

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

Juniata County

Children and Youth Agency

January 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Juniata County
Juniata County Children and Youth Services
133 Suite 1 Industrial Park Road
Mifflintown, PA 17059

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 Juniata County Children and Youth Agency (agency), legally known as Juniata 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 Juniata 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 conducted additional procedures beyond those necessary to ascertain and certify the total Commonwealth expenditures paid on behalf of children residing within the county in order to determine whether the agency complied with certain DHS regulations. The instance of noncompliance that we identified is included in the finding listed below and as detailed in Section 4 of this report.

Finding – Juniata County Children and Youth Agency Failed to Execute Written Contracts with Four In-Home Service Providers

Finally, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 5 of this report.

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 results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 28, 2020.

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

Independent Auditor's Report (Continued)

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

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale", with a long horizontal flourish extending to the right.

Eugene A. DePasquale
Auditor General

January 29, 2020

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Juniata County Children and Youth Agency provided in-home and placement services to 410 children residing within the County during the 2017-2018 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

**JUNIATA 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		\$	1,469,288
Supplemental Act 148			<u>0</u>
Total State Allocation			1,469,288
State Share (CY348) ²	\$	1,275,318	
Less: Major Service Category Adjustment		<u>0</u>	
Net State Share	\$	1,275,318	
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>	
Final Net State Share Payable ³	\$	1,275,318	
Actual Act 148 Revenues Received ⁴		<u>1,275,318</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.

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

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	0	0	0	0	0	0	0	0	0	0	0
02. 90% REIMBURSEMENT	17,714	0	6,468	0	0	0	0	0	11,246	10,121	1,125
03. 80% REIMBURSEMENT	1,649,036	35,354	244,644	10,827	0	0	0	0	1,358,211	1,086,569	271,642
04. 60% REIMBURSEMENT	325,846	1,503	63,915	0	19,745	21,902	0	1,299	217,482	130,489	86,993
05. 50% REIMBURSEMENT	107,327	0	11,051	0	0	0	0	0	96,276	48,139	48,137
06. TOTAL NET CHILD WELFARE EXPEND.	2,099,923	36,857	326,078	10,827	19,745	21,902	0	1,299	1,683,215	1,275,318	407,897
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0
09. TOTAL EXPENDITURES	2,099,923	36,857	326,078	10,827	19,745	21,902	0	1,299	1,683,215	1,275,318	407,897
10. TOTAL TITLE IV-D COLLECTIONS	13,869										
11. TITLE IV-D Collections for IV-E Children	2,204										
12. STATE ACT 148 - line 6	1,275,318										
13. STATE ACT 148 ALLOCATION	1,469,288										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	1,275,318										
INVOICE											
AMENDED STATE SHARE (ACT 148)	1,275,318										
ACT 148 AMOUNT RECEIVED	1,275,318										
ADJUSTMENT TO STATE SHARE	0										

