

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

Columbia County Children and Youth Agency

November 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 Columbia County
Main Street County Annex
11 West Main Street
Bloomsburg, PA 17815

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 Columbia County Children and Youth Agency (agency), legally known as Columbia 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 Columbia County.

Independent Auditor's Report (Continued)

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.

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 increasing agency expenditures by \$32,126 and increasing non-reimbursable expenditures by \$1,525. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the county totaling \$24,563. 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 no adjustments being made to the agency's submitted fiscal reports, which are presented in Section 2 of this report.

In addition, we found that the agency did not comply with one of the two findings included in our prior engagement report, as detailed in Section 3 of this report. This resulted in our issuance of a repeat finding, as listed below and detailed in Section 4 of this report.

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

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 – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on November 5, 2020.

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

Independent Auditor's Report (Continued)

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Columbia 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, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eugene A. DePasquale
Auditor General

November 16, 2020

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Columbia County Children and Youth Agency provided in-home and placement services to 2,444 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 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

**COLUMBIA 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		\$	2,660,116
Supplemental Act 148			<u>0</u>
Total State Allocation			2,660,116
State Share (CY348) ²	\$		2,639,592
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	2,639,592
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	2,639,592
Actual Act 148 Revenues Received ⁴			<u>2,615,029</u>
Net Amount Due County/(State) ⁵		\$	<u>24,563</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.

COLUMBIA 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare Demonstration Project Title IV-E	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B		ASSISTANCE	TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	625	0	102	0	0	0	0	0	523	523	0
02. 90% REIMBURSEMENT	73,177	73	11,149	0	0	0	0	0	61,955	55,760	6,195
03. 80% REIMBURSEMENT	3,859,844	96,127	791,429	52,632	41,505	43,843	0	0	2,834,308	2,267,444	566,864
04. 60% REIMBURSEMENT	586,578	9,619	96,886	0	0	0	0	2,807	477,266	286,358	190,908
05. 50% REIMBURSEMENT	59,890	154	723	0	0	0	0	0	59,013	29,507	29,506
06. TOTAL NET CHILD WELFARE EXPEND.	4,580,114	105,973	900,289	52,632	41,505	43,843	0	2,807	3,433,065	2,639,592	793,473

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	65,778	178							65,600	39,360	26,240

08. NON-REIMBURSABLE EXPENDITURES	1,928	0							1,928		1,928
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09. TOTAL EXPENDITURES	4,647,820	106,151	900,289	52,632	41,505	43,843	0	2,807	3,500,593	2,678,952	821,641
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10. TOTAL TITLE IV-D COLLECTIONS 81,967

11. TITLE IV-D Collections for IV-E Children 21,983

12. STATE ACT 148 - line 6 2,639,592

13. STATE ACT 148 ALLOCATION 2,660,116

14. ADJUSTED STATE SHARE (lower of 12 or 13) 2,639,592

INVOICE											
AMENDED STATE SHARE (ACT 148)	2,639,592										
ACT 148 AMOUNT RECEIVED	2,615,029										
ADJUSTMENT TO STATE SHARE	24,563										

COLUMBIA 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	625	0	0	102	0	0	0	0	0	523	523	0
1-B ADOPTION ASSISTANCE	173,528	0	65,100	0	0	0	0	0	0	108,428	86,742	21,686
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	636	0	598	0	0	0	0	0	0	38	30	8
1-D COUNSELING - DEPENDENT	185,076	0	0	0	52,632	0	0	0	0	132,444	105,955	26,489
1-E COUNSELING - DELINQUENT	2,981	797	0	0	0	0	0	0	0	2,184	1,747	437
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	1,688	649	0	0	0	0	0	0	0	1,039	831	208
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	579,600	0	0	85,551	0	0	0	0	0	494,049	395,239	98,810
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	116,064	0	0	16,421	0	0	0	0	0	99,643	79,714	19,929
1-N PROTECTIVE SERVICE - GENERAL	464,244	36	0	68,634	0	0	0	0	0	395,554	316,443	79,111
1-O SERVICE PLANNING	34,562	0	0	5,263	0	0	0	0	0	29,299	23,439	5,860
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	20,763	0	0	723	0	0	0	0	0	20,040	10,020	10,020
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,579,767	1,502	65,698	176,694	52,632	0	0	0	0	1,283,241	1,020,683	262,558

