

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

Indiana County Children and Youth Agency

July 2021



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
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www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Indiana County
Indiana County Courthouse, 2nd Floor
825 Philadelphia Street
Indiana, PA 15701-3972

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 Indiana County Children and Youth Services (agency) for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2017 to June 30, 2018 and July 1, 2018 to June 30, 2019. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2018, and June 30, 2019.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Indiana County.

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2017-2018 and 2018-2019 fiscal years based on the accrual basis of accounting.¹

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

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

- For the **2017-2018 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. The adjustment in total impacted the agency's Final Net State Share by increasing non-reimbursable expenditures by \$4,122. Based on the application of the state participation rates, the one adjustment resulted in an amount due to the state totaling \$3,297. The adjustment is detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. The adjustment in total impacted the agency's Final Net State Share by increasing agency expenditures by \$14,199. Based on the application of the state participation rates, the one adjustment resulted in an amount due to the county totaling \$11,237. The adjustment is detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that while the agency implemented corrective actions to comply with the recommendations in the finding included in our prior engagement report, certain identified risks existed during the majority of the engagement period. Refer to Section 3 of this report.

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 4 of this report.

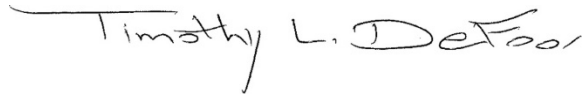
Observation – Despite the Pennsylvania Department of Human Services' Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements.

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on June 23, 2021.

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

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

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General

June 28, 2021

CONTENTS

	Page
<u>Background</u>	1
<u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2017 to June 30, 2018</u>	
Amended Computation of Final Net State Share	3
Amended CY-348 - Fiscal Summary	4
Amended CY-370A - Revenue Report	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments	7
Adjustment Schedule	8
<u>Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2018 to June 30, 2019</u>	
Amended Computation of Final Net State Share.....	10
Amended CY-348 - Fiscal Summary	11
Amended CY-370A - Revenue Report	12
Amended CY-370 - Expenditure Report.....	13
Amended Summary of Expense and Expense Adjustments	14
Adjustment Schedule	15
<u>Section 3 – Status of Prior Engagement Finding and Recommendations</u>	17
<u>Section 4 – Current Engagement Observation</u>	20
<u>Report Distribution List</u>	24

BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Indiana County Children and Youth Agency provided in-home and placement services to 1,618 children residing within the County during the 2018-2019 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**INDIANA COUNTY 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		\$	4,356,403
Supplemental Act 148			<u>0</u>
Total State Allocation			4,356,403
State Share (CY348) ²	\$		4,286,178
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,286,178
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	4,286,178
Actual Act 148 Revenues Received ⁴			<u>4,289,475</u>
Net Amount Due County/(State) ⁵		\$	<u>(3,297)</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 auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's 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.

INDIANA COUNTY 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	42,754	0	6,002	0	0	0	0	0	36,752	36,752	0
02. 90% REIMBURSEMENT	193,035	0	41,681	0	0	0	0	0	151,354	136,219	15,135
03. 80% REIMBURSEMENT	6,458,933	132,804	1,116,991	160,181	64,746	131,537	0	0	4,852,674	3,882,140	970,534
04. 60% REIMBURSEMENT	374,907	0	42,026	0	0	0	0	4,727	328,154	196,892	131,262
05. 50% REIMBURSEMENT	68,350	0	0	0	0	0	0	0	68,350	34,175	34,175
06. TOTAL NET CHILD WELFARE EXPEND.	7,137,979	132,804	1,206,700	160,181	64,746	131,537	0	4,727	5,437,284	4,286,178	1,151,106

YDC/YFC PLACEMENT COSTS											
07. 60% DHSPARTICIPATION	210,605	13,944							196,661	117,997	78,664

08. NON-REIMBURSABLE EXPENDITURES	446,039	0							446,039		446,039
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09. TOTAL EXPENDITURES	7,794,623	146,748	1,206,700	160,181	64,746	131,537	0	4,727	6,079,984	4,404,175	1,675,809
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10. TOTAL TITLE IV-D COLLECTIONS 115,961

