

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

Clarion County Children and Youth Agency

July 2021



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Clarion County
330 Main Street Suite 200
Clarion, PA 16214

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 Clarion County Children and Youth Agency (agency), legally known as Clarion 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, 2017 to June 30, 2018 and July 1, 2018 to June 30, 2019. 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, 2018, and June 30, 2019.

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 Clarion 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 and 2018-2019 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 **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 decreasing agency expenditures by \$2,351 and increasing Program Income by \$2,875. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$3,761. Both adjustments are detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$8,647 and increasing Program Income by \$3,101. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$10,179. Both adjustments are detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that the agency did not comply with the recommendations in the two findings included in our prior engagement report, as detailed in Section 3 of this report. This resulted in the issuance of the following repeat findings, which are detailed in Section 4 of this report.

Finding 1: – Unresolved Prior Audit Recommendations – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers

Finding 2: – Unresolved Prior Audit Recommendations – Failure to Execute Required Contracts with Service Providers

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 5 of this report.

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.

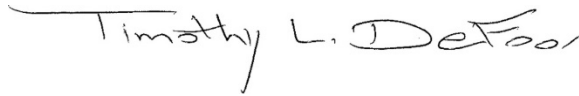
¹ In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures made from other appropriations or grant funds.

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on June 21, 2021.

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.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Clarion County Children and Youth Agency. If you have any questions, please feel free to contact Tracie Fountain, CPA, Director, Bureau of Children and Youth Services Audits at 717-787-1159.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a horizontal line above the first name.

Timothy L. DeFoor
Auditor General

June 30, 2021

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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 Clarion County Children and Youth Agency provided in-home and placement services to 811 children residing within the County during the 2018-2019 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 engagement period, 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

**CLARION 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		\$	2,195,694
Supplemental Act 148			<u>0</u>
Total State Allocation			2,195,694
State Share (CY348) ²	\$		2,118,798
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,118,798
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,118,798
Actual Act 148 Revenues Received ⁴			<u>2,122,559</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(3,761)</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.

CLARION 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	22,163	5,409	4,089	0	0	0	0	0	12,665	12,665	0
02. 90% REIMBURSEMENT	68,604	139	3,902	27,246	0	0	0	0	37,317	33,586	3,731
03. 80% REIMBURSEMENT	2,905,037	84,412	525,116	0	0	0	0	0	2,295,509	1,836,407	459,102
04. 60% REIMBURSEMENT	505,937	30,555	45,179	0	41,275	18,629	0	2,650	367,649	220,590	147,059
05. 50% REIMBURSEMENT	31,100	0	0	0	0	0	0	0	31,100	15,550	15,550
06. TOTAL NET CHILD WELFARE EXPEND.	3,532,841	120,515	578,286	27,246	41,275	18,629	0	2,650	2,744,240	2,118,798	625,442

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	284	0							284		284

09. TOTAL EXPENDITURES	3,533,125	120,515	578,286	27,246	41,275	18,629	0	2,650	2,744,524	2,118,798	625,726
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10. TOTAL TITLE IV-D COLLECTIONS 103,589

11. TITLE IV-D Collections for IV-E Children 15,306

12. STATE ACT 148 - line 6 2,118,798

13. STATE ACT 148 ALLOCATION 2,195,694

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,118,798

INVOICE	
AMENDED STATE SHARE (ACT 148)	2,118,798
ACT 148 AMOUNT RECEIVED	2,122,559
ADJUSTMENT TO STATE SHARE	(3,761)

