

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2018 to June 30, 2019

July 1, 2019 to June 30, 2020

Potter County Children and Youth Agency

May 2022



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 Potter County
Gunzburger Building
One North Main Street
Coudersport, PA 16915

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 Potter 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 Potter 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 no adjustments made to the agency's submitted fiscal reports.
- For the **2019-2020 fiscal year**, our engagement resulted in one adjustment made to the agency's submitted fiscal reports. This adjustment in total affected the agency's Net State Share by increasing revenue by \$205. Based on the application of the state participation rates, the one adjustment resulted in an amount due to the state totaling \$162.

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.

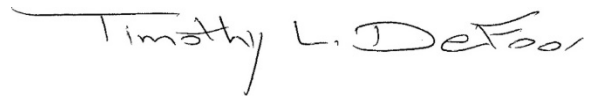
The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on April 5, 2022.

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 21, 2022

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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, 2018 to JUNE 30, 2019

**POTTER 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		\$	781,553
Supplemental Act 148			<u>0</u>
Total State Allocation			781,553
State Share (CY348) ²	\$		732,386
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	732,386
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	732,386
Actual Act 148 Revenues Received ⁴			<u>732,386</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 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.

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

A	B	C	D	E	F	G	H	I	J	K
GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES										
01. 100% REIMBURSEMENT	8,833	0	1,046	0	0	0	0	7,787	7,787	0
02. 90% REIMBURSEMENT	24,519	1,245	2,220	102	0	6,606	0	14,346	12,912	1,434
03. 80% REIMBURSEMENT	936,531	10,014	132,595	0	27,409	19,816	0	746,697	597,359	149,338
04. 60% REIMBURSEMENT	216,747	897	26,384	0	0	0	681	188,785	113,271	75,514
05. 50% REIMBURSEMENT	3,049	810	126	0	0	0	0	2,113	1,057	1,056
06. TOTAL NET CHILD WELFARE EXPEND.	1,189,679	12,966	162,371	102	27,409	26,422	681	959,728	732,386	227,342

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

08. NON-REIMBURSABLE EXPENDITURES	0	0						0		0
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09. TOTAL EXPENDITURES	1,189,679	12,966	162,371	102	27,409	26,422	681	959,728	732,386	227,342
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10. TOTAL TITLE IV-D COLLECTIONS 12,269

11. TITLE IV-D Collections for IV-E Children 2,412

12. STATE ACT 148 - line 6 732,386

13. STATE ACT 148 ALLOCATION 781,553

14. ADJUSTED STATE SHARE (lower of 12 or 13) 732,386

INVOICE	
AMENDED STATE SHARE (ACT 148)	732,386
ACT 148 AMOUNT RECEIVED	732,386
ADJUSTMENT TO STATE SHARE	0

POTTER 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												
I-A ADOPTION SERVICE	8,833	0	1,046	0	0	0	0	0	0	7,787	7,787	0
I-B ADOPTION ASSISTANCE	34,493	0	12,579	1,000	0	0	0	0	0	20,914	16,731	4,183
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	0	0	0	0	0	0	0	0	0	0
I-D COUNSELING - DEPENDENT	21	0	0	0	0	0	0	0	0	0	18	4
I-E COUNSELING - DELINQUENT	15,472	211	0	0	0	1,985	6,604	0	0	6,672	5,338	1,334
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	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	8,446	0	1,132	0	0	0	0	0	0	7,314	5,851	1,463
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	103,739	0	11,397	0	0	0	0	0	0	92,342	73,874	18,468
I-N PROTECTIVE SERVICE - GENERAL	346,232	0	40,616	0	0	25,424	0	0	0	280,192	224,154	56,038
I-O SERVICE PLANNING	286,577	0	35,245	0	0	0	0	0	0	251,332	201,066	50,266
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	889	0	126	0	0	0	0	0	0	763	382	381
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	804,702	211	12,579	90,565	0	27,409	6,604	0	0	667,334	535,197	132,137
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	3,890	0	454	0	0	0	0	0	0	3,436	2,749	687
2-D COMMUNITY RESIDENTIAL - DELINQUENT	68,142	2,656	14,755	8	0	0	13,212	0	0	37,511	30,009	7,502
2-E EMERGENCY SHELTER - DEPENDENT	12,797	648	0	149	102	0	6,606	0	0	5,292	4,763	529
2-F EMERGENCY SHELTER - DELINQUENT	11,722	597	2,071	0	0	0	0	0	0	9,054	8,149	905
2-G FOSTER FAMILY - DEPENDENT	58,287	5,025	6,565	4,548	0	0	0	0	0	42,149	33,719	8,430
2-H FOSTER FAMILY - DELINQUENT	11,232	2,122	4,220	73	0	0	0	0	0	4,817	3,854	963
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	166,070	11,048	27,611	5,232	102	0	19,818	0	0	102,259	83,243	19,016
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	2,160	810	0	324	0	0	0	0	0	1,350	675	675
3-B RESIDENTIAL SERVICE - DEPENDENT	2,836	0	0	0	0	0	0	0	0	2,512	1,507	1,005
3-C RES. SERVICE - DELINQUENT (NON 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	4,996	810	0	324	0	0	0	0	0	3,862	2,182	1,680
ADMINISTRATION	213,911	897	0	26,060	0	0	0	0	681	186,273	111,764	74,509
TOTAL REVENUES	1,189,679	12,966	40,190	122,181	102	27,409	26,422	0	681	959,728	732,386	227,342