11. TITLE IV-D Collections for IV-E Children 35,521

12. STATE ACT 148 - line 6 4,286,178

13. STATE ACT 148 ALLOCATION 4,356,403

14. ADJUSTED STATE SHARE (lower of 12 or 13) 4,286,178

INVOICE											
AMENDED STATE SHARE (ACT 148)	4,286,178										
ACT 148 AMOUNT RECEIVED	4,289,475										
ADJUSTMENT TO STATE SHARE	(3,297)										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	42,754	0		6,002	0			0	0	36,752	36,752	0
I-B ADOPTION ASSISTANCE	61,396	0	254,898	3,000				0	0	353,498	282,798	70,700
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	243,588	0	89,943					0	0	153,645	122,916	30,729
I-D COUNSELING - DEPENDENT	138,417	0		14,042	0			0	0	124,375	99,500	24,875
I-E COUNSELING - DELINQUENT	0	0			0			0	0	0	0	0
I-F DAY CARE	2,933	0						0	0	2,933	2,946	587
I-G DAY TREATMENT - DEPENDENT	281,450	0		11,541	158,641			0	0	111,268	89,014	22,254
I-H DAY TREATMENT - DELINQUENT	0	0			0			0	0	0	0	0
I-I HOME MAKER SERVICE	1,758	0		244	0			0	0	1,514	1,211	303
I-J INTAKE & REFERRAL	119,826	0		16,728	0			0	0	103,098	82,478	20,620
I-K LIFE SKILLS - DEPENDENT	807,953	0		7,151	1,540	64,746		0	0	734,516	567,613	146,903
I-L LIFE SKILLS - DELINQUENT	15,492	0			0			0	0	15,492	12,394	3,098
I-M PROTECTIVE SERVICE - CHILD ABUSE	506,326	259		59,835	0			0	0	446,232	356,986	89,246
I-N PROTECTIVE SERVICE - GENERAL	1,366,861	700		191,924	0			0	0	1,174,237	939,390	234,847
I-O SERVICE PLANNING	226,472	0		31,860	0			0	0	194,612	155,690	38,922
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	59,722	0			0			0	0	59,722	29,861	29,861
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0			0	0	0	0	0
I-R SUBTOTAL IN-HOME	4,424,948	959	344,841	342,327	160,181	64,746	0	0	0	3,511,894	2,798,949	712,945

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	3,956	0		561				0	0	3,395	2,716	679
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	970,686	44,527	167,719	12,768				0	0	745,672	596,538	149,134
2-D COMMUNITY RESIDENTIAL - DELINQUENT	5,897	1,500	1,198					0	0	3,199	2,559	640
2-E EMERGENCY SHELTER - DEPENDENT	184,035	0	27,664	14,017	0			0	0	142,354	128,119	14,235
2-F EMERGENCY SHELTER - DELINQUENT	9,000	0			0			0	0	9,000	8,100	900
2-G FOSTER FAMILY - DEPENDENT	1,083,497	84,755	94,154	126,789			0	131,537	0	646,262	517,010	129,252
2-H FOSTER FAMILY - DELINQUENT	0	0						0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	72,425	1,063	32,636					0	0	38,726	30,981	7,745
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-K SUBTOTAL CBP	2,329,496	131,845	323,371	154,135	0	0	131,537	0	0	1,588,608	1,286,023	302,585

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	8,628	0						0	0	8,628	4,314	4,314
3-B RESIDENTIAL SERVICE - DEPENDENT	145,852	0	7,701	2,332				0	0	135,819	81,491	54,328
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0						0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0						0	0	0	0	0
3-E YDC SECURE	210,605	13,944						0	0	196,661	117,997	78,664
3-F SUBTOTAL INSTITUTIONAL	365,085	13,944	7,701	2,332	0	0	0	0	0	341,108	203,802	137,306

4 ADMINISTRATION	229,055	0		31,993			0	0	0	192,335	115,401	76,934
5 TOTAL REVENUES	7,348,584	146,748	675,913	530,787	160,181	64,746	131,537	0	4,727	5,633,945	4,404,175	1,229,770

