

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2016 to June 30, 2017
July 1, 2017 to June 30, 2018

Elk County Children and Youth Agency September 2019



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 Elk County
Elk County Courthouse Annex
300 Center Street, PO Box 448
Ridgeway, PA 15853

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

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

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

¹ The accrual basis of accounting is required by DHS.

Independent Auditor's Report (Continued)

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 this 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 engagement report, as detailed in Section 3 of this report.

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

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on September 17, 2019.

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 the 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 Elk County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

September 18, 2019

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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 Elk County Children and Youth Agency provided in-home and placement services to 1,375 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), the 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 the 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 the 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 the 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 the 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

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

Approved State Allocation ¹		\$	850,711
Supplemental Act 148			<u>109,279</u>
Total State Allocation			959,990
State Share (CY348) ²	\$	959,990	
Less: Major Service Category Adjustment		<u>0</u>	
Net State Share	\$	959,990	
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>	
Final Net State Share Payable ³	\$	959,990	
Actual Act 148 Revenues Received ⁴			<u>959,990</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.

ELK 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	Demonstration	ASSISTANCE	TOTAL	ACT 148	SHARE
							Project Title IV-E				
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	22,197	0	3,694	0	0	0	0	0	18,503	18,503	0
02. 90% REIMBURSEMENT	14,347	0	2,342	0	0	0	0	0	12,005	10,805	1,200
03. 80% REIMBURSEMENT	1,452,431	41,759	248,503	25,920	43,512	15,368	0	0	1,077,369	861,895	215,474
04. 60% REIMBURSEMENT	133,819	10,892	17,123	0	0	5,123	0	904	99,777	59,866	39,911
05. 50% REIMBURSEMENT	17,841	0	0	0	0	0	0	0	17,841	8,921	8,920
06. TOTAL NET CHILD WELFARE EXPEND.	1,640,635	52,651	271,662	25,920	43,512	20,491	0	904	1,225,495	959,990	265,505

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0

08. NON-REIMBURSABLE EXPENDITURES	610	0							610		610
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09. TOTAL EXPENDITURES	1,641,245	52,651	271,662	25,920	43,512	20,491	0	904	1,226,105	959,990	266,115
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10. TOTAL TITLE IV-D COLLECTIONS 32,359

11. TITLE IV-D Collections for IV-E Children 17,451

12. STATE ACT 148 - line 6 959,990

13. STATE ACT 148 ALLOCATION 959,990

14. ADJUSTED STATE SHARE (lower of 12 or 13) 959,990

INVOICE	
AMENDED STATE SHARE (ACT 148)	959,990
ACT 148 AMOUNT RECEIVED	959,990
ADJUSTMENT TO STATE SHARE	0

ELK 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
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	22,197	0		3,694	0			0	0	18,503	18,503	0
1-B ADOPTION ASSISTANCE	92,857	0	46,213	1,850				0	0	44,794	35,835	8,959
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	7,568	0	3,573	0				0	0	3,995	3,196	799
1-D COUNSELING - DEPENDENT	7,397	0		1,230	0			0	0	6,167	4,934	1,233
1-E COUNSELING - DELINQUENT	0	0		0	0			0	0	0	0	0
1-F DAY CARE	0	0		0	0			0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0			0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0			0	0	0	0	0
1-I HOMEMAKER SERVICE	7,397	0		1,230	0			0	0	6,167	4,934	1,233
1-J INTAKE & REFERRAL	66,595	0		11,079	0			0	0	55,516	44,413	11,103
1-K LIFE SKILLS - DEPENDENT	292,867	1,008		1,254	25,920	43,512	15,368	0	0	205,805	164,644	41,161
1-L LIFE SKILLS - DELINQUENT	3,457	0		103	0			0	0	3,354	2,683	671
1-M PROTECTIVE SERVICE - CHILD ABUSE	153,946	22		24,816	0			0	0	129,108	103,286	25,822
1-N PROTECTIVE SERVICE - GENERAL	232,869	0		38,676	0			0	0	194,193	155,354	38,839
1-O SERVICE PLANNING	133,185	0		22,157	0			0	0	111,028	88,822	22,206
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	7,298	0		0	0			0	0	7,298	3,649	3,649
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0			0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,027,633	1,030	49,786	106,089	25,920	43,512	15,368	0	0	785,928	630,253	155,675
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0			0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0			0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	228,384	6,091	44,863	2,543				0	0	174,887	139,910	34,977
2-D COMMUNITY RESIDENTIAL - DELINQUENT	25,299	7,994		0				0	0	17,305	13,844	3,461
2-E EMERGENCY SHELTER - DEPENDENT	14,347	0	1,069	1,273	0			0	0	12,005	10,805	1,200
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0			0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	200,610	26,644	37,924	10,992				0	0	125,050	100,040	25,010
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0			0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0			0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0			0	0	0	0	0
2-K SUBTOTAL CBP	468,640	40,729	83,856	14,808	0	0	0	0	0	329,247	264,599	64,648
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	10,543	0							0	10,543	5,272	5,271
3-B RESIDENTIAL SERVICE - DEPENDENT	7,904	3,353	0	1,237				0	0	3,314	1,988	1,326
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	25,389	7,524	0	0			5,123	0	0	12,742	7,645	5,097
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0							0	0	0	0
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	43,836	10,877	0	1,237	0	0	5,123	0	0	26,599	14,905	11,694
4 ADMINISTRATION	100,526	15		15,886	0	0	0	0	904	83,721	50,233	33,488
5 TOTAL REVENUES	1,640,635	52,651	133,642	138,020	25,920	43,512	20,491	0	904	1,225,495	959,990	265,505

