

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2018 to June 30, 2019

July 1, 2019 to June 30, 2020

Northumberland County Children and Youth Agency

May 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Northumberland County
Northumberland County Administration Center
399 South Fifth Street
Sunbury, PA 17801

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 Northumberland 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, 2018 to June 30, 2019, and July 1, 2019 to June 30, 2020. 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, 2019, and June 30, 2020.

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 Northumberland 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 2018-2019 and 2019-2020 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 **2018-2019 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Net State Share by decreasing revenue by \$6,026. There is no impact on the Net State Share and no amount is due to the county or state because the agency's expenditures exceeded the total state Act 148 allocation by \$4,821 and the agency cannot receive state reimbursement in excess of the total state Act 148 allocation.
- For the **2019-2020 fiscal year**, our engagement resulted in two adjustments made to the agency's submitted fiscal reports. These adjustments in total affected the agency's Net State Share by decreasing agency expenditures by \$735 and increasing revenue by \$3,955. Based on the application of the state participation rates, the adjustments resulted in an amount due to the state totaling \$3,179.

This report includes the following finding and observation.

Finding – Northumberland County Juvenile Probation Agency Failed to Execute a Purchase of Service Agreement with a County Juvenile Justice Center.

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.

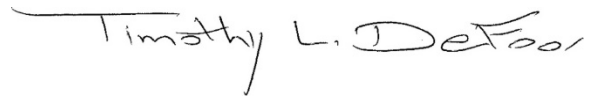
The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on April 20, 2022.

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 to the left of the first letter.

Timothy L. DeFoor
Auditor General
April 27, 2022

CONTENTS

	Page
<u>Background</u>	1
<u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2018 to June 30, 2019</u>	
Amended Computation of Final Net State Share	3
Amended CY-348 - Fiscal Summary	4
Amended CY-370A - Revenue Report	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments	7
Adjustment Schedule	8
<u>Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2019 to June 30, 2020</u>	
Amended Computation of Final Net State Share	10
Amended CY-348 - Fiscal Summary	11
Amended CY-370A - Revenue Report	12
Amended CY-370 - Expenditure Report.....	13
Amended Summary of Expense and Expense Adjustments	14
Adjustment Schedule	15
<u>Section 3 – Status of Prior Engagement Finding and Recommendations</u>	17
<u>Section 4 – Current Engagement Findings and Recommendations</u>	20
<u>Section 5 – Current Engagement Observation</u>	22
<u>Report Distribution List</u>	26

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, 2018 to JUNE 30, 2019

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

Approved State Allocation ¹	\$	6,825,497
Supplemental Act 148		<u>132,246</u>
Total State Allocation		6,957,743
State Share (CY348) ²	\$	6,962,564
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	6,962,564
Less: Expenditures in Excess of the Approved State Allocation		<u>4,821</u>
Final Net State Share Payable ³	\$	6,957,743
Actual Act 148 Revenues Received ⁴		<u>6,957,743</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 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 No amount is due to the County or State because the Children and Youth Agency's State Share expenditures exceeded the Total State Act 148 Allocation by \$4,821, as detailed on this page. The agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share of Expenditures.

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	Demonstration	ASSISTANCE	TOTAL	ACT 148	SHARE
							Project Title IV-E				
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	360,008	0	58,567	0	0	0	0	0	301,441	301,441	0
02. 90% REIMBURSEMENT	121,384	0	16,230	0	0	0	0	0	105,154	94,638	10,516
03. 80% REIMBURSEMENT	10,462,443	329,053	2,523,606	53,422	94,078	22,609	0	0	7,439,675	5,951,741	1,487,934
04. 60% REIMBURSEMENT	1,060,801	18,950	116,295	0	0	0	0	3,329	922,227	553,337	368,890
05. 50% REIMBURSEMENT	124,395	1,582	0	0	0	0	0	0	122,813	61,407	61,406
06. TOTAL NET CHILD WELFARE EXPEND.	12,129,031	349,585	2,714,698	53,422	94,078	22,609	0	3,329	8,891,310	6,962,564	1,928,746
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	25,803	2,952							22,851	13,711	9,140
08. NON-REIMBURSABLE EXPENDITURES	907	0							907		907
09. TOTAL EXPENDITURES	12,155,741	352,537	2,714,698	53,422	94,078	22,609	0	3,329	8,915,068	6,976,275	1,938,793
10. TOTAL TITLE IV-D COLLECTIONS	180,031										
11. TITLE IV-D Collections for IV-E Children	56,003										
12. STATE ACT 148 - line 6	6,962,564										
13. STATE ACT 148 ALLOCATION	6,957,743										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	6,957,743										
INVOICE											
AMENDED STATE SHARE (ACT 148)	6,962,564										
ACT 148 AMOUNT RECEIVED	6,957,743										
ADJUSTMENT TO STATE SHARE	4,821										