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non- Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME												
I-A ADOPTION SERVICE	4,084	2,129		2,620	0	0	8,833	5	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	34,493	0	0	0	34,493	0	4	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	0	0	0	0	0	0	0	0	0	0
I-D COUNSELING - DEPENDENT	0	0		21	0	0	21	0	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0		15,472	0	0	15,472	0	1	0	0	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	5,226	2,735		485	0	0	8,446	458	0	0	0	0
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	51,614	27,011		25,042	72	0	103,739	126	2	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	207,275	108,480		30,477	0	0	346,232	384	0	0	0	0
I-O SERVICE PLANNING	183,619	96,105		6,853	0	0	286,577	194	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT							889	2	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT							0	0	0	0	0	0
I-R	451,818	236,460	34,493	66,387	15,544	0	804,702					0
SUBTOTAL IN-HOME						262						
	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	2,043	1,070	0	777	0	0	3,890	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	78	68,064	0	68,142	340	2	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	1,203	11,594	0	12,797	63	3	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	11,722	0	11,722	58	2	0	0	0
2-G FOSTER FAMILY - DEPENDENT	18,588	9,721	0	9,510	20,468	0	58,287	731	7	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	1,012	10,220	0	11,232	365	1	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	20,631	10,791	0	12,580	122,068	0	166,070	1,557	15	0	0	0
SUBTOTAL CBP												
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	2,160	0	2,160	8	2	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	2,458	378	0	2,836	21	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
SUBTOTAL INSTITUTIONAL							4,996	29	3	0	0	0
4 ADMINISTRATION	128,904	62,845	0	20,201	1,961	0	213,911					0
5 TOTAL EXPENDITURES	601,353	310,096	34,493	101,626	142,111	0	1,189,679					0
	County Indirect Costs = \$ 0											

**POTTER 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	\$ 8,833	\$ 0	\$ 8,833
Adoption Assistance	34,493	0	34,493
Subsidized Permanent Legal Custodianship	0	0	0
Counseling	15,493	0	15,493
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	8,446	0	8,446
Life Skills	0	0	0
Protective Service - Child Abuse	103,739	0	103,739
Protective Service - General	346,232	0	346,232
Service Planning	286,577	0	286,577
Juvenile Act Proceedings	889	0	889
Alternative Treatment	0	0	0
Community Residential	72,032	0	72,032
Emergency Shelter	24,519	0	24,519
Foster Family	69,519	0	69,519
Supervised Independent Living	0	0	0
Juvenile Detention Service	2,160	0	2,160
Residential Service	2,836	0	2,836
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	213,911	0	213,911
Combined Total Expense	<u>1,189,679</u>	<u>0</u>	<u>1,189,679</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,189,679</u>	<u>\$ 0</u>	<u>\$ 1,189,679</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 601,353	\$ 0	\$ 601,353
Employee Benefits	310,096	0	310,096
Subsidies	34,493	0	34,493
Operating	101,626	0	101,626
Purchased Services	142,111	0	142,111
Fixed Assets	0	0	0
Combined Total Expense	<u>1,189,679</u>	<u>0</u>	<u>1,189,679</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,189,679</u>	<u>\$ 0</u>	<u>\$ 1,189,679</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

**POTTER 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		\$	813,968
Supplemental Act 148			<u>0</u>
Total State Allocation			813,968
State Share (CY348) ²	\$		729,060
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	729,060
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	729,060
Actual Act 148 Revenues Received ⁴			<u>729,222</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(162)</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.