ELK 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 SERVICES	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	14,013	5,360		2,263	0	561	22,197	8	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	92,857	0	0	0	92,857	0	14	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	7,568	0	0	0	7,568	0	1	0	0	0
I-D COUNSELING - DEPENDENT	4,671	1,786		754	0	186	7,397	643	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	4,671	1,786		754	0	186	7,397	17	0	0	0	0
I-J INTAKE & REFERRAL	42,039	16,082		6,791	0	1,683	66,595	806	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	4,671	1,786		1,504	284,720	186	292,867	34	125	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		3,457	0	0	3,457	15	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	88,747	33,952		23,236	4,500	3,551	153,986	135	15	40	0	0
I-N PROTECTIVE SERVICE - GENERAL	144,799	55,395		26,813	87	5,793	232,887	508	1	18	0	0
I-O SERVICE PLANNING	84,077	32,164		13,581	0	3,363	133,185	643	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				105	7,193		7,298	0	13	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
SUBTOTAL IN-HOME	387,688	148,311	100,425	79,258	296,500	15,509	1,027,691			58		
Number of Children receiving only NON-PURCHASED IN-Home Services: 643												
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	9,342	3,573		4,033	211,149	373	228,470	1,302	4	86	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	358	24,941	0	25,299	126	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	4,671	1,786		1,784	5,930	186	14,357	150	6	10	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	23,355	8,935		15,132	152,393	935	200,750	3,815	18	140	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	37,368	14,294	0	21,307	394,413	1,494	468,876	5,393	29	236	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	43	10,500	0	10,543	42	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	4,671	1,786		1,266	0	186	7,909	0	0	5	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	504	24,885	0	25,389	127	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
SUBTOTAL INSTITUTIONAL	4,671	1,786	0	1,813	35,385	186	43,841	169	6	5	0	0
4 ADMINISTRATION	37,368	14,295	0	47,679	0	1,495	100,837			311		
5 TOTAL EXPENDITURES	467,095	178,686	100,425	150,057	726,298	18,684	1,641,245			610		
County Indirect Costs = \$ 37,039												

