

# AMENDED FISCAL REPORTS

## For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

---

# Warren County Children and Youth Agency

---

December 2019



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania  
Department of the Auditor General  
Harrisburg, PA 17120-0018  
Facebook: Pennsylvania Auditor General  
Twitter: @PAAuditorGen  
[www.PaAuditor.gov](http://www.PaAuditor.gov)

EUGENE A. DePASQUALE  
AUDITOR GENERAL

### Independent Auditor's Report

The Commissioners of Warren County  
Warren County Courthouse  
204 Fourth Avenue  
Warren, PA 16365

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 Warren County Children and Youth Agency (agency), legally known as Warren 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 Warren 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 2016-2017
- Section 2 2017-2018

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 County representatives agency management at an exit conference held on December 11, 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 Warren County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale  
Auditor General

December 17, 2019

---

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

# CONTENTS

	Page
<b><u>Background</u></b> .....	1
<b><u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2016 to June 30, 2017</u></b>	
Amended Computation of Final Net State Share .....	3
Amended CY-348 - Fiscal Summary .....	4
Amended CY-370A - Revenue Report .....	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments .....	7
<b><u>Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2017 to June 30, 2018</u></b>	
Amended Computation of Final Net State Share .....	9
Amended CY-348 - Fiscal Summary .....	10
Amended CY-370A - Revenue Report .....	11
Amended CY-370 - Expenditure Report.....	12
Amended Summary of Expense and Expense Adjustments .....	13
<b><u>Section 3– Current Engagement Observation</u></b> .....	15
<b><u>Report Distribution List</u></b> .....	20

## 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 Warren County Children and Youth Agency provided in-home and placement services to 934 children residing within the County during the 2017-2018 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**

**WARREN 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>		\$	2,298,373
Supplemental Act 148			<u>0</u>
Total State Allocation			2,298,373
State Share (CY348) <sup>2</sup>	\$		1,995,559
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	1,995,559
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	1,995,559
Actual Act 148 Revenues Received <sup>4</sup>			<u>1,995,559</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u>0</u>

---

<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.





WARREN 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	12,363	0		1,804	0		0	0	0	10,559	10,559	0
1-B	ADOPTION ASSISTANCE	349,860	0	159,824	1,500			0	0	0	188,536	150,829	37,707
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	29,654	0	8,098	0			0	0	0	21,556	17,245	4,311
1-D	COUNSELING - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-E	COUNSELING - DELINQUENT	36,948	0		0	0		0	0	0	36,948	29,558	7,390
1-F	DAY CARE	0	0		0	0		0	0	0	0	0	0
1-G	DAY TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-I	HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J	INTAKE & REFERRAL	78,857	0		11,342	0		0	0	0	67,515	54,012	13,503
1-K	LIFE SKILLS - DEPENDENT	346,206	0		49,838	0		0	0	0	296,368	237,094	59,274
1-L	LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M	PROTECTIVE SERVICE - CHILD ABUSE	193,948	0		28,023	0		0	0	0	165,825	132,660	33,165
1-N	PROTECTIVE SERVICE - GENERAL	640,649	53,937		83,551	0		0	0	0	503,161	402,529	100,632
1-O	SERVICE PLANNING	224,205	0		32,264	0		0	0	0	191,941	153,553	38,388
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	26,957	0		0	0		0	0	0	26,957	13,479	13,478
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R	<b>SUBTOTAL IN-HOME</b>	<b>1,939,447</b>	<b>53,937</b>	<b>167,922</b>	<b>208,322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,509,366</b>	<b>1,201,518</b>	<b>307,848</b>
COMMUNITY BASED PLACEMENT		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A	ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	367,446	4,606	66,168	0		17,601	0	0	0	279,071	223,257	55,814
2-E	EMERGENCY SHELTER - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-F	EMERGENCY SHELTER - DELINQUENT	37,541	0	4,712	0	20,359		0	0	0	12,470	11,223	1,247
2-G	FOSTER FAMILY - DEPENDENT	170,668	27,098	13,926	19,803			0	0	0	109,841	87,873	21,968
2-H	FOSTER FAMILY - DELINQUENT	5,238	4,365	0	0			0	0	0	873	698	175
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	49,062	646	0	0			0	0	0	48,416	38,733	9,683
2-K	<b>SUBTOTAL CBP</b>	<b>629,955</b>	<b>36,715</b>	<b>84,806</b>	<b>19,803</b>	<b>20,359</b>	<b>17,601</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>450,671</b>	<b>361,784</b>	<b>88,887</b>
INSTITUTIONAL PLACEMENT		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	2,500	0							0	2,500	1,250	1,250
3-B	RESIDENTIAL SERVICE - DEPENDENT	3,971	1,151	0	0		2,514	0	0	0	306	184	122
3-C	RES. SERVICE - DELINQUENT (NON YDCVFC)	142,909	8,100		0		27,010	16,252		0	91,547	54,928	36,619
3-D	SECURE RES. SERVICE (EXCEPT YDC)	249,751	15,208							0	234,543	140,726	93,817
3-E	YDC SECURE	0	0								0	0	0
3-F	<b>SUBTOTAL INSTITUTIONAL</b>	<b>399,131</b>	<b>24,459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,524</b>	<b>16,252</b>	<b>0</b>	<b>0</b>	<b>328,896</b>	<b>197,088</b>	<b>131,808</b>
4	<b>ADMINISTRATION</b>	<b>460,669</b>	<b>253</b>		<b>66,262</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>2,206</b>	<b>391,948</b>	<b>235,169</b>	<b>156,779</b>
5	<b>TOTAL REVENUES</b>	<b>3,429,302</b>	<b>115,364</b>	<b>252,728</b>	<b>294,387</b>	<b>20,359</b>	<b>47,125</b>	<b>16,252</b>	<b>0</b>	<b>2,206</b>	<b>2,680,881</b>	<b>1,995,559</b>	<b>685,322</b>