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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	360,008	0		58,567	0		0	0	0	301,441	654,939	163,735
1-B ADOPTION ASSISTANCE	1,579,419	0	733,329	27,416			0	0	0	818,674	236,334	59,083
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	429,264	0	133,847				0	0	0	295,417	59,864	14,966
1-D COUNSELING - DEPENDENT	74,830	0		0	0	0	0	0	0	74,830	27,262	6,815
1-E COUNSELING - DELINQUENT	34,077	0		0	0	0	0	0	0	34,077	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	16,044	0		0	0	0	0	0	0	16,044	12,835	3,209
1-H DAY TREATMENT - DELINQUENT	90,649	0		0	53,422	0	0	0	0	37,227	29,782	7,445
1-I HOMEMAKER SERVICE	296,865	40,000		0	94,078	22,609	0	0	0	140,178	112,142	28,036
1-J INTAKE & REFERRAL	0	0		0	0	0	0	0	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	509,247	0		81,040	0	0	0	0	0	428,207	342,566	85,641
1-N PROTECTIVE SERVICE - GENERAL	1,203,710	0		195,734	0	0	0	0	0	1,007,976	806,381	201,595
1-O SERVICE PLANNING	1,165,657	0		189,618	0	0	0	0	0	976,039	780,831	195,208
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	73,365	0			0		0	0	0	73,365	36,683	36,682
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	5,833,135	40,000	867,176	552,375	53,422	94,078	22,609	0	0	4,203,475	3,401,060	802,415

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	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
2-C COMMUNITY RESIDENTIAL - DEPENDENT	350,852	23,115	41,500	0			0	0	0	286,237	228,990	57,247
2-D COMMUNITY RESIDENTIAL - DELINQUENT	408,301	13,739	24,635	0			0	0	0	369,927	295,942	73,985
2-E EMERGENCY SHELTER - DEPENDENT	114,807	0	16,230	0	0	0	0	0	0	98,577	88,719	9,858
2-F EMERGENCY SHELTER - DELINQUENT	6,577	0	0	0	0	0	0	0	0	6,577	5,919	658
2-G FOSTER FAMILY - DEPENDENT	4,274,037	249,747	497,623	598,333			0	0	0	2,928,314	2,342,651	585,663
2-H FOSTER FAMILY - DELINQUENT	29,491	2,452	511	0			0	0	0	26,528	21,222	5,306
2-I SUP. INDEPENDENT LIVING - DEPENDENT	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
2-K SUBTOTAL CBP	5,184,065	289,053	580,499	598,333	0	0	0	0	0	3,716,160	2,983,443	732,717

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	51,030	1,582					0	0	0	49,448	24,724	24,724
3-B RESIDENTIAL SERVICE - DEPENDENT	317,447	4,907	56,982	0			0	0	0	255,558	153,335	102,223
3-C RES. SERVICE - DELINQUENT (NON YDC/VFC)	215,780	6,002	0	0			0	0	0	209,778	125,867	83,911
3-D SECURE RES. SERVICE (EXCEPT YDC)	162,367	8,041					0	0	0	154,326	92,596	61,730
3-E YDC SECURE	25,803	2,952					0	0	0	22,851	13,711	9,140
3-F SUBTOTAL INSTITUTIONAL	772,427	23,484	56,982	0	0	0	0	0	0	691,961	410,233	281,728
4 ADMINISTRATION	365,207	0		59,313			0	0	3,329	302,565	181,539	121,026
TOTAL REVENUES	12,154,834	352,537	1,504,657	1,210,041	53,422	94,078	22,609	0	3,329	8,914,161	6,976,275	1,937,886

