

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

McKean County Children and Youth Agency

April 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of McKean County
McKean County Courthouse
500 West Main Street
Smethport, PA 16749

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 McKean County Children and Youth Services (agency). The purpose of this engagement is to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county for the fiscal years July 1, 2019, to June 30, 2020, and July 1, 2020 to June 30, 2021. The scope of our engagement was limited to the fiscal reports submitted to the Pennsylvania Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2020, and June 30, 2021.

Agency management is responsible for the preparation of the submitted fiscal reports, and compliance with children, youth, and families' regulations. 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. We also performed procedures 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.*). The engagement 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 McKean County.

We certify 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 2019-2020 and 2020-2021 fiscal years based on the accrual basis of accounting.¹

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

- For the **2019-2020 fiscal year**, our engagement resulted in three adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Net State Share by increasing agency expenditures by \$112,580, increasing non-reimbursable expenditures by \$80,694 and decreasing program income by \$2,571. Based on the application of the state participation rates, these three adjustments resulted in an amount due to the county totaling \$21,181.
- For the **2020-2021 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Net State Share by increasing agency expenditures by \$130,385 and increasing non-reimbursable expenditures by \$97,872. Based on the application of the state participation rates, the adjustments resulted in an amount due to the county totaling \$19,507.

This report includes the following 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.

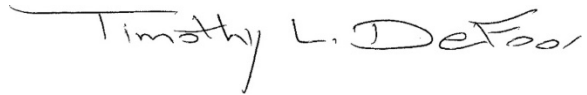
The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on March 30, 2023.

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.

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.

We appreciate the cooperation, assistance, and courtesy granted to our representatives by your officials and agency staff. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

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 from the start of the word "Timothy".

Timothy L. DeFoor
Auditor General
April 4, 2023

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BACKGROUND

The Department of the Auditor General (department) 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. The department determines 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.” The Children and Youth Social Services Program is county-administered and state-supervised by DHS, with shared responsibility 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, which includes the fiscal reports. 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.

We reviewed the final, cumulative 4th quarter fiscal reports submitted to DHS, the agency’s related financial records, and other supporting documentation. This was done to determine whether the agency’s actual, cumulative expenditures and revenues were properly reported to DHS for the respective fiscal years. The amended fiscal reports below include any adjustments we considered necessary to reflect the agency’s actual related revenue, expenditures, and net state share for each fiscal year in our engagement period.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 to JUNE 30, 2020
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	4,784,651
Supplemental Act 148			<u>0</u>
Total State Allocation			4,784,651
State Share (CY348) ²	\$		4,070,621
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,070,621
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	4,070,621
Actual Act 148 Revenues Received ⁴			<u>4,049,440</u>
Net Amount Due County/(State) ⁵		\$	<u><u>21,181</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.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2019 to JUNE 30, 2020
 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	94,522	0	8,205	0	0	0	0	0	86,317	86,317	0
02. 90% REIMBURSEMENT	57,510	0	14,900	0	0	0	0	0	42,610	38,349	4,261
03. 80% REIMBURSEMENT	5,830,396	104,955	1,107,407	35,762	44,351	28,406	0	0	4,509,515	3,607,612	901,903
04. 60% REIMBURSEMENT	595,104	1,330	68,670	0	0	0	0	1,847	523,257	313,954	209,303
05. 50% REIMBURSEMENT	49,088	0	311	0	0	0	0	0	48,777	24,389	24,388
06. TOTAL NET CHILD WELFARE EXPEND.	6,626,620	106,285	1,199,493	35,762	44,351	28,406	0	1,847	5,210,476	4,070,621	1,139,855
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	82,461	0							82,461		82,461
09. TOTAL EXPENDITURES	6,709,081	106,285	1,199,493	35,762	44,351	28,406	0	1,847	5,292,937	4,070,621	1,222,316
10. TOTAL TITLE IV-D COLLECTIONS	29,821										
11. TITLE IV-D Collections for IV-E Children	580										
12. STATE ACT 148 - line 6	4,070,621										
13. STATE ACT 148 ALLOCATION	4,784,651										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	4,070,621										
INVOICE											
AMENDED STATE SHARE (ACT 148)	4,070,621										
ACT 148 AMOUNT RECEIVED	4,049,440										
ADJUSTMENT TO STATE SHARE	21,181										