WARREN 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
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PSSub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
I-A ADOPTION SERVICE	7,203	4,203		953	0	4	12,363	5	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	349,860	0	0	0	349,860	0	53	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	29,654	0	0	0	29,654	0	4	0	0	0
I-D COUNSELING - DEPENDENT	0	0					0	0	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0		1,697	35,251	0	36,948	0	11	0	0	0
I-F DAY CARE	0	0					0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0					0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0					0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0					0	0	0	0	0	0
I-J INTAKE & REFERRAL	47,083	24,259		7,488	0	27	78,857	666	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	204,959	105,311		34,290	0	1,646	346,206	329	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0					0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	95,879	49,055		36,840	0	12,074	193,848	161	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	343,757	176,148		118,919	0	1,825	640,649	779	0	0	0	0
I-O SERVICE PLANNING	130,442	67,785		25,927	0	51	224,205	277	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				679	26,278		26,957	0	16	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT							0	0	0	0	0	0
<b>I-R SUBTOTAL IN-HOME</b>	<b>829,323</b>	<b>426,761</b>	<b>379,514</b>	<b>226,793</b>	<b>61,529</b>	<b>15,627</b>	<b>1,939,547</b>			<b>0</b>	<b>0</b>	<b>0</b>
Number of Children receiving only NON-PURCHASED IN-Home Services 958												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PSSub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	214	367,232	0	367,446	1,934	13	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	37,541	0	37,541	255	11	0	0	0
2-G FOSTER FAMILY - DEPENDENT	40,077	20,649	0	24,526	85,396	20	170,668	3,217	13	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	5,238	0	5,238	63	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	49,062	0	49,062	274	1	0	0	0
<b>2-K SUBTOTAL CBP</b>	<b>40,077</b>	<b>20,649</b>	<b>0</b>	<b>24,740</b>	<b>544,469</b>	<b>20</b>	<b>629,955</b>	<b>5,743</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PSSub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	0	2,500	0	2,500	10	1	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	3,971	0	3,971	56	1	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	142,909	0	142,909	562	7	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	249,751	0	249,751	850	3	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
<b>3-F SUBTOTAL INSTITUTIONAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>399,131</b>	<b>0</b>	<b>399,131</b>	<b>1,478</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4 ADMINISTRATION</b>	<b>260,116</b>	<b>132,953</b>	<b>0</b>	<b>67,587</b>	<b>0</b>	<b>151</b>	<b>460,807</b>			<b>138</b>	<b>0</b>	<b>0</b>
<b>5 TOTAL EXPENDITURES</b>	<b>1,129,516</b>	<b>580,363</b>	<b>379,514</b>	<b>319,120</b>	<b>1,005,129</b>	<b>15,798</b>	<b>3,429,440</b>			<b>138</b>	<b>0</b>	<b>0</b>