INDIANA COUNTY COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 AMENDED CY 370
 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 SUBSIDIES	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	22,631	10,353		9,368	0	402	42,754	22	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	61,136	0	0	0	61,136	0	94	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	243,638	0	0	0	243,638	0	34	0	50	0
1-D COUNSELING - DEPENDENT	60,816	29,514		8,154	39,543	390	138,417	435	32	0	0	0
1-E COUNSELING - DELINQUENT	0	0			0	0	0	0	0	2	0	0
1-F DAY CARE	0	0			2,933	0	2,933	9	2	0	0	0
1-G DAY TREATMENT - DEPENDENT	42,667	20,067		18,556	199,789	371	281,450	36	36	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0			0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	1,063	387		294	0	14	1,758	0	0	0	0	0
1-J INTAKE & REFERRAL	74,917	25,958		18,093	0	858	119,826	657	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	29,799	14,016		6,465	757,363	310	807,953	328	224	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	15,492	0	15,492	0	8	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	263,391	109,853		48,671	82,186	2,225	506,326	289	307	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	840,858	378,869		134,267	7,473	5,993	1,367,460	1,650	75	599	0	0
1-O SERVICE PLANNING	144,257	64,664		16,753	0	798	226,472	323	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				2,912	56,810		59,722	0	108	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,480,399	653,681	855,034	263,533	1,161,589	11,361	4,425,597			599	50	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	2,156	1,071		695	0	34	3,956	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	49,703	21,967		24,134	874,318	564	970,686	4,449	41	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		607	5,290	0	5,897	30	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	13,178	6,727		15,899	147,993	238	184,035	1,370	66	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		1,010	7,990	0	9,000	31	3	0	0	0
2-G FOSTER FAMILY - DEPENDENT	120,423	57,594		139,444	766,455	3,703	1,087,619	12,930	81	99	4,023	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		174	72,251	0	72,425	365	1	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	185,460	87,359	0	181,963	1,874,297	4,539	2,333,618	19,175	194	99	4,023	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		441	8,187	0	8,628	41	2	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	7,819	3,734		6,761	309,441	36	327,791	756	5	0	181,939	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/WFC)	0	0		0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0		0	210,605	0	210,605	365	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	7,819	3,734	0	7,202	528,233	36	547,024	1,162	8	0	181,939	0
4. ADMINISTRATION	76,888	34,675	0	186,852	158,186	31,783	488,384			101,143	158,186	0
5. TOTAL EXPENDITURES	1,750,566	779,449	855,034	639,550	3,722,305	47,719	7,794,623			101,841	344,198	0
County Indirect Costs = \$ 134,368												

**INDIANA COUNTY 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	\$ 42,754	\$ 0	\$ 42,754
Adoption Assistance	611,396	0	611,396
Subsidized Permanent Legal Custodianship	243,638	0	243,638
Counseling	138,417	0	138,417
Day Care	2,933	0	2,933
Day Treatment	281,450	0	281,450
Homemaker Service	1,758	0	1,758
Intake and Referral	119,826	0	119,826
Life Skills	823,445	0	823,445
Protective Service - Child Abuse	506,326	0	506,326
Protective Service - General	1,367,460	0	1,367,460
Service Planning	226,472	0	226,472
Juvenile Act Proceedings	59,722	0	59,722
Alternative Treatment	3,956	0	3,956
Community Residential	976,583	0	976,583
Emergency Shelter	193,035	0	193,035
Foster Family	1,087,619	0	1,087,619
Supervised Independent Living	72,425	0	72,425
Juvenile Detention Service	8,628	0	8,628
Residential Service	327,791	0	327,791
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	210,605	0	210,605
Administration	488,384	0	488,384
Combined Total Expense	<u>7,794,623</u>	<u>0</u>	<u>7,794,623</u>
Less Non-reimbursables	<u>441,917</u>	<u>4,122</u>	<u>446,039</u>
Total Net Expense	<u>\$ 7,352,706</u>	<u>\$ (4,122)</u>	<u>\$ 7,348,584</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,750,566	\$ 0	\$ 1,750,566
Employee Benefits	779,449	0	779,449
Subsidies	855,034	0	855,034
Operating	639,550	0	639,550
Purchased Services	3,722,305	0	3,722,305
Fixed Assets	47,719	0	47,719
Combined Total Expense	<u>7,794,623</u>	<u>0</u>	<u>7,794,623</u>
Less Non-reimbursables	<u>441,917</u>	<u>4,122</u>	<u>446,039</u>
Total Net Expense	<u>\$ 7,352,706</u>	<u>\$ (4,122)</u>	<u>\$ 7,348,584</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-G	10	1	CY-370 Adjustment			
	2-G	11		Foster Family Care (Dependent) - Non-Reim. Non-PS/Sub.	\$ -	\$ 99	\$ 99
				Foster Family Care (Dependent) - Non-Reim. Purchased Serv/Subsidies	\$ -	\$ 4,023	\$ 4,023
			Total Adjustment Amount		\$ 4,122		
				To increase Non-Reimbursable Expenditures by \$4,122 to report foster family services which were determined to be non-reimbursable subsequent to the agency's submission of the Act 148 Invoice to Commonwealth DHS.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2018 to JUNE 30, 2019

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

Approved State Allocation ¹	\$	5,514,469
Supplemental Act 148		<u>0</u>
Total State Allocation		5,514,469
State Share (CY348) ²	\$	4,602,576
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	4,602,576
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	4,602,576
Actual Act 148 Revenues Received ⁴		<u>4,591,339</u>
Net Amount Due County/(State) ⁵	\$	<u><u>11,237</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 auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's 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.