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	191,680	9,238	9,833	390	0	0	0	0	0	172,219	137,775	34,444
2-D COMMUNITY RESIDENTIAL - DELINQUENT	304,894	13,132	127,557	13	0	0	0	0	0	164,172	131,338	32,834
2-E EMERGENCY SHELTER - DEPENDENT	66,732	0	3,507	7,642	0	0	0	0	0	55,583	50,025	5,558
2-F EMERGENCY SHELTER - DELINQUENT	6,445	73	0	0	0	0	0	0	0	6,372	5,735	637
2-G FOSTER FAMILY - DEPENDENT	1,767,447	70,135	154,320	256,408	0	41,505	43,843	0	0	1,201,236	960,989	240,247
2-H FOSTER FAMILY - DELINQUENT	37,444	2,100	676	665	0	0	0	0	0	34,003	27,202	6,801
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	2,374,642	94,698	295,893	265,118	0	41,505	43,843	0	0	1,633,585	1,313,064	320,521

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	39,127	154	0	0	0	0	0	0	0	38,973	19,487	19,486
3-B RESIDENTIAL SERVICE - DEPENDENT	69,191	6,902	23,440	0	0	0	0	0	0	38,849	23,309	15,540
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	217,314	1,707	41,935	3	0	0	0	0	0	173,669	104,201	69,468
3-D SECURE RES. SERVICE (EXCEPT YDC)	89,414	1,010	0	0	0	0	0	0	0	88,404	53,042	35,362
3-E YDC SECURE	65,778	178	0	0	0	0	0	0	0	65,600	39,360	26,240
3-F SUBTOTAL INSTITUTIONAL	480,824	9,951	65,375	3	0	0	0	0	0	405,495	239,399	166,096
4 ADMINISTRATION	210,659	0	0	31,508	0	0	0	0	2,807	176,344	105,806	70,538
5 TOTAL REVENUES	4,645,892	106,151	426,966	473,323	52,632	41,505	43,843	0	2,807	3,498,665	2,678,952	819,713

COLUMBIA 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	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	0	0	0	625	0	0	625	8	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	173,528	0	0	0	173,528	0	47	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	636	0	0	0	636	0	1	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	185,076	0	0	185,076	0	494	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	2,981	0	0	2,981	0	1	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	1,688	0	1,688	0	4	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	392,810	129,432	0	57,492	0	0	579,734	600	0	134	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	72,943	24,367	0	13,361	5,400	0	116,071	166	31	7	0	0
1-N PROTECTIVE SERVICE - GENERAL	308,474	99,141	0	56,827	0	0	464,442	404	0	198	0	0
1-O SERVICE PLANNING	23,986	8,168	0	2,408	0	0	34,562	570	0	165	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	4,763	16,000	0	20,763	0	0	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	798,213	261,108	174,164	135,476	211,145	0	1,580,106	0	0	339	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT												
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	1,545	633	0	408	189,094	0	191,680	1,030	12	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	79	304,815	0	304,894	1,322	4	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	8,915	2,833	0	1,557	53,427	0	66,732	864	31	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	6,445	0	6,445	44	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	294,455	91,105	0	92,372	1,289,568	0	1,767,500	21,796	91	53	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	275	37,169	0	37,444	336	3	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	304,915	94,571	0	94,691	1,880,518	0	2,374,695	25,392	143	53	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	907	38,220	0	39,127	147	7	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	69,191	0	101	69,090	0	69,191	251	2	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	161	217,153	0	217,314	777	5	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	89,414	0	89,414	272	1	0	0	0
3-E YDC SECURE	0	0	0	0	65,778	0	65,778	114	2	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	1,169	479,655	0	480,824	1,561	17	0	0	0
4 ADMINISTRATION	78,043	20,372	0	113,780	0	0	212,195	0	0	1,536	0	0
TOTAL EXPENDITURES	1,181,171	376,051	174,164	345,116	2,571,318	0	4,647,820	0	0	1,928	0	0
	County Indirect Costs = \$ 102,454											