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 22,197	\$ 0	\$ 22,197
Adoption Assistance	92,857	0	92,857
Subsidized Permanent Legal Custodianship	7,568	0	7,568
Counseling	7,397	0	7,397
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	7,397	0	7,397
Intake and Referral	66,595	0	66,595
Life Skills	296,324	0	296,324
Protective Service - Child Abuse	153,986	0	153,986
Protective Service - General	232,887	0	232,887
Service Planning	133,185	0	133,185
Juvenile Act Proceedings	7,298	0	7,298
Alternative Treatment	0	0	0
Community Residential	253,769	0	253,769
Emergency Shelter	14,357	0	14,357
Foster Family	200,750	0	200,750
Supervised Independent Living	0	0	0
Juvenile Detention Service	10,543	0	10,543
Residential Service	33,298	0	33,298
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	100,837	0	100,837
Combined Total Expense	<u>1,641,245</u>	<u>0</u>	<u>1,641,245</u>
Less Non-reimbursables	<u>610</u>	<u>0</u>	<u>610</u>
Total Net Expense	<u>\$ 1,640,635</u>	<u>\$ 0</u>	<u>\$ 1,640,635</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 467,095	\$ 0	\$ 467,095
Employee Benefits	178,686	0	178,686
Subsidies	100,425	0	100,425
Operating	150,057	0	150,057
Purchased Services	726,298	0	726,298
Fixed Assets	18,684	0	18,684
Combined Total Expense	<u>1,641,245</u>	<u>0</u>	<u>1,641,245</u>
Less Non-reimbursables	<u>610</u>	<u>0</u>	<u>610</u>
Total Net Expense	<u>\$ 1,640,635</u>	<u>\$ 0</u>	<u>\$ 1,640,635</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**ELK 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		\$	1,007,863
Supplemental Act 148			<u>17,153</u>
Total State Allocation			1,025,016
State Share (CY348) ²	\$		1,025,016
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	1,025,016
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	1,025,016
Actual Act 148 Revenues Received ⁴			<u>1,025,016</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</u></u>

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

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

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

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

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

ELK 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	8,572	0	1,535	0	0	0	0	0	7,037	7,037	0
02. 90% REIMBURSEMENT	38,691	0	3,301	0	0	0	0	0	35,390	31,851	3,539
03. 80% REIMBURSEMENT	1,517,305	35,147	258,088	25,920	43,512	15,369	0	0	1,139,269	911,416	227,853
04. 60% REIMBURSEMENT	138,509	5,790	18,965	0	0	5,122	0	1,374	107,258	64,354	42,904
05. 50% REIMBURSEMENT	20,820	83	21	0	0	0	0	0	20,716	10,358	10,358
06. TOTAL NET CHILD WELFARE EXPEND.	1,723,897	41,020	281,910	25,920	43,512	20,491	0	1,374	1,309,670	1,025,016	284,654

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0

08. NON-REIMBURSABLE EXPENDITURES	338	0							338		338
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09. TOTAL EXPENDITURES	1,724,235	41,020	281,910	25,920	43,512	20,491	0	1,374	1,310,008	1,025,016	284,992
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10. TOTAL TITLE IV-D COLLECTIONS	26,879										
11. TITLE IV-D Collections for IV-E Children	17,134										
12. STATE ACT 148 - line 6	1,025,016										
13. STATE ACT 148 ALLOCATION	1,025,016										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	1,025,016										

INVOICE											
AMENDED STATE SHARE (ACT 148)	1,025,016										
ACT 148 AMOUNT RECEIVED	1,025,016										
ADJUSTMENT TO STATE SHARE	0										

