

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

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# Tioga County

## Children and Youth Agency

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October 2021



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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**TIMOTHY L. DEFOOR  
AUDITOR GENERAL**

The Commissioners of Tioga County  
Tioga County Courthouse  
118 Main Street  
Wellsboro, PA 16901

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 Tioga County Children and Youth Agency (agency), legally known as Tioga County Children and Youth, 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, 2017 to June 30, 2018 and July 1, 2018 to June 30, 2019. 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, 2018 and June 30, 2019.

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 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 Tioga County.

We certify that the enclosed amended fiscal reports fairly present, in all material respects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2017-2018 and 2018-2019 fiscal years based on the accrual basis of accounting.<sup>1</sup>

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

- For the **2017-2018 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by increasing agency expenditures by \$328 and increasing revenue by \$6,844. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$5,365. All adjustments are detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 1 of this report.
- 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 Final Net State Share by decreasing agency expenditures by \$1,091. Based on the application of the state participation rates, the adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$872. This adjustment is detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that the agency complied with the finding included in our prior engagement report, as detailed in Section 3 of this report.

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 4 of this report.

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 September 8, 2021.

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 the DHS settlement

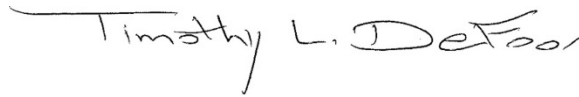
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<sup>1</sup> In accordance with DHS regulations, the expenditures reported in the enclosed fiscal reports are limited to expenditures funded by allocations made pursuant to Act 148 of 1976, as amended, (62 P.S. § 704.1) and do not include any expenditures made from other appropriations or grant funds.

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 Tioga County Children and Youth Agency. 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.

October 5, 2021

Timothy L. DeFoor  
Auditor General

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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 Tioga County Children and Youth Agency provided in-home and placement services to 1,027 children residing within the County during the 2018-2019 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 engagement period, 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, 2017 to JUNE 30, 2018**

**TIOGA 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>	\$	5,119,962
Supplemental Act 148		<u>156,302</u>
Total State Allocation		5,276,264
State Share (CY348) <sup>2</sup>	\$	5,270,899
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	5,270,899
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable <sup>3</sup>	\$	5,270,899
Actual Act 148 Revenues Received <sup>4</sup>		<u>5,276,264</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u><u>(5,365)</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 (State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

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**TIOGA 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
<b>NET CHILD WELFARE EXPENDITURES</b>											
01. 100% REIMBURSEMENT	82,869	9	7,404	0	0	0	0	0	75,456	75,456	0
02. 90% REIMBURSEMENT	92,894	9	12,643	0	0	0	0	0	80,242	72,218	8,024
03. 80% REIMBURSEMENT	7,603,405	289,180	978,437	264,605	36,378	220,405	0	0	5,814,400	4,651,521	1,162,879
04. 60% REIMBURSEMENT	816,675	16,625	70,557	0	0	0	0	5,796	723,697	434,218	289,479
05. 50% REIMBURSEMENT	75,226	0	255	0	0	0	0	0	74,971	37,486	37,485
06. TOTAL NET CHILD WELFARE EXPEND.	8,671,069	305,823	1,069,296	264,605	36,378	220,405	0	5,796	6,768,766	5,270,899	1,497,867
<b>YDC/YFC PLACEMENT COSTS</b>											
07. 60% DHS PARTICIPATION	0	0							0	0	0
<b>08. NON-REIMBURSABLE EXPENDITURES</b>	10,452	4,242							6,210		6,210
<b>09. TOTAL EXPENDITURES</b>	8,681,521	310,065	1,069,296	264,605	36,378	220,405	0	5,796	6,774,976	5,270,899	1,504,077
<b>10. TOTAL TITLE IV-D COLLECTIONS</b>	64,990										
<b>11. TITLE IV-D Collections for IV-E Children</b>	5,441										
<b>12. STATE ACT 148 - line 6</b>	5,270,899										
<b>13. STATE ACT 148 ALLOCATION</b>	5,276,264										
<b>14. ADJUSTED STATE SHARE (lower of 12 or 13)</b>	5,270,899										
<b>INVOICE</b>											
AMENDED STATE SHARE (ACT 148)	5,270,899										
ACT 148 AMOUNT RECEIVED	5,276,264										
ADJUSTMENT TO STATE SHARE	(5,365)										

