

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

Chester County Children and Youth Agency

November 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Chester County
Commissioner's Office
313 W. Market Street, Suite 6202
West Chester, PA 19380-0991

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 Chester County Department of Children, Youth & Families (agency). The purpose of this engagement is to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county for the fiscal years July 1, 2019 to June 30, 2020, and July 1, 2020 to June 30, 2021. The scope of our engagement was limited to the fiscal reports submitted to the Pennsylvania Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2020, and June 30, 2021.

Agency management is responsible for the preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations. Our engagement procedures included a review of selected agency records and other procedures we deemed necessary to enable us to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county. We also performed procedures to determine the county's compliance with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*). The engagement was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards. We believe that our engagement procedures provided us a reasonable basis to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within Chester County.

We certify the enclosed amended fiscal reports fairly present, in all material respects, the total commonwealth expenditures paid on behalf of children residing within the county for the 2019-2020 and 2020-2021 fiscal years based on the accrual basis of accounting.¹

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

- For the **2019-2020 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment reclassified expenditures to the proper cost centers. Based on the application of the state participation rates, the adjustment resulted in an amount due to the county totaling \$3,349.
- For the **2020-2021 fiscal year**, our engagement resulted in no adjustments made to the agency's submitted fiscal reports.

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 3 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

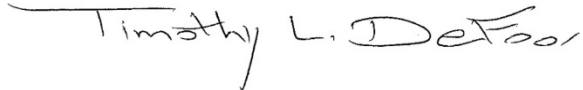
The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on November 3, 2022.

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

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

We appreciate the cooperation, assistance, and courtesy granted to our representatives by your officials and agency staff. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive style with a long horizontal line extending to the left of the first letter.

Timothy L. DeFoor
Auditor General
November 7, 2022

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BACKGROUND

The Department of the Auditor General (department) is responsible for reviewing the fiscal reports known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies. The department determines proper reporting and utilization of funds according to program regulations and guidelines under the Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” The Children and Youth Social Services Program is county-administered and state-supervised by DHS, with shared responsibility for achieving the commonwealth’s goal.

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

We reviewed the final, cumulative 4th quarter fiscal reports submitted to DHS, the agency’s related financial records, and other supporting documentation. This was done to determine whether the agency’s actual, cumulative expenditures and revenues were properly reported to DHS for the respective fiscal years. The amended fiscal reports below include any adjustments we considered necessary to reflect the agency’s actual related revenue, expenditures, and net state share for each fiscal year in our engagement period.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	18,552,850
Supplemental Act 148			<u>0</u>
Total State Allocation			18,552,850
State Share (CY348) ²	\$		15,034,982
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	15,034,982
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	15,034,982
Actual Act 148 Revenues Received ⁴			<u>15,031,633</u>
Net Amount Due County/(State) ⁵		\$	<u><u>3,349</u></u>

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

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
 AMENDED CY348
 FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	567,868	378	81,356	0	0	0	0	0	486,134	486,134	0
02. 90% REIMBURSEMENT	734,624	0	0	0	0	0	0	0	734,624	661,162	73,462
03. 80% REIMBURSEMENT	15,487,586	168,550	2,190,554	743,324	0	0	0	36,222	12,348,936	9,879,148	2,469,788
04. 60% REIMBURSEMENT	4,673,715	127,373	437,331	0	263,587	171,818	0	7,423	3,666,183	2,199,709	1,466,474
05. 50% REIMBURSEMENT	3,781,642	163,985	0	0	0	0	0	0	3,617,657	1,808,829	1,808,828
06. TOTAL NET CHILD WELFARE EXPEND.	25,245,435	460,286	2,709,241	743,324	263,587	171,818	0	43,645	20,853,534	15,034,982	5,818,552

YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	957,180	6,778							950,402	570,241	380,161
08. NON-REIMBURSABLE EXPENDITURES	0	0							0		0

09. TOTAL EXPENDITURES	26,202,615	467,064	2,709,241	743,324	263,587	171,818	0	43,645	21,803,936	15,605,223	6,198,713
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10. TOTAL TITLE IV-D COLLECTIONS 0

11. TITLE IV-D Collections for IV-E Children 0

12. STATE ACT 148 - line 6 15,034,982

13. STATE ACT 148 ALLOCATION 18,552,850

14. ADJUSTED STATE SHARE (lower of 12 or 13) 15,034,982

INVOICE											
AMENDED STATE SHARE (ACT 148)	15,034,982										
ACT 148 AMOUNT RECEIVED	15,031,633										
ADJUSTMENT TO STATE SHARE	3,349										

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
AMENDED CV370A
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.	TITLE IV-E TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	567,868	378		81,356	0			0	0	486,134	486,134	0
I-B ADOPTION ASSISTANCE	1,434,156	603	692,720	9,444				0	0	731,389	585,111	146,278
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	85,636	74	22,910					0	0	62,652	50,122	12,530
I-D COUNSELING - DEPENDENT	1,801,301			36,193	200,394			0	0	1,564,714	1,251,771	312,943
I-E COUNSELING - DELINQUENT	1,935,819	37,108		2,488	542,930			0	0	1,353,293	1,082,634	270,659
I-F DAY CARE	22,381	0		3,597	0			0	0	18,784	15,027	3,757
I-G DAY TREATMENT - DEPENDENT	0	0		0	0			0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0			0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0			0	0	0	0	0
I-J INTAKE & REFERRAL	791,561	0		113,662	0			0	0	677,899	542,319	135,580
I-K LIFE SKILLS - DEPENDENT	399,159	0		0	0			0	0	399,159	319,327	79,832
I-L LIFE SKILLS - DELINQUENT	0	0		0	0			0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,099,318	155		157,861	0			0	0	941,302	753,042	188,260
I-N PROTECTIVE SERVICE - GENERAL	2,663,129	2,124		381,104	0			0	0	2,279,901	1,823,921	455,980
I-O SERVICE PLANNING	1,378,136	0		182,804	0			0	0	1,195,332	956,266	239,066
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	217,640	0		0	0			0	0	217,640	108,820	108,820
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	30,877	0		0	0			0	0	30,877	15,439	15,438
I-R SUBTOTAL IN-HOME	12,426,981	40,442	715,630	968,509	743,324	0	0	0	0	9,959,076	7,989,933	1,969,143