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

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES												
		1	2	3	4	5	6	7	8	9	10	11	12	
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES		PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
	1-A ADOPTION SERVICE	0	0			0			0	0	0	0	0	
	1-B ADOPTION ASSISTANCE	18,090	0	7,355	625			0	0	0	10,110	8,088	2,022	
	1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	60,630	0	11,920		0			0	0	48,710	38,968	9,742	
	1-D COUNSELING - DEPENDENT	241,741	0		2,880	10,336	0	0	0	0	228,525	182,820	45,705	
	1-E COUNSELING - DELINQUENT	18,089	0			0	491	0	0	0	17,598	14,078	3,520	
	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	0	0		0	0	0	0	0	0	0	0	0	
	1-J INTAKE & REFERRAL	102,657	0		17,624	0	0	0	0	0	85,033	68,026	17,007	
	1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0	
	1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	
	1-M PROTECTIVE SERVICE - CHILD ABUSE	123,756	0		21,349	0	0	0	0	0	102,407	81,926	20,481	
	1-N PROTECTIVE SERVICE - GENERAL	245,156	0		34,669	0	0	0	0	0	210,487	168,390	42,097	
	1-O SERVICE PLANNING	187,048	0		31,671	0	0	0	0	0	155,377	124,302	31,075	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	81,592	0		11,051	0			0	0	70,541	35,271	35,270		
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0	0		0	0	0	0	0		
1-R SUBTOTAL IN-HOME	1,078,759	0	19,275	119,869	10,827	0	0	0	0	928,788	721,869	206,919		
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	0	0	
	2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0	
	2-C COMMUNITY RESIDENTIAL - DEPENDENT	67,409	5,572	10,776	28		0	0	0	0	51,033	40,826	10,207	
	2-D COMMUNITY RESIDENTIAL - DELINQUENT	137,499	4,255	0	3		0	0	0	0	133,241	106,593	26,648	
	2-E EMERGENCY SHELTER - DEPENDENT	17,714	0	5,431	1,037	0	0	0	0	0	11,246	10,121	1,125	
	2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	
	2-G FOSTER FAMILY - DEPENDENT	422,474	25,527	31,116	74,628		0	0	0	0	291,203	232,962	58,241	
	2-H FOSTER FAMILY - DELINQUENT	24,487	0	0	0		0	0	0	0	24,487	19,590	4,897	
	2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0		0	0	0	0	0	0	0	
	2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0	
	2-K SUBTOTAL CBP	669,583	35,354	47,323	75,696	0	0	0	0	0	511,210	410,092	101,118	
	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	25,735	0							0	25,735	12,868	12,867
		3-B RESIDENTIAL SERVICE - DEPENDENT	85,163	1,214	30,169	14		9,873	10,950	0	0	32,943	19,766	13,177
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)		36,067	289	0	0		9,872	10,952	0	0	14,954	8,972	5,982	
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	146,965	1,503	30,169	14	0	19,745	21,902	0	0	73,632	41,606	32,026		
4 ADMINISTRATION		204,616	0		33,732		0	0	0	1,299	169,585	101,751	67,834	
5 TOTAL REVENUES		2,099,923	36,857	96,767	229,311	10,827	19,745	21,902	0	1,299	1,683,215	1,275,318	407,897	

JUNIATA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS												
OBJECTS OF EXPENDITURE												
1	2	3	4	5	6	7	8	9	10	11	12	
WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable	
IN-HOME												
1-A ADOPTION SERVICE	0	0		0	0	0	0	0	0	0	0	
1-B ADOPTION ASSISTANCE	0	0	18,090	0	0	18,090	0	2	0	0	0	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	60,630	0	0	60,630	0	7	0	0	0	
1-D COUNSELING - DEPENDENT	0	0	16,426	225,315	0	241,741	0	21	0	0	0	
1-E COUNSELING - DELINQUENT	0	0	7,500	10,589	0	18,089	0	13	0	0	0	
1-F DAY CARE	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	
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	
1-J INTAKE & REFERRAL	54,662	34,841	9,361	0	3,793	102,657	775	0	0	0	0	
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	63,379	43,608	14,218	0	2,551	123,756	192	0	0	0	0	
1-N PROTECTIVE SERVICE - GENERAL	96,196	64,946	35,849	44,326	3,839	245,156	602	447	0	0	0	
1-O SERVICE PLANNING	97,432	65,474	15,509	0	8,633	187,048	216	0	0	0	0	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT			64,421	17,171		81,592	0	49	0	0	0	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	
1-R SUBTOTAL IN-HOME	311,669	208,869	78,720	163,284	297,401	1,078,759					0	
Number of Children receiving only NON-PURCHASED IN-Home Services 1,186												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	215	67,194	67,409	408	5	0	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	2,730	134,769	137,499	610	5	0	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	17,714	17,714	269	8	0	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-G FOSTER FAMILY - DEPENDENT	102,651	73,861	0	19,164	222,469	422,474	4,021	17	0	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	24,487	24,487	365	1	0	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	102,651	73,861	0	22,109	466,633	669,583	5,673	36	0	0	0	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	515	25,220	25,735	97	7	0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	210	84,953	85,163	345	2	0	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	36,067	36,067	153	1	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	0	0	0	0	0	0	0	0	
3-F SUBTOTAL INSTITUTIONAL	0	0	0	725	146,240	146,965	595	10	0	0	0	
4 ADMINISTRATION												
79,688 60,621 0 56,433 5,513 2,361 204,616 0 0 0 0 0												
5 TOTAL EXPENDITURES												
494,008 343,351 78,720 242,551 915,787 25,506 2,099,923 0 0 0 0 0												
County Indirect Costs = \$ 37,547												