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED CV370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SERVICES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON PS SUB.	NON-REIM. PURCHASED SERV/ SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON- REIMBURSABLE
IN-HOME												
1-A ADOPTION SERVICE	175,559	98,479		79,493	0	6,477	360,008	303	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	1,579,419	0	0	0	1,579,419	0	256	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SHI	0	0	429,264	0	0	0	429,264	0	57	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	74,830	0	74,830	0	29	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	34,077	0	34,077	0	19	0	0	0
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	16,044	0	16,044	0	2	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	90,649	0	90,649	0	12	0	0	0
1-I HOME/MAKER SERVICE	151,951	93,738		46,194	0	4,982	296,865	204	0	0	0	0
1-J INTAKE & REFERRAL	0	0	0	0	0	0	0	0	0	0	0	0
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	266,304	135,718		92,239	11,000	3,986	509,247	524	103	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	692,612	308,007		187,272	374	15,445	1,203,710	823	4	0	0	0
1-O SERVICE PLANNING	659,522	373,462		123,704	0	8,969	1,165,657	1,040	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	73,365		73,365	0	335	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,945,948	1,009,404	2,008,683	528,902	300,339	39,859	5,833,135					
Number of Children receiving only NON-PURCHASED IN-Home Services: 2,787												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	1,144	349,708	0	350,852	1,987	12	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	782	407,519	0	408,301	1,713	9	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	6,505	108,302	0	114,807	2,682	114	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	1,055	5,522	0	6,577	155	10	0	0	0
2-G FOSTER FAMILY - DEPENDENT	644,385	359,557		316,593	2,945,371	8,969	4,274,875	65,602	279	838	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	3,209	26,282	0	29,491	754	8	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	644,385	359,557	0	329,288	3,842,704	8,969	5,184,903	72,893	432	838	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	51,030	0	51,030	191	14	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	837	316,610	0	317,447	1,132	10	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	655	215,125	0	215,780	969	7	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	162,367	0	162,367	482	3	0	0	0
3-E YDC SECURE	0	0	0	0	25,803	0	25,803	47	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	1,492	770,935	0	772,427	2,821	35	0	0	0
ADMINISTRATION	66,836	39,633	0	257,811	0	996	365,276			69	0	0
TOTAL EXPENDITURES	2,657,169	1,408,594	2,008,683	1,117,493	4,913,978	49,824	12,155,741			907	0	0
County Indirect Costs = \$ 203,612												

**NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED**

SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 360,008	\$ 0	\$ 360,008
Adoption Assistance	1,579,419	0	1,579,419
Subsidized Permanent Legal Custodianship	429,264	0	429,264
Counseling	108,907	0	108,907
Day Care	0	0	0
Day Treatment	106,693	0	106,693
Homemaker Service	296,865	0	296,865
Intake and Referral	0	0	0
Life Skills	0	0	0
Protective Service - Child Abuse	509,247	0	509,247
Protective Service - General	1,203,710	0	1,203,710
Service Planning	1,165,657	0	1,165,657
Juvenile Act Proceedings	73,365	0	73,365
Alternative Treatment	0	0	0
Community Residential	759,153	0	759,153
Emergency Shelter	121,384	0	121,384
Foster Family	4,304,366	0	4,304,366
Supervised Independent Living	0	0	0
Juvenile Detention Service	51,030	0	51,030
Residential Service	533,227	0	533,227
Secure Residential Service (Except YDC)	162,367	0	162,367
YDC Secure	25,803	0	25,803
Administration	365,276	0	365,276
Combined Total Expense	<u>12,155,741</u>	<u>0</u>	<u>12,155,741</u>
Less Non-reimbursables	<u>907</u>	<u>0</u>	<u>907</u>
Total Net Expense	<u>\$ 12,154,834</u>	<u>\$ 0</u>	<u>\$ 12,154,834</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,657,169	\$ 0	\$ 2,657,169
Employee Benefits	1,408,594	0	1,408,594
Subsidies	2,008,683	0	2,008,683
Operating	1,117,493	0	1,117,493
Purchased Services	4,913,978	0	4,913,978
Fixed Assets	49,824	0	49,824
Combined Total Expense	<u>12,155,741</u>	<u>0</u>	<u>12,155,741</u>
Less Non-reimbursables	<u>907</u>	<u>0</u>	<u>907</u>
Total Net Expense	<u>\$ 12,154,834</u>	<u>\$ 0</u>	<u>\$ 12,154,834</u>

**NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370A	2-G	2	1	<p style="text-align: center;">CY-370A Adjustment</p> <p>Foster Family (Dependent) - Program Income</p> <p>To decrease Program Income by \$6,026 to report refunded parental support payments which were not included on the agency's submitted CY-370A Revenue Report.</p> <p>Title 55 PA Code Chapter 3170.95(a)(b)</p>	\$ 255,773	\$ (6,026)	\$ 249,747

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

**NORTHUMBERLAND 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		\$	7,587,202
Supplemental Act 148			<u>0</u>
Total State Allocation			7,587,202
State Share (CY348) ²	\$		6,489,715
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	6,489,715
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	6,489,715
Actual Act 148 Revenues Received ⁴			<u>6,492,894</u>
Net Amount Due County/(State) ⁵		\$	<u>(3,179)</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.

NORTHUMBERLAND 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	PROGRAM	TITLE	TANF	TITLE	TITLE	CHI Welfare	MEDICAL	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B	Demonstration	ASSISTANCE	TOTAL	ACT 148	SHARE
							Project Title IV-E				
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	353,897	0	55,891	0	0	0	0	0	298,006	298,006	0
02. 90% REIMBURSEMENT	71,777	0	7,642	0	0	0	0	0	64,135	57,722	6,413
03. 80% REIMBURSEMENT	9,674,251	324,938	2,385,792	53,422	94,078	22,609	0	0	6,793,412	5,434,730	1,358,682
04. 60% REIMBURSEMENT	1,207,577	36,510	94,458	0	0	0	0	3,677	1,072,932	643,760	429,172
05. 50% REIMBURSEMENT	110,993	0	0	0	0	0	0	0	110,993	55,497	55,496
06. TOTAL NET CHILD WELFARE EXPEND.	11,418,495	361,448	2,543,783	53,422	94,078	22,609	0	3,677	8,339,478	6,489,715	1,849,763

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

08. NON-REIMBURSABLE EXPENDITURES	4,408	0							4,408		4,408
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09. TOTAL EXPENDITURES	11,422,903	361,448	2,543,783	53,422	94,078	22,609	0	3,677	8,343,886	6,489,715	1,854,171
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10. TOTAL TITLE IV-D COLLECTIONS	178,694										
11. TITLE IV-D Collections for IV-E Children	63,857										
12. STATE ACT 148 - line 6	6,489,715										
13. STATE ACT 148 ALLOCATION	7,587,202										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	6,489,715										

INVOICE											
AMENDED STATE SHARE (ACT 148)	6,489,715										
ACT 148 AMOUNT RECEIVED	6,492,894										
ADJUSTMENT TO STATE SHARE	(3,179)										