ELK COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 AMENDED CV370A
 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	8,572	0		1,535	0		0	0	0	7,037	7,037	0
1-B ADOPTION ASSISTANCE	110,231	0	49,603	3,360			0	0	0	57,268	45,814	11,454
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	5,704	0	2,954				0	0	0	2,750	2,200	550
1-D COUNSELING - DEPENDENT	8,525	0		1,526	0		0	0	0	6,999	5,599	1,400
1-E COUNSELING - DELINQUENT	0	0			0		0	0	0	0	0	0
1-F DAY CARE	0	0			0		0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0			0		0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0			0		0	0	0	0	0	0
1-I HOME/MAKER SERVICE	8,525	0		1,526	0		0	0	0	6,999	5,599	1,400
1-J INTAKE & REFERRAL	102,306	0		18,312	0		0	0	0	83,994	67,195	16,799
1-K LIFE SKILLS - DEPENDENT	293,245	5,241		1,526	25,920	43,512	15,369	0	0	201,677	161,342	40,335
1-L LIFE SKILLS - DELINQUENT	3,212	0			0		0	0	0	3,212	2,570	642
1-M PROTECTIVE SERVICE - CHILD ABUSE	157,537	0		27,002	0		0	0	0	130,535	104,428	26,107
1-N PROTECTIVE SERVICE - GENERAL	202,988	0		35,581	0		0	0	0	167,407	133,926	33,481
1-O SERVICE PLANNING	223,648	0		39,672	0		0	0	0	183,976	147,181	36,795
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	9,136	0		8	0		0	0	0	9,128	4,564	4,564
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	913	0		13	0		0	0	0	900	450	450
1-R SUBTOTAL IN-HOME	1,134,542	5,241	52,557	130,061	25,920	43,512	15,369	0	0	861,882	687,905	173,977
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0			0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0					0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	138,772	4,628	21,694	1,636			0	0	0	110,814	88,651	22,163
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,792	600					0	0	0	1,192	954	238
2-E EMERGENCY SHELTER - DEPENDENT	13,804	0	1,672	1,629	0		0	0	0	10,503	9,453	1,050
2-F EMERGENCY SHELTER - DELINQUENT	24,887	0					0	0	0	24,887	22,398	2,489
2-G FOSTER FAMILY - DEPENDENT	260,820	24,678	36,369	17,327			0	0	0	182,446	145,957	36,489
2-H FOSTER FAMILY - DELINQUENT	0	0					0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0					0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0					0	0	0	0	0	0
2-K SUBTOTAL CBP	440,075	29,906	59,735	20,592	0		0	0	0	329,842	267,413	62,429
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	10,771	83								10,688	5,544	5,344
3-B RESIDENTIAL SERVICE - DEPENDENT	9,106	3,807		1,524			0	0	0	3,775	2,265	1,510
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	31,979	1,061		2			5,122	0	0	25,794	15,476	10,318
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0								0	0	0
3-E YDC SECURE	0	0								0	0	0
3-F SUBTOTAL INSTITUTIONAL	51,856	4,951		1,526	0		5,122	0	0	40,257	23,085	17,172
4 ADMINISTRATION	97,424	922		17,439			0	0	1,374	77,689	46,613	31,076
5 TOTAL REVENUES	1,723,897	41,020	112,292	169,618	25,920	43,512	20,491	0	1,374	1,309,670	1,025,016	284,654

ELK 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	4,992	2,205		1,122	0	253	8,572	8	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	110,231	0	0	0	110,231	0	15	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	5,704	0	0	0	5,704	0	2	0	0	0
1-D COUNSELING - DEPENDENT	4,992	2,205		1,075	0	253	8,525	787	0	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	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	4,992	2,205		1,075	0	253	8,525	23	0	0	0	0
1-J INTAKE & REFERRAL	59,914	26,463		12,890	0	3,039	102,306	781	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	4,992	2,205		1,075	284,720	253	293,245	43	774	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		3,212	0	0	3,212	15	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	79,885	35,283		34,773	3,600	4,052	157,593	129	10	56	0	0
1-N PROTECTIVE SERVICE - GENERAL	14,833	50,719		31,665	0	5,825	205,042	658	0	54	0	0
1-O SERVICE PLANNING	129,812	57,335		27,916	2,000	6,585	223,648	787	6	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				120	9,016		9,136	0	8	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				78	835		913	0	3	0	0	0
1-R SUBTOTAL IN-HOME	404,412	178,620	115,935	115,001	300,171	20,513	1,134,652			110	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 787												
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	4,992	2,205	0	2,262	129,154	253	138,866	686	3	94	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	10	1,782	0	1,792	9	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	4,992	2,205	0	2,323	4,031	253	13,804	98	5	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	44	24,843	0	24,887	91	4	0	0	0
2-G FOSTER FAMILY - DEPENDENT	24,963	11,025	0	20,009	203,673	1,266	260,936	4,934	17	116	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	34,947	15,435	0	24,648	363,483	1,772	440,285	5,818	30	210	0	0
ADMINISTRATION	54,921	24,257	0	15,478	0	2,786	97,442		18	0	0	0
TOTAL EXPENDITURES	499,272	220,517	115,935	156,904	706,283	25,324	1,724,235		338	0	0	0
County Indirect Costs = \$ 35,474												

