

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

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# Cumberland County Children and Youth Agency

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February 2020



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Commissioners of Cumberland County  
Cumberland County Courthouse  
One Courthouse Square  
Carlisle, PA 17013

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

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

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2016-2017 and 2017-2018 fiscal years based on the accrual basis of accounting.<sup>1</sup>

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<sup>1</sup> The accrual basis of accounting is required by DHS.

## Independent Auditor's Report (Continued)

The procedures we performed during this engagement resulted in no adjustments to the agency's submitted fiscal reports for the fiscal years included in our engagement scope period. The fiscal reports are included in the following sections of the report:

- Section 1 for the 2016-2017 fiscal year
- Section 2 for the 2017-2018 fiscal year

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

Finally, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 4 of this report.

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference call held on February 13, 2020.

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

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

Sincerely,



Eugene A. DePasquale  
Auditor General

February 18, 2020

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## BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Cumberland County Children and Youth Agency provided in-home and placement services to 2,665 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 4<sup>th</sup> Quarter fiscal reports submitted to DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to DHS for the respective fiscal years (FYs). Any variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years. The reports also include the impact of those costs and revenues on the County Children and Youth Agency’s corresponding Net State Shares.

# SECTION 1

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2016 to JUNE 30, 2017**

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

Approved State Allocation <sup>1</sup>		\$	10,881,427
Supplemental Act 148			<u>1,127,801</u>
Total State Allocation			12,009,228
State Share (CY348) <sup>2</sup>	\$		12,009,228
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	12,009,228
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	12,009,228
Actual Act 148 Revenues Received <sup>4</sup>			<u>12,009,228</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>0</u></u>

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

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

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

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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.

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

A	B	C	D	E	F	G	H	I	J	K
GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	325,969	33,152	0	0	0	0	0	292,817	292,817	0
02. 90% REIMBURSEMENT	974,247	16,409	0	0	0	0	0	866,439	779,795	86,644
03. 80% REIMBURSEMENT	15,933,995	2,336,776	234,987	133,593	26,428	0	0	12,909,666	10,327,734	2,581,932
04. 60% REIMBURSEMENT	967,630	24,005	139,032	0	0	0	6,575	798,018	478,811	319,207
05. 50% REIMBURSEMENT	260,140	0	0	0	0	0	0	260,140	130,071	130,069
06. TOTAL NET CHILD WELFARE EXPEND.	18,461,981	332,959	234,987	133,593	26,428	0	6,575	15,127,080	12,009,228	3,117,852
YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	0	0						0	0	0
08. NON-REIMBURSABLE EXPENDITURES	33,799	0						33,799		33,799
09. TOTAL EXPENDITURES	18,495,780	332,959	234,987	133,593	26,428	0	6,575	15,160,879	12,009,228	3,151,651
10. TOTAL TITLE IV-D COLLECTIONS	252,010									
11. TITLE IV-D Collections for IV-E Children	0									
12. STATE ACT 148 - line 6	12,009,228									
13. STATE ACT 148 ALLOCATION	12,009,228									
14. ADJUSTED STATE SHARE (lower of 12 or 13)	12,009,228									
INVOICE										
AMENDED STATE SHARE (ACT 148)	12,009,228									
ACT 148 AMOUNT RECEIVED	12,009,228									
ADJUSTMENT TO STATE SHARE	0									



CUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017  
 AMENDED CY370A  
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	325,969	0		33,152	0		0		0	292,817	292,817	0
I-B ADOPTION ASSISTANCE	2,840,666	0	944,421	1,735			0	0	0	1,894,510	1,515,608	378,902
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	176,282	0	22,249	39			0	0	0	153,994	123,195	30,799
I-D COUNSELING - DEPENDENT	429,830	0			62,795	0	26,428	0	0	340,607	272,486	68,121
I-E COUNSELING - DELINQUENT	411,848	0			71,729	0	0	0	0	340,119	272,095	68,024
I-F DAY CARE	0	0			0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	75,651	0			15,448	0	0	0	0	60,203	48,162	12,041
I-H DAY TREATMENT - DELINQUENT	195,842	0			55,885	0	0	0	0	139,957	111,966	27,991
I-I HOME/MAKER SERVICE	0	0			0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	992,048	0		100,838	0	0	0	0	0	891,210	712,968	178,242
I-K LIFE SKILLS - DEPENDENT	1,182,819	0			0	0	0	0	0	1,182,819	946,255	236,564
I-L LIFE SKILLS - DELINQUENT	78,197	0			0	0	0	0	0	78,197	62,558	15,639
I-M PROTECTIVE SERVICE - CHILD ABUSE	503,903	0		48,848	0	0	0	0	0	455,055	364,044	91,011
I-N PROTECTIVE SERVICE - GENERAL	1,042,992	699		83,032	29,130	0	0	0	0	930,131	744,105	186,026
I-O SERVICE PLANNING	1,485,581	0		132,656	0	0	0	0	0	1,352,925	1,082,340	270,585
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	100,545	0			0	0	0	0	0	100,545	50,273	50,272
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	9,842,173	699	966,670	400,300	234,987	0	26,428	0	0	8,213,089	6,598,872	1,614,217