CLARION 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	22,163	5,409		4,089					12,665	12,665	0	
1-B ADOPTION ASSISTANCE	295,261	0	129,151						166,110	132,888	33,222	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	77,300	0	18,690						58,610	46,888	11,722	
1-D COUNSELING - DEPENDENT	110,912	6,284							104,628	83,702	20,926	
1-E COUNSELING - DELINQUENT	15,955	313							15,642	12,514	3,128	
1-F DAY CARE	0	0							0	0	0	
1-G DAY TREATMENT - DEPENDENT	0	0							0	0	0	
1-H DAY TREATMENT - DELINQUENT	0	0							0	0	0	
1-I HOMEMAKER SERVICE	30,000	0							30,000	24,000	6,000	
1-J INTAKE & REFERRAL	12,553	0		2,322					10,231	8,185	2,046	
1-K LIFE SKILLS - DEPENDENT	0	0							0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0							0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	283,513	0		51,887					231,626	185,301	46,325	
1-N PROTECTIVE SERVICE - GENERAL	1,136,512	0		140,884					995,628	796,502	199,126	
1-O SERVICE PLANNING	69,578	0		6,606					62,972	50,378	12,594	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	28,500	0							28,500	14,250	14,250	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	2,600	0							2,600	1,300	1,300	
SUBTOTAL IN-HOME	2,084,847	12,006	147,841	205,788	0	0	0	0	1,719,212	1,368,573	350,639	
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0							0	0	0	
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0							0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	86,520	4,119		2,507					79,894	63,915	15,979	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	145,579	27,791							117,788	94,230	23,558	
2-E EMERGENCY SHELTER - DEPENDENT	53,393	0		3,902	20,809				28,682	25,814	2,868	
2-F EMERGENCY SHELTER - DELINQUENT	15,211	139			6,437				8,635	7,772	863	
2-G FOSTER FAMILY - DEPENDENT	618,928	43,235	99,285	73,779					402,629	322,103	80,526	
2-H FOSTER FAMILY - DELINQUENT	22,426	2,670		5					19,751	15,801	3,950	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0							0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	
SUBTOTAL CBP	942,057	77,954	99,285	80,193	27,246	0	0	0	657,379	529,635	127,744	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0							0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	4,973	317		290					4,366	2,620	1,746	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	258,974	27,837				41,275	18,629		171,233	102,740	68,493	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0							0	0	0	
3-E YDC SECURE	0	0							0	0	0	
SUBTOTAL INSTITUTIONAL	263,947	28,154	0	290	0	41,275	18,629	0	175,599	105,360	70,239	
4 ADMINISTRATION	241,990	2,401		44,889		0	0	0	192,050	115,230	76,820	
5 TOTAL REVENUES	3,552,841	120,515	247,126	331,160	27,246	41,275	18,629	0	2,744,240	2,118,798	625,442	

CLARION 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											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES (by county)	Children Served (Purchased)	Children Served (Non-PS/ Sub.)	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable	
IN-HOME												
I-A ADOPTION SERVICE	2,571	1,587		17,986	0	19	22,163	27	0	0	0	
I-B ADOPTION ASSISTANCE	0	0	295,261	0	0	0	295,261	0	51	0	0	
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	77,300	0	0	0	77,300	0	12	0	0	
I-D COUNSELING - DEPENDENT	0	0	0	110,912	0	0	110,912	0	44	0	0	
I-E COUNSELING - DELINQUENT	0	0	0	15,955	0	0	15,955	0	42	0	0	
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
I-I HOMEMAKER SERVICE	0	0	0	0	30,000	0	30,000	0	55	0	0	
I-J INTAKE & REFERRAL	6,433	3,659		2,391	0	70	12,553	1,270	0	0	0	
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
I-M PROTECTIVE SERVICE - CHILD ABUSE	152,483	56,046		73,381	420	1,183	283,513	232	1	0	0	
I-N PROTECTIVE SERVICE - GENERAL	340,309	185,262		238,151	369,483	3,307	1,136,512	416	517	0	0	
I-O SERVICE PLANNING		11,351	7,007	17,718	33,358	144	69,578	311	99	0	0	
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					28,500		28,500	0	87	0	0	
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					2,600		2,600	0	1	0	0	
I-R SUBTOTAL IN-HOME	513,147	253,561	372,561	349,627	591,228	4,723	2,084,847			0	0	
Number of Children receiving only NON-PURCHASED IN-Home Services: 928												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	4,539	3,770	0	6,828	71,324	59	86,520	397	3	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	209	145,370	0	145,579	977	6	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	7,607	5,275	0	9,024	31,709	62	53,677	513	17	18	266	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	15,211	0	15,211	158	4	0	0	
2-G FOSTER FAMILY - DEPENDENT	137,342	81,121	0	134,171	264,999	1,295	618,928	9,011	47	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	30	22,396	0	22,426	324	3	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	149,488	90,166	0	150,262	551,009	1,416	942,341	11,380	80	18	266	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	3,235	1,738	0	4,973	330	1	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	258,974	0	258,974	1,075	5	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	0	0	0	0	0	0	0	
3-F SUBTOTAL INSTITUTIONAL	0	0	0	3,235	260,712	0	263,947	1,405	6	0	0	
ADMINISTRATION	48,738	30,275	0	162,616	0	361	241,990			0	0	
TOTAL EXPENDITURES	711,373	374,002	372,561	665,740	1,402,949	6,500	3,533,125		18	266	0	
County Indirect Costs = \$ 93,912												