County Indirect Costs = \$ 0

**WARREN 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>	<b>AS REPORTED PER CY370</b>	<b>INCREASE (DECREASE)</b>	<b>AS AMENDED PER CY370</b>
Adoption Service	\$ 12,363	\$ 0	\$ 12,363
Adoption Assistance	349,860	0	349,860
Subsidized Permanent Legal Custodianship	29,654	0	29,654
Counseling	36,948	0	36,948
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	78,857	0	78,857
Life Skills	346,206	0	346,206
Protective Service - Child Abuse	193,848	0	193,848
Protective Service - General	640,649	0	640,649
Service Planning	224,205	0	224,205
Juvenile Act Proceedings	26,957	0	26,957
Alternative Treatment	0	0	0
Community Residential	367,446	0	367,446
Emergency Shelter	37,541	0	37,541
Foster Family	175,906	0	175,906
Supervised Independent Living	49,062	0	49,062
Juvenile Detention Service	2,500	0	2,500
Residential Service	146,880	0	146,880
Secure Residential Service (Except YDC)	249,751	0	249,751
YDC Secure	0	0	0
Administration	460,807	0	460,807
Combined Total Expense	<u>3,429,440</u>	<u>0</u>	<u>3,429,440</u>
Less Non-reimbursables	<u>138</u>	<u>0</u>	<u>138</u>
Total Net Expense	<u>\$ 3,429,302</u>	<u>\$ 0</u>	<u>\$ 3,429,302</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	\$ 1,129,516	\$ 0	\$ 1,129,516
Employee Benefits	580,363	0	580,363
Subsidies	379,514	0	379,514
Operating	319,120	0	319,120
Purchased Services	1,005,129	0	1,005,129
Fixed Assets	15,798	0	15,798
Combined Total Expense	<u>3,429,440</u>	<u>0</u>	<u>3,429,440</u>
Less Non-reimbursables	<u>138</u>	<u>0</u>	<u>138</u>
Total Net Expense	<u>\$ 3,429,302</u>	<u>\$ 0</u>	<u>\$ 3,429,302</u>

# SECTION 2

## AMENDED FISCAL REPORTS

**FOR THE FISCAL YEAR:**

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

**WARREN 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>		\$	2,507,395
Supplemental Act 148			<u>0</u>
Total State Allocation			2,507,395
State Share (CY348) <sup>2</sup>	\$		1,850,243
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	1,850,243
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable <sup>3</sup>		\$	1,850,243
Actual Act 148 Revenues Received <sup>4</sup>			<u>1,850,243</u>
Net Amount Due County/(State) <sup>5</sup>		\$	<u><u>0</u></u>

---

<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.

WARREN 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	39,232	7,092	0	0	0	0	0	32,140	32,140	0
02. 90% REIMBURSEMENT	42,880	8,621	20,359	0	0	0	0	13,849	12,464	1,385
03. 80% REIMBURSEMENT	2,204,937	503,358	0	3,670	0	0	0	1,618,991	1,295,193	323,798
04. 60% REIMBURSEMENT	986,748	117,954	0	43,455	16,252	0	2,973	781,809	469,085	312,724
05. 50% REIMBURSEMENT	82,720	0	0	0	0	0	0	82,720	41,361	41,359
06. TOTAL NET CHILD WELFARE EXPEND.	3,556,517	637,025	20,359	47,125	16,252	0	2,973	2,529,509	1,850,243	679,266

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	21,926	11						21,915	13,149	8,766

08. NON-REIMBURSABLE EXPENDITURES	98	0						98		
-----------------------------------	----	---	--	--	--	--	--	----	--	--

09. TOTAL EXPENDITURES	3,378,541	103,285	637,025	20,359	47,125	16,252	2,973	2,551,522	1,863,392	688,130
------------------------	-----------	---------	---------	--------	--------	--------	-------	-----------	-----------	---------