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	7,336	0						0	7,336	5,869	1,467	
2-B ALTERNATIVE TREATMENT - DELINQUENT	41,926	0						0	41,926	33,541	8,385	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	903,113	94,985	136,004	6,752				0	665,372	532,298	133,074	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	389,618	0						0	389,618	311,694	77,924	
2-E EMERGENCY SHELTER - DEPENDENT	812,621	16,409	62,240	29,159	0	0	0	0	704,813	634,332	70,481	
2-F EMERGENCY SHELTER - DELINQUENT	161,626	0						0	161,626	145,463	16,163	
2-G FOSTER FAMILY - DEPENDENT	5,133,193	196,861	375,169	485,033				0	3,962,537	3,170,030	792,507	
2-H FOSTER FAMILY - DELINQUENT	23,150	0						0	23,150	18,520	4,630	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0						0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	
2-K SUBTOTAL CBP	7,492,583	308,255	573,413	520,944	0	133,593	0	0	5,956,378	4,851,747	1,104,631	

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
3-A JUVENILE DETENTION SERVICE	159,595	0						0	159,595	79,798	79,797	
3-B RESIDENTIAL SERVICE - DEPENDENT	232,971	23,985	92,387	1,989				0	114,610	68,766	45,844	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	294,438	0		30				0	294,408	176,645	117,763	
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0						0	0	0	0	
3-E YDC SECURE	0	0						0	0	0	0	
3-F SUBTOTAL INSTITUTIONAL	687,004	23,985	92,387	2,019	0	0	0	0	568,613	325,209	243,404	
4 ADMINISTRATION	440,221	20		44,626				0	6,575	389,000	233,400	155,600
5 TOTAL REVENUES	18,461,981	332,959	1,632,470	967,889	234,987	133,593	26,428	0	6,575	15,127,080	12,009,228	3,117,852

CUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017  
 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 P/STub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>	230,943	84,414		10,612	0	0	325,969	893	0	0	0	0
1-A ADOPTION SERVICE	0	0	2,840,666	0	0	0	2,840,666	0	307	0	0	0
1-B ADOPTION ASSISTANCE	0	0	176,282	0	0	0	176,282	0	26	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0		0	429,830	0	429,830	0	29	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	411,848	0	411,848	0	54	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	75,651	0	75,651	0	13	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	195,842	0	195,842	0	18	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	723,164	268,884		0	0	0	992,048	2,679	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	1,182,819	0	1,182,819	0	292	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	78,197	0	78,197	0	243	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	291,735	118,046		72,920	21,202	0	503,903	670	38	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	534,752	191,419		100,578	217,994	13,169	1,057,912	267	92	0	14,920	0
1-O SERVICE PLANNING	773,819	288,291		244,838	178,633	0	1,485,581	6,216	736	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	100,545		100,545	0	1,316	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	2,554,413	951,054	3,016,948	428,948	2,892,561	13,169	9,857,093			0	14,920	0
Number of Children receiving only NON-PURCHASED IN-Home Services 10,725												
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	7,336	0	7,336	45	2	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	41,926	0	41,926	265	2	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	44,403	19,457	0	2,964	836,289	0	903,113	4,340	31	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,026	388,592	0	389,618	2,041	15	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	211,759	74,342	0	771	543,769	0	830,641	1,987	50	0	18,020	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	161,626	0	161,626	620	31	0	0	0
2-G FOSTER FAMILY - DEPENDENT	576,020	238,840	0	202,403	4,136,789	0	5,154,052	57,973	299	0	859	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	23,150	0	23,150	229	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 <b>SUBTOTAL CBP</b>	832,182	332,639	0	207,164	6,139,477	0	7,511,462	67,500	433	0	18,879	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	159,595	0	159,595	525	33	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	13,175	6,310	0	0	213,486	0	232,971	877	4	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	313	294,125	0	294,438	1,464	9	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	13,175	6,310	0	313	667,206	0	687,004	2,866	46	0	0	0
4 <b>ADMINISTRATION</b>	79,622	30,856	0	329,743	0	0	440,221			0	0	0
5 <b>TOTAL EXPENDITURES</b>	3,479,392	1,320,859	3,016,948	966,168	9,699,244	13,169	18,495,780			0	33,799	0
County Indirect Costs = \$ 310,266												