**CLARION 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	\$ 22,163	\$ 0	\$ 22,163
Adoption Assistance	295,261	0	295,261
Subsidized Permanent Legal Custodianship	77,300	0	77,300
Counseling	126,867	0	126,867
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	30,000	0	30,000
Intake and Referral	12,553	0	12,553
Life Skills	0	0	0
Protective Service - Child Abuse	283,513	0	283,513
Protective Service - General	1,136,777	(265)	1,136,512
Service Planning	69,578	0	69,578
Juvenile Act Proceedings	31,100	0	31,100
Alternative Treatment	0	0	0
Community Residential	232,099	0	232,099
Emergency Shelter	68,768	120	68,888
Foster Family	641,560	(206)	641,354
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	263,947	0	263,947
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	243,990	(2,000)	241,990
Combined Total Expense	3,535,476	(2,351)	3,533,125
Less Non-reimbursables	284	0	284
Total Net Expense	\$ 3,535,192	\$ (2,351)	\$ 3,532,841

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 711,373	\$ 0	\$ 711,373
Employee Benefits	374,002	0	374,002
Subsidies	372,561	0	372,561
Operating	668,091	(2,351)	665,740
Purchased Services	1,402,949	0	1,402,949
Fixed Assets	6,500	0	6,500
Combined Total Expense	3,535,476	(2,351)	3,533,125
Less Non-reimbursables	284	0	284
Total Net Expense	\$ 3,535,192	\$ (2,351)	\$ 3,532,841

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustment							
CY-370	1-N	4	1	Protective Service General - Operating	\$ 238,416	\$ (265)	\$ 238,151
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 8,904	\$ 120	\$ 9,024
	2-G	4		Foster Family (Dependent) - Operating	\$ 134,377	\$ (206)	\$ 134,171
	4	4		Administration - Operating	\$ 164,616	\$ (2,000)	\$ 162,616
				Total Adjustment Amount		\$ (2,351)	
				To decrease expenditures by \$2,351 to properly report total expenditures and reconcile to the agency's final expenditures ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A Adjustment							
CY-370-A	2-D	2	2	Community Residential (Delinquent) - Program Income	\$ 25,447	\$ 2,344	\$ 27,791
	2-G	2		Foster Family (Dependent) - Program Income	\$ 42,747	\$ 488	\$ 43,235
	4	2		Administration - Program Income	\$ 2,358	\$ 43	\$ 2,401
					Total Adjustment Amount		\$ 2,875
				To increase Program Income by \$2,875 to include receipts received subsequent to the agency's submission of the Act 148 invoice to Commonwealth DHS and reconcile to the agency's final Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2018 to JUNE 30, 2019

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	2,261,138
Supplemental Act 148			<u>392,052</u>
Total State Allocation			2,653,190
State Share (CY348) ²	\$		2,643,011
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,643,011
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,643,011
Actual Act 148 Revenues Received ⁴			<u>2,653,190</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(10,179)</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.

CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
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	16,141	3,101	2,916	0	0	0	0	0	10,124	10,124	0
02. 90% REIMBURSEMENT	118,396	0	6,718	27,246	0	0	0	0	84,432	75,989	8,443
03. 80% REIMBURSEMENT	3,364,041	119,067	608,494	0	0	0	0	0	2,636,480	2,109,184	527,296
04. 60% REIMBURSEMENT	893,558	70,706	49,326	0	41,275	18,629	0	1,226	712,396	427,439	284,957
05. 50% REIMBURSEMENT	40,550	0	0	0	0	0	0	0	40,550	20,275	20,275
06. TOTAL NET CHILD WELFARE EXPEND.	4,432,686	192,874	667,454	27,246	41,275	18,629	0	1,226	3,483,982	2,643,011	840,971
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	95	0							95		95
09. TOTAL EXPENDITURES	4,432,781	192,874	667,454	27,246	41,275	18,629	0	1,226	3,484,077	2,643,011	841,066
10. TOTAL TITLE IV-D COLLECTIONS	156,873										
11. TITLE IV-D Collections for IV-E Children	21,311										
12. STATE ACT 148 - line 6	2,643,011										
13. STATE ACT 148 ALLOCATION	2,653,190										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	2,643,011										
INVOICE											
AMENDED STATE SHARE (ACT 148)	2,643,011										
ACT 148 AMOUNT RECEIVED	2,653,190										
ADJUSTMENT TO STATE SHARE	(10,179)										

CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
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												
I-A ADOPTION SERVICE	16,141	3,101		2,916	0			0	0	10,124	10,124	0
I-B ADOPTION ASSISTANCE	340,082		155,788					0	0	184,294	147,435	36,859
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	65,405	0	19,992	0				0	0	45,413	36,330	9,083
I-D COUNSELING - DEPENDENT	111,597	1,495			0			0	0	110,102	88,082	22,020
I-E COUNSELING - DELINQUENT	6,861	0			0			0	0	6,861	5,489	1,372
I-F DAY CARE	0	0			0			0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0			0			0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0			0			0	0	0	0	0
I-I HOMEMAKER SERVICE	30,000	0			0			0	0	30,000	24,000	6,000
I-J INTAKE & REFERRAL	50,293	0		9,088	0			0	0	41,205	32,964	8,241
I-K LIFE SKILLS - DEPENDENT	0	0			0			0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0			0			0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	228,897	0		41,134	0			0	0	187,763	150,210	37,553
I-N PROTECTIVE SERVICE - GENERAL	1,088,146	0		141,910	0			0	0	946,236	756,989	189,247
I-O SERVICE PLANNING	87,409	0		11,430	0			0	0	75,979	60,783	15,196
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	37,950	0			0			0	0	37,950	18,975	18,975
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	2,600	0			0			0	0	2,600	1,300	1,300
1-Q SUBTOTAL IN-HOME	2,065,381	4,596	175,780	206,478	0	0	0	0	0	1,678,527	1,332,681	345,846
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0						0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	327,918	6,282		2,625	0			0	0	319,011	255,209	63,802
2-D COMMUNITY RESIDENTIAL - DELINQUENT	208,977	21,533			0			0	0	187,444	149,955	37,489
2-E EMERGENCY SHELTER - DEPENDENT	72,260	0		6,718	7,365			0	0	58,177	52,359	5,818
2-F EMERGENCY SHELTER - DELINQUENT	46,136	0			19,881			0	0	26,255	23,630	2,625
2-G FOSTER FAMILY - DEPENDENT	800,608	83,181		70,004	0			0	0	490,900	392,720	98,180
2-H FOSTER FAMILY - DELINQUENT	17,848	6,576						0	0	11,272	9,018	2,254
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0						0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-K SUBTOTAL CBP	1,473,747	117,572	156,523	79,347	27,246	0	0	0	0	1,093,059	882,891	210,168
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0						0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	39,574	7,336		877				0	0	31,361	18,817	12,544
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	577,638	59,898			41,275			18,629	0	457,836	274,702	183,134
3-D SECURE RES. SERVICE (EXCEPT YDC)	7,041	0							0	7,041	4,225	2,816
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	624,253	67,234	0	877	0	41,275	18,629	0	0	496,238	297,744	198,494
4. ADMINISTRATION	269,305	3,472		48,449		0	0	0	1,226	216,158	129,695	86,463
5. TOTAL REVENUES	4,432,686	192,874	332,303	335,151	27,246	41,275	18,629	0	1,226	3,483,982	2,043,011	840,971

CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
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	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	4,736	2,855		8,550	0	0	16,141	8	0	0	0	0
1-B ADOPTION ASSISTANCE	0	340,082	0	0	0	0	340,082	0	47	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	65,405	0	0	0	0	65,405	0	9	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	111,597	0	0	111,597	0	41	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	6,861	0	0	6,861	0	53	0	0	0
1-F DAY CARE	0	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	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	30,000	0	30,000	0	71	0	0	0
1-J INTAKE & REFERRAL	25,213	18,234	6,846	0	0	0	50,293	522	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	139,687	41,891	0	47,319	0	0	228,897	71	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	276,694	138,371	0	369,840	303,336	0	1,088,241	423	465	95	0	0
1-O SERVICE PLANNING	18,835	10,564	0	33,716	24,294	0	87,409	304	156	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	37,950	0	0	37,950	0	91	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	2,600	0	1	0	0	0
1-R SUBTOTAL IN-HOME	465,165	211,915	405,487	466,271	516,638	0	2,065,476	1,008	95	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,082	628	0	40,010	286,198	0	327,918	1,829	7	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	208,977	0	208,977	1,085	9	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	20,634	9,607	0	7,496	34,523	0	72,260	681	41	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	46,136	0	46,136	314	17	0	0	0
2-G FOSTER FAMILY - DEPENDENT	143,823	78,523	0	180,640	397,622	0	800,608	9,849	51	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	17,848	0	17,848	259	2	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	165,539	88,758	0	228,146	991,304	0	1,473,747	14,017	127	0	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	6,268	33,306	0	39,574	380	7	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	577,638	0	577,638	2,462	14	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	7,041	0	7,041	22	2	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	6,268	617,985	0	624,253	2,864	23	0	0	0
4 ADMINISTRATION	72,889	44,519	0	151,897	0	0	269,305	0	0	0	0	0
5 TOTAL EXPENDITURES	703,593	345,192	405,487	852,582	2,125,927	0	4,432,781	95	95	0	0	0
County Indirect Costs = \$ 96,757												

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 16,093	\$ 48	\$ 16,141
Adoption Assistance	340,082	0	340,082
Subsidized Permanent Legal Custodianship	65,405	0	65,405
Counseling	118,458	0	118,458
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	30,000	0	30,000
Intake and Referral	50,293	0	50,293
Life Skills	0	0	0
Protective Service - Child Abuse	228,897	0	228,897
Protective Service - General	1,097,805	(9,564)	1,088,241
Service Planning	87,409	0	87,409
Juvenile Act Proceedings	40,550	0	40,550
Alternative Treatment	0	0	0
Community Residential	536,895	0	536,895
Emergency Shelter	118,396	0	118,396
Foster Family	818,441	15	818,456
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	617,212	0	617,212
Secure Residential Service (Except YDC)	7,041	0	7,041
YDC Secure	0	0	0
Administration	268,451	854	269,305
Combined Total Expense	4,441,428	(8,647)	4,432,781
Less Non-reimbursables	95	0	95
Total Net Expense	\$ 4,441,333	\$ (8,647)	\$ 4,432,686