10. TOTAL TITLE IV-D COLLECTIONS 14,084

11. TITLE IV-D Collections for IV-E Children 6,945

12. STATE ACT 148 - line 6 1,850,243

13. STATE ACT 148 ALLOCATION 1,850,243

14. ADJUSTED STATE SHARE (lower of 12 or 13) 1,850,243

INVOICE	
AMENDED STATE SHARE (ACT 148)	1,850,243
ACT 148 AMOUNT RECEIVED	1,850,243
ADJUSTMENT TO STATE SHARE	0

WARREN 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
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	39,232	0		7,092	0		0	0	0	32,140	32,140	0
1-B ADOPTION ASSISTANCE	315,397	0	140,899	4,898			0	0	0	169,600	135,680	33,920
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	23,479	0	7,256	0			0	0	0	16,223	12,978	3,245
1-D COUNSELING - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-E COUNSELING - DELINQUENT	4,443	0		0	0		0	0	0	4,443	3,554	889
1-F DAY CARE	0	0		0	0		0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J INTAKE & REFERRAL	79,128	0		14,254	0		0	0	0	64,874	51,899	12,975
1-K LIFE SKILLS - DEPENDENT	327,245	10,151		56,871	0		0	0	0	260,223	208,178	52,045
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	174,723	0		31,627	0		0	0	0	143,096	114,477	28,619
1-N PROTECTIVE SERVICE - GENERAL	650,742	31,033		111,036	0		0	0	0	508,673	406,938	101,735
1-O SERVICE PLANNING	157,475	0		28,383	0		0	0	0	129,092	103,274	25,818
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	37,709	0		0	0		0	0	0	37,709	18,855	18,854
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	1,809,573	41,184	148,155	254,161	0	0	0	0	0	1,366,073	1,087,973	278,100

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	61,248	0	30,055	0	907		0	0	30,286	24,229	6,057	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	186,768	4,929	26,524	0	2,763		0	0	152,552	122,042	30,510	0
2-E EMERGENCY SHELTER - DEPENDENT	5,875	0	2,482	0	0		0	0	3,393	3,054	339	0
2-F EMERGENCY SHELTER - DELINQUENT	37,005	51	6,139	0	20,359		0	0	10,456	9,410	1,046	0
2-G FOSTER FAMILY - DEPENDENT	211,267	32,610	21,717	29,838	0		0	0	127,102	101,682	25,420	0
2-H FOSTER FAMILY - DELINQUENT	2,457	137	0	0	0		0	0	2,320	1,856	464	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0		0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	10,565	58	0	0	0		0	0	10,507	8,406	2,101	0
2-K SUBTOTAL CBP	515,185	37,785	86,917	29,838	20,359	3,670	0	0	336,616	270,679	65,937	0

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
3-A JUVENILE DETENTION SERVICE	45,011	0		0	0		0	0	45,011	22,506	22,505	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		0	0		0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	162,560	5,611	34,425	0	43,455		16,252	0	62,817	37,690	25,127	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	362,905	18,315							344,390	206,634	137,756	0
3-E YDC SECURE	21,926	11							21,915	13,149	8,766	0
3-F SUBTOTAL INSTITUTIONAL	592,402	24,137	34,425	0	43,455	16,252	0	0	474,133	279,979	194,154	0
4 ADMINISTRATION	461,283	179		83,529	0	0	0	0	374,602	224,761	149,841	0
5 TOTAL REVENUES	3,378,443	103,285	269,497	367,528	20,359	47,125	16,252	0	2,973	2,551,424	1,863,392	688,032

WARREN 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 PSSub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
<b>IN-HOME</b>												
I-A ADOPTION SERVICE	23,134	11,381		3,003	0	1,714	39,232	10	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	315,397	0	0	0	315,397	0	47	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	23,479	0	0	0	23,479	0	3	0	0	0
I-D COUNSELING - DEPENDENT	0	0						0	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0		1,321	3,122	0	4,443	0	13	0	0	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	44,116	22,242		11,102	0	1,668	79,128	666	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	201,125	91,316		32,270	0	2,534	327,245	310	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	97,027	48,934		27,955	0	807	174,723	179	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	350,370	181,864		114,070	0	4,438	650,742	812	0	0	0	0
I-O SERVICE PLANNING	88,694	47,676		20,695	0	410	157,475	263	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				1,745	35,964		37,709	0	25	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R <b>SUBTOTAL IN-HOME</b>	804,466	403,413	338,876	212,161	39,086	11,571	1,809,573			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 934												
<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	0	0	0	40	61,208	0	61,248	429	5	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	67	186,701	0	186,768	1,283	9	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	619	5,256	0	5,875	30	1	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	37,005	0	37,005	238	16	0	0	0
2-G FOSTER FAMILY - DEPENDENT	40,675	20,101	0	28,735	121,564	192	211,267	4,123	18	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	2,457	0	2,457	90	1	0	0	0
2-I SIP, INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SIP, INDEPENDENT LIVING - DELINQUENT	0	0	0	0	10,565	0	10,565	59	1	0	0	0
2-K <b>SUBTOTAL CBP</b>	40,675	20,101	0	29,461	424,756	192	515,185	6,252	51	0	0	0
<b>INSTITUTIONAL PLACEMENT</b>												
3-A JUVENILE DETENTION SERVICE	0	0	0	11	45,000	0	45,011	180	3	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	162,560	0	162,560	901	6	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	362,905	0	362,905	1,227	5	0	0	0
3-E YDC SECURE	0	0	0	0	21,926	0	21,926	38	1	0	0	0
3-F <b>SUBTOTAL INSTITUTIONAL</b>	0	0	0	11	592,391	0	592,402	2,346	15	0	0	0
<b>ADMINISTRATION</b>	251,893	127,037	0	80,829	0	1,622	461,381			98	0	0
<b>TOTAL EXPENDITURES</b>	1,097,034	550,551	338,876	322,462	1,056,233	13,385	3,378,541			98	0	0
County Indirect Costs = \$ 0												