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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 325,969	\$ 0	\$ 325,969
Adoption Assistance	2,840,666	0	2,840,666
Subsidized Permanent Legal Custodianship	176,282	0	176,282
Counseling	841,678	0	841,678
Day Care	0	0	0
Day Treatment	271,493	0	271,493
Homemaker Service	0	0	0
Intake and Referral	992,048	0	992,048
Life Skills	1,261,016	0	1,261,016
Protective Service - Child Abuse	503,903	0	503,903
Protective Service - General	1,057,912	0	1,057,912
Service Planning	1,485,581	0	1,485,581
Juvenile Act Proceedings	100,545	0	100,545
Alternative Treatment	49,262	0	49,262
Community Residential	1,292,731	0	1,292,731
Emergency Shelter	992,267	0	992,267
Foster Family	5,177,202	0	5,177,202
Supervised Independent Living	0	0	0
Juvenile Detention Service	159,595	0	159,595
Residential Service	527,409	0	527,409
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	440,221	0	440,221
Combined Total Expense	<u>18,495,780</u>	<u>0</u>	<u>18,495,780</u>
Less Non-reimbursables	<u>33,799</u>	<u>0</u>	<u>33,799</u>
Total Net Expense	<u>\$ 18,461,981</u>	<u>\$ 0</u>	<u>\$ 18,461,981</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,479,392	\$ 0	\$ 3,479,392
Employee Benefits	1,320,859	0	1,320,859
Subsidies	3,016,948	0	3,016,948
Operating	966,168	0	966,168
Purchased Services	9,699,244	0	9,699,244
Fixed Assets	13,169	0	13,169
Combined Total Expense	<u>18,495,780</u>	<u>0</u>	<u>18,495,780</u>
Less Non-reimbursables	<u>33,799</u>	<u>0</u>	<u>33,799</u>
Total Net Expense	<u>\$ 18,461,981</u>	<u>\$ 0</u>	<u>\$ 18,461,981</u>

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2017 to JUNE 30, 2018**

**CUMBERLAND 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 <sup>1</sup>		\$	11,869,216
Supplemental Act 148			<u>962,971</u>
Total State Allocation			12,832,187
State Share (CY348) <sup>2</sup>	\$		12,832,187
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	12,832,187
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	12,832,187
Actual Act 148 Revenues Received <sup>4</sup>			<u>12,832,187</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>0</u></u>

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

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

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

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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.

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**CUMBERLAND 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	333,914	0	33,434	0	0	0	0	0	300,480	300,480	0
02. 90% REIMBURSEMENT	1,140,430	23,368	111,894	0	0	0	0	0	1,005,168	904,651	100,517
03. 80% REIMBURSEMENT	17,206,104	323,061	2,598,630	234,987	133,593	26,428	0	0	13,889,405	11,111,523	2,777,882
04. 60% REIMBURSEMENT	831,581	30,316	99,442	0	0	0	0	9,392	692,431	415,459	276,972
05. 50% REIMBURSEMENT	200,146	0	0	0	0	0	0	0	200,146	100,074	100,072
06. TOTAL NET CHILD WELFARE EXPEND.	19,712,175	376,745	2,843,400	234,987	133,593	26,428	0	9,392	16,087,630	12,832,187	3,255,443

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	36,993	0							36,993		36,993

