

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

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# Potter County Children and Youth Agency

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September 2019



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Commissioners of 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 Agency (agency), legally known as Potter County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2016 to June 30, 2017, and July 1, 2017 to June 30, 2018. The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2017, and June 30, 2018.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within Potter County.

## Independent Auditor's Report (Continued)

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2016-2017 and 2017-2018 fiscal years based on the accrual basis of accounting.<sup>1</sup>

The procedures we performed during this engagement resulted in no adjustments to the agency's submitted fiscal reports for the fiscal years included in our engagement scope period. The fiscal reports are included in the following sections of this report:

- Section 1 for the 2016-2017 fiscal year.
- Section 2 for the 2017-2018 fiscal year

Furthermore, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 3 of this report.

Observation – Significant Control Deficiencies Exist in DHS' Oversight of Children and Youth (C&Y) Agencies' Adherence with the Requirements of the Child Protective Services Law

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on September 20, 2019.

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

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

Sincerely,



Eugene A. DePasquale  
Auditor General

September 24, 2019

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<sup>1</sup> The accrual basis of accounting is required by DHS.

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## BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Potter County Children and Youth Agency provided in-home and placement services to 1,539 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

# SECTION 1

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2016 to JUNE 30, 2017**

**POTTER COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>		\$	724,893
Supplemental Act 148			<u>0</u>
Total State Allocation			724,893
State Share (CY348) <sup>2</sup>	\$		638,434
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	638,434
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	638,434
Actual Act 148 Revenues Received <sup>4</sup>			<u>638,434</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>0</u></u>

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<sup>1</sup> Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

<sup>2</sup> State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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, 2016 TO JUNE 30, 2017  
AMENDED CY3-8  
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	2,869	350	599	0	0	0	0	0	1,920	1,920	0
02. 90% REIMBURSEMENT	21,506	2,026	4,224	0	0	881	0	0	14,375	12,937	1,438
03. 80% REIMBURSEMENT	895,943	7,363	172,760	0	27,409	25,541	0	0	662,870	530,295	132,575
04. 60% REIMBURSEMENT	186,155	109	36,716	0	0	0	0	1,045	148,285	88,971	59,314
05. 50% REIMBURSEMENT	8,816	0	194	0	0	0	0	0	8,622	4,311	4,311
06. TOTAL NET CHILD WELFARE EXPEND.	1,115,289	9,848	214,493	0	27,409	26,422	0	1,045	836,072	638,434	197,638

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	1,115,289	9,848	214,493	0	27,409	26,422	0	1,045	836,072	638,434	197,638
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10. TOTAL TITLE IV-D COLLECTIONS 7,713

11. TITLE IV-D Collections for IV-E Children 963

12. STATE ACT 148 - line 6 638,434

13. STATE ACT 148 ALLOCATION 724,893

14. ADJUSTED STATE SHARE (lower of 12 or 13) 638,434

INVOICE											
AMENDED STATE SHARE (ACT 148)	638,434										
ACT 148 AMOUNT RECEIVED	638,434										
ADJUSTMENT TO STATE SHARE	0										



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

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	2,869	350		599						1,920	1,920	0
1-B ADOPTION ASSISTANCE	17,446	350	4,802				260			12,034	9,627	2,407
1-C SUBSIZED PERMANENT LEGAL CUSTODIANSHIP												
1-D COUNSELING - DEPENDENT												
1-E COUNSELING - DELINQUENT												
1-F DAY CARE												
1-G DAY TREATMENT - DEPENDENT												
1-H DAY TREATMENT - DELINQUENT												
1-I HOMEMAKER SERVICE												
1-J INTAKE & REFERRAL	4,569			915						3,654	2,923	731
1-K LIFE SKILLS - DEPENDENT												
1-L LIFE SKILLS - DELINQUENT												
1-M PROTECTIVE SERVICE - CHILD ABUSE	76,772			14,199						62,573	50,058	12,515
1-N PROTECTIVE SERVICE - GENERAL	335,649			60,895		27,409				247,345	197,876	49,469
1-O SERVICE PLANNING	298,928			55,621			11,630			231,677	185,342	46,335
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	1,016			194						822	411	411
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT												
1-R SUBTOTAL IN-HOME	737,249	700	4,802	132,423	0	27,409	11,890	0	0	560,025	448,157	111,868