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 to JUNE 30, 2020
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	94,522	0		8,205	0		0	0	0	86,317	86,317	0
I-B ADOPTION ASSISTANCE	1,100,587	0	491,955	14,984			28,406	0	0	565,242	452,194	113,048
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	312,947	0	24,221	0			0	0	0	288,726	230,981	57,745
I-D COUNSELING - DEPENDENT	84,283	0		0	34,630	25,966	0	0	0	23,687	18,950	4,737
I-E COUNSELING - DELINQUENT	3,508	0		0	1,132	1,336	0	0	0	1,040	832	208
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	31,879	0		752	0	0	0	0	0	31,127	24,902	6,225
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOME/MAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	555,812	0		71,259	0	0	0	0	0	484,553	387,642	96,911
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	215,857	7,084		27,248	0	0	0	0	0	181,525	145,220	36,305
I-N PROTECTIVE SERVICE - GENERAL	898,573	6,340		101,839	0	17,049	0	0	0	773,545	618,676	154,669
I-O SERVICE PLANNING	218,252	0		28,168	0	0	0	0	0	190,084	152,067	38,017
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	36,308	0		311	0		0	0	0	35,997	17,999	17,998
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,552,528	13,424	516,176	252,766	35,762	44,351	28,406	0	0	2,661,643	2,135,780	525,863
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	1,276,510	19,752	114,183	17,676			0	0	0	1,124,899	899,919	224,980
2-D COMMUNITY RESIDENTIAL - DELINQUENT	227,489	9,050	47,926	0			0	0	0	170,513	136,410	34,103
2-E EMERGENCY SHELTER - DEPENDENT	57,510	0	14,316	584	0		0	0	0	42,610	38,349	4,261
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	696,255	62,729	62,479	60,022			0	0	0	511,025	408,820	102,205
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	208,444	0	44,695	0			0	0	0	163,749	130,999	32,750
2-J KINSHIP CARE - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-M SUBTOTAL CBP	2,466,208	91,531	283,599	78,282	0	0	0	0	0	2,012,796	1,614,497	398,299
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	12,780	0										
3-B RESIDENTIAL SERVICE - DEPENDENT	21,193	0		0			0	0	0	12,780	6,390	6,390
3-C RES. SERVICE - DELINQUENT (NON YDC/FC)	0	0		0			0	0	0	21,193	12,716	8,477
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0			0	0	0	0	0	0
3-E YDC SECURE	0	0		0			0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	33,973	0	0	0	0	0	0	0	0	33,973	19,106	14,867
ADMINISTRATION	573,911	1,330		68,670			0	0	1,847	502,064	301,238	200,826
TOTAL REVENUES	6,626,620	106,283	799,775	399,718	35,762	44,351	28,406	0	1,847	5,210,476	4,070,621	1,139,855