**WARREN 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	\$ 39,232	\$ 0	\$ 39,232
Adoption Assistance	315,397	0	315,397
Subsidized Permanent Legal Custodianship	23,479	0	23,479
Counseling	4,443	0	4,443
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	79,128	0	79,128
Life Skills	327,245	0	327,245
Protective Service - Child Abuse	174,723	0	174,723
Protective Service - General	650,742	0	650,742
Service Planning	157,475	0	157,475
Juvenile Act Proceedings	37,709	0	37,709
Alternative Treatment	0	0	0
Community Residential	248,016	0	248,016
Emergency Shelter	42,880	0	42,880
Foster Family	213,724	0	213,724
Supervised Independent Living	10,565	0	10,565
Juvenile Detention Service	45,011	0	45,011
Residential Service	162,560	0	162,560
Secure Residential Service (Except YDC)	362,905	0	362,905
YDC Secure	21,926	0	21,926
Administration	461,381	0	461,381
Combined Total Expense	<u>3,378,541</u>	<u>0</u>	<u>3,378,541</u>
Less Non-reimbursables	<u>98</u>	<u>0</u>	<u>98</u>
Total Net Expense	<u>\$ 3,378,443</u>	<u>\$ 0</u>	<u>\$ 3,378,443</u>

<b>OBJECTS OF EXPENDITURE</b>	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,097,034	\$ 0	\$ 1,097,034
Employee Benefits	550,551	0	550,551
Subsidies	338,876	0	338,876
Operating	322,462	0	322,462
Purchased Services	1,056,233	0	1,056,233
Fixed Assets	13,385	0	13,385
Combined Total Expense	<u>3,378,541</u>	<u>0</u>	<u>3,378,541</u>
Less Non-reimbursables	<u>98</u>	<u>0</u>	<u>98</u>
Total Net Expense	<u>\$ 3,378,443</u>	<u>\$ 0</u>	<u>\$ 3,378,443</u>

# SECTION 3

## CURRENT ENGAGEMENT OBSERVATION

WARREN 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 Warren County Children and Youth Agency provided in-home and placement services to 934 children residing within the County during the 2017-2018 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

---

<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).

WARREN 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

---

<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.

WARREN 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.<sup>9</sup> 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.

---

<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.

<sup>9</sup> As of the date of this report, DHS has not notified us that the Single Audit Supplement has been updated.

WARREN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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 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>10</sup> However, recent amendments to the CPSL extend this time frame from one year to five years.<sup>11</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>12</sup>

---

<sup>10</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>11</sup> 23 Pa.C.S. § 6344.4.

<sup>12</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.

WARREN COUNTY CHILDREN AND YOUTH AGENCY  
CURRENT ENGAGEMENT OBSERVATION

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 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>13</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)*.

---

<sup>13</sup> As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

WARREN COUNTY CHILDREN AND YOUTH AGENCY  
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

**The Honorable Tom W. Wolf**  
Governor  
Commonwealth of Pennsylvania

**The Honorable Teresa D. Miller**  
Acting Secretary  
Department of Human Services

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

**Ms. Gloria Gilligan**  
Bureau Director  
Bureau of Budget and Fiscal Support  
Office of Children, Youth and Families  
Department of Human Services

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

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

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

**The Commissioners of Warren County**

**Ms. Meredith Ketcham**  
Administrator  
Warren County Children & Youth Agency

**Mr. Eric C. Hern**  
Director of Finance and Administration  
Warren County Children & Youth Agency

**Ms. Kathy Lebon**  
County Fiscal Officer 2  
Warren County Children and Youth Agency

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

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

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

**Ms. Linda Swick**  
Audit Specialist  
Audit Resolution Section  
Bureau of Financial Operations  
Department of Human Services

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).