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 703,593	\$ 0	\$ 703,593
Employee Benefits	345,192	0	345,192
Subsidies	405,487	0	405,487
Operating	851,665	917	852,582
Purchased Services	2,135,491	(9,564)	2,125,927
Fixed Assets	0	0	0
Combined Total Expense	4,441,428	(8,647)	4,432,781
Less Non-reimbursables	95	0	95
Total Net Expense	\$ 4,441,333	\$ (8,647)	\$ 4,432,686

**CLARION COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	1-A	4	1	CY-370 Adjustment			
	2-G	4		Adoption Services - Operating	\$ 8,502	\$ 48	\$ 8,550
	4	4		Foster Family (Dependent) - Operating	\$ 180,625	\$ 15	\$ 180,640
	1-N	4		Administration - Operating	\$ 151,043	\$ 854	\$ 151,897
		5		Protective Services General - Purchased Services	\$ 312,900	\$ (9,564)	\$ 303,336
			Total Adjustment Amount		\$ (8,647)		
				To decrease expenditures by \$8,647 to include expenditures not included on the Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A	1	1-A	2	CY-370A Adjustment			
				Adoption Services - Program Income	\$ -	\$ 3,101	\$ 3,101
				To increase program income by \$3,101 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 Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

CLARION COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding 1 – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers (Unresolved)

In our prior engagement report, covering the July 1, 2014 to June 30, 2017 fiscal years, we cited the Clarion County Children and Youth Agency (agency) for a lack of internal control policies and procedures designed to sufficiently reduce the agency’s risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers and for failing to obtain reasonable assurance services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms.

During the conduct of our current engagement, we determined that agency management developed a written fiscal-related monitoring policy and related procedures in March 2020. However, their implementation of these policies and procedures did not occur until April 2021. As a result, the high risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Services providers continued to exist during our current engagement period. Therefore, we concluded that the issuance of a repeat finding is warranted since these control deficiencies, and corresponding risks, continued to exist during our current engagement period. Our repeat finding is included in the Current Engagement Finding and Recommendations section (Section 4) of this report.

Finding 2 – Failure to Execute Required Contracts with Service Providers (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2014 to June 30, 2017, we cited the Clarion County Children and Youth Agency (agency) for a failure to execute written contracts with multiple purchased service providers. The providers for which contracts were not executed provided either daycare services or legal services during the 2014-2015, 2015-2016 and 2016-2017 fiscal years.

During our current engagement, we determined the agency again failed to execute written contracts with multiple service providers used during the fiscal years included in our current engagement for the provision of daycare services and legal services. As a result, the risk of misunderstandings between the agency and these service providers as to the types of services required and the approved rates to be charged for each respective performed service continued to exist during our current engagement period. Therefore, we concluded the issuance of a repeat finding is warranted since this compliance deficiency, and the corresponding risks, continued to exist during our current engagement period. Our repeat finding is included in the Current Engagement Finding and Recommendations section (Section 4) of this report.

SECTION 4

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Unresolved Prior Audit Recommendations – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report, the Clarion County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Fee-For-Service providers, and failed to obtain reasonable assurance services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms. For contracted In-Home Fee-For-Service Purchased Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on invoices submitted by these providers.

During the conduct of our current engagement, we determined that the internal control deficiencies and corresponding risks identified during the conduct of our prior engagement continued to exist during the two fiscal years included in our current engagement period (i.e., from July 1, 2017 until June 30, 2019). Agency management informed us that in response to the recommendations included in our prior engagement report, they developed a written fiscal-related monitoring policy and related procedures in March 2020 and implemented the policy and procedures in April 2021. However, because the development and implementation of these policies and procedures occurred after the close of the fiscal years included in our current engagement period, we will request and review this fiscal-related monitoring policy and corresponding procedures during the conduct of our next engagement for this agency.

Regarding In-Home Purchased Service Program Funded providers, we determined that the agency had not entered into any contracts with these types of providers during the fiscal years included in our current engagement.