**COLUMBIA 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	\$ 625	\$ 0	\$ 625
Adoption Assistance	173,528	0	173,528
Subsidized Permanent Legal Custodianship	636	0	636
Counseling	177,895	10,162	188,057
Day Care	0	0	0
Day Treatment	1,688	0	1,688
Homemaker Service	0	0	0
Intake and Referral	571,056	8,678	579,734
Life Skills	0	0	0
Protective Service - Child Abuse	114,734	1,337	116,071
Protective Service - General	458,717	5,725	464,442
Service Planning	34,290	272	34,562
Juvenile Act Proceedings	20,763	0	20,763
Alternative Treatment	0	0	0
Community Residential	496,261	313	496,574
Emergency Shelter	73,079	98	73,177
Foster Family	1,800,553	4,391	1,804,944
Supervised Independent Living	0	0	0
Juvenile Detention Service	39,127	0	39,127
Residential Service	286,505	0	286,505
Secure Residential Service (Except YDC)	89,414	0	89,414
YDC Secure	65,778	0	65,778
Administration	211,045	1,150	212,195
Combined Total Expense	<u>4,615,694</u>	<u>32,126</u>	<u>4,647,820</u>
Less Non-reimbursables	<u>403</u>	<u>1,525</u>	<u>1,928</u>
Total Net Expense	<u>\$ 4,615,291</u>	<u>\$ 30,601</u>	<u>\$ 4,645,892</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,181,171	\$ 0	\$ 1,181,171
Employee Benefits	376,051	0	376,051
Subsidies	174,164	0	174,164
Operating	324,587	20,529	345,116
Purchased Services	2,559,721	11,597	2,571,318
Fixed Assets	0	0	0
Combined Total Expense	<u>4,615,694</u>	<u>32,126</u>	<u>4,647,820</u>
Less Non-reimbursables	<u>403</u>	<u>1,525</u>	<u>1,928</u>
Total Net Expense	<u>\$ 4,615,291</u>	<u>\$ 30,601</u>	<u>\$ 4,645,892</u>

**COLUMBIA 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-J	4	1	Intake & Referral - Operating	\$ 48,814	\$ 8,678	\$ 57,492		
	1-M	4		Protective Service Child Abuse - Operating	\$ 12,024	\$ 1,337	\$ 13,361		
	1-N	4		Protective Service General - Operating	\$ 51,102	\$ 5,725	\$ 56,827		
	1-O	4		Service Planning - Operating	\$ 2,136	\$ 272	\$ 2,408		
	2-E	4		Emergency Shelter (Dep.) - Operating	\$ 1,473	\$ 84	\$ 1,557		
	2-G	4		Foster Family (Dep.) - Operating	\$ 89,089	\$ 3,283	\$ 92,372		
	4	4		Administration - Operating	\$ 112,630	\$ 1,150	\$ 113,780		
	1-D	5		Counseling (Dep.) - Purchased Services	\$ 174,914	\$ 10,162	\$ 185,076		
	2-C	5		Community Res. (Dep.) - Purchased Services	\$ 188,781	\$ 313	\$ 189,094		
	2-E	5		Emergency Shelter (Dep.) - Purchased Services	\$ 53,413	\$ 14	\$ 53,427		
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 1,288,460	\$ 1,108	\$ 1,289,568		
					Total Adjustment Amount		\$ 32,126		
					To increase expenditures by \$32,126 to include expenditures not reported 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-370	4	10	2	Administration - Non-Reimbursable Non PS/Sub.	\$ 11	\$ 1,525	\$ 1,536		
				To increase non-reimbursable expenditures by \$1,525 to properly report indirect costs which exceed the 2% cost limitation.					
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12					

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2018 to JUNE 30, 2019

**COLUMBIA 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	\$	2,813,420
Supplemental Act 148		<u>277,859</u>
Total State Allocation		3,091,279
State Share (CY348) ²	\$	3,091,279
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	3,091,279
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	3,091,279
Actual Act 148 Revenues Received ⁴		<u>3,091,279</u>
Net Amount Due County/(State) ⁵	\$	<u>0</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.