NORTHUMBERLAND 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	353,897	0	0	55,891	0	0	0	0	0	298,006	0	0
I-B ADOPTION ASSISTANCE	1,884,604	0	935,060	23,589	0	0	0	0	0	925,955	740,764	185,191
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	415,212	0	140,427	0	0	0	0	0	0	275,085	220,068	55,017
I-D COUNSELING - DEPENDENT	98,606	0	0	0	0	0	0	0	0	98,606	78,883	19,721
I-E COUNSELING - DELINQUENT	24,531	0	0	0	0	0	0	0	0	24,531	19,625	4,906
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	5,616	0	0	0	0	0	0	0	0	5,616	4,493	1,123
I-H DAY TREATMENT - DELINQUENT	75,750	0	0	0	53,422	0	0	0	0	22,328	17,862	4,466
I-I HOMEMAKER SERVICE	269,591	40,000	0	0	0	94,078	22,609	0	0	112,904	90,323	22,581
I-J INTAKE & REFERRAL	0	0	0	0	0	0	0	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	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	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	465,844	0	0	72,263	0	0	0	0	0	393,581	314,865	78,716
I-N PROTECTIVE SERVICE - GENERAL	1,379,404	0	0	217,852	0	0	0	0	0	1,161,552	929,242	232,310
I-O SERVICE PLANNING	1,123,242	0	0	177,207	0	0	0	0	0	946,035	756,828	189,207
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	52,253	0	0	0	0	0	0	0	0	52,253	26,127	26,126
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	6,148,850	40,000	1,075,487	546,802	53,422	94,078	22,609	0	0	4,316,452	3,497,088	819,364
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	329,036	23,578	15,719	0	0	0	0	0	0	289,739	231,791	57,948
2-D COMMUNITY RESIDENTIAL - DELINQUENT	193,310	11,196	3,982	470	0	0	0	0	0	177,662	142,130	35,532
2-E EMERGENCY SHELTER - DEPENDENT	66,653	0	7,642	0	0	0	0	0	0	59,011	53,110	5,901
2-F EMERGENCY SHELTER - DELINQUENT	5,124	0	0	0	0	0	0	0	0	5,124	4,612	512
2-G FOSTER FAMILY - DEPENDENT	3,048,662	245,493	240,615	455,251	0	0	0	0	0	2,107,303	1,685,842	421,461
2-H FOSTER FAMILY - DELINQUENT	23,057	4,671	0	0	0	0	0	0	0	18,386	14,709	3,677
2-I KINSHIP CARE - DEPENDENT	337,486	0	103,357	0	0	0	0	0	0	234,129	187,303	46,826
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	4,003,328	284,938	371,315	455,721	0	0	0	0	0	2,891,354	2,319,497	571,857
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	58,740	0	0	0	0	0	0	0	0	58,740	29,370	29,370
3-B RESIDENTIAL SERVICE - DEPENDENT	399,299	16,995	36,251	0	0	0	0	0	0	346,053	207,632	138,421
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	224,258	7,967	0	0	0	0	0	0	0	216,291	129,775	86,516
3-D SECURE RES. SERVICE (EXCEPT YDC)	218,283	9,518	0	0	0	0	0	0	0	208,765	125,259	83,506
3-E YDC SECURE	900,380	34,480	36,251	0	0	0	0	0	0	829,849	492,036	337,813
3-F SUBTOTAL INSTITUTIONAL	900,380	34,480	36,251	0	0	0	0	0	0	829,849	492,036	337,813
ADMINISTRATION	365,737	2,030	0	58,207	0	0	0	0	0	301,823	181,094	120,729
TOTAL REVENUES	11,418,495	361,448	1,483,053	1,060,730	53,422	94,078	22,609	0	3,677	8,339,478	6,489,715	1,849,763

NORTHUMBERLAND 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
	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING SUBSIDIES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME												
I-A ADOPTION SERVICE	179,588	99,411	0	72,185	0	2,713	353,897	277	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,885,976	0	0	0	1,885,976	0	284	0	1,372	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	0	0	418,548	0	0	0	418,548	0	57	0	3,036	0
I-D COUNSELING - DEPENDENT	0	0	0	0	98,606	0	98,606	0	43	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	0	24,531	0	24,531	0	23	0	0	0
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	5,616	0	5,616	0	1	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	75,750	0	75,750	0	12	0	0	0
I-I HOME/MAKER SERVICE	127,406	95,674	0	44,476	0	2,035	269,591	220	0	0	0	0
I-J INTAKE & REFERRAL	0	0	0	0	0	0	0	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	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	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	236,109	123,514	0	93,334	10,400	2,487	465,844	726	111	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	806,529	390,137	0	176,182	0	6,556	1,379,404	823	0	0	0	0
I-O SERVICE PLANNING	644,356	351,977	0	122,388	0	4,521	1,123,242	2,257	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	52,253	0	52,253	0	238	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	1,993,988	1,060,713	2,304,524	508,565	267,156	18,312	6,133,258	0	0	0	4,408	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	329,036	0	329,036	1,700	9	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	354	192,956	0	193,310	828	6	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,866	62,787	0	66,653	1,716	75	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	376	4,748	0	5,124	138	10	0	0	0
2-G FOSTER FAMILY - DEPENDENT	657,328	357,098	0	223,612	1,806,781	3,843	3,048,662	31,430	143	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	2,190	20,867	0	23,057	619	8	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0	0	0	337,486	0	337,486	14,022	75	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	657,328	357,098	0	230,398	2,754,661	3,843	4,003,328	50,453	326	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	58,740	0	58,740	213	20	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	3,420	395,879	0	399,299	1,811	10	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YC)	0	0	0	259	223,999	0	224,258	1,253	8	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	218,283	0	218,283	605	4	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	3,679	896,901	0	900,580	3,882	42	0	0	0
ADMINISTRATION	73,342	39,849	0	252,093	0	453	365,737	0	0	0	0	0
TOTAL EXPENDITURES	2,724,658	1,457,660	2,304,524	994,735	3,918,718	22,608	11,422,903	0	0	0	4,408	0
County Indirect Costs = \$ 200,573												