Criteria: The following section of 55 Pa. Code Chapter 3140, Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs:

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the Human Services Code (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the Human Services Code (62 P.S. § 709.3).”

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 6/30/2012; Bulletin 3140-13-01, applicable for fiscal year ended 6/30/2013; Bulletin 3140-13-05, applicable for fiscal year ended 6/30/2014 : Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report. This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).*

The following sections of 55 Pa. Code § 3170, Allowable Costs and Procedures for County Children and Youth:

- *Section 3170.2. Definitions. Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.*
- *Section 3170.23(a). Purchase of Service. Purchase of service funding may be by unit of service funding or by program funding.*
- *Section 3170.85. Responsibility of the County. “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”*
- *Section 3170.91. County Responsibility. “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”*
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance. “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”*

Cause: The agency did not develop and implement corrective action during our current engagement period due to the timing of our prior engagements and the time agency management needed to implement corrective actions. In addition, corrective actions did not occur because the agency was unable to fill a fiscal assistant position and the agency’s Quality Assurance team

CLARION COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

was understaffed. Furthermore, the Covid-19 pandemic prohibited implementation of the written policy and procedures developed in March 2020.

Effect: The agency's lack of implemented fiscal-related monitoring policies and procedures designed to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers increased agency management's risk of:

- Failure to detect fraudulent or erroneous In-Home provider billings (invoices).
- Failure to prevent or detect improper payments for such invoices.
- Inappropriately billing the Commonwealth DHS for such improper payments.
- Receipt of Act 148 funds to which the agency may not be entitled.

Recommendation: We recommend agency management ensure that the fiscal-related monitoring procedures that they are performing are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers, including ensuring that agency management is obtaining reasonable assurance that contracted In-Home Purchased Services were actually provided for the number of units detailed for each individual listed on invoices submitted by Fee-For-Service providers and, if applicable, operating costs invoiced by contracted Program Funded providers are substantiated.

We again further recommend agency management ensure that it:

- Notifies agency staff responsible for reviewing and approving submitted In-Home Purchased Service providers' invoices for payment are made aware of the results of fiscal-related monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers.
- Maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which In-Home Purchased Service providers were paid were actually provided, and provided in adherence to DHS regulations and executed contract terms, and to reduce the risk of overbillings and fraudulent billings by contracted In-Home Purchased Service Providers going undetected.

Agency Response: The agency developed written policy and monitoring procedures, as of March 2020. However, due to COVID-19, the agency could not conduct on-site monitoring, therefore, monitoring of invoices was performed by matching invoices with case file notes provided by the providers to ensure services were provided. In April of 2021, the agency conducted monitoring of the two largest In-Home providers. The monitoring results were

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forwarded to providers along with requests for plans of action to address the findings, however, the agency has not yet received responses since the providers have thirty days to respond. Copies of the written monitoring policy and procedures were given to the auditors.

Auditor's Conclusion: We commend the Clarion County Children and Youth Services Agency management on its initiative to develop and implement a formal written policy and related procedures to monitor the contracted In-Home Purchased Service providers to ensure the services invoiced by these providers, and paid for by the agency, were actually rendered in accordance with executed contracted terms. During our next regularly scheduled engagement, we will review the agency's implemented policy and procedures and determine whether they are sufficient in reducing the agency's risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers going undetected.

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Finding No. 2 – Unresolved Prior Audit Recommendations – Failure to Execute Required Contracts with Service Providers

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report, the Clarion County Children and Youth Agency (agency) failed to execute written contracts with providers from whom the agency purchased day care services or juvenile act proceedings services.

During the conduct of our current engagement, we found the agency failed to execute written contracts with foster family daycare providers and juvenile act proceedings legal service providers that the agency used during the fiscal years included in our current engagement scope period (July 1, 2017 to June 30, 2019). Therefore, the agency failed to comply with the recommendations included in our prior engagement report to ensure it executes contracts in accordance with the Commonwealth Department of Human Services' (DHS) regulatory requirements. According to agency management, contracts were executed with daycare service providers and legal service providers as of the 2020-2021 fiscal year.

