers⁸ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

DHS senior management staff further stated that DHS recognizes that they are responsible for communicating contract monitoring expectations to the C&Y agencies and for implementing a method to ensure that contract monitoring is being performed adequately. DHS' OCYF has communicated DHS' expectation that C&Y agencies must monitor these private providers' compliance with the requirements of the CPSL. DHS has also reiterated this expectation during quarterly Pennsylvania Children and Youth Administrators (PCYA) meetings held between June 2016 and October 2017, as well as in general guidance regarding contract monitoring efforts included in OCYF Bulletins issued for the 2017-18 and 2018-19 fiscal years. Further, DHS stated that OCYF will issue additional guidance in its Needs-Based Plan and Budget instructions for this year to emphasize adherence to the CPSL requirements for these providers as part of the C&Y agencies' monitoring expectations.

Finally, DHS informed us that they will address the adequacy of C&Y agencies' monitoring through the July 2019 version of the DHS Single Audit Supplement (SAS) and will develop and require through the SAS a schedule that captures the details of each C&Y agency's monitoring efforts. This will include a listing of these private providers, whether they were monitored and if any CPSL violations were identified. The schedule will be submitted with the respective county's annual single audit report and will be subject to an Agreed Upon Procedures (AUP) engagement. DHS will also provide technical assistance to any C&Y agency that needs improvement.

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

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.

CARBON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Department, as indicated in our March 18, 2018, Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Greater Scrutiny of Arrest and Conviction Records

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained.⁹ However, recent amendments to the CPSL extend this time frame from one year to five years.¹⁰ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

Auditor General Senior Management's Follow-up Conclusion Statement

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we also recognize that risks to these vulnerable children continue to exist. One such risk results from the potential delay of 9 to 21 months (or possibly longer) between the date of possible noncompliance by a *contracted In-Home Preventative Service provider* and/or inadequate monitoring by a county C&Y agency and DHS becoming aware of those issues.¹¹

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

⁹ Please note that the previous one year validity of checks and clearances only applied to prospective employees, which is a requirement that was deleted by Act 153 of 2014.

¹⁰ 23 Pa.C.S. § 6344.4.

¹¹ The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible noncompliance occurring at the beginning of the fiscal year. The period of delay would be higher when the Single Audit is not received within nine months from the end of the fiscal year.

CARBON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.¹²

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

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

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

¹³ The agency stated that it conducts monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "The Carbon County Children & Youth Agency currently requests copies of criminal background checks and both FBI and child abuse clearances from our In-Home providers staff, and maintain with our contract files. We update these at the required intervals." We did not perform procedures to evaluate the agency's performance of those procedures.

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

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