**NORTHUMBERLAND 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	\$ 353,897	\$ 0	\$ 353,897
Adoption Assistance	1,886,661	(685)	1,885,976
Subsidized Permanent Legal Custodianship	418,548	0	418,548
Counseling	123,137	0	123,137
Day Care	0	0	0
Day Treatment	81,366	0	81,366
Homemaker Service	269,591	0	269,591
Intake and Referral	0	0	0
Life Skills	0	0	0
Protective Service - Child Abuse	465,844	0	465,844
Protective Service - General	1,379,454	(50)	1,379,404
Service Planning	1,123,242	0	1,123,242
Juvenile Act Proceedings	52,253	0	52,253
Alternative Treatment	0	0	0
Community Residential	522,346	0	522,346
Emergency Shelter	71,777	0	71,777
Foster Family	3,071,719	0	3,071,719
Kinship Care	337,486	0	337,486
Supervised Independent Living	0	0	0
Juvenile Detention Service	58,740	0	58,740
Residential Service	623,557	0	623,557
Secure Residential Service (Except YDC)	218,283	0	218,283
YDC Secure	0	0	0
Administration	365,737	0	365,737
Combined Total Expense	<u>11,423,638</u>	<u>(735)</u>	<u>11,422,903</u>
Less Non-reimbursables	<u>4,408</u>	<u>0</u>	<u>4,408</u>
Total Net Expense	<u>\$ 11,419,230</u>	<u>\$ (735)</u>	<u>\$ 11,418,495</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 2,724,658	\$ 0	\$ 2,724,658
Employee Benefits	1,457,660	0	1,457,660
Subsidies	2,305,209	(685)	2,304,524
Operating	994,785	(50)	994,735
Purchased Services	3,918,718	0	3,918,718
Fixed Assets	22,608	0	22,608
Combined Total Expense	<u>11,423,638</u>	<u>(735)</u>	<u>11,422,903</u>
Less Non-reimbursables	<u>4,408</u>	<u>0</u>	<u>4,408</u>
Total Net Expense	<u>\$ 11,419,230</u>	<u>\$ (735)</u>	<u>\$ 11,418,495</u>

**NORTHUMBERLAND 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	1-B	3	1	CY-370 Adjustment			
	1-N	4		Adoption Assistance - Subsidies	\$ 1,886,661	\$ (685)	\$ 1,885,976
				Protective Service General - Operating	\$ 176,232	\$ (50)	\$ 176,182
				Total Adjustment Amount		<u>\$ (735)</u>	
				To decrease expenditures by \$685 to eliminate an adoption subsidy overpayment and eliminate a \$50 error on the CY-370 Expenditure Report.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A			2	CY-370A Adjustment			
	2-G	2		Foster Family (Dependent) - Program Income	\$ 244,508	\$ 985	\$ 245,493
	2-H	2		Foster Family (Delinquent) - Program Income	\$ 4,566	\$ 105	\$ 4,671
	3-B	2		Residential Service (Dependent) - Program Income	\$ 16,913	\$ 82	\$ 16,995
	3-D	2		Secure Residential Service - Program Income	\$ 8,725	\$ 793	\$ 9,518
	4	2		Administration - Program Income	\$ 40	\$ 1,990	\$ 2,030
				Total Adjustment Amount		<u>\$ 3,955</u>	
				To increase program income by \$3,955 to include Social Security income not reported on the CY-370A Revenue Report submitted to Commonwealth DHS and reconcile to the agency's Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