**TOGA COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
AMENDED CY370A  
REVENUE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
<b>IN-HOME</b>												
1-A. ADOPTION SERVICE	82,869	9		7,404	0				0	75,456	75,456	0
1-B. ADOPTION ASSISTANCE	690,407	0	282,230	0					0	408,177	326,542	81,635
1-C. SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	121,563	0	27,780	0					0	93,783	75,026	18,757
1-D. COUNSELING - DEPENDENT	114,624	0		0	0				0	114,624	91,699	22,925
1-E. COUNSELING - DELINQUENT	0	0		0	0				0	0	0	0
1-F. DAY CARE	30,319	0		0	0				0	30,319	24,255	6,064
1-G. DAY TREATMENT - DEPENDENT	763,368	22,566		0	0		220,405		0	520,397	416,318	104,079
1-H. DAY TREATMENT - DELINQUENT	83,027	0		0	0				0	83,027	66,422	16,605
1-I. HOMEMAKER SERVICE	248,274	0		0	0				0	248,274	198,619	49,655
1-J. INTAKE & REFERRAL	274,364	9,211		33,708	0				0	231,445	185,156	46,289
1-K. LIFE SKILLS - DEPENDENT	0	0		0	0				0	0	0	0
1-L. LIFE SKILLS - DELINQUENT	0	0		0	0				0	0	0	0
1-M. PROTECTIVE SERVICE - CHILD ABUSE	431,019	1,593		41,901	92,113				0	295,412	236,330	59,082
1-N. PROTECTIVE SERVICE - GENERAL	1,365,227	9,472		130,687	172,492				0	1,052,576	842,061	210,515
1-O. SERVICE PLANNING	421,648	115		52,203	0				0	369,330	295,464	73,866
1-P. JUVENILE ACT PROCEEDINGS - DEPENDENT	55,002	0		255	0				0	54,747	27,374	27,373
1-Q. JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0				0	0	0	0
1-R. SUBTOTAL IN-HOME	4,681,711	42,966	310,010	266,158	264,605	0	220,405	0	0	3,577,567	2,860,722	716,845
<b>COMMUNITY BASED PLACEMENT</b>												
2-A. ALTERNATIVE TREATMENT - DEPENDENT	0	0		0					0	0	0	0
2-B. ALTERNATIVE TREATMENT - DELINQUENT	0	0		0					0	0	0	0
2-C. COMMUNITY RESIDENTIAL - DEPENDENT	868,663	28,318	116,186	37,351					0	686,808	549,446	137,362
2-D. COMMUNITY RESIDENTIAL - DELINQUENT	152,170	15,178		0					0	136,992	109,594	27,398
2-E. EMERGENCY SHELTER - DEPENDENT	92,894	9	2,958	9,685	0				0	80,242	72,218	8,024
2-F. EMERGENCY SHELTER - DELINQUENT	0	0		0	0				0	0	0	0
2-G. FOSTER FAMILY - DEPENDENT	2,038,732	202,727	103,885	152,506		36,378			0	1,543,236	1,234,589	308,647
2-H. FOSTER FAMILY - DELINQUENT	0	0		0					0	0	0	0
2-I. SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0					0	0	0	0
2-J. SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0					0	0	0	0
2-K. SUBTOTAL CBP	3,152,459	246,232	223,029	199,542	0	36,378	0	0	0	2,447,278	1,965,847	481,431
<b>INSTITUTIONAL PLACEMENT</b>												
3-A. JUVENILE DETENTION SERVICE	20,224	0							0	20,224	10,112	10,112
3-B. RESIDENTIAL SERVICE - DEPENDENT	26,060	2,741	1,126	37					0	22,156	13,294	8,862
3-C. RES. SERVICE - DELINQUENT (NON YDC/YFC)	240,168	11,646		0					0	228,522	137,113	91,409
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. SUBTOTAL INSTITUTIONAL	286,452	14,387	1,126	37	0	0	0	0	0	270,902	160,519	110,383
<b>4. ADMINISTRATION</b>	550,447	2,238		69,394					0	5,796	283,811	189,208
<b>5. TOTAL REVENUES</b>	8,671,069	305,823	534,165	535,131	264,605	36,378	220,405	0	5,796	6,768,766	5,270,899	1,497,867