**INDIANA COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	60,642	0	8,527	0	0	0	0	0	52,115	52,115	0
02. 90% REIMBURSEMENT	146,315	125	10,225	0	0	0	0	0	135,965	122,369	13,596
03. 80% REIMBURSEMENT	7,108,476	188,710	1,303,940	160,181	64,746	131,537	0	0	5,259,362	4,207,492	1,051,870
04. 60% REIMBURSEMENT	334,375	3,591	33,274	0	0	0	0	2,059	295,451	177,271	118,180
05. 50% REIMBURSEMENT	86,768	0	111	0	0	0	0	0	86,657	43,329	43,328
06. TOTAL NET CHILD WELFARE EXPEND.	7,736,576	192,426	1,356,077	160,181	64,746	131,537	0	2,059	5,829,550	4,602,576	1,226,974

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	47,218	2,867							44,351	26,611	17,740

08. NON-REIMBURSABLE EXPENDITURES	92,256	0							92,256		92,256
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09. TOTAL EXPENDITURES	7,876,050	195,293	1,356,077	160,181	64,746	131,537	0	2,059	5,966,157	4,629,187	1,336,970
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10. TOTAL TITLE IV-D COLLECTIONS 120,947

11. TITLE IV-D Collections for IV-E Children 53,689

12. STATE ACT 148 - line 6 4,602,576

13. STATE ACT 148 ALLOCATION 5,514,469

14. ADJUSTED STATE SHARE (lower of 12 or 13) 4,602,576

INVOICE											
AMENDED STATE SHARE (ACT 148)	4,602,576										
ACT 148 AMOUNT RECEIVED	4,591,339										
ADJUSTMENT TO STATE SHARE	11,237										

INDIANA COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
 AMENDED CY370A
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
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	60,642	0		8,527	0				0	52,115	288,337	72,084
1-B ADOPTION ASSISTANCE	636,037	0	272,285	3,331					0	360,421	132,078	33,020
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	266,415	0	101,317	0					0	165,098	74,380	18,595
1-D COUNSELING - DEPENDENT	103,195	0		10,220	0				0	92,975	0	0
1-E COUNSELING - DELINQUENT	0	0		0	0				0	0	0	0
1-F DAY CARE	0	0		0	0				0	0	0	0
1-G DAY TREATMENT - DEPENDENT	270,007	0		13,132	119,605				0	137,270	109,816	27,454
1-H DAY TREATMENT - DELINQUENT	0	0		0	0				0	0	0	0
1-I HOMEMAKER SERVICE	2,195	0		318	0				0	1,877	1,502	375
1-J INTAKE & REFERRAL	92,496	0		13,124	0				0	79,372	63,498	15,874
1-K LIFE SKILLS - DEPENDENT	1,102,504	21,502		12,738	40,576	64,746			0	962,942	770,354	192,588
1-L LIFE SKILLS - DELINQUENT	45,197	0		0	0				0	45,197	36,158	9,039
1-M PROTECTIVE SERVICE - CHILD ABUSE	524,203	492		66,526	0				0	457,185	365,748	91,437
1-N PROTECTIVE SERVICE - GENERAL	1,548,573	433		220,713	0				0	1,327,427	1,061,942	265,485
1-O SERVICE PLANNING	185,926	0		26,839	0				0	159,087	127,270	31,817
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	76,449	0		111	0				0	76,338	38,169	38,169
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0				0	0	0	0
1-R SUBTOTAL IN-HOME	4,913,839	22,427	373,602	375,579	160,181	64,746	0	0	0	3,917,304	3,121,367	795,937