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	3	0							3	2	1	
2-B ALTERNATIVE TREATMENT - DELINQUENT	10,662								10,662	8,530	2,132	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	13,159	1,741		2,230					9,188	7,530	1,838	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	74,467	3,536	15,259	75		9,915			45,682	36,546	9,136	
2-E EMERGENCY SHELTER - DEPENDENT	7,025	2,026		549		881			3,569	3,212	357	
2-F EMERGENCY SHELTER - DELINQUENT	14,481		3,675						10,806	9,725	1,081	
2-G FOSTER FAMILY - DEPENDENT	55,260	1,198	9,420	5,557		3,736			35,349	28,279	7,070	
2-H FOSTER FAMILY - DELINQUENT	9,028	538	3,747	40					4,703	3,762	941	
2-I SUP. INDEPENDENT LIVING - DEPENDENT												
2-J SUP. INDEPENDENT LIVING - DELINQUENT												
2-K SUBTOTAL CBP	184,085	9,039	32,101	8,451	0	14,532	0	0	119,962	97,406	22,556	

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	7,800	0		690					7,800	3,900	3,900	
3-B RESIDENTIAL SERVICE - DEPENDENT	3,480	0							2,790	1,674	1,116	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)		0										
3-D SECURE RES. SERVICE (EXCEPT YDC)		0										
3-E YDC SECURE		0										
3-F SUBTOTAL INSTITUTIONAL	11,280	0	0	690	0	0	0	0	10,590	5,574	5,016	

4 ADMINISTRATION	182,675	109		36,026		0	0	0	1,045	145,495	87,297	58,198
5 TOTAL REVENUES	1,115,289	9,848	36,903	177,590	0	27,409	26,422	0	1,045	836,072	638,434	197,638

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	808	365		1,696	0	0	2,869	5	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	17,446	0	0	0	17,446	0	2	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										
I-E COUNSELING - DELINQUENT	0	0										
I-F DAY CARE	0	0										
I-G DAY TREATMENT - DEPENDENT	0	0										
I-H DAY TREATMENT - DELINQUENT	0	0										
I-I HOMEMAKER SERVICE	0	0										
I-J INTAKE & REFERRAL	2,867	1,393		309	0	0	4,569	374	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0										
I-L LIFE SKILLS - DELINQUENT	0	0										
I-M PROTECTIVE SERVICE - CHILD ABUSE	42,125	20,856		13,791	0	0	76,772	59	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	210,103	102,709		22,837	0	0	335,649	73	0	0	0	0
I-O SERVICE PLANNING	188,581	93,806		16,541	0	0	298,928	305	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				1,016	0		1,016	0	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0			0	0	0	0	0
I-R <b>SUBTOTAL IN-HOME</b>	444,484	219,129	17,446	56,190	0	0	737,249			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services 350											
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	3	0	0	3	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	10,662	0	10,662	61	1	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	8,070	4,077	0	1,012	0	0	13,159	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	440	74,027	0	74,467	367	3	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	1,052	527	0	1,091	4,355	0	7,025	19	1	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	42	14,439	0	14,481	63	3	0	0	0
2-G FOSTER FAMILY - DEPENDENT	12,416	6,028	0	12,714	24,102	0	55,260	927	5	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	649	8,379	0	9,028	266	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 <b>SUBTOTAL CBP</b>	21,538	10,632	0	15,951	135,964	0	184,085	1,703	14	0	0	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	7,800	0	7,800	30	3	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	3,480	0	0	3,480	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	3,480	7,800	0	11,280	30	3	0	0	0
<b>4 ADMINISTRATION</b>	111,855	52,358	0	18,462	0	0	182,675			0	0	0
<b>5 TOTAL EXPENDITURES</b>	577,877	282,119	17,446	94,083	143,764	0	1,115,289			0	0	0
	County Indirect Costs = \$ 0											