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	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>												
1-A ADOPTION SERVICE	27,431	12,648		18,035	24,755	0	82,869	36	14	0	0	0
1-B ADOPTION ASSISTANCE	0	0	690,407	0	0	0	690,407	0	102	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	121,563	0	0	0	121,563	0	18	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	114,624	0	114,624	0	469	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-F DAY CARE	0	0		0	30,319	0	30,319	0	17	0	0	0
1-G DAY TREATMENT - DEPENDENT	(41)	0		0	763,409	0	763,368	0	199	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	83,027	0	83,027	0	15	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	248,274	0	248,274	0	170	0	0	0
1-J INTAKE & REFERRAL	87,871	37,065		149,428	0	0	274,364	1,434	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	191,487	78,917		158,115	2,655	0	431,174	199	10	0	155	90
1-N PROTECTIVE SERVICE - GENERAL	579,763	234,503		529,764	28,439	0	1,372,469	961	49	0	7,242	3,502
1-O SERVICE PLANNING	181,173	69,311		160,814	10,350	0	421,648	1,043	130	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				2,359	52,643		55,002	0	22	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,067,684	432,444	811,970	1,018,515	1,338,495	0	4,689,108				7,397	3,592
Number of Children receiving only NON-PURCHASED IN-Home Services 1,070												
<b>COMMUNITY BASED PLACEMENT</b>												
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	142,243	67,555	0	84,767	574,748	0	869,313	2,290	14	0	650	650
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	152,170	0	152,170	652	6	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	44,158	19,782	0	12,339	16,615	0	92,894	742	36	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	327,506	160,317	0	278,752	1,274,407	0	2,040,982	15,744	85	0	2,250	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	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	513,907	247,654	0	375,858	2,017,940	0	3,155,359	19,428	141	0	2,900	650
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	464	19,760	0	20,224	76	2	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	294	25,766	0	26,060	118	2	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	240,168	0	240,168	1,193	9	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	758	285,694	0	286,452	1,387	13	0	0	0
4 ADMINISTRATION	71,557	35,229	0	443,724	0	92	550,602			155	0	0
5 TOTAL EXPENDITURES	1,653,148	715,327	811,970	1,838,855	3,662,129	92	8,681,521			155	10,297	4,242
County Indirect Costs = \$ 65,757												

**TIOGA 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>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 83,028	\$ (159)	\$ 82,869
Adoption Assistance	690,407	0	690,407
Subsidized Permanent Legal Custodianship	121,563	0	121,563
Counseling	114,624	0	114,624
Day Care	29,627	692	30,319
Day Treatment	846,436	(41)	846,395
Homemaker Service	248,274	0	248,274
Intake and Referral	274,468	(104)	274,364
Life Skills	0	0	0
Protective Service - Child Abuse	431,278	(104)	431,174
Protective Service - General	1,372,687	(218)	1,372,469
Service Planning	421,752	(104)	421,648
Juvenile Act Proceedings	54,611	391	55,002
Alternative Treatment	0	0	0
Community Residential	1,021,494	(11)	1,021,483
Emergency Shelter	92,946	(52)	92,894
Foster Family	2,040,944	38	2,040,982
Supervised Independent Living	0	0	0
Juvenile Detention Service	20,224	0	20,224
Residential Service	266,228	0	266,228
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	550,602	0	550,602
Combined Total Expense	<u>8,681,193</u>	<u>328</u>	<u>8,681,521</u>
Less Non-reimbursables	<u>10,452</u>	<u>0</u>	<u>10,452</u>
Total Net Expense	<u>\$ 8,670,741</u>	<u>\$ 328</u>	<u>\$ 8,671,069</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,653,972	\$ (824)	\$ 1,653,148
Employee Benefits	715,549	(222)	715,327
Subsidies	811,970	0	811,970
Operating	1,838,398	457	1,838,855
Purchased Services	3,661,212	917	3,662,129
Fixed Assets	92	0	92
Combined Total Expense	<u>8,681,193</u>	<u>328</u>	<u>8,681,521</u>
Less Non-reimbursables	<u>10,452</u>	<u>0</u>	<u>10,452</u>
Total Net Expense	<u>\$ 8,670,741</u>	<u>\$ 328</u>	<u>\$ 8,671,069</u>