**JUNIATA 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	\$ 0	\$ 0	\$ 0
Adoption Assistance	18,090	0	18,090
Subsidized Permanent Legal Custodianship	60,630	0	60,630
Counseling	259,830	0	259,830
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	102,657	0	102,657
Life Skills	0	0	0
Protective Service - Child Abuse	123,756	0	123,756
Protective Service - General	245,156	0	245,156
Service Planning	187,048	0	187,048
Juvenile Act Proceedings	81,592	0	81,592
Alternative Treatment	0	0	0
Community Residential	204,908	0	204,908
Emergency Shelter	17,714	0	17,714
Foster Family	446,961	0	446,961
Supervised Independent Living	0	0	0
Juvenile Detention Service	25,735	0	25,735
Residential Service	121,230	0	121,230
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	204,616	0	204,616
Combined Total Expense	<u>2,099,923</u>	<u>0</u>	<u>2,099,923</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 2,099,923</u>	<u>\$ 0</u>	<u>\$ 2,099,923</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 494,008	\$ 0	\$ 494,008
Employee Benefits	343,351	0	343,351
Subsidies	78,720	0	78,720
Operating	242,551	0	242,551
Purchased Services	915,787	0	915,787
Fixed Assets	25,506	0	25,506
Combined Total Expense	<u>2,099,923</u>	<u>0</u>	<u>2,099,923</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 2,099,923</u>	<u>\$ 0</u>	<u>\$ 2,099,923</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**JUNIATA 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	\$	1,540,385
Supplemental Act 148		<u>68,701</u>
Total State Allocation		1,609,086
State Share (CY348) ²	\$	1,609,086
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	1,609,086
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	1,609,086
Actual Act 148 Revenues Received ⁴		<u>1,609,086</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.

JUNIATA 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	0	0	0	0	0	0	0	0	0	0	0
02. 90% REIMBURSEMENT	10,755	0	4,992	0	0	0	0	0	5,763	5,187	576
03. 80% REIMBURSEMENT	1,997,636	50,691	233,358	10,827	0	5,476	0	0	1,697,284	1,357,830	339,454
04. 60% REIMBURSEMENT	391,786	3,215	36,645	0	19,745	16,426	0	1,738	314,017	188,411	125,606
05. 50% REIMBURSEMENT	124,402	724	8,364	0	0	0	0	0	115,314	57,658	57,656
06. TOTAL NET CHILD WELFARE EXPEND.	2,524,579	54,630	283,359	10,827	19,745	21,902	0	1,738	2,132,378	1,609,086	523,292

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

09. TOTAL EXPENDITURES	2,524,579	54,630	283,359	10,827	19,745	21,902	0	1,738	2,132,378	1,609,086	523,292
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10. TOTAL TITLE IV-D COLLECTIONS 24,942