**POTTER COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 2,869	\$ 0	\$ 2,869
Adoption Assistance	17,446	0	17,446
Subsidized Permanent Legal Custodianship	0	0	0
Counseling	0	0	0
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	4,569	0	4,569
Life Skills	0	0	0
Protective Service - Child Abuse	76,772	0	76,772
Protective Service - General	335,649	0	335,649
Service Planning	298,928	0	298,928
Juvenile Act Proceedings	1,016	0	1,016
Alternative Treatment	10,665	0	10,665
Community Residential	87,626	0	87,626
Emergency Shelter	21,506	0	21,506
Foster Family	64,288	0	64,288
Supervised Independent Living	0	0	0
Juvenile Detention Service	7,800	0	7,800
Residential Service	3,480	0	3,480
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	182,675	0	182,675
Combined Total Expense	<u>1,115,289</u>	<u>0</u>	<u>1,115,289</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,115,289</u>	<u>\$ 0</u>	<u>\$ 1,115,289</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 577,877	\$ 0	\$ 577,877
Employee Benefits	282,119	0	282,119
Subsidies	17,446	0	17,446
Operating	94,083	0	94,083
Purchased Services	143,764	0	143,764
Fixed Assets	0	0	0
Combined Total Expense	<u>1,115,289</u>	<u>0</u>	<u>1,115,289</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,115,289</u>	<u>\$ 0</u>	<u>\$ 1,115,289</u>

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2017 to JUNE 30, 2018**

**POTTER COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
AMENDED  
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation <sup>1</sup>		\$	766,245
Supplemental Act 148			<u>0</u>
Total State Allocation			766,245
State Share (CY348) <sup>2</sup>	\$		720,631
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	720,631
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	720,631
Actual Act 148 Revenues Received <sup>4</sup>			<u>720,631</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>0</u></u>

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<sup>1</sup> Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

<sup>2</sup> State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

<sup>3</sup> Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

<sup>4</sup> Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

<sup>5</sup> 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, 2017 TO JUNE 30, 2018  
AMENDED CY348  
FISCAL SUMMARY**

	A		B		C		D		E		F		G		H		I		J		K	
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE											
NET CHILD WELFARE EXPENDITURES																						
01. 100% REIMBURSEMENT	16,480	400	2,372	0	0	0	0	0	13,708	13,708	0											
02. 90% REIMBURSEMENT	75,821	3,205	17,045	13,331	0	2,496	0	0	39,744	35,770	3,974											
03. 80% REIMBURSEMENT	930,996	15,475	152,673	0	27,409	23,926	0	0	711,513	569,211	142,302											
04. 60% REIMBURSEMENT	202,725	907	32,005	0	0	0	0	1,474	168,339	101,003	67,336											
05. 50% REIMBURSEMENT	1,887	0	9	0	0	0	0	0	1,878	939	0											
06. TOTAL NET CHILD WELFARE EXPEND.	1,227,909	19,987	204,104	13,331	27,409	26,422	0	1,474	935,182	720,631	214,551											

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

08. NON-REIMBURSABLE EXPENDITURES	0	0																				
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09. TOTAL EXPENDITURES	1,227,909	19,987	204,104	13,331	27,409	26,422	0	1,474	935,182	720,631	214,551											
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10. TOTAL TITLE IV-D COLLECTIONS 19,080