09. TOTAL EXPENDITURES	19,749,168	376,745	2,843,400	234,987	133,593	26,428	0	9,392	16,124,623	12,832,187	3,292,436
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10. TOTAL TITLE IV-D COLLECTIONS	288,679										
11. TITLE IV-D Collections for IV-E Children	49,981										
12. STATE ACT 148 - line 6	12,832,187										
13. STATE ACT 148 ALLOCATION	12,832,187										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	12,832,187										
INVOICE											
AMENDED STATE SHARE (ACT 148)	12,832,187										
ACT 148 AMOUNT RECEIVED	12,832,187										
ADJUSTMENT TO STATE SHARE	0										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	333,914	0	0	33,434	0	0	0	0	0	300,480	0	0
1-B ADOPTION ASSISTANCE	3,010,733	0	1,048,542	4,144	0	0	0	0	0	1,958,047	1,566,438	391,609
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	266,703	0	38,649	0	0	0	0	0	0	228,054	182,443	45,611
1-D COUNSELING - DEPENDENT	451,564	0	0	22,734	0	26,428	0	0	0	402,402	321,922	80,480
1-E COUNSELING - DELINQUENT	644,784	0	0	165,133	0	0	0	0	0	479,651	383,721	95,930
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	69,122	0	0	1,899	0	0	0	0	0	67,223	53,778	13,445
1-H DAY TREATMENT - DELINQUENT	216,474	0	0	45,221	0	0	0	0	0	171,253	137,002	34,251
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	781,467	0	0	78,663	0	0	0	0	0	702,804	562,243	140,561
1-K LIFE SKILLS - DEPENDENT	1,023,245	0	0	0	0	0	0	0	0	1,023,245	818,596	204,649
1-L LIFE SKILLS - DELINQUENT	94,684	0	0	0	0	0	0	0	0	94,684	75,747	18,937
1-M PROTECTIVE SERVICE - CHILD ABUSE	717,068	0	0	68,225	0	0	0	0	0	648,843	519,074	129,769
1-N PROTECTIVE SERVICE - GENERAL	934,048	0	0	78,045	0	0	0	0	0	856,003	684,802	171,201
1-O SERVICE PLANNING	1,629,331	0	0	145,099	0	0	0	0	0	1,483,632	1,186,906	296,726
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	102,065	0	0	0	0	0	0	0	0	102,065	51,033	51,032
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	10,275,202	0	1,087,191	408,210	234,987	0	26,428	0	0	8,518,386	6,844,185	1,674,201

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	913,164	62,018	105,686	10,578	0	0	0	0	0	734,882	587,906	146,976
2-D COMMUNITY RESIDENTIAL - DELINQUENT	330,183	0	0	0	0	0	0	0	0	330,183	264,146	66,037
2-E EMERGENCY SHELTER - DEPENDENT	966,288	23,368	81,769	30,125	0	0	0	0	0	831,026	747,923	83,103
2-F EMERGENCY SHELTER - DELINQUENT	174,142	0	0	0	0	0	0	0	0	174,142	156,728	17,414
2-G FOSTER FAMILY - DEPENDENT	6,074,131	261,043	433,505	586,894	0	133,593	0	0	0	4,659,096	3,727,277	931,819
2-H FOSTER FAMILY - DELINQUENT	49,403	0	0	0	0	0	0	0	0	49,403	39,522	9,881
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	8,507,311	346,429	620,960	627,597	0	133,593	0	0	0	6,778,732	5,523,502	1,255,230

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	98,081	0	0	0	0	0	0	0	0	98,081	49,041	49,040
3-B RESIDENTIAL SERVICE - DEPENDENT	265,874	30,316	40,377	10,975	0	0	0	0	0	184,206	110,524	73,682
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	89,142	0	0	123	0	0	0	0	0	89,019	53,411	35,608
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	453,097	30,316	40,377	11,098	0	0	0	0	0	371,306	212,976	158,330
4 ADMINISTRATION	476,565	0	0	47,967	0	0	0	0	9,392	419,206	251,524	167,682
5 TOTAL REVENUES	19,712,175	376,745	1,748,528	1,094,872	234,987	133,593	26,428	0	9,392	16,087,630	12,832,187	3,253,443