**POTTER 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	1,904	0	319	0	0	0	0	0	1,585	1,585	0
02. 90% REIMBURSEMENT	2,802	0	217	718	0	0	0	0	1,867	1,680	187
03. 80% REIMBURSEMENT	995,828	2,436	180,542	0	27,409	26,422	0	0	759,019	607,216	151,803
04. 60% REIMBURSEMENT	200,488	539	32,659	0	0	0	0	702	166,588	99,953	66,635
05. 50% REIMBURSEMENT	37,252	0	0	0	0	0	0	0	37,252	18,626	18,626
06. TOTAL NET CHILD WELFARE EXPEND.	1,238,274	2,975	213,737	718	27,409	26,422	0	702	966,311	729,060	237,251
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0	0	0	0	0	0	0	0	0	0
08. NON-REIMBURSABLE EXPENDITURES	0	0	0	0	0	0	0	0	0	0	0
09. TOTAL EXPENDITURES	1,238,274	2,975	213,737	718	27,409	26,422	0	702	966,311	729,060	237,251
10. TOTAL TITLE IV-D COLLECTIONS	1,936										
11. TITLE IV-D Collections for IV-E Children	880										
12. STATE ACT 148 - line 6	729,060										
13. STATE ACT 148 ALLOCATION	813,968										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	729,060										
INVOICE											
AMENDED STATE SHARE (ACT 148)	729,060										
ACT 148 AMOUNT RECEIVED	729,222										
ADJUSTMENT TO STATE SHARE	(162)										

POTTER 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
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
I-A ADOPTION SERVICE	1,904	0	14,997	319	0	0	0	0	0	1,585	16,151	4,038
I-B ADOPTION ASSISTANCE	35,186	0	0	0	0	0	0	0	0	20,189	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	3,890	0	0	662	0	0	0	0	0	3,228	2,582	646
I-E COUNSELING - DELINQUENT	8,219	0	0	0	0	4,448	0	0	0	3,771	3,017	754
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	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	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	0
I-J INTAKE & REFERRAL	2,183	0	0	356	0	0	0	0	0	1,827	1,462	365
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	80,518	0	0	10,976	0	0	0	0	0	69,542	55,634	13,908
I-N PROTECTIVE SERVICE - GENERAL	363,163	500	15,131	56,323	0	15,131	3,200	0	0	288,009	230,407	57,602
I-O SERVICE PLANNING	189,690	0	0	31,592	0	0	478	0	0	157,620	126,096	31,524
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	0	0	0	0	0	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	684,753	500	14,997	100,228	0	15,131	8,126	0	0	545,771	436,934	108,837

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	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	7,058	0	0	1,147	0	0	0	0	5,911	4,729	1,182	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	129,706	1,361	7,368	858	12,278	18,296	0	0	89,545	71,636	17,909	0
2-E EMERGENCY SHELTER - DEPENDENT	1,366	0	0	217	0	0	0	0	1,149	1,034	115	0
2-F EMERGENCY SHELTER - DELINQUENT	1,436	0	0	0	718	0	0	0	718	646	72	0
2-G FOSTER FAMILY - DEPENDENT	123,577	575	18,459	21,488	0	0	0	0	83,055	66,444	16,611	0
2-H FOSTER FAMILY - DELINQUENT	27,851	0	3,977	2,472	0	0	0	0	21,402	17,122	4,280	0
2-I KINSHIP CARE - DEPENDENT	24,787	0	5,301	4,566	0	0	0	0	14,920	11,936	2,984	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	315,781	1,936	35,105	30,748	718	12,278	18,296	0	216,700	173,547	43,153	0

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	37,252	0	0	306	0	0	0	0	37,252	18,626	18,626	0
3-B RESIDENTIAL SERVICE - DEPENDENT	3,473	0	0	0	0	0	0	0	3,167	1,900	1,267	0
3-C RES. SERVICE - DELINQUENT (NON 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	40,725	0	0	306	0	0	0	0	40,419	20,526	19,893	0
4 ADMINISTRATION	197,015	539	0	32,333	0	0	0	0	702	163,421	98,053	65,368
5 TOTAL REVENUES	1,238,274	2,975	50,102	163,635	718	27,409	26,422	0	702	966,311	729,060	237,251