11. TITLE IV-D Collections for IV-E Children 4,058

12. STATE ACT 148 - line 6 1,609,086

13. STATE ACT 148 ALLOCATION 3,218,172

14. ADJUSTED STATE SHARE (lower of 12 or 13) 1,609,086

INVOICE	
AMENDED STATE SHARE (ACT 148)	1,609,086
ACT 148 AMOUNT RECEIVED	1,609,086
ADJUSTMENT TO STATE SHARE	0

JUNIATA 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 Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME													
1-A	ADOPTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-B	ADOPTION ASSISTANCE	38,904	0	16,095	3,920	0	0	0	0	0	18,889	15,111	3,778
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	63,810	0	15,403	0	0	0	0	0	0	48,407	38,726	9,681
1-D	COUNSELING - DEPENDENT	253,308	0	0	1,760	10,827	0	0	0	0	240,721	192,577	48,144
1-E	COUNSELING - DELINQUENT	23,362	0	0	0	0	0	0	0	0	23,362	18,690	4,672
1-F	DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G	DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I	HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J	INTAKE & REFERRAL	102,960	0	0	14,253	0	0	0	0	0	88,707	70,967	17,740
1-K	LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L	LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M	PROTECTIVE SERVICE - CHILD ABUSE	91,850	0	0	12,691	0	0	0	0	0	79,159	63,327	15,832
1-N	PROTECTIVE SERVICE - GENERAL	213,684	0	0	22,504	0	0	0	0	0	191,180	152,944	38,236
1-O	SERVICE PLANNING	307,642	0	0	42,349	0	0	0	0	0	265,293	212,234	53,059
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	76,362	0	0	8,041	0	0	0	0	0	68,321	34,161	34,160
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	2,600	0	0	323	0	0	0	0	0	2,277	1,139	1,138
1-R	SUBTOTAL IN-HOME	1,174,482	0	31,498	105,841	10,827	0	0	0	0	1,026,316	799,876	226,440
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	98,551	6,891	4,323	5	0	0	0	0	0	87,332	69,866	17,466
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	283,445	5,501	0	348	0	0	0	0	0	277,596	222,077	55,519
2-E	EMERGENCY SHELTER - DEPENDENT	10,755	0	0	1,499	0	0	0	0	0	5,763	5,187	576
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	485,246	38,299	31,478	68,226	0	0	5,476	0	0	341,767	273,414	68,353
2-H	FOSTER FAMILY - DELINQUENT	34,874	0	0	3	0	0	0	0	0	34,871	27,897	6,974
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	912,871	50,691	39,294	70,081	0	0	5,476	0	0	747,329	598,441	148,888
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	45,440	724	0	0	0	0	0	0	0	44,716	22,358	22,358
3-B	RESIDENTIAL SERVICE - DEPENDENT	13,408	0	5,269	0	0	4,936	0	0	0	3,203	1,922	1,281
3-C	RES. SERVICE - DELINQUENT (NON YDC/YC)	141,724	3,215	0	0	0	14,809	16,426	0	0	107,274	64,364	42,910
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E	YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F	SUBTOTAL INSTITUTIONAL	200,572	3,939	5,269	0	0	19,745	16,426	0	0	155,193	88,644	66,549
4	ADMINISTRATION	236,654	0	0	31,376	0	0	0	0	1,738	203,540	122,125	81,415
5	TOTAL REVENUES	2,524,579	54,630	76,061	207,298	10,827	19,745	21,902	0	1,738	2,132,378	1,609,086	523,292

JUNIATA 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
	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
IN-HOME											
1-A ADOPTION SERVICE	0	0	0	0	0	0	0	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	38,904	0	0	0	38,904	0	4	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	63,810	0	0	0	63,810	0	10	0	0
1-D COUNSELING - DEPENDENT	0	0	0	12,225	241,083	0	253,308	0	22	0	0
1-E COUNSELING - DELINQUENT	0	0	0	5,200	18,162	0	23,362	0	11	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	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	59,281	32,522	0	9,642	0	1,515	102,960	797	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	50,093	30,350	0	10,142	0	1,265	91,850	156	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	83,883	49,188	0	28,907	49,657	2,049	213,684	653	473	0	0
1-O SERVICE PLANNING	164,295	113,951	0	25,556	0	3,840	307,642	185	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	61,635	14,727	0	76,362	0	49	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	2,600	0	0	2,600	0	0	0	0
SUBTOTAL IN-HOME	357,552	226,011	102,714	155,907	323,629	8,669	1,174,482			0	0
Number of Children receiving only NON-PURCHASED IN-Home Services											
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	216	98,335	0	98,551	522	4	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	2,890	280,555	0	283,445	1,158	7	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	774	9,981	0	10,755	110	4	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	95,686	64,618	0	19,715	303,155	2,072	485,246	4,756	24	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	20	34,854	0	34,874	508	2	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	95,686	64,618	0	23,615	726,880	2,072	912,871	7,054	41	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies
3-A JUVENILE DETENTION SERVICE	0	0	0	0	45,440	0	45,440	174	14	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	13,408	0	13,408	44	1	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	141,724	0	141,724	630	5	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INSTITUTIONAL	0	0	0	0	200,572	0	200,572	848	20	0	0
ADMINISTRATION	98,050	67,906	0	61,088	7,708	1,902	236,654			0	0
TOTAL EXPENDITURES	551,288	358,535	102,714	240,610	1,258,789	12,643	2,524,579			0	0
County Indirect Costs = \$ 42,139											