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0				0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	844,865	16,901	225,284	11,006					0	591,674	473,339	118,335
2-D COMMUNITY RESIDENTIAL - DELINQUENT	91,683	231	6,961	0					0	84,491	67,593	16,898
2-E EMERGENCY SHELTER - DEPENDENT	124,114	0	4,574	5,656	0				0	113,884	102,496	11,388
2-F EMERGENCY SHELTER - DELINQUENT	22,201	125	(5)	0	0				0	22,081	19,873	2,208
2-G FOSTER FAMILY - DEPENDENT	1,364,094	148,813	147,656	160,353			131,537		0	775,735	620,588	155,147
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0				0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	31,086	338	12,136	1					0	18,611	14,889	3,722
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0				0	0	0	0
2-K SUBTOTAL CBP	2,478,043	166,408	396,606	177,016	0	0	131,537	0	0	1,606,476	1,298,778	307,698

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
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	10,319	0							0	10,319	5,160	5,159
3-B RESIDENTIAL SERVICE - DEPENDENT	44,745	3,564	0	1,940					0	39,241	23,545	15,696
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0		0	0				0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	70,491	0							0	70,491	42,295	28,196
3-E YDC SECURE	47,218	2,867								44,351	26,611	17,740
3-F SUBTOTAL INSTITUTIONAL	172,773	6,431	0	1,940	0	0	0	0	0	164,402	97,611	66,791
4 ADMINISTRATION	219,139	27		31,334					2,059	185,719	111,431	74,288
5 TOTAL REVENUES	7,783,794	195,293	770,208	585,869	160,181	64,746	131,537	0	2,059	5,873,901	4,629,187	1,244,714

INDIANA COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	33,316	15,337		8,760	3,030	199	60,642	29	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	636,037	0	0	0	636,037	0	94	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	266,415	0	0	0	266,415	0	34	0	0	0
1-D COUNSELING - DEPENDENT	43,100	19,645		6,048	34,252	150	103,195	301	30	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	1	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	48,083	21,284		20,100	180,335	205	270,007	1	27	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	1,373	619		146	54	3	2,195	0	0	0	0	0
1-J INTAKE & REFERRAL	57,129	20,765		10,423	3,922	257	92,496	749	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	47,485	21,454		17,174	1,016,152	239	1,102,504	304	214	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	45,197	0	45,197	0	18	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	283,948	112,045		51,826	75,158	1,226	524,203	261	108	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	962,164	381,256		146,537	55,697	3,296	1,548,950	1,733	83	377	0	0
1-O SERVICE PLANNING	116,143	51,457		13,079	4,924	323	185,926	308	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				5,954	70,495		76,449	0	112	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,592,741	643,862	902,452	280,047	1,489,216	5,898	4,914,216			377	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	39,153	17,574		21,950	763,912	276	844,865	3,174	27	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	873	90,810	0	91,683	429	6	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	16,221	7,606		18,959	81,212	116	124,114	1,322	74	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	549	21,652	0	22,201	77	4	0	0	0
2-G FOSTER FAMILY - DEPENDENT	132,608	64,331		165,443	1,004,604	2,109	1,369,095	18,220	83	56	4,945	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	8	31,078	0	31,086	157	2	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	187,982	89,511	0	207,782	1,993,268	2,501	2,483,044	23,379	196	56	4,945	0
ADMINISTRATION	90,630	42,026	0	161,198	8,640	566	303,080			83,941	0	0
TOTAL EXPENDITURES	1,878,867	778,769	902,452	654,939	3,652,034	8,989	7,876,050			84,374	7,882	0
	County Indirect Costs = \$ 116,569											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 60,582	\$ 60	\$ 60,642
Adoption Assistance	630,697	5,340	636,037
Subsidized Permanent Legal Custodianship	266,415	0	266,415
Counseling	103,195	0	103,195
Day Care	0	0	0
Day Treatment	269,013	994	270,007
Homemaker Service	2,195	0	2,195
Intake and Referral	92,496	0	92,496
Life Skills	1,147,701	0	1,147,701
Protective Service - Child Abuse	524,148	55	524,203
Protective Service - General	1,548,832	118	1,548,950
Service Planning	185,927	(1)	185,926
Juvenile Act Proceedings	75,999	450	76,449
Alternative Treatment	0	0	0
Community Residential	935,998	550	936,548
Emergency Shelter	145,852	463	146,315
Foster Family	1,363,161	5,934	1,369,095
Supervised Independent Living	31,086	0	31,086
Juvenile Detention Service	10,319	0	10,319
Residential Service	47,573	109	47,682
Secure Residential Service (Except YDC)	70,491	0	70,491
YDC Secure	47,218	0	47,218
Administration	302,953	127	303,080
Combined Total Expense	<u>7,861,851</u>	<u>14,199</u>	<u>7,876,050</u>
Less Non-reimbursables	<u>92,256</u>	<u>0</u>	<u>92,256</u>
Total Net Expense	<u>\$ 7,769,595</u>	<u>\$ 14,199</u>	<u>\$ 7,783,794</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,878,867	\$ 0	\$ 1,878,867
Employee Benefits	778,770	(1)	778,769
Subsidies	897,112	5,340	902,452
Operating	646,109	8,830	654,939
Purchased Services	3,652,004	30	3,652,034
Fixed Assets	8,989	0	8,989
Combined Total Expense	<u>7,861,851</u>	<u>14,199</u>	<u>7,876,050</u>
Less Non-reimbursables	<u>92,256</u>	<u>0</u>	<u>92,256</u>
Total Net Expense	<u>\$ 7,769,595</u>	<u>\$ 14,199</u>	<u>\$ 7,783,794</u>