CUMBERLAND 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	EMPLOYEE BENEFITS	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
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	228,196	87,534	16,553	1,631	0	333,914	299	25	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	3,010,733	0	0	3,010,733	0	338	0	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	266,703	0	0	266,703	0	36	0	0	0	0
I-D COUNSELING - DEPENDENT	0	0	451,564	0	0	451,564	0	45	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0	644,784	0	0	644,784	0	114	0	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	69,122	0	0	69,122	0	13	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	216,474	0	0	216,474	0	14	0	0	0	0
I-I HOME MAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	582,921	198,546	0	0	0	781,467	2,987	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	1,023,245	1,023,245	0	714	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	94,684	0	94,684	0	255	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	466,587	147,129	63,463	39,889	0	717,068	750	70	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	505,419	195,960	97,246	155,531	0	954,156	240	81	0	20,108	0	0
I-O SERVICE PLANNING	865,987	355,512	225,829	182,003	0	1,629,331	6,605	644	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	102,065	0	102,065	0	1,353	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	2,649,110	984,681	3,277,436	403,091	2,980,992	10,881	10,295,310	0	0	0	20,108	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
<b>COMMUNITY BASED PLACEMENT</b>												
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	74,110	26,625	0	4,911	807,518	0	913,164	4,279	19	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	396	329,787	0	330,183	1,613	16	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	221,378	77,891	0	1,454	676,737	0	977,460	2,770	44	0	11,172	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	174,142	0	174,142	622	19	0	0	0
2-G FOSTER FAMILY - DEPENDENT	674,854	269,267	0	203,192	4,928,775	0	6,076,088	68,865	307	0	1,957	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	49,403	0	49,403	273	1	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	970,342	373,783	0	209,953	6,966,362	0	8,520,440	78,422	406	0	13,129	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	98,081	0	98,081	383	17	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	75,874	33,182	0	0	160,574	0	269,630	335	2	0	3,756	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,257	87,885	0	89,142	421	5	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	75,874	33,182	0	1,257	346,540	0	456,853	1,139	24	0	3,756	0
<b>ADMINISTRATION</b>	94,335	32,854	0	349,376	0	0	476,565	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	3,789,661	1,424,500	3,277,436	963,677	10,293,894	0	19,749,168	0	0	0	36,993	0
County Indirect Costs = \$ 328,103												



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

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 333,914	\$ 0	\$ 333,914
Adoption Assistance	3,010,733	0	3,010,733
Subsidized Permanent Legal Custodianship	266,703	0	266,703
Counseling	1,096,349	0	1,096,349
Day Care	0	0	0
Day Treatment	285,596	0	285,596
Homemaker Service	0	0	0
Intake and Referral	781,467	0	781,467
Life Skills	1,117,929	0	1,117,929
Protective Service - Child Abuse	717,068	0	717,068
Protective Service - General	954,156	0	954,156
Service Planning	1,629,331	0	1,629,331
Juvenile Act Proceedings	102,065	0	102,065
Alternative Treatment	0	0	0
Community Residential	1,243,347	0	1,243,347
Emergency Shelter	1,151,602	0	1,151,602
Foster Family	6,125,491	0	6,125,491
Supervised Independent Living	0	0	0
Juvenile Detention Service	98,081	0	98,081
Residential Service	358,772	0	358,772
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	476,565	0	476,565
Combined Total Expense	<u>19,749,168</u>	<u>0</u>	<u>19,749,168</u>
Less Non-reimbursables	<u>36,993</u>	<u>0</u>	<u>36,993</u>
Total Net Expense	<u>\$ 19,712,175</u>	<u>\$ 0</u>	<u>\$ 19,712,175</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 3,789,661	\$ 0	\$ 3,789,661
Employee Benefits	1,424,500	0	1,424,500
Subsidies	3,277,436	0	3,277,436
Operating	963,677	0	963,677
Purchased Services	10,293,894	0	10,293,894
Fixed Assets	0	0	0
Combined Total Expense	<u>19,749,168</u>	<u>0</u>	<u>19,749,168</u>
Less Non-reimbursables	<u>36,993</u>	<u>0</u>	<u>36,993</u>
Total Net Expense	<u>\$ 19,712,175</u>	<u>\$ 0</u>	<u>\$ 19,712,175</u>

## SECTION 3

# STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

**Finding – The Cumberland County Children and Youth Agency Should Develop and Implement Internal Control Policies and Procedures in Order to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers (Resolved)**

In our prior engagement report, for the fiscal years July 1, 2012 to June 30, 2016, we cited the Cumberland County Children and Youth Agency (agency) for failing to develop and implement internal control policies and procedures to require adequate supporting documentation evidencing that services related to fees invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms. Agency management informed us that they did not require any of the Fee-for-Service In-Home providers it contracted with during our prior engagement to submit any documentation, other than submitted invoices, to substantiate the fees invoiced by these respective providers. We concluded that the agency did not have sufficient controls in place to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

Our current engagement scope period included the 2016-2017 and 2017-2018 fiscal years. During the conduct of our current engagement, we obtained evidence substantiating that, as of August 31, 2017, the agency implemented fiscal-related monitoring policy and procedures designed to reduce the agency’s risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms.