11. TITLE IV-D Collections for IV-E Children 661

12. STATE ACT 148 - line 6 720,631

13. STATE ACT 148 ALLOCATION 766,245

14. ADJUSTED STATE SHARE (lower of 12 or 13) 720,631

INVOICE		
AMENDED STATE SHARE (ACT 148)	720,631	
ACT 148 AMOUNT RECEIVED	720,631	
ADJUSTMENT TO STATE SHARE	0	

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
 AMENDED CY17/0A  
 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
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	16,480	400		2,372					0	13,708	13,708	0
I-B ADOPTION ASSISTANCE	36,050	0	12,369	2,000					0	21,681	17,345	4,336
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	0	0					0	0	0	0
I-D COUNSELING - DEPENDENT	0	0							0	0	0	0
I-E COUNSELING - DELINQUENT	0	0							0	0	0	0
I-F DAY CARE	0	0							0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0							0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0							0	0	0	0
I-I HOME MAKER SERVICE	0	0							0	0	0	0
I-J INTAKE & REFERRAL	11,590	0		1,808					0	9,782	7,826	1,956
I-K LIFE SKILLS - DEPENDENT	0	0							0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0							0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	91,686	0		13,718					0	77,968	62,374	15,594
I-N PROTECTIVE SERVICE - GENERAL	335,153	0		48,957		27,409			0	258,787	207,030	51,757
I-O SERVICE PLANNING	277,273	0		41,939			11,056		0	224,278	179,422	44,856
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	67	0		9					0	58	29	29
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0							0	0	0	0
I-R <b>SUBTOTAL IN-HOME</b>	768,299	400	12,369	110,803	0	27,409	11,056		0	606,262	487,734	118,528
<b>COMMUNITY BASED PLACEMENT</b>												
2-A ALTERNATIVE TREATMENT - DEPENDENT	1	0							0	1	1	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0							0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	39,637	0	14,429	593					0	24,615	19,692	4,923
2-D COMMUNITY RESIDENTIAL - DELINQUENT	53,867	10,338		2			12,870		0	30,657	24,526	6,131
2-E EMERGENCY SHELTER - DEPENDENT	54,136	2,741	14,506	1,131	32		2,496		0	33,230	29,907	3,323
2-F EMERGENCY SHELTER - DELINQUENT	21,685	464	1,408		13,299				0	6,514	5,863	651
2-G FOSTER FAMILY - DEPENDENT	80,298	5,050	5,681	8,637					0	60,930	48,744	12,186
2-H FOSTER FAMILY - DELINQUENT	5,441	87	2,502	38					0	2,814	2,251	563
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0							0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	0
2-K <b>SUBTOTAL CBP</b>	255,065	18,680	38,526	10,401	13,331	0	15,366		0	158,761	130,984	27,777
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	1,820	0							0	1,820	910	910
3-B RESIDENTIAL SERVICE - DEPENDENT	2,668	0		431					0	2,237	1,342	895
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0							0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0							0	0	0	0
3-E YDC SECURE	0	0							0	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	4,488	0		431	0	0	0		0	4,057	2,252	1,805
<b>4 ADMINISTRATION</b>	200,057	907		31,574		0	0		1,474	166,102	99,661	66,441
<b>5 TOTAL REVENUES</b>	1,227,909	19,987	50,895	153,209	13,331	27,409	26,422	0	1,474	935,182	720,631	214,551

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
 AMENDED CY370  
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										7 TOTAL EXPENDITURES (by county)	8 Children Served (Purchased)	9 Children Served (Purchased)	10 Non-Reimbursable Non PS/Sub.	11 Non-Reim. Purchased Serv/ Subsidies	12 Program Income related to all Non-Reimbursable
	1 WAGES AND SALARIES	2 EMPLOYEE BENEFITS	3 SUBSIDIES	4 OPERATING	5 PURCHASED SERVICES	6 FIXED ASSETS	7 TOTAL EXPENDITURES	8 DAYS OF CARE	9 Children Served (Purchased)	10 Non-Reimbursable Non PS/Sub.						
<b>IN-HOME</b>	7,187	3,608		5,662	0	23	16,480	4	0	0	0	0	0	0	0	
I-A ADOPTION SERVICE	0	0	36,050	0	0	0	36,050	0	4	0	0	0	0	0	0	
I-B ADOPTION ASSISTANCE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
I-D COUNSELING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
I-E COUNSELING - DELINQUENT	0	0	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	0	0	
I-G DAY TREATMENT - DEPENDENT	0	0	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	0	0	
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
I-J INTAKE & REFERRAL	7,422	3,726		378	0	64	11,590	344	0	0	0	0	0	0	0	
I-K LIFE SKILLS - DEPENDENT	0	0	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	0	0	
I-M PROTECTIVE SERVICE - CHILD ABUSE	51,854	26,033		13,464	0	335	91,686	69	0	0	0	0	0	0	0	
I-N PROTECTIVE SERVICE - GENERAL	207,273	103,172		22,899	0	1,809	335,153	82	0	0	0	0	0	0	0	
I-O SERVICE PLANNING	176,414	88,560		12,138	0	161	277,273	215	0	0	0	0	0	0	0	
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				67	0		67	0	0	0	0	0	0	0	0	
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0			0	0	0	0	0	0	0	0	
<b>I-R SUBTOTAL IN-HOME</b>	450,150	225,099	36,050	54,608	0	2,392	768,299									
Number of Children receiving only NON-PURCHASED IN-Home Services 221																
<b>COMMUNITY BASED PLACEMENT</b>																
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	1	0	0	1	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	0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,770	889		3,052	33,924	2	39,637	156	3	0	0	0	0	0	0	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	13	53,854	0	53,867	229	2	0	0	0	0	0	0	
2-E EMERGENCY SHELTER - DEPENDENT	2,916	1,468		9,996	39,737	19	54,136	216	6	0	0	0	0	0	0	
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	21,685	0	21,685	100	3	0	0	0	0	0	0	
2-G FOSTER FAMILY - DEPENDENT	29,231	14,676		12,182	23,501	708	80,298	902	8	0	0	0	0	0	0	
2-H FOSTER FAMILY - DELINQUENT	0	0	0	527	4,914	0	5,441	189	1	0	0	0	0	0	0	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	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	0	0	0	
<b>2-K SUBTOTAL CBP</b>	33,917	17,033	0	25,771	177,615	729	255,065	1,792	23	0	0	0	0	0	0	
<b>INSTITUTIONAL PLACEMENT</b>																
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,820	0	1,820	7	2	0	0	0	0	0	0	
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	2,668	0	0	2,668	0	0	0	0	0	0	0	0	
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	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	0	0	
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>3-F SUBTOTAL INSTITUTIONAL</b>	0	0	0	2,668	1,820	0	4,488	7	2	0	0	0	0	0	0	
<b>4 ADMINISTRATION</b>	122,088	59,923	0	16,405	0	1,641	200,057									
<b>TOTAL EXPENDITURES</b>	606,155	302,055	36,050	99,492	179,435	4,762	1,227,909									
County Indirect Costs = \$ 0																