**INDIANA COUNTY C&Y COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustments			
CY-370	1-O	2	1	Service Planning - Employee Benefits	\$ 51,458	\$ (1)	\$ 51,457
	1-B	3		Adoption Assistance- Subsidies	\$ 630,697	\$ 5,340	\$ 636,037
	1-A	4		Adoption Service - Operating	\$ 8,700	\$ 60	\$ 8,760
	1-G	4		Day Treatment (Dependent) - Operating	\$ 19,106	\$ 994	\$ 20,100
	1-M	4		Protective Service Child Abuse - Operating	\$ 51,771	\$ 55	\$ 51,826
	1-N	4		Protective Service General - Operating	\$ 146,419	\$ 118	\$ 146,537
	1-P	4		Juvenile Act Proceedings (Dependent) - Operating	\$ 5,534	\$ 420	\$ 5,954
	2-C	4		Community Residential (Dependent) - Operating	\$ 21,400	\$ 550	\$ 21,950
	2-E	4		Emergency Shelter (Dependent) - Operating	\$ 18,496	\$ 463	\$ 18,959
	2-G	4		Foster Family (Dependent) - Operating	\$ 159,509	\$ 5,934	\$ 165,443
	3-B	4		Residential Service (Dependent) - Operating	\$ 5,692	\$ 109	\$ 5,801
	4	4		Administration - Operating	\$ 161,071	\$ 127	\$ 161,198
	1-P	5		Juvenile Act Proceedings (Dependent) - Purchased Services	\$ 70,465	\$ 30	\$ 70,495
				Total Adjustment Amount		<u>\$ 14,199</u>	
				To increase expenditures by \$14,199 to include expenditures not reported on the Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

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

In our prior engagement report, for the fiscal years July 1, 2014 to June 30, 2017, we cited the Indiana County Children and Youth Agency (agency) for failing to have internal control policies and procedures in place to reduce the agency’s risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service Providers, which included contracted Fee-for-Service providers and Program-Funded Providers. For contracted In-Home Purchased Service Fee-for-Service providers, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on these providers’ submitted invoices. For contracted In-Home Purchased Service Program-Funded providers, the agency failed to provide supporting documentation substantiating the operating costs invoiced by these providers. As a result, the agency could not provide any substantiation evidencing that contracted services related to the costs invoiced by these providers, and paid for by the agency, were actually provided. In addition, agency management stated, during the conduct of our previous engagement, they did not develop and implement a fiscal-related monitoring policy and corresponding procedures until after the close of the engagement scope period for the prior engagement (June 30, 2017).

During the conduct of our current engagement, we determined that, as of September 22, 2017, the agency began performing fiscal-related monitoring procedures in order to reduce the agency’s risk of paying overbillings and/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. We found that the agency conducted on-site monitoring visits during which provider invoices were compared to submitted supporting documentation (i.e. sign-in sheets, travel mileage records, case files, etc.) for at least four different selected children per invoice. Agency management further stated that after an on-site monitoring visit was completed, the agency would send the selected provider a letter listing the results of the on-site review and the provider was given five business days to respond. If a discrepancy was found, the agency had 15 business days to resolve all identified invoicing and/or procedural issues. We obtained evidence substantiating that these fiscal-related monitoring procedures were first performed on September 22, 2017. The evidence we obtained included: contracted In-Home Purchased Service providers’ submitted invoices and related supporting documentation substantiating the number of units and/or operating costs incurred; on-site monitoring reports; and letters/emails sent to providers.