**TIOGA COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018  
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustment							
CY-370	1-A	1	1	Adoption Service - Wages and Salaries	\$ 27,556	\$ (125)	\$ 27,431
	1-G	1		Day Treatment (Dep.) - Wages and Salaries	\$ -	\$ (41)	\$ (41)
	1-J	1		Intake & Referral - Wages and Salaries	\$ 87,953	\$ (82)	\$ 87,871
	1-M	1		Protective Service Child Abuse - Wages and Salaries	\$ 191,569	\$ (82)	\$ 191,487
	1-N	1		Protective Service General - Wages and Salaries	\$ 580,134	\$ (371)	\$ 579,763
	1-O	1		Service Planning - Wages and Salaries	\$ 181,255	\$ (82)	\$ 181,173
	2-E	1		Emergency Shelter (Dep.) - Wages and Salaries	\$ 44,199	\$ (41)	\$ 44,158
	1-A	2		Adoption Service - Employee Benefits	\$ 12,682	\$ (34)	\$ 12,648
	1-J	2		Intake & Referral - Employee Benefits	\$ 37,087	\$ (22)	\$ 37,065
	1-M	2		Protective Service Child Abuse - Employee Benefits	\$ 78,939	\$ (22)	\$ 78,917
	1-N	2		Protective Service General - Employee Benefits	\$ 234,603	\$ (100)	\$ 234,503
	1-O	2		Service Planning - Employee Benefits	\$ 69,333	\$ (22)	\$ 69,311
	2-C	2		Community Residential (Dep.) - Employee Benefits	\$ 67,566	\$ (11)	\$ 67,555
	2-E	2		Emergency Shelter (Dep.) - Employee Benefits	\$ 19,793	\$ (11)	\$ 19,782
	1-N	4		Protective Service General - Operating	\$ 529,736	\$ 28	\$ 529,764
	1-P	4		Juvenile Act Proceedings (Dep.) - Operating	\$ 1,968	\$ 391	\$ 2,359
	2-G	4		Foster Family (Dep.) - Operating	\$ 278,714	\$ 38	\$ 278,752
	1-F	5		Day Care - Purchased Services	\$ 29,627	\$ 692	\$ 30,319
	1-N	5		Protective Service General - Purchased Services	\$ 28,214	\$ 225	\$ 28,439
				Total Adjustment Amount		\$ 328	
				To increase expenditures by \$328 to include expenditures not reported on the Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370A Adjustment							
CY-370A	2-C	2	2	Community Residential (Dep.) - Program Income	\$ 21,474	\$ 6,844	\$ 28,318
				To increase program income by \$6,844 to include payments not reported on the Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's final revenue ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

**JULY 1, 2018 to JUNE 30, 2019**

**TIOGA 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 <sup>1</sup>	\$	5,258,539
Supplemental Act 148		<u>401,094</u>
Total State Allocation		5,659,633
State Share (CY348) <sup>2</sup>	\$	5,658,761
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	5,658,761
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable <sup>3</sup>	\$	5,658,761
Actual Act 148 Revenues Received <sup>4</sup>		<u>5,659,633</u>
Net Amount Due County/(State) <sup>5</sup>	\$	<u>(872)</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 (State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

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**TIOGA 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
<b>NET CHILD WELFARE EXPENDITURES</b>											
01. 100% REIMBURSEMENT	59,911	32	4,969	0	0	0	0	0	54,910	54,910	0
02. 90% REIMBURSEMENT	169,082	32	20,017	0	0	0	0	0	149,033	134,130	14,903
03. 80% REIMBURSEMENT	8,030,810	215,806	994,223	264,605	36,378	220,405	0	0	6,299,393	5,039,514	1,259,879
04. 60% REIMBURSEMENT	748,622	12,112	81,112	0	0	0	0	2,550	652,848	391,708	261,140
05. 50% REIMBURSEMENT	77,094	0	96	0	0	0	0	0	76,998	38,499	38,499
06. TOTAL NET CHILD WELFARE EXPEND.	9,085,519	227,982	1,100,417	264,605	36,378	220,405	0	2,550	7,233,182	5,658,761	1,574,420
<b>YDC/YFC PLACEMENT COSTS</b>											
07. 60% DHS PARTICIPATION	236,070	0							236,070	141,642	94,428
<b>08. NON-REIMBURSABLE EXPENDITURES</b>	16,419	8,158							8,261		8,261
<b>09. TOTAL EXPENDITURES</b>	9,338,008	236,140	1,100,417	264,605	36,378	220,405	0	2,550	7,477,513	5,800,403	1,677,109
<b>10. TOTAL TITLE IV-D COLLECTIONS</b>	54,086										
<b>11. TITLE IV-D Collections for IV-E Children</b>	5,546										
<b>12. STATE ACT 148 - line 6</b>	5,658,761										
<b>13. STATE ACT 148 ALLOCATION</b>	5,659,633										
<b>14. ADJUSTED STATE SHARE (lower of 12 or 13)</b>	5,658,761										
<b>INVOICE</b>											
AMENDED STATE SHARE (ACT 148)	5,658,761										
ACT 148 AMOUNT RECEIVED	5,659,633										
ADJUSTMENT TO STATE SHARE	(872)										