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2019 to JUNE 30, 2020
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	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
I-A ADOPTION SERVICE	44,515	18,027		31,980	0	0	94,522	46	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,102,354	0	0	0	1,102,354	0	136	0	1,767	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	312,947	0	0	0	312,947	0	49	0	0	0
I-D COUNSELING - DEPENDENT	0	0			84,283	0	84,283	0	64	0	0	0
I-E COUNSELING - DELINQUENT	0	0			3,508	0	3,508	0	14	0	0	0
I-F DAY CARE	0	0			0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		31,879	0	0	31,879	23	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0			0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	274,874	118,914		162,024	0	0	555,812	1,013	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	140,455	59,584		15,818	0	0	215,857	237	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	508,784	187,975		122,780	59,903	19,131	898,573	886	55	0	0	0
I-O SERVICE PLANNING	151,189	52,044		15,019	0	0	218,252	146	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					30,900		36,308	121	188	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,119,817	436,544	1,415,301	384,908	178,594	19,131	3,554,295			0	1,767	0
Number of Children receiving only NON-PURCHASED IN-Home Services 29												
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	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	8,117	1,268,393	0	1,276,510	6,821	42	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	211	227,278	0	227,489	860	8	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,053	54,457	0	57,510	814	35	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	218,804	100,878	0	45,619	330,954	0	696,255	10,436	62	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0	0	0	208,444	0	208,444	10,524	66	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-M SUBTOTAL CBP	218,804	100,878	0	57,000	2,089,526	0	2,466,208	29,455	213	0	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	Non-Reim. Program Income
3-A JUVENILE DETENTION SERVICE	0	0	0	0	12,780	0	12,780	48	2	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	21,193	0	21,193	107	1	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	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	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	0	33,973	0	33,973	155	3	0	0	0
4 ADMINISTRATION	243,197	102,729	0	308,679	0	0	654,605			80,694	0	0
5 TOTAL EXPENDITURES	1,581,818	640,151	1,415,301	750,587	2,302,093	19,131	6,709,081			80,694	1,767	0
County Indirect Costs = \$ 272,068												

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 to JUNE 30, 2020
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 94,522	\$ 0	\$ 94,522
Adoption Assistance	1,102,354	0	1,102,354
Subsidized Permanent Legal Custodianship	312,947	0	312,947
Counseling	87,791	0	87,791
Day Care	0	0	0
Day Treatment	31,879	0	31,879
Homemaker Service	0	0	0
Intake and Referral	555,812	0	555,812
Life Skills	0	0	0
Protective Service - Child Abuse	215,857	0	215,857
Protective Service - General	898,573	0	898,573
Service Planning	218,252	0	218,252
Juvenile Act Proceedings	36,308	0	36,308
Alternative Treatment	0	0	0
Community Residential	1,503,999	0	1,503,999
Emergency Shelter	57,510	0	57,510
Foster Family	696,255	0	696,255
Kinship Care	208,444	0	208,444
Supervised Independent Living	0	0	0
Juvenile Detention Service	12,780	0	12,780
Residential Service	21,193	0	21,193
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	542,025	112,580	654,605
Combined Total Expense	6,596,501	112,580	6,709,081
Less Non-reimbursables	1,767	80,694	82,461
Total Net Expense	\$ 6,594,734	\$ 31,886	\$ 6,626,620

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,581,818	\$ 0	\$ 1,581,818
Employee Benefits	640,151	0	640,151
Subsidies	1,415,301	0	1,415,301
Operating	638,007	112,580	750,587
Purchased Services	2,302,093	0	2,302,093
Fixed Assets	19,131	0	19,131
Combined Total Expense	6,596,501	112,580	6,709,081
Less Non-reimbursables	1,767	80,694	82,461
Total Net Expense	\$ 6,594,734	\$ 31,886	\$ 6,626,620

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 to JUNE 30, 2020
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ DECREASE	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	CY-370 Adjustments			
				Administration - Operating	\$ 196,099	\$ 112,580	\$ 308,679
				To increase expenditures by \$112,580 to properly report indirect costs and reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
CY-370	4	10	2	Administration - Non-Reimbursables Non PS\Subsidies	\$ -	\$ 80,694	\$ 80,694
				To increase non-reimbursable expenditures by \$80,694 to properly report indirect costs that exceed the 2% cost limitation amount.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
CY-370A			3	CY-370A Adjustment			
	1-M	2		Protective Services Child Abuse - Operating	\$ 7,255	\$ (171)	\$ 7,084
	1-N	2		Protective Services General - Operating	\$ 6,493	\$ (153)	\$ 6,340
	2-C	2		Community Residential (Dependent) - Operating	\$ 20,230	\$ (478)	\$ 19,752
	2-D	2		Community Residential (Delinquent) - Operating	\$ 9,269	\$ (219)	\$ 9,050
	2-G	2		Foster Family (Dependent) - Operating	\$ 64,246	\$ (1,517)	\$ 62,729
	4	2		Administration - Operating	\$ 1,363	\$ (33)	\$ 1,330
				Total Adjustment Amount		<u>\$ (2,571)</u>	
				To decrease Program Income by \$2,571 to properly report the total amount received and reconcile to the agency's final Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 to JUNE 30, 2021
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	5,211,556
Supplemental Act 148			<u>0</u>
Total State Allocation			5,211,556
State Share (CY348) ²	\$		3,989,732
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	3,989,732
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	3,989,732
Actual Act 148 Revenues Received ⁴			<u>3,970,225</u>
Net Amount Due County/(State) ⁵		\$	<u>19,507</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.