COLUMBIA 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	1,507	0	202	0	0	0	0	0	1,305	1,305	0
02. 90% REIMBURSEMENT	30,659	222	5,480	0	0	0	0	0	24,957	22,461	2,496
03. 80% REIMBURSEMENT	4,302,471	101,163	767,920	52,632	41,505	43,843	0	0	3,295,408	2,636,327	659,081
04. 60% REIMBURSEMENT	739,646	17,491	52,977	0	0	0	0	1,301	667,877	400,726	267,151
05. 50% REIMBURSEMENT	62,798	1,777	102	0	0	0	0	0	60,919	30,460	30,459
06. TOTAL NET CHILD WELFARE EXPEND.	5,137,081	120,653	826,681	52,632	41,505	43,843	0	1,301	4,050,466	3,091,279	959,187
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	200,385	1,040							199,345	119,607	79,738
08. NON-REIMBURSABLE EXPENDITURES	2,166	0							2,166		2,166
09. TOTAL EXPENDITURES	5,339,632	121,693	826,681	52,632	41,505	43,843	0	1,301	4,251,977	3,210,886	1,041,091
10. TOTAL TITLE IV-D COLLECTIONS	85,086										
11. TITLE IV-D Collections for IV-E Children	22,161										
12. STATE ACT 148 - line 6	3,091,279										
13. STATE ACT 148 ALLOCATION	3,091,279										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	3,091,279										
INVOICE											
AMENDED STATE SHARE (ACT 148)	3,091,279										
ACT 148 AMOUNT RECEIVED	3,091,279										
ADJUSTMENT TO STATE SHARE	0										

COLUMBIA 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	1,507	0		202	0			0	0	1,305	1,305	0
I-B ADOPTION ASSISTANCE	197,437	0	77,307	0				0	0	120,130	96,104	24,026
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	3,488	0	1,822	0				0	0	1,666	1,333	333
I-D COUNSELING - DEPENDENT	232,644	0			52,632			0	0	180,012	144,010	36,002
I-E COUNSELING - DELINQUENT	7,615	680						0	0	6,935	5,548	1,387
I-F DAY CARE	0	0						0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0						0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0						0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0						0	0	0	0	0
I-J INTAKE & REFERRAL	651,277	0		87,580	0			0	0	563,697	450,958	112,739
I-K LIFE SKILLS - DEPENDENT	0	0						0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	88,767	0		10,959	0			0	0	77,808	62,246	15,562
I-N PROTECTIVE SERVICE - GENERAL	483,149	0		64,772	0			0	0	418,377	334,702	83,675
I-O SERVICE PLANNING	35,082	0		4,731	0			0	0	30,351	24,281	6,070
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	20,321	0		102	0			0	0	20,219	10,110	10,109
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0						0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,721,287	680	79,129	168,346	52,632	0	0	0	0	1,420,500	1,130,597	289,903
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	271,781	1,327	43,336	19				0	0	227,099	181,679	45,420
2-D COMMUNITY RESIDENTIAL - DELINQUENT	207,538	5,752	6,557	0				0	0	195,229	156,183	39,046
2-E EMERGENCY SHELTER - DEPENDENT	30,659	222	1,863	3,617	0			0	0	24,957	22,461	2,496
2-F EMERGENCY SHELTER - DELINQUENT	0	0						0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,971,810	86,465	165,208	296,790		41,505	43,843	0	0	1,337,999	1,070,399	267,600
2-H FOSTER FAMILY - DELINQUENT	151,883	6,939	4,670	4,169				0	0	136,105	108,884	27,221
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	2,633,671	100,705	221,634	304,595	0	41,505	43,843	0	0	1,921,389	1,539,606	381,783
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	42,477	1,777						0	0	40,700	20,350	20,350
3-B RESIDENTIAL SERVICE - DEPENDENT	132,060	3,264	23,160	0				0	0	105,636	63,382	42,254
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	297,004	14,167	0	0				0	0	282,837	169,702	113,135
3-D SECURE RES. SERVICE (EXCEPT YDC)	86,485	60						0	0	86,425	51,855	34,570
3-E YDC SECURE	200,385	1,040						0	0	199,345	119,607	79,738
3-F SUBTOTAL INSTITUTIONAL	758,411	20,308	23,160	0	0	0	0	0	0	714,943	424,896	290,047
4 ADMINISTRATION	224,097	0		29,817		0	0	0	1,301	192,979	115,787	77,192
5 TOTAL REVENUES	5,337,466	121,693	323,923	502,758	52,632	41,505	43,843	0	1,301	4,249,811	3,210,886	1,038,925