**TOGA 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
<b>IN-HOME</b>												
1-A ADOPTION SERVICE	59,911	32		4,969						54,910	54,910	0
1-B ADOPTION ASSISTANCE	777,732	0	332,585							445,147	356,134	89,033
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	112,577	0	29,184							83,393	66,714	16,679
1-D COUNSELING - DEPENDENT	121,661	0								121,661	97,329	24,332
1-E COUNSELING - DELINQUENT	0	0								0	0	0
1-F DAY CARE	0	0								0	0	0
1-G DAY TREATMENT - DEPENDENT	742,158	22,314				220,405				499,439	399,551	99,888
1-H DAY TREATMENT - DELINQUENT	75,674	0								75,674	60,539	15,135
1-I HOMEMAKER SERVICE	255,701	0								255,701	204,561	51,140
1-J INTAKE & REFERRAL	241,962	870		28,567						212,525	170,020	42,505
1-K LIFE SKILLS - DEPENDENT	0	0								0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0								0	0	0
1-M PROTECTIVE SERVICE - CHLD ABUSE	368,072	480		33,550	63,935					270,107	216,086	54,021
1-N PROTECTIVE SERVICE - GENERAL	1,742,448	40		147,381	200,670					1,394,357	1,115,486	278,871
1-O SERVICE PLANNING	458,948	416		53,165						405,367	324,293	81,074
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	56,816	0		96						56,720	28,360	28,360
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0								0	0	0
1-R SUBTOTAL IN-HOME	5,013,681	24,152	361,769	267,728	264,605	0	220,405	0	0	3,875,022	3,093,983	781,039
<b>COMMUNITY BASED PLACEMENT</b>												
TOTAL REIMBURSABLE EXPENDITURES												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0								0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0								0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	822,036	16,495	59,966	40,393						705,182	564,145	141,037
2-D COMMUNITY RESIDENTIAL - DELINQUENT	188,279	418								187,861	150,289	37,572
2-E EMERGENCY SHELTER - DEPENDENT	169,082	32	3,298	16,719						149,033	134,130	14,903
2-F EMERGENCY SHELTER - DELINQUENT	0	0								0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,123,542	174,773	95,329	174,103		36,378				1,642,959	1,314,367	328,592
2-H FOSTER FAMILY - DELINQUENT	0	0								0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0								0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0								0	0	0
2-K SUBTOTAL CBP	3,302,939	191,718	158,593	231,215	0	36,378	0	0	0	2,685,035	2,162,931	522,104
<b>INSTITUTIONAL PLACEMENT</b>												
TOTAL REIMBURSABLE EXPENDITURES												
3-A JUVENILE DETENTION SERVICE	20,278	0								20,278	10,139	10,139
3-B RESIDENTIAL SERVICE - DEPENDENT	9,365	0	2,884	25						6,456	3,873	2,583
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	72,197	7,939								64,258	38,555	25,703
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0								0	0	0
3-E YDC SECURE	236,070	0								236,070	141,642	94,428
3-F SUBTOTAL INSTITUTIONAL	337,910	7,939	2,884	25	0	0	0	0	0	327,062	194,209	132,853
<b>ADMINISTRATION</b>												
TOTAL REIMBURSABLE EXPENDITURES	667,060	4,173		78,203		0	0	0	2,550	582,134	349,280	232,854
<b>TOTAL REVENUES</b>	9,321,589	227,982	523,246	577,171	264,605	36,378	220,405	0	2,550	7,469,252	5,800,403	1,668,849