**POTTER COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 16,480	\$ 0	\$ 16,480
Adoption Assistance	36,050	0	36,050
Subsidized Permanent Legal Custodianship	0	0	0
Counseling	0	0	0
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	11,590	0	11,590
Life Skills	0	0	0
Protective Service - Child Abuse	91,686	0	91,686
Protective Service - General	335,153	0	335,153
Service Planning	277,273	0	277,273
Juvenile Act Proceedings	67	0	67
Alternative Treatment	1	0	1
Community Residential	93,504	0	93,504
Emergency Shelter	75,821	0	75,821
Foster Family	85,739	0	85,739
Supervised Independent Living	0	0	0
Juvenile Detention Service	1,820	0	1,820
Residential Service	2,668	0	2,668
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	<u>200,057</u>	<u>0</u>	<u>200,057</u>
Combined Total Expense	<u>1,227,909</u>	<u>0</u>	<u>1,227,909</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,227,909</u>	<u>\$ 0</u>	<u>\$ 1,227,909</u>

<b>OBJECTS OF EXPENDITURE</b>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Wages and Salaries	\$ 606,155	\$ 0	\$ 606,155
Employee Benefits	302,055	0	302,055
Subsidies	36,050	0	36,050
Operating	99,452	0	99,452
Purchased Services	179,435	0	179,435
Fixed Assets	<u>4,762</u>	<u>0</u>	<u>4,762</u>
Combined Total Expense	<u>1,227,909</u>	<u>0</u>	<u>1,227,909</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 1,227,909</u>	<u>\$ 0</u>	<u>\$ 1,227,909</u>

## SECTION 3

# CURRENT ENGAGEMENT OBSERVATION

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

**Observation – Significant Control Deficiencies Exist in the Commonwealth Department of Human Services’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)**

The Child Protective Services Law (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).<sup>2</sup> To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

**Foster Care**

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,<sup>3</sup> the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by DHS OCYF, the Potter County Children and Youth Agency provided in-home and placement services to 1,539 children residing within the County during the 2016-2017 fiscal year.

**Day Treatment Centers and Child Residential Facilities**

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

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<sup>2</sup> 23 Pa.C.S. §§ 6344 and 6344.2.

<sup>3</sup> This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2018, via Finding 2018-010).

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.<sup>4</sup>

**Contracted In-Home Preventative Service Providers**

For contracted In-Home Preventative Service providers, we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by DHS.<sup>5</sup> DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring" in their provider executed contracts.<sup>6</sup> Instead, all C&Y agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

Therefore, we concluded that DHS had not taken every action to obtain reasonable assurance that C&Y agencies were taking enough action to ensure the safety and welfare of the vulnerable, at risk children receiving in-home preventative services. Further, because DHS has not implemented a process to ensure that C&Y agencies are consistently monitoring the CPSL adherence of the contracted In-Home Preventative Service providers' employees and

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<sup>4</sup> This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2018, via Finding 2018-010).