**JUNIATA 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	\$ 0	\$ 0	\$ 0
Adoption Assistance	38,904	0	38,904
Subsidized Permanent Legal Custodianship	63,810	0	63,810
Counseling	276,670	0	276,670
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	102,960	0	102,960
Life Skills	0	0	0
Protective Service - Child Abuse	91,850	0	91,850
Protective Service - General	213,684	0	213,684
Service Planning	307,642	0	307,642
Juvenile Act Proceedings	78,962	0	78,962
Alternative Treatment	0	0	0
Community Residential	381,996	0	381,996
Emergency Shelter	10,755	0	10,755
Foster Family	520,120	0	520,120
Supervised Independent Living	0	0	0
Juvenile Detention Service	45,440	0	45,440
Residential Service	155,132	0	155,132
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	236,654	0	236,654
Combined Total Expense	2,524,579	0	2,524,579
Less Non-reimbursables	0	0	0
Total Net Expense	\$ 2,524,579	\$ 0	\$ 2,524,579

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 551,288	\$ 0	\$ 551,288
Employee Benefits	358,535	0	358,535
Subsidies	102,714	0	102,714
Operating	240,610	0	240,610
Purchased Services	1,258,789	0	1,258,789
Fixed Assets	12,643	0	12,643
Combined Total Expense	2,524,579	0	2,524,579
Less Non-reimbursables	0	0	0
Total Net Expense	\$ 2,524,579	\$ 0	\$ 2,524,579

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – The Juniata County 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, 2012 to June 30, 2016, we cited the Juniata 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. Agency management informed us that, during the fiscal years included in our prior engagement scope period, they verified children's names, types of service and dates of service but did not perform procedures to substantiate that the services were actually provided. We concluded that the agency did not have sufficient controls in place to obtain reasonable assurance that contracted services invoiced by In-Home Purchased Service providers were actually provided and if provided, were provided in adherence to executed contract terms.

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 May 2017, the agency developed and implemented a fiscal-related monitoring policy and procedures designed to reduce the agency's risk of paying overbilling 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.

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

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

JUNIATA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – Juniata County Children and Youth Agency Failed to Execute Written Contracts with Four In-Home Service Providers

Condition: During the conduct of our current engagement, we found the agency failed to execute written contracts with four service providers, including a residential service provider, counseling provider, and two court-appointed legal services providers that the agency used during the fiscal years included in our current engagement scope period. The agency violated the Commonwealth’s Department of Human Services (DHS) regulation requiring that contracts be executed and maintained with providers to whom clients are regularly referred and have a continuing relationship, and shall be renewed annually.

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

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

Title 55, Pa. Code § 3170.92(b) related to records maintenance, states, in part:

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

Cause: The agency fiscal staff was unaware of the Act 148 requirement to execute a contract with providers who regularly provide a service to the agency. Both the agency fiscal assistant and fiscal officer were hired during our engagement period and were in the process of learning the duties related to their positions, which includes executing contracts with providers.

Effect: The provision of services in the absence of legally binding contracts could result in misunderstandings between the agency and service providers as to the types of services requested and the approved rates to be charged for each respective service. However, based on DHS’ position that because the service costs were incurred by the agency and were considered allowable expenses during the aforementioned time frames, we did not issue adjustments to disallow the service costs.

JUNIATA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Recommendation: We recommend that the agency establish policies and procedures to ensure the agency properly executes written contracts with all In-Home service providers to which clients are regularly referred or with which the agency, juvenile court, and juvenile probation office have a continuing relationship, in accordance with DHS regulations. In addition, agency management should ensure that all DHS contracting requirements, along with the agency's established policies and procedures, are communicated to and understood by all agency staff in order to prevent future misunderstandings regarding the proper execution of contracts with providers of legal services.

Agency Response: We are aware of the finding. We will ensure all In Home Providers have contracts in the future.

Auditor's Conclusion: During our next audit of the agency, we will follow up to determine whether the agency is in compliance with DHS regulations pertaining to maintaining a current contract with all providers.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

JUNIATA 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 DHS OCYF, the Juniata County Children and Youth Agency provided in-home and placement services to 410 children residing within the County during the 2017-2018 fiscal year.

Day Treatment Centers and Child Residential Facilities

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

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).

JUNIATA 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 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.

JUNIATA 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.

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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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This report was originally distributed to the following:

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