**TOGA 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											
	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>												
1-A ADOPTION SERVICE	14,195	7,564	17,090	18,080	2,982	59,911	27	23	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	777,752	0	0	777,752	0	113	0	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	112,577	0	0	112,577	0	20	0	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	121,661	0	121,661	0	775	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	0	0	0	0	0	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	742,158	0	742,158	0	223	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	75,674	0	75,674	0	159	0	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	255,701	0	255,701	0	159	0	0	0	0
1-J INTAKE & REFERRAL	33,599	13,680	194,683	0	0	241,962	1,332	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	145,476	62,272	158,124	2,364	0	368,236	226	36	0	164	0	0
1-N PROTECTIVE SERVICE - GENERAL	237,500	94,624	1,388,040	28,941	0	1,749,105	962	94	0	6,657	1,560	0
1-O SERVICE PLANNING	177,085	74,353	196,935	10,575	0	458,948	1,065	146	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	796	56,020	0	56,816	0	106	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R <b>SUBTOTAL IN-HOME</b>	607,855	252,493	890,329	1,955,669	1,311,174	5,020,502	1,027	1,027	0	6,821	1,560	0
Number of Children receiving <b>only</b> NON-PURCHASED IN-Home Services												
<b>COMMUNITY BASED PLACEMENT</b>												
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	35,325	16,889	290,487	479,400	0	822,101	2,242	17	0	65	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	188,279	0	188,279	760	4	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	40,898	19,799	81,043	27,342	0	169,082	1,302	53	0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	129,141	65,047	668,081	1,270,806	0	2,133,075	13,459	83	0	9,533	6,533	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	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>	205,364	101,735	1,039,611	1,965,827	0	3,312,537	17,763	157	0	9,598	6,598	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	20,278	0	20,278	74	6	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	214	9,151	9,365	75	3	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	72,197	0	72,197	477	5	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	236,070	0	236,070	430	2	0	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	214	337,696	0	337,910	1,056	16	0	0	0
4 <b>ADMINISTRATION</b>	72,976	34,441	0	554,880	4,763	667,060	0	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	886,195	388,669	890,329	3,550,373	3,619,460	2,982	9,338,008	1,027	1,027	16,419	8,158	0
County Indirect Costs = \$ 105,952												

**TIOGA COUNTY CHILDREN AND YOUTH AGENCY  
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019  
AMENDED  
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

<b>COST CENTER ITEMS</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 59,922	\$ (11)	\$ 59,911
Adoption Assistance	777,752	0	777,752
Subsidized Permanent Legal Custodianship	112,577	0	112,577
Counseling	121,661	0	121,661
Day Care	0	0	0
Day Treatment	817,832	0	817,832
Homemaker Service	255,701	0	255,701
Intake and Referral	242,015	(53)	241,962
Life Skills	0	0	0
Protective Service - Child Abuse	368,396	(160)	368,236
Protective Service - General	1,749,637	(532)	1,749,105
Service Planning	459,086	(138)	458,948
Juvenile Act Proceedings	56,816	0	56,816
Alternative Treatment	0	0	0
Community Residential	1,010,433	(53)	1,010,380
Emergency Shelter	169,093	(11)	169,082
Foster Family	2,133,181	(106)	2,133,075
Supervised Independent Living	0	0	0
Juvenile Detention Service	20,278	0	20,278
Residential Service	81,562	0	81,562
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	236,070	0	236,070
Administration	667,087	(27)	667,060
Combined Total Expense	9,339,099	(1,091)	9,338,008
Less Non-reimbursables	16,419	0	16,419
Total Net Expense	\$ 9,322,680	\$ (1,091)	\$ 9,321,589

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 886,195	\$ 0	\$ 886,195
Employee Benefits	388,669	0	388,669
Subsidies	890,329	0	890,329
Operating	3,551,464	(1,091)	3,550,373
Purchased Services	3,619,460	0	3,619,460
Fixed Assets	2,982	0	2,982
Combined Total Expense	9,339,099	(1,091)	9,338,008
Less Non-reimbursables	16,419	0	16,419
Total Net Expense	\$ 9,322,680	\$ (1,091)	\$ 9,321,589