COLUMBIA 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											
	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												
I-A ADOPTION SERVICE	0	0	1,507	0	0	0	1,507	1	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	197,437	0	0	0	197,437	0	54	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	3,488	0	0	0	3,488	0	1	0	0	0
I-D COUNSELING - DEPENDENT	0	0	0	232,644	0	0	232,644	0	600	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	7,615	0	0	7,615	0	10	0	0	0
I-F DAY CARE	0	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	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	440,467	143,059	68,171	0	0	0	651,697	560	0	420	0	0
I-K LIFE SKILLS - DEPENDENT	0	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	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	49,694	16,838	15,678	6,600	0	0	88,810	136	66	43	0	0
I-N PROTECTIVE SERVICE - GENERAL	311,489	109,431	62,526	0	0	0	483,446	446	0	297	0	0
I-O SERVICE PLANNING	23,310	8,871	2,920	0	0	0	35,101	2,161	0	19	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	774	19,547	0	0	20,321	5	162	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R	824,960	278,199	200,925	151,576	266,406	0	1,722,066	0	0	779	0	0
SUBTOTAL IN-HOME												
Number of Children receiving only NON-PURCHASED In-Home Services 786												
COMMUNITY BASED PLACEMENT												
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	0	0	0	526	271,255	0	271,781	1,475	11	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	107	207,431	0	207,538	1,013	9	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	4,856	1,676	0	536	23,647	0	30,715	378	20	3	53	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	262,999	95,499	0	99,536	1,514,298	0	1,972,332	25,852	102	234	288	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	300	151,583	0	151,883	1,056	4	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	267,855	97,175	0	101,005	2,168,214	0	2,634,249	29,774	146	237	341	0
SUBTOTAL CBP												
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	487	41,990	0	42,477	156	9	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	238	131,822	0	132,060	643	5	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	297,004	0	297,004	1,200	7	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	86,485	0	86,485	266	2	0	0	0
3-E YDC SECURE	0	0	0	0	200,385	0	200,385	365	1	0	0	0
3-F	0	0	0	725	757,686	0	758,411	2,630	24	0	0	0
SUBTOTAL INSTITUTIONAL												
4 ADMINISTRATION	92,156	19,352	0	111,713	1,685	0	224,906	0	0	809	0	0
5	1,184,971	394,726	200,925	365,019	3,193,991	0	5,339,632	0	0	1,825	341	0
TOTAL EXPENDITURES												
County Indirect Costs = \$ 101,246												

**COLUMBIA 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	\$ 1,507	\$ 0	\$ 1,507
Adoption Assistance	197,437	0	197,437
Subsidized Permanent Legal Custodianship	3,488	0	3,488
Counseling	240,259	0	240,259
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	651,697	0	651,697
Life Skills	0	0	0
Protective Service - Child Abuse	88,810	0	88,810
Protective Service - General	483,446	0	483,446
Service Planning	35,101	0	35,101
Juvenile Act Proceedings	20,321	0	20,321
Alternative Treatment	0	0	0
Community Residential	479,319	0	479,319
Emergency Shelter	30,715	0	30,715
Foster Family	2,124,215	0	2,124,215
Supervised Independent Living	0	0	0
Juvenile Detention Service	42,477	0	42,477
Residential Service	429,064	0	429,064
Secure Residential Service (Except YDC)	86,485	0	86,485
YDC Secure	200,385	0	200,385
Administration	<u>224,906</u>	<u>0</u>	<u>224,906</u>
Combined Total Expense	5,339,632	0	5,339,632
Less Non-reimbursables	<u>2,166</u>	<u>0</u>	<u>2,166</u>
Total Net Expense	<u>\$ 5,337,466</u>	<u>\$ 0</u>	<u>\$ 5,337,466</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,184,971	\$ 0	\$ 1,184,971
Employee Benefits	394,726	0	394,726
Subsidies	200,925	0	200,925
Operating	365,019	0	365,019
Purchased Services	3,193,991	0	3,193,991
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>
Combined Total Expense	5,339,632	0	5,339,632
Less Non-reimbursables	<u>2,166</u>	<u>0</u>	<u>2,166</u>
Total Net Expense	<u>\$ 5,337,466</u>	<u>\$ 0</u>	<u>\$ 5,337,466</u>

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

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

Finding No. 1 – Columbia County Children and Youth Agency Paid Contractors for In-Home Purchased Services But Failed to Obtain Reasonable Assurance That These Services Were Actually Provided (Unresolved)

In our prior engagement report for the fiscal years July 1, 2014 to June 30, 2017, we cited the Columbia County Children and Youth Agency (agency) for failing to obtain reasonable assurance that In-Home Purchased Service providers, responsible for providing In-Home services directly to at-risk children and their families, actually performed the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to executed contract terms between the agency and the respective provider. Furthermore, the agency failed to provide evidence of the validity of the number of units invoiced for each individual by Fee-For-Service In-Home Purchased Service Providers.