The prior report included the following finding:

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

In our prior engagement report, for the fiscal years July 1, 2016, to June 30, 2018, we cited the agency for failing to develop and implement internal control policies and procedures to require adequate supporting documentation evidencing that services related to fees invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms.

During the conduct of our current engagement, we obtained evidence substantiating that, as of August 24, 2018, the agency developed and implemented fiscal-related monitoring policy and procedures designed to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

The agency's fiscal-related monitoring policy for In-Home Purchased Service providers requires an annual monitoring visit be performed for each regularly used provider. The agency Administrator or Director of Social Services conduct the reviews in which the invoices are selected and at least two cases are randomly selected for review. Provider supporting documentation (e.g. case notes, ledgers, mileage statements, receipts) are compared to invoices and an on-site monitoring report is prepared if problems are found. The provider is contacted and has 15 days to respond and, if applicable, provide a plan of correction and refund money to the agency.

To assess the sufficiency of these procedures, we reviewed several In-Home provider monitoring reviews and verified the agency obtained sufficient documentation to verify the invoiced number of units and/or operating costs.

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

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – Northumberland County Juvenile Probation Agency Failed to Execute a Purchase of Service Agreement with a County Juvenile Justice Center

Condition: We found that the Northumberland County Juvenile Probation Agency failed to execute a purchase of service agreement with a County Juvenile Justice Center for the 2019-2020 fiscal year. The agency violated the Commonwealth’s Department of Human Services (DHS) regulation requiring that written agreements be executed with providers to whom clients are regularly referred or with whom the agency, juvenile court and juvenile probation office have a continuing relationship.

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.
- Cause: According to agency management, in August 2019, there was communication with the provider regarding the contract. Agency personnel indicated the provider stated a contract was to be emailed, but it was never received and it was an oversight that follow-up was not performed.
- Effect: The agency’s failure to execute a purchase of service agreement with a regularly used provider resulted in services being rendered in the absence of a legally binding contract which was not in conformance with DHS regulations and could have resulted in misunderstandings between children and youth and/or juvenile probation and the service provider 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 2019-2020 fiscal year, we did not issue adjustments to disallow these costs.
- Recommendation: The Northumberland County Children and Youth Agency and Juvenile Probation Agency should review the applicable regulations and establish policies and procedures to ensure that Purchased of Service Agreements are properly executed with all providers, in accordance with DHS’ requirements. In addition, agency management should

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

ensure that all DHS contracting requirements, along with the agency's established policies and procedures, are communicated to and understood by all agency staff.

Agency Response: The Northumberland County Children & Youth Administrator will meet with the County Chief Probation Officer and Juvenile Deputy Chief Probation Officer and request the juvenile probation department provide their contract monitoring policy to the fiscal department. In addition, a current list of contracts will be requested.

Auditor's Conclusion: We commend the agency for its proposed corrective action with respect to the proper execution of purchase of service agreements with all regularly used providers. We will follow up on implementation during our next audit of the agency.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

NORTHUMBERLAND 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.

NORTHUMBERLAND 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.

NORTHUMBERLAND 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

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

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Conclusion

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

NORTHUMBERLAND COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania

The Honorable Megan Snead
Acting Secretary
Department of Human Services

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

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

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

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

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

The Commissioners of Northumberland County

Ms. Katrina Gownley
Administrator
Northumberland County Children & Youth Agency

Ms. Kimberly Boyer
Fiscal Officer
Northumberland County Children & Youth Agency

Mr. Chris Grayson
Controller
Northumberland County

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

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

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

Ms. Melissa Erazo
Director
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

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