**TIOGA 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-370	1-A	4	1	CY-370 Adjustment			
	1-J	4		Adoption Service - Operating	\$ 17,101	\$ (11)	\$ 17,090
	1-M	4		Intake & Referral - Operating	\$ 194,736	\$ (53)	\$ 194,683
	1-N	4		Protective Service Child Abuse - Operating	\$ 158,284	\$ (160)	\$ 158,124
	1-O	4		Protective Service General - Operating	\$ 1,388,572	\$ (532)	\$ 1,388,040
	2-C	4		Service Planning - Operating	\$ 197,073	\$ (138)	\$ 196,935
	2-E	4		Community Residential (Dep.) - Operating	\$ 290,540	\$ (53)	\$ 290,487
	2-G	4		Emergency Shelter (Dep.) - Operating	\$ 81,054	\$ (11)	\$ 81,043
	4	4		Foster Family (Dep.) - Operating	\$ 668,187	\$ (106)	\$ 668,081
					Administration - Operating	\$ 554,907	\$ (27)
			Total Adjustment Amount		<u>\$ (1,091)</u>		
			To decrease expenditures by \$1,091 to include agency revisions made to the expenditure ledger subsequent to the submission of the Act 148 Invoice to Commonwealth DHS.				
			Title 55 PA Code, Chapter 3170.95(a)(b)				

## SECTION 3

# STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

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

**Finding – Repeat 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 (Resolved)**

In our prior engagement report, covering the July 1, 2014 to June 30, 2017 fiscal years, we cited the Tioga County Children and Youth Agency (agency) for failing to have internal control policies and procedures in place to sufficiently reduce the agency’s risk of paying overbillings and/or fraudulent billings submitted by a contracted In-Home Purchased Service provider, which accounted for approximately 85 percent of the agency’s total reported In-Home Purchased Services expenditures for the engagement period. During the current engagement period, covering July 1, 2017 through June 30, 2019, we reviewed the agency’s internal control policies and procedures for the same provider which accounted for approximately 90 percent of the agency’s total reported In-Home Purchased Services expenditures.

During the conduct of our current engagement, we reviewed the agency’s monitoring procedures for this provider and determined that for its In-Home Purchased Services community based juvenile education and disciplinary program, as of March 5, 2018, the agency began performing fiscal-related monitoring procedures in order to reduce the agency’s risk of paying overbillings and/or fraudulent billings submitted by this contracted In-Home Purchased Service provider and to obtain reasonable assurance that services related to the costs invoiced by this provider was actually provided, and provided in adherence to executed contract terms.

In addition, we reviewed the agency’s monitoring procedures for the same provider’s remaining In-Home Purchased Services (Counseling, Homemaker, and Day Treatment). As of the 2014-2015 fiscal year, the County Human Services Administrator and/or Deputy Administrator attended weekly and monthly casework and fiscal meetings with the provider’s officials. In August 2019, these procedures were documented in an oversight policy and included a monthly review of five randomly selected children’s files; the development of a Continuous Quality Improvement program with the formation of an Organizational Effectiveness team and Continuous Improvement team which meet monthly; and as of the 2018-2019 fiscal year all meetings with the provider were documented in a spreadsheet that includes participants, meeting dates, meeting topics, and the location of related documentation.

Based on the results of the procedures we performed during the conduct of our current engagement we concluded that sufficient fiscal-related monitoring policy and procedures were in place to substantiate the validity of the number of units invoiced by contracted In-Home Fee-for-Service providers and operating costs invoiced by In-Home Program Funded providers,

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which reduced the agency's risk of paying overbillings and/or fraudulent billings submitted by these providers. Therefore, we concluded that the issuance of a repeat finding is not warranted.

# SECTION 4

## CURRENT ENGAGEMENT OBSERVATION



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**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.<sup>2</sup> 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.<sup>3</sup>

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).<sup>4</sup> Our concerns have been, and 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 method to ensure that the certification monitoring is being performed adequately. DHS staff

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<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

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also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

**Our 2018 Position Statement Letter**

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. 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.

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- 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 has not started reviewing the Single Audit packages for this purpose.<sup>5</sup>

This lack of review by DHS, as the oversight agency, is especially concerning considering DHS could remain unaware, despite receiving an audit report with the information, of a C&Y Agency failing to identify disqualifying incidents and/or take appropriate corrective actions when disqualifying convictions that would prohibit employees, volunteers, and subcontractors from having direct contact with children receiving services were identified. 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 the procedures each C&Y Agency has implemented related to ensuring its Contracted Providers and their subcontractors are complying with CPSL certification requirements and evaluate the results the C&Y Agencies found, including reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.<sup>1</sup>

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

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**Conclusion**

As the oversight agency, it is our opinion that DHS should ensure that every C&Y Agency and their 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 oftentimes provided outside the presence and view of others.

<sup>i</sup> **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.

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Bureau of Financial Operations  
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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

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