During the conduct of our current engagement, we determined written fiscal-related monitoring policy and procedures were developed as of January 1, 2019. But, the implementation of these policies and procedures did not occur until July 24, 2019. As a result, the high risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Services providers continued to exist throughout both fiscal years included in our current engagement period. As such, we concluded that the issuance of a repeat finding is warranted. This repeat finding is included in the Current Engagement Findings and Recommendations section (Section 4) of this report.

Finding No. 2 – Columbia County Children and Youth Agency Failed to Execute Contracts with Two Purchased Service Providers Used During the 2015-2016 and 2016-2017 Fiscal Years and Failed to Maintain Required Records (Resolved)

In our prior engagement report for the fiscal years July 1, 2014 to June 30, 2017, we cited the Columbia County Children and Youth Agency (agency) for failing to execute contracts with two Purchased Service providers. For the 2015-2016 and 2016-2017 fiscal years, the agency violated the Commonwealth Department of Human Services' (DHS) regulations requiring that written contracts be signed annually with providers to which clients are regularly referred, or with which the agency, juvenile court, and juvenile probation office have a continuing relationship, and that the agency must maintain records to justify payment for expenses.

During the conduct of our current engagement, we determined through a review of the CY-383 Fee-For-Service Schedule and the agency's expenditure ledger that one of the two previously cited Purchased Service providers did not provide any services to the agency during the 2017-2018 and 2018-2019 fiscal years. We further found that contracts were executed with the other cited provider for both the 2017-2018 and 2018-2019 fiscal years. In addition, we determined contracts were executed and maintained for all providers we tested. We also determined that the agency issued an internal memo for agency administrative staff, dated July 20, 2020, requiring contracts

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

be executed, maintained, and annually renewed with all providers to which clients are regularly referred, or with which the agency, juvenile court, and juvenile probation office have a continuing relationship.

Based on the results of procedures performed during the conduct of our current engagement, including evidence we found substantiating a policy was issued July 20, 2020 requiring that contracts for all purchased services be executed and maintained, we concluded that the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

COLUMBIA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – 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 Columbia 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 Service providers. 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 agency management developed written fiscal-related monitoring policy and corresponding procedures in January 2019; however, these policies and procedures were not implemented until July 2019, subsequent to the end of our current engagement period. Because implementation did not occur until July 2019, we did not assess the sufficiency of these newly created monitoring policies and procedures during the conduct of our current engagement. We will review and evaluate the implemented policy and procedures during the conduct of our next regularly scheduled engagement of this agency and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided, and that the number of units invoiced by contracted Fee-For-Service In-Home providers and (if applicable) operating costs for Program Funded providers, are properly substantiated, thus reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

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] (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).”

- *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*

COLUMBIA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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: Agency management developed and implemented fiscal related monitoring policy and corresponding procedures subsequent to being notified during our prior engagement. However, implementation did not occur until July 2019, which is subsequent to the end of our current engagement period. Therefore, these control deficiencies and corresponding risks continued to exist for both fiscal years included in our current engagement period.

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Effect: The agency's lack of internal control procedures during the fiscal years included in our current engagement period, designed to reduce the risk of paying overbillings 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.

Recommendations: We recommend that agency management ensure that the agency's newly implemented monitoring procedures are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are sufficient in providing agency management reasonable assurance that services related to the fees invoiced by contracted In-Home Purchased Service providers were actually provided, and provided in adherence to executed contract terms.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, must be sufficient to assess the validity of the number of units invoiced by Fee-For-Service providers and, if applicable, operating costs invoiced by Program-Funded providers. Procedures typically performed to achieve these objectives are listed below for agency management's consideration and comparison to its newly created and implemented procedures:

- Performing on-site fiscal-related monitoring visits of In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the validity the number of units invoiced by Fee-For-Service providers and operating costs invoiced by Program-Funded providers, and that related services were actually provided according to executed contract terms.
- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Service costs were actually provided.