<sup>5</sup> Please note that based on recent correspondence with DHS, these providers are referred to as "private providers delivering prevention and reunification services." We refer to them as *contracted In-Home Preventative Service providers* throughout our observation for ease of understanding.

<sup>6</sup> In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.<sup>7</sup>

**DHS Senior Management Follow-Up Response**

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers<sup>8</sup> to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

DHS senior management staff further stated that DHS recognizes that they are responsible for communicating contract monitoring expectations to the C&Y agencies and for implementing a method to ensure that contract monitoring is being performed adequately. DHS' OCYF has communicated DHS' expectation that C&Y agencies must monitor these private providers' compliance with the requirements of the CPSL. DHS has also reiterated this expectation during quarterly Pennsylvania Children and Youth Administrators (PCYA) meetings held between June 2016 and October 2017, as well as in general guidance regarding contract monitoring efforts included in OCYF Bulletins issued for the 2017-18 and 2018-19 fiscal years. Further, DHS stated that OCYF will issue additional guidance in its Needs-Based Plan and Budget instructions for this year to emphasize adherence to the CPSL requirements for these providers as part of the C&Y agencies' monitoring expectations.

Finally, DHS informed us that they will address the adequacy of C&Y agencies' monitoring through the July 2019 version of the DHS Single Audit Supplement (SAS) and will develop and require through the SAS a schedule that captures the details of each C&Y agency's monitoring efforts. This will include a listing of these private providers, whether they were monitored and if any CPSL violations were identified. The schedule will be submitted with the respective county's annual single audit report and will be subject to an Agreed Upon Procedures (AUP) engagement. DHS will also provide technical assistance to any C&Y agency that needs improvement.

We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken

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<sup>7</sup> The *2017 Annual Child Protective Services Report* notes that the DHS' Office of Children, Youth and Families (OCYF) and its regional offices (in Philadelphia, Scranton, Harrisburg, and Pittsburgh) have responsibilities that include, among others: "Monitoring, licensing, and providing technical assistance to CCYA and private children and youth agencies and facilities." [Emphasis added.], p. 7; [http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c\\_275378.pdf](http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf), accessed August 3, 2018.

<sup>8</sup> This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

to address the issues we raised in our March 18, 2018, Position Statement letter to DHS would be a significant improvement. However, until DHS implements a process to ensure that all 67 C&Y agencies are routinely directly monitoring the CPSL adherence to the *certifications* of their contracted in-home preventative service providers' employees and volunteers, this Department, as indicated in our March 18, 2018, Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

**Greater Scrutiny of Arrest and Conviction Records**

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained.<sup>9</sup> However, recent amendments to the CPSL extend this time frame from one year to five years.<sup>10</sup> Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

**Auditor General Senior Management's Follow-up Conclusion Statement**

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we also recognize that risks to these vulnerable children continue to exist. One such risk results from the potential delay of 9 to 21 months (or possibly longer) between the date of possible noncompliance by a *contracted In-Home Preventative Service provider* and/or inadequate monitoring by a county C&Y agency and DHS becoming aware of those issues.<sup>11</sup>

Furthermore, as previously stated, we have communicated to DHS that we believe that DHS should do more to assure that employees/volunteers of *contracted In-Home Preventative*

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<sup>9</sup> Please note that the previous one year validity of checks and clearances only applied to prospective employees, which is a requirement that was deleted by Act 153 of 2014.

<sup>10</sup> 23 Pa.C.S. § 6344.4.

<sup>11</sup> The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible noncompliance occurring at the beginning of the fiscal year. The period of delay would be higher when the Single Audit is not received within nine months from the end of the fiscal year.

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

*Service providers* are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.<sup>12</sup>

Directly monitoring whether employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through a background check process is a crucial step towards protecting these at-risk children. Therefore, we will continue to monitor the adequacy of measures taken by DHS to monitor and address C&Y agencies' compliance with the requirements of the CPSL as it relates to their contracted in-home preventative service providers and their sub-recipients. Again, our Department re-emphasizes that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.

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<sup>12</sup> As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

POTTER COUNTY CHILDREN AND YOUTH AGENCY  
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