**ELK 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	\$ 8,572	\$ 0	\$ 8,572
Adoption Assistance	110,231	0	110,231
Subsidized Permanent Legal Custodianship	5,704	0	5,704
Counseling	8,525	0	8,525
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	8,525	0	8,525
Intake and Referral	102,306	0	102,306
Life Skills	296,457	0	296,457
Protective Service - Child Abuse	157,593	0	157,593
Protective Service - General	203,042	0	203,042
Service Planning	223,648	0	223,648
Juvenile Act Proceedings	10,049	0	10,049
Alternative Treatment	0	0	0
Community Residential	140,658	0	140,658
Emergency Shelter	38,691	0	38,691
Foster Family	260,936	0	260,936
Supervised Independent Living	0	0	0
Juvenile Detention Service	10,771	0	10,771
Residential Service	41,085	0	41,085
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	97,442	0	97,442
Combined Total Expense	<u>1,724,235</u>	<u>0</u>	<u>1,724,235</u>
Less Non-reimbursables	<u>338</u>	<u>0</u>	<u>338</u>
Total Net Expense	<u>\$ 1,723,897</u>	<u>\$ 0</u>	<u>\$ 1,723,897</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 499,272	\$ 0	\$ 499,272
Employee Benefits	220,517	0	220,517
Subsidies	115,935	0	115,935
Operating	156,904	0	156,904
Purchased Services	706,283	0	706,283
Fixed Assets	25,324	0	25,324
Combined Total Expense	<u>1,724,235</u>	<u>0</u>	<u>1,724,235</u>
Less Non-reimbursables	<u>338</u>	<u>0</u>	<u>338</u>
Total Net Expense	<u>\$ 1,723,897</u>	<u>\$ 0</u>	<u>\$ 1,723,897</u>

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – Elk Children and Youth Agency Paid Contractors for In-Home Purchased Services but Failed to Obtain Reasonable Assurance That These Services Were Actually Provided (Resolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2014, we cited the Elk County Children and Youth Agency (agency) for failure to obtain reasonable assurance that In-Home Purchased Service providers actually provided the services for which the agency was invoiced, and subsequently paid, and that if provided, were provided in adherence to the requirements of the respective provider's executed contract terms. While the agency's written policy and procedures for processing and paying invoices included procedures requiring the verification of the mathematical accuracy of the charges on the invoices, the agency failed to implement fiscal-related monitoring procedures that would provide reasonable assurance the number of units charged for each individual listed on the invoices submitted by Fee-for-Service providers and the contracted costs invoiced by Program-Funded providers were valid.

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 March 2018, the agency developed and implemented fiscal-related monitoring policy and procedures designed to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided.

The agency's monitoring policy over In-Home Purchased Service providers states the agency will perform on-site fiscal-related monitoring visits to review documentation supporting the number of units of service charged on previously paid invoices. During the monitoring visits, the agency randomly selects two to ten names for some of the respective provider's submitted invoices and matches them to supporting documentation. If the files are not found or the supporting documentation does not correlate with the invoice, then the director/chief executive officer of the provider will be requested to meet with the Children and Youth agency director immediately to discuss the documentation issues. During this time, the agency will inform the provider that funding will be affected by the lack of documentation and/or billing discrepancies.

To assess the sufficiency of these procedures, we reviewed documentation provided by agency management that evidenced the agency performed its written fiscal-related monitoring procedures during the period between implementation of the revised policies and procedures in March 2018 and the end of our current engagement scope period to obtain reasonable assurance that contracted services were actually provided to the children listed on provider submitted invoices and verified provider billings were in adherence to the respective In-Home Purchased Service provider's executed contract.

ELK 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. However, we would like to emphasize that the control weaknesses described above and related risks remained in existence until the agency took corrective action in March 2018.

SECTION 4

CURRENT ENGAGEMENT OBSERVATION

ELK COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

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

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,³ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Elk County Children and Youth Agency provided in-home and placement services to 1,375 children residing within the County during the 2016-2017 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, the DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the

² 23 Pa.C.S. §§ 6344 and 6344.2.

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

ELK COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

Contracted In-Home Preventative Service Providers

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

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

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

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

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

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

ELK COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

DHS Senior Management Follow-Up Response

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

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

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

We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken

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

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

ELK COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

Auditor General Senior Management's Follow-up Conclusion Statement

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

Furthermore, as previously stated, we have communicated to DHS that we believe that DHS should do more to assure that employees/volunteers of *contracted In-Home Preventative*

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

¹⁰ 23 Pa.C.S. § 6344.4.

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

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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.¹²

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

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

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

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