We further recommend that agency management ensure that:

- 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

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documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers.

- The agency 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 has implemented a monitoring process for In-Home purchased services. The process is in place as of January 1, 2019. Provider's invoices will be reviewed twice a year for accuracy and confirmation that the correct services were billed and received by the family. Results of the review will be maintained in a spreadsheet along with any documentation to support any errors resulting in over or under billing.

Auditor's Conclusion: While we commend management of the Columbia County Children and Youth Agency on their efforts in developing and implementing formal, written fiscal-related monitoring policy and procedures for contracted In-Home Purchased Service providers, we should point out that while the agency's official monitoring policy was issued in writing in January 2019, corresponding monitoring procedures were not performed until July 2019 – both of which were subsequent to our current engagement period. During our next regularly scheduled engagement, we will review the agency's application of its implemented monitoring policy and procedures and determine whether the agency sufficiently reduced the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers and such erroneous payments going undetected.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

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Observation – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

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.¹ 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.²

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 as it 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 action when disqualifying incidents are identified. Furthermore, these Contracted Providers are not subject to licensure nor annual inspections under the Human Services Code (Code).³ 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 also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

¹ 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.

² 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.

³ Based on a recent communication with DHS in early September 2020, the 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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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 years ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor 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 providers that deliver in-home coded services.
- Monitor a sample of in-home service providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to 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.

Single Auditors are required to:

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

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corrective action plans, and the adequacy and accuracy of the monitoring documentation.

Our Current Position

We are glad that the DHS' 2019 revision to its Supplement requires (1) C&Y Agencies to document their monitoring of Contracted Providers' compliance with the CPSL; (2) the Single Auditors to evaluate the adequacy of this documentation; and (3) the documentation be provided to DHS for its review. However, the Supplement is entirely silent with regards to actions DHS will take if Single Auditors find a C&Y Agency failed to identify disqualifying incidents and/or failed to take appropriate corrective actions when disqualifying convictions that would prohibit employees and volunteers from having direct contact with children receiving services were identified.

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 **if the requirements are actually being followed consistently and routinely by each county C&Y Agency**. Therefore, as the oversight agency, we believe that it is imperative that DHS implement its own monitoring process to obtain assurance that each C&Y Agency is following the CPSL certification requirements by ensuring that appropriate corrective actions are taken if it is found by the Single Auditors that C&Y Agencies are not adequately protecting the safety of these already at-risk children. This specifically relates to obtaining assurance as to the sufficiency of each C&Y Agency's procedures for reviewing the Certifications of the Contracted Providers' employees and volunteers (whose duties require them to come into direct contact with children) and their respective subcontractors and taking appropriate corrective action when disqualifying incidents are identified.ⁱ Furthermore, we continue to believe that these children 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.⁴

Conclusion

As previously stated, as the oversight agency, DHS must implement its own monitoring process that will provide DHS management with the assurance that every C&Y Agency and their

⁴ Various articles point to children in the Commonwealth experiencing more abuse. See May 11, 2020, <https://www.ydr.com/story/news/2020/05/11/coronavirus-pa-hospitals-seeing-more-severe-child-abuse-injuries/3103045001/>; June 20, 2020, <https://www.buckscountycouriertimes.com/news/20200620/state-more-child-abuse-calls-coming-in-than-at-start-of-pandemic-but-still-being-underreported>; and July 17, 2020, <https://www.goerie.com/news/20200717/child-abuse-in-pandemic-as-hospitals-see-more-severe-injuries-the-worst-is-yet-to-come> (accessed July 29, 2020).

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respective Contracted Providers and their subcontractors are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the sufficiency 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. On August 31, 2020, DHS informed us that they began receiving the supplemental schedules (monitoring documentation) for Single Audits conducted for the fiscal years ended June 30, 2019. DHS further stated that, beginning in October, 2020, they plan to review these supplement schedules and each county's Corrective Action Plan (CAP) for CPSL adherence as a part of its on-site reviews of counties.

Finally, we note that in addition to following up with DHS on these issues, our Department will also reach out to the newly appointed Child Advocate Nicole Yancy and the new Council on Reform, as well as the Pennsylvania Senate and House of Representatives committee chairs focused on the protection of children and youth to ensure they are aware of our concerns.

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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