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

However, while we found that agency management developed and issued a checklist to be used during the conduct of these monitoring reviews, agency management had failed to implement, and issue, actual corresponding policy and procedures that detailed the purpose of this checklist as a part of the agency's monitoring steps to be followed while conducting these monitoring reviews. We also found that the agency did not develop and issue these corresponding written fiscal-related monitoring policy and corresponding procedures until April 19, 2019.

Based on the results of the procedures performed during the conduct of our current engagement, while we found that fiscal-related monitoring procedures were performed from September 22, 2017 to June 30, 2019 of our current engagement period (i.e. July 1, 2017 to June 30, 2019) in an attempt to substantiate the validity of the number of units invoiced by contracted In-Home Fee-for-Service providers and operating costs invoiced by In-Home Program-Funded providers, we also found that agency management failed to develop, and issue, corresponding written policy and procedures until April 19, 2019. Therefore, we concluded that from July 1, 2017 until April 18, 2019, a high risk existed that the monitoring procedures performed were not performed uniformly and/or accurately, thus increasing the agency's risk that overbillings and/or fraudulent billings could have gone undetected from July 1, 2017 through April 18, 2019. However, because full corrective action was taken by April 19, 2019, we concluded that the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT OBSERVATION

INDIANA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Observation – Despite the Pennsylvania Department of Human Services’ Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements.

The vast majority of Pennsylvania’s County Children and Youth (C&Y) Agencies contract with non-government In-Home Preventative Service Providers (Contracted Providers) to deliver services to children outside of an institutional or community-based setting, and those services are referred to as In-Home Purchased Services.² The Child Protective Services Law (CPSL) requires the conduct of Criminal Background Checks and Child Abuse History Clearances (Certifications) for all Contracted Providers’ (and their respective subcontractors’) employees and direct volunteers.³

Since 2016, we have communicated concerns to the Pennsylvania Department of Human Services (DHS) that these Contracted Providers were not being monitored for compliance with the CPSL certification mandates. Specifically, this needed monitoring relates to obtaining assurance as to the sufficiency of each C&Y Agency’s procedures for reviewing the Certifications of Contracted Providers’ employees and volunteers and their respective subcontractors, whose duties require them to come into direct contact with children and taking appropriate corrective actions when disqualifying incidents are identified. Furthermore, these Contracted Providers are not subject to licensure nor annual inspections under the Human Services Code (Code).⁴ Our concerns have been, and continue to be, communicated through the inclusion of a standardized observation in our C&Y Program engagement reports and through correspondence with DHS.

In February 2018, DHS senior management staff affirmed that DHS is responsible for communicating contract monitoring expectations to the C&Y Agencies and for implementing a method to ensure that the certification monitoring is being performed adequately. DHS staff

² Institutional and community-based settings are those in which the child is outside of the home for the entire time (e.g., Juvenile Detention, Residential Services, Secure Residential, Youth Development Camps, Youth Forestry Camps, Foster Care, Emergency Shelter, Group Homes, etc.). In-Home supportive services are provided while the child is in their own home or supportive services provided to the child or child’s family while the child is in substitute care.

³ 23 Pa.C.S. §§ 6344 and 6344.2. Please note that CPSL 23 Pa.C.S. § 6344.4 now requires recertification of the required state and federal background checks and the child abuse clearance every 60 months.

⁴ Based on a recent communication with DHS in early September 2020, the state agency candidly indicated that it lacks sufficient budgetary resources, leading to inadequate staffing to provide for the licensure and inspection of these Contracted Providers, which includes a large population of not only these providers, but also their subcontractors. Further, the implication of these budgetary constraints is that it would not be reasonable to pursue or support related legislation to make these Contracted Providers and their subcontractors subject to licensure and inspection. Please see the Special Note in Endnote 1.

INDIANA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. The major purpose of our letter was to express our concerns, as detailed above.

DHS Corrective Actions Taken

In an effort to further address our concerns, DHS expanded its CPSL adherence requirements for C&Y Agencies through the issuance of its 2019 revision of its Single Audit Supplement (Supplement) for counties, effective for the fiscal year ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and their auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor Contracted Provider adherence to the CPSL background check requirements to assure the safety of children receiving prevention, reunification, and aftercare services (services coded as in-home).
- Document these efforts and report them to DHS on a supplemental schedule included in each counties' Single Audit package.
- Create a listing of Contracted Providers that deliver in-home coded services.
- Monitor a sample of Contracted Providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to Contracted Providers and obtain a corrective action plan.
- Follow-up on implementation of the corrective action plan within six months.
- Document the results of the monitoring.