POTTER 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	OPERATING SUBSIDIES	OPERATING SUBSIDIES	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON PS/SUB.	NON-REIM. PURCHASED SERV/SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE										
IN-HOME	1,052	632	0	220	0	0	0	1,904	1	0	0	0	0											
I-A ADOPTION SERVICE	0	0	35,186	0	0	0	0	35,186	0	4	0	0	0											
I-B ADOPTION ASSISTANCE	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SH	2,543	1,128	0	219	0	0	0	3,890	24	0	0	0	0											
I-D COUNSELING - DEPENDENT	0	0	0	0	8,219	0	0	8,219	0	2	0	0	0											
I-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-J INTAKE & REFERRAL	1,288	752	0	143	0	0	0	2,183	416	0	0	0	0											
I-K LIFE SKILLS - DEPENDENT	0	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	0											
I-M PROTECTIVE SERVICE - CHILD ABUSE	36,534	20,554	0	19,074	4,356	0	0	80,518	97	4	0	0	0											
I-N PROTECTIVE SERVICE - GENERAL	218,594	121,869	0	22,700	2,988	0	0	363,163	298	0	0	0	0											
I-O SERVICE PLANNING	116,959	67,337	0	5,394	0	0	0	189,690	420	0	0	0	0											
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
I-R SUBTOTAL IN-HOME	376,970	212,272	35,186	47,750	12,575	0	0	684,753	1,075	0	0	0	0											
Number of Children receiving only NON-PURCHASED IN-Home Services													0	0										
COMMUNITY BASED PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
2-B ALTERNATIVE TREATMENT - DELINQUENT	4,321	2,476	0	261	0	0	0	7,058	0	0	0	0	0											
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	129,706	0	0	129,706	590	4	0	0	0											
2-D COMMUNITY RESIDENTIAL - DELINQUENT	717	444	0	205	0	0	0	1,366	0	0	0	0	0											
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	1,436	0	0	1,436	6	2	0	0	0											
2-F EMERGENCY SHELTER - DELINQUENT	19,805	11,395	0	16,207	76,170	0	0	123,577	1,052	7	0	0	0											
2-G FOSTER FAMILY - DEPENDENT	0	0	0	639	27,212	0	0	27,851	366	1	0	0	0											
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	24,787	0	0	24,787	334	1	0	0	0											
2-I KINSHIP CARE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
2-J KINSHIP CARE - DELINQUENT	0	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	0											
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0	0											
2-M SUBTOTAL CBP	24,843	14,315	0	17,312	259,311	0	0	315,781	2,348	15	0	0	0											
INSTITUTIONAL PLACEMENT	112,176	63,770	0	21,069	0	0	0	197,015	0	0	0	0	0											
3-A JUVENILE DETENTION SERVICE	0	0	0	12	37,240	0	0	37,252	133	3	0	0	0											
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	1,817	1,656	0	0	3,473	92	1	0	0	0											
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/VFC)	0	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	0											
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0	0											
3-F SUBTOTAL INSTITUTIONAL	0	0	0	1,829	38,896	0	0	40,725	225	4	0	0	0											
4 ADMINISTRATION	112,176	63,770	0	21,069	0	0	0	197,015	0	0	0	0	0											
5 TOTAL EXPENDITURES	513,989	290,357	35,186	87,960	310,782	0	0	1,238,274	0	0	0	0	0											
County Indirect Costs = \$													0	0										

**POTTER 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	\$ 1,904	\$ 0	\$ 1,904
Adoption Assistance	35,186	0	35,186
Subsidized Permanent Legal Custodianship	0	0	0
Counseling	12,109	0	12,109
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	2,183	0	2,183
Life Skills	0	0	0
Protective Service - Child Abuse	80,518	0	80,518
Protective Service - General	363,163	0	363,163
Service Planning	189,690	0	189,690
Juvenile Act Proceedings	0	0	0
Alternative Treatment	0	0	0
Community Residential	136,764	0	136,764
Emergency Shelter	2,802	0	2,802
Foster Family	151,428	0	151,428
Kinship Care	24,787	0	24,787
Supervised Independent Living	0	0	0
Juvenile Detention Service	37,252	0	37,252
Residential Service	3,473	0	3,473
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	197,015	0	197,015
Combined Total Expense	<u>1,238,274</u>	<u>0</u>	<u>1,238,274</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,238,274</u>	<u>\$ 0</u>	<u>\$ 1,238,274</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 513,989	\$ 0	\$ 513,989
Employee Benefits	290,357	0	290,357
Subsidies	35,186	0	35,186
Operating	87,960	0	87,960
Purchased Services	310,782	0	310,782
Fixed Assets	0	0	0
Combined Total Expense	<u>1,238,274</u>	<u>0</u>	<u>1,238,274</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,238,274</u>	<u>\$ 0</u>	<u>\$ 1,238,274</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370A	2-D	2	1	<p style="text-align: center;">CY-370A Adjustment</p> <p>Community Residential (Delinquent) - Program Income</p> <p>To increase program income by \$205 to include revenue not reported on the Act 148 Invoice submitted to the Commonwealth Department of Human Services and reconcile to the agency's final program income ledger.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 1,156	\$ 205	\$ 1,361

SECTION 3
CURRENT ENGAGEMENT
OBSERVATION

POTTER 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.

POTTER 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.

POTTER 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.

POTTER 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.

POTTER 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

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Fiscal Management Specialist 4
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