The agency’s fiscal-related monitoring policy for In-Home Purchased Service providers states the agency will annually perform on-site fiscal-related monitoring of all contracted In-Home Purchased Service providers and compare submitted invoices to the respective provider’s records substantiating the number of units invoiced by Fee-for-Service providers and operating costs invoiced by Program-Funded providers. Furthermore, the procedures specified that when supporting documentation is not available, or if the supporting documentation does not fully substantiate the invoiced number of units or operating costs, the provider is contacted to resolve the issue. The procedures further specified that a corrective action plan is to be developed and the provider will refund the agency by check or a future invoice will be reduced by the amount in question.

To assess the sufficiency of these procedures, we reviewed several 17-18 on-site monitoring reports and all included an explanation of what specific support documentation was compared to the invoices selected for testing to substantiate the invoiced number of units or provider operating costs, along with the results of the review and a conclusion.

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

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

# SECTION 4

## CURRENT ENGAGEMENT OBSERVATION

CUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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

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

**Foster Care**

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,<sup>3</sup> the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by DHS OCYF, the Cumberland County Children and Youth Agency provided in-home and placement services to 2,665 children residing within the County during the 2017-2018 fiscal year.

**Day Treatment Centers and Child Residential Facilities**

Beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the

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<sup>2</sup> 23 Pa.C.S. §§ 6344 and 6344.2.

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

CUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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

**Contracted In-Home Preventative Service Providers**

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

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

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

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

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

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

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

**DHS Senior Management Follow-Up Response**

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers<sup>8</sup> to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

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

Finally, DHS informed us that they will address the adequacy of C&Y agencies' monitoring through the July 2019 version of the DHS Single Audit Supplement (SAS) and will develop and require through the SAS a schedule that captures the details of each C&Y agency's monitoring efforts.<sup>9</sup> This will include a listing of these private providers, whether they were monitored and if any CPSL violations were identified. The schedule will be submitted with the respective county's annual single audit report and will be subject to an Agreed Upon Procedures (AUP) engagement. DHS will also provide technical assistance to any C&Y agency that needs improvement.

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<sup>7</sup> The *2017 Annual Child Protective Services Report* notes that the DHS' Office of Children, Youth and Families (OCYF) and its regional offices (in Philadelphia, Scranton, Harrisburg, and Pittsburgh) have responsibilities that include, among others: "Monitoring, licensing, and providing technical assistance to CCYA and private children and youth agencies and facilities." [Emphasis added.], p. 7; [http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c\\_275378.pdf](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf), accessed August 3, 2018.

<sup>8</sup> This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

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



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We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken to address the issues we raised in our March 18, 2018, Position Statement letter to DHS would be a significant improvement. However, until DHS implements a process to ensure that all 67 C&Y agencies are routinely directly monitoring the CPSL adherence to the *certifications* of their contracted in-home preventative service providers' employees and volunteers, this Department, as indicated in our March 18, 2018, Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

**Greater Scrutiny of Arrest and Conviction Records**

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained.<sup>10</sup> However, recent amendments to the CPSL extend this time frame from one year to five years.<sup>11</sup> Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

**Auditor General Senior Management's Follow-up Conclusion Statement**

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we also recognize that risks to these vulnerable children continue to exist. One such risk results from the potential delay of 9 to 21 months (or possibly longer) between the date of possible noncompliance by a *contracted In-Home Preventative Service provider* and/or inadequate monitoring by a county C&Y agency and DHS becoming aware of those issues.<sup>12</sup>

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<sup>10</sup> Please note that the previous one year validity of checks and clearances only applied to prospective employees, which is a requirement that was deleted by Act 153 of 2014.

<sup>11</sup> 23 Pa.C.S. § 6344.4.

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

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Furthermore, as previously stated, we have communicated to DHS that we believe that DHS should do more to assure that employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.<sup>13</sup>

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

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.<sup>14</sup>

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<sup>13</sup> As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

<sup>14</sup> The agency stated that it conducts monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "In regards to the current engagement observation, Cumberland County Children & Youth Services reviews CPSL mandatory clearances as part of the site review with the In-Home providers." We did not perform procedures to evaluate the agency's performance of those procedures.

CUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY  
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