As part of the Single Audit, the auditors are required to perform Agreed-Upon Procedures with regard to the supplemental schedule noted above, including the following:

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

INDIANA COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

- Analyze the C&Y Agency's documentation of monitoring activities for adequacy of monitoring, the C&Y Agency's obtaining of any necessary corrective action plans, the C&Y Agency's timely follow-up on corrective action plans, and the adequacy and accuracy of the monitoring documentation as represented on the supplemental schedule.
- Disclose any exceptions or findings within the Single Audit package for items not reflected on the supplemental schedule.

Our Current Position

We believe that the requirements that DHS included in its Supplement are great first steps in obtaining assurance of the C&Y Agencies' compliance with the CPSL certification requirements. Specifically, having independent auditors reviewing the adequacy of the C&Y Agencies' monitoring of the CPSL background check requirements for Contracted Providers annually, and reporting the C&Y Agencies' monitoring efforts in a supplemental schedule of the Single Audit package that is provided to DHS appears to be effective. As part of the CPSL certification monitoring process, it is incumbent upon DHS to review the supplemental schedule and any exceptions or findings within the Single Audit packages to ascertain whether the C&Y Agencies are properly monitoring for CPSL certification requirements of its Contracted Providers. However, as of March 2021, DHS officials acknowledged that staff has not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS, as the oversight agency, is especially concerning considering DHS could remain unaware, despite receiving an audit report with the information, of a C&Y Agency failing to identify disqualifying incidents and/or take appropriate corrective actions when disqualifying convictions that would prohibit employees, volunteers, and subcontractors from having direct contact with children receiving services were identified. Therefore, we believe that it is imperative that DHS review the Single Audit packages for CPSL compliance by the C&Y Agencies in a timely manner.

Alternatively, DHS could implement its own monitoring process whereby it reviews the adequacy of the procedures each C&Y Agency has implemented related to ensuring its Contracted Providers and their subcontractors are complying with CPSL certification requirements and evaluate the results the C&Y Agencies found, including reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.¹

⁵ DHS informed us that they merely verbally inquire about the status of C&Y agencies' respective corrective action plans during their monitoring process.

INDIANA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Conclusion

As the oversight agency, it is our opinion that DHS should ensure that every C&Y Agency and their respective Contracted Providers are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the adequacy of each C&Y Agency's procedures for reviewing the Certifications of their Contracted Providers' employees and volunteers and their subcontractors (whose duties require them to come into direct contact with children) and taking appropriate corrective action when disqualifying incidents are identified. We continue to believe that these children remain particularly vulnerable because contracted in-home services are oftentimes provided outside the presence and view of others.

ⁱ **Special Note:** In marked contrast to contracted foster care parents/providers and day treatment centers/child residential facilities, as well as 12 other types of facilities and programs, these C&Y Contracted Providers are not subject to annual licensure and an inspection process in accordance with the Human Services Code (Code). As noted in an earlier footnote, DHS recently made the candid statement that it lacks sufficient budgetary resources, leading to inadequate staffing, to provide for the licensure and inspection of these Contracted Providers.

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y Agencies' Contracted Providers and their subcontractors.

INDIANA COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

The Honorable Megan Snead
Acting Secretary
Department of Human Services

Mr. Jonathan Rubin
Deputy Secretary
Office of Children, Youth and Families
Department of Human Services

Ms. Tia Petrovitz
Fiscal Management Specialist 4
Division of County Programs
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Mr. Jim Flanagan
Section Chief
Financial Reporting and Payments Section
Division of Financial Policy and Operations
Bureau of Financial Operations
Department of Human Services

Mr. David Bryan, CPA, CGMA
Manager
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

Ms. Linda Swick
Audit Specialist
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

The Commissioners of Indiana County

Mr. James Yaworksi
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Indiana County Children & Youth Agency

Ms. Wanda Campbell
Fiscal Officer
Indiana County Children & Youth Agency

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Financial Supervisor
Indiana County

Mr. Michael Burns, CPA
Director
Bureau of Accounting & Financial Management
Office of Comptroller Operations
Office of the Budget

Mr. R. Dennis Welker
Special Audit Services
Bureau of Audits
Office of the Budget

Ms. Melanie Retherford
Human Services Program Specialist Supervisor
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

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