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 to JUNE 30, 2021
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	FAMILY FIRST TRANSITION ACT	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	105,620	0	8,664	0	0	0	0	0	96,956	96,956	0
02. 90% REIMBURSEMENT	51,885	0	12,464	0	0	0	0	0	39,421	35,479	3,942
03. 80% REIMBURSEMENT	5,659,118	77,951	1,118,812	35,762	44,351	28,407	0	0	4,353,835	3,483,069	870,766
04. 60% REIMBURSEMENT	689,960	1,325	87,069	0	0	0	0	2,364	599,202	359,521	239,681
05. 50% REIMBURSEMENT	31,877	0	2,463	0	0	0	0	0	29,414	14,707	14,707
06. TOTAL NET CHILD WELFARE EXPEND.	6,538,460	79,276	1,229,472	35,762	44,351	28,407	0	2,364	5,118,828	3,989,732	1,129,096

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

08. NON-REIMBURSABLE EXPENDITURES	97,872	0							97,872		97,872
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09. TOTAL EXPENDITURES	6,636,332	79,276	1,229,472	35,762	44,351	28,407	0	2,364	5,216,700	3,989,732	1,226,968
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10. TOTAL TITLE IV-D COLLECTIONS 11,446

11. TITLE IV-D Collections for IV-E Children 159

12. STATE ACT 148 - line 6 3,989,732

13. STATE ACT 148 ALLOCATION 5,211,556

14. ADJUSTED STATE SHARE (lower of 12 or 13) 3,989,732

INVOICE											
AMENDED STATE SHARE (ACT 148)	3,989,732										
ACT 148 AMOUNT RECEIVED	3,970,225										
ADJUSTMENT TO STATE SHARE	19,507										

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2020 to JUNE 30, 2021
 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	TITLE IV-B	Family First Transition Act	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A. ADOPTION SERVICE	105,620	0		8,664	0			0	0	96,956	96,956	0
1-B. ADOPTION ASSISTANCE	1,171,022	0	569,353	15,024			28,407	0	0	558,238	446,590	111,648
1-C. SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	321,770	0	35,197					0	0	286,573	229,258	57,315
1-D. COUNSELING - DEPENDENT	101,066	0			35,034	22,175		0	0	43,857	35,086	8,771
1-E. COUNSELING - DELINQUENT	2,201	0			728			0	0	1,473	1,178	295
1-F. DAY CARE	0	0						0	0	0	0	0
1-G. DAY TREATMENT - DEPENDENT	25,307	0						0	0	25,307	20,246	5,061
1-H. DAY TREATMENT - DELINQUENT	0	0						0	0	0	0	0
1-I. HOMEMAKER SERVICE	0	0						0	0	0	0	0
1-J. INTAKE & REFERRAL	426,269	0		35,339	0			0	0	390,930	312,744	78,186
1-K. LIFE SKILLS - DEPENDENT	0	0						0	0	0	0	0
1-L. LIFE SKILLS - DELINQUENT	0	0						0	0	0	0	0
1-M. PROTECTIVE SERVICE - CHILD ABUSE	221,067	9,735		24,670	0			0	0	186,662	149,330	37,332
1-N. PROTECTIVE SERVICE - GENERAL	972,631	521		104,233	0	22,176		0	0	845,701	676,561	169,140
1-O. SERVICE PLANNING	238,235	0		27,973	0			0	0	210,262	168,210	42,052
1-P. JUVENILE ACT PROCEEDINGS - DEPENDENT	31,877	0		2,463	0			0	0	29,414	14,707	14,707
1-Q. JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0						0	0	0	0	0
1-R. SUBTOTAL IN-HOME	3,617,065	10,256	604,550	218,366	35,762	44,351	28,407	0	0	2,675,373	2,150,866	524,507