Criteria: Title 55, Pa. Code § 3170.23(b) and § 3170.93(b) related to purchase of service and contract requirements, state, in part:

- *Section 3170.23(b).Purchase of Service.* A written agreement complying with Section 3170.93 (relating to contracts) shall be signed by the county and those providers to which clients are regularly referred or with which the public agency, the juvenile court, and juvenile probation office have a continuing relationship. This requirement shall apply to both unit of service and program-funded agencies.
- *Section 3170.93(b).Contracts.* In addition to restating the language of Section 3170.23, this section states the contract shall represent a legally binding agreement between the county and the provider, and shall be renewed annually.
- Title 55, Pa. Code § 3170.92(b) related to records maintenance, states, in part:

Section 3170.92(b). Records maintenance. County agency shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department.

Cause: Agency management's execution of written contracts with all regularly used service providers did not occur until the 2020-2021 fiscal year due to the timing of the conduct of our prior engagement. Before being notified of the noncompliance during our prior engagement, the agency believed that contracts were not required to be executed with legal service providers because those providers are appointed by the court and that contracts with daycare service providers were not required because the providers are chosen by the families rather than the agency.

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Effect: The agency's failure to execute contracts with the respective service providers for the fiscal years included in our engagement scope period is a violation of the Commonwealth DHS regulations noted above. The provision of services in the absence of legally binding contracts could result in misunderstandings between the agency and service providers as to the types of services requested and the approved rates to be charged for each respective service. Based on DHS' previously communicated position that DHS does not disallow costs expended for allowable purposes due to the absence of contracts, we did not issue adjustments to disallow these costs.

Recommendation: We recommend the Clarion County Children and Youth Agency continue to execute written contracts with all service providers to which clients are regularly referred or with which the agency, juvenile court, or juvenile probation office have a continuing relationship, in accordance with DHS regulations. Furthermore, the agency should establish written policies and procedures to provide assurance do so. In addition, agency management should ensure all DHS contracting requirements, along with the agency's established policies and procedures, are communicated to and understood by all county and agency staff, thus preventing future misunderstandings regarding the proper execution of contracts with such providers.

Agency Response: The Agency has entered into contracts with legal service providers and child care centers for fiscal year 2020-2021, and copies were given to the auditors. The agency plans to continue to enter into contracts with all providers moving forward.

Auditor's Conclusion: We commend agency management on acknowledging the deficiencies that existed in the agency's execution of contracts with all legal services and child care center providers to which clients are regularly referred or with which the agency, juvenile court, or juvenile probation office have a continuing relationship, in accordance with DHS regulations. During our next regularly scheduled engagement we will follow up with the agency to determine whether the agency has properly executed and maintained contracts with all legal service and child care service providers as required by DHS regulations.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

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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 have been, and 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 method to ensure that the certification monitoring is being performed adequately. DHS staff

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.

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also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. 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 providers that deliver in-home coded services for the C&Y Agency.
- Test the listing of providers for completeness.

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- 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 has not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS, as the oversight agency, is especially concerning considering DHS could remain unaware, despite receiving an audit report with the information, of a C&Y Agency failing to identify disqualifying incidents and/or take appropriate corrective actions when disqualifying convictions that would prohibit employees, volunteers, and subcontractors from having direct contact with children receiving services were identified. 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 the procedures each C&Y Agency has implemented related to ensuring its Contracted Providers and their subcontractors are complying with CPSL certification requirements and evaluate the results the C&Y Agencies found, including 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.

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Conclusion

As the oversight agency, it is our opinion that DHS should ensure that every C&Y Agency and their 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 oftentimes 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. However, it is important to note that these children under the care of the Contracted Providers remain particularly vulnerable since the in-home services are sometimes provided outside the presence and view of others, which has been further aggravated by the current COVID-19 crisis.

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This report was originally distributed to the following:

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