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	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
2-B. ALTERNATIVE TREATMENT - DELINQUENT	0	0						0	0	0	0	0
2-C. COMMUNITY RESIDENTIAL - DEPENDENT	1,185,498	42,177	124,328	41,465				0	0	977,528	782,022	195,506
2-D. COMMUNITY RESIDENTIAL - DELINQUENT	175,952	0						0	0	175,952	140,762	35,190
2-E. EMERGENCY SHELTER - DEPENDENT	51,885	0	11,629	835	0			0	0	39,421	35,479	3,942
2-F. EMERGENCY SHELTER - DELINQUENT	0	0						0	0	0	0	0
2-G. FOSTER FAMILY - DEPENDENT	672,571	25,518	68,946	51,300				0	0	526,807	421,446	105,361
2-H. FOSTER FAMILY - DELINQUENT	0	0						0	0	0	0	0
2-I. KINSHIP CARE - DEPENDENT	145,529	0	20,984					0	0	124,545	99,636	24,909
2-J. KINSHIP CARE - DELINQUENT	0	0						0	0	0	0	0
2-K. SUP. INDEPENDENT LIVING - DEPENDENT	0	0						0	0	0	0	0
2-L. SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-M. SUBTOTAL CBP	2,231,435	67,695	225,887	93,600	0	0	0	0	0	1,844,253	1,479,345	364,908

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	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	0	0						0	0	0	0	0
3-B. RESIDENTIAL SERVICE - DEPENDENT	132,591	0	24,811	1,628				0	0	106,152	63,691	42,461
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	0	0						0	0	0	0	0
3-F. SUBTOTAL INSTITUTIONAL	132,591	0	24,811	1,628	0	0	0	0	0	106,152	63,691	42,461

4. ADMINISTRATION	557,369	1,325		60,630		0	0	0	2,364	493,050	295,830	197,220
TOTAL REVENUES	6,538,460	79,276	855,248	374,224	35,762	44,351	28,407	0	2,364	5,118,828	3,989,732	1,129,096

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
 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	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	57,197	16,513		31,910	0	0	105,620	27	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,171,022	0	0	0	1,171,022	0	152	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	321,770	0	0	0	321,770	0	44	0	0	0
1-D COUNSELING - DEPENDENT	0	0		101,066	0	0	101,066	0	60	0	0	0
1-E COUNSELING - DELINQUENT	0	0		2,201	0	0	2,201	0	8	0	0	0
1-F DAY CARE	0	0		25,307	0	0	25,307	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	190,363	89,149		145,413	0	1,344	426,269	1,335	0	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	149,749	57,328		12,544	0	1,446	221,067	256	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	587,917	223,536		113,538	40,161	7,479	972,631	1,280	40	0	0	0
1-O SERVICE PLANNING	160,311	61,598		12,172	0	4,154	238,235	650	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				1,877	30,000		31,877	4	177	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
SUBTOTAL IN-HOME	1,145,537	448,124	1,492,792	342,761	173,428	14,423	3,617,065					
	LRCNP = Legal Representation for Children in Placement = \$ 0											
	LRCNP = Legal Representation for Children in Non-Placement = \$ 0											
	Number of Children receiving only NON-PURCHASED HI 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	0	0	0	11,708	1,173,790	0	1,185,498	5,570	39	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	300	175,652	0	175,952	665	6	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	5,243	46,642	0	51,885	1,414	58	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	221,994	97,109		33,604	319,864	0	672,571	10,899	67	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	1,917	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0	0	0	145,529	0	145,529	5,623	47	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	221,994	97,109	0	50,855	1,861,477	0	2,231,435	26,088	217	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	132,591	0	132,591	519	2	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	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	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INSTITUTIONAL	0	0	0	0	132,591	0	132,591	519	2	0	0	0
ADMINISTRATION	233,175	88,992	0	333,074	0	0	655,241			97,872	0	0
TOTAL EXPENDITURES	1,600,706	634,225	1,492,792	726,690	2,167,496	14,423	6,636,332			97,872	0	0
	County Indirect Costs = \$ 304,104											

**MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 to JUNE 30, 2021
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 105,620	\$ 0	\$ 105,620
Adoption Assistance	1,171,022	0	1,171,022
Subsidized Permanent Legal Custodianship	321,770	0	321,770
Counseling	103,267	0	103,267
Day Care	0	0	0
Day Treatment	25,307	0	25,307
Homemaker Service	0	0	0
Intake and Referral	426,269	0	426,269
Life Skills	0	0	0
Protective Service - Child Abuse	221,067	0	221,067
Protective Service - General	972,631	0	972,631
Service Planning	238,235	0	238,235
Juvenile Act Proceedings	31,877	0	31,877
Alternative Treatment	0	0	0
Community Residential	1,361,450	0	1,361,450
Emergency Shelter	51,885	0	51,885
Foster Family	672,571	0	672,571
Kinship Care	145,529	0	145,529
Supervised Independent Living	0	0	0
Juvenile Detention Service	0	0	0
Residential Service	132,591	0	132,591
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	<u>524,856</u>	<u>130,385</u>	<u>655,241</u>
Combined Total Expense	<u>6,505,947</u>	<u>130,385</u>	<u>6,636,332</u>
Less Non-reimbursables	<u>0</u>	<u>97,872</u>	<u>97,872</u>
Total Net Expense	<u>\$ 6,505,947</u>	<u>\$ 32,513</u>	<u>\$ 6,538,460</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,600,706	\$ 0	\$ 1,600,706
Employee Benefits	634,225	0	634,225
Subsidies	1,492,792	0	1,492,792
Operating	596,305	130,385	726,690
Purchased Services	2,167,496	0	2,167,496
Fixed Assets	<u>14,423</u>	<u>0</u>	<u>14,423</u>
Combined Total Expense	<u>6,505,947</u>	<u>130,385</u>	<u>6,636,332</u>
Less Non-reimbursables	<u>0</u>	<u>97,872</u>	<u>97,872</u>
Total Net Expense	<u>\$ 6,505,947</u>	<u>\$ 32,513</u>	<u>\$ 6,538,460</u>

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 to JUNE 30, 2021
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	CY-370 Adjustments			
				Administration - Operating	\$ 202,689	\$ 130,385	\$ 333,074
				To increase expenditures by \$130,385 to properly report indirect costs and reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			
CY-370	4	10	2	Administration - Non-Reimbursables Non PS/Sub.	\$ -	\$ 97,872	\$ 97,872
				To increase non-reimbursable expenditures by \$97,872 to properly report indirect costs which exceed the 2% cost limitation amount.			
				Title 55 PA Code, Chapter 3170.95(a)(b) CY&F Bulletin 00-95-02			

SECTION 3

CURRENT ENGAGEMENT OBSERVATION

MCKEAN 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 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

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.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

method to ensure certification monitoring is being performed adequately. DHS staff also stated these expectations were communicated to C&Y agencies on numerous occasions since 2016.

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to then DHS Deputy Secretary for Children, Youth and Families, which was also delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs. 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.

MCKEAN 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 have not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS is especially concerning considering DHS as the oversight agency could remain unaware of improper monitoring being performed by a C&Y agency and/or non-compliance with the CPSL occurring despite receiving an audit report disclosing such information. 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 each C&Y agency's monitoring to ensure the agency's contracted providers and their subcontractors complied with CPSL certification requirements. The process would include reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.¹

Conclusion

As the oversight agency, it is our opinion that DHS should ensure that every C&Y agency and its respective contracted providers are actually adhering to the CPSL certification requirements.

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

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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 often times 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.

MCKEAN COUNTY CHILDREN AND YOUTH AGENCY
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