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.	TITLE IV-E 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	556,466	20,290	62,251	32,815				0	0	441,110	352,888	88,222
2-D COMMUNITY RESIDENTIAL - DELINQUENT	705,300	38,598	0	336				0	0	666,366	533,093	133,273
2-E EMERGENCY SHELTER - DEPENDENT	734,624	0	0	0	0			0	0	734,624	661,162	73,462
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0			0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,086,200	26,905	249,896	242,460				26,561	0	1,540,378	1,232,302	308,076
2-H FOSTER FAMILY - DELINQUENT	162,503	41,357	0	13				0	0	121,133	96,906	24,227
2-I KINSHIP CARE - DEPENDENT	159,098	0	0	0	0			0	0	149,437	119,550	29,887
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0			9,661	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	140,025	1,336	0	0	0			0	0	138,689	110,951	27,738
2-L SUP. INDEPENDENT LIVING - DELINQUENT	67,398	0	0	0	0			0	0	67,398	53,918	13,480
2-M SUBTOTAL CBP	4,611,614	128,486	312,147	275,624	0	0	0	36,222	0	3,859,135	3,160,770	698,365

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.	TITLE IV-E 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	3,533,125	163,985							0	3,369,140	1,684,570	1,684,570
3-B RESIDENTIAL SERVICE - DEPENDENT	1,186,299	75,202	79,110	48,938				0	0	547,644	328,586	219,058
3-C RES. SERVICE - DELINQUENT (NON YDC/YTC)	1,339,005	52,171		612				0	0	1,286,222	771,733	514,489
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0						0	0	0	0	0
3-E YDC SECURE	957,180	6,778							0	950,402	570,241	380,161
3-F SUBTOTAL INSTITUTIONAL	7,015,609	298,136	79,110	49,550	0	0	0	0	0	6,153,408	3,355,130	2,798,278
4 ADMINISTRATION	2,148,411	0		308,671				0	0	1,832,317	1,099,300	732,927
TOTAL REVENUES	26,202,615	467,064	1,106,887	1,602,354	743,324	0	0	43,645	0	21,803,936	15,605,223	6,198,713

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv./Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
I-A ADOPTION SERVICE	330,154	135,725		101,989	0	0	567,868	39	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	1,434,156	0	0	0	1,434,156	0	181	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	85,636	0	0	0	85,636	0	7	0	0	0
I-D COUNSELING - DEPENDENT	50,563	20,845		181,659	1,548,234	0	1,801,301	101	125	0	0	0
I-E COUNSELING - DELINQUENT	0	0		22,260	1,913,559	0	1,935,819	1	88	0	0	0
I-F DAY CARE	0	0		22,381	0	0	22,381	21	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 HOME/MAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	567,095	205,805		18,661	0	0	791,561	2,132	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	399,159	0	101	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	721,841	266,128		111,349	0	0	1,099,318	385	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,766,678	677,293		219,158	0	0	2,663,129	538	0	0	0	0
I-O SERVICE PLANNING	861,297	332,642		84,408	99,789	0	1,378,136	914	2	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	217,640		217,640	0	184	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				30,877	0		30,877	123	0	0	0	0
I-R SUBTOTAL IN-HOME	4,297,628	1,638,438	1,519,792	792,742	4,178,381	0	12,426,981					
Number of Children receiving only NON-PURCHASED IN-Home Services 493												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	107,980	40,641		13,419	394,426	0	556,466	1,431	8	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		2,169	703,131	0	705,300	2,977	14	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	734,624	0	734,624	912	12	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	742,430	272,508		296,022	775,240	0	2,086,200	14,737	66	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		92	162,411	0	162,503	701	4	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0		0	159,098	0	159,098	6,285	21	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	140,025	0	140,025	902	3	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	67,398	0	67,398	437	4	0	0	0
2-M SUBTOTAL CBP	850,410	313,149	0	311,702	3,136,353	0	4,611,614	28,382	132	0	0	0
ADMINISTRATION	820,403	312,105	0	1,015,903	0	0	2,148,411					
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	3,533,125	0	3,533,125	4,792	66	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	146,799	55,354	0	57,849	926,297	0	1,186,299	2,162	462	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFG)	0	0	0	4,192	1,334,813	0	1,339,005	4,295	23	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	957,180	0	957,180	1,858	10	0	0	0
3-F SUBTOTAL INSTITUTIONAL	146,799	55,354	0	62,041	6,751,415	0	7,015,609	13,107	561	0	0	0
ADMINISTRATION	820,403	312,105	0	1,015,903	0	0	2,148,411					
TOTAL EXPENDITURES	6,115,240	2,319,046	1,519,792	2,182,388	14,066,149	0	26,202,615					
				County Indirect Costs = \$	362,194							

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 567,868	\$ 0	\$ 567,868
Adoption Assistance	1,434,156	0	1,434,156
Subsidized Permanent Legal Custodianship	85,636	0	85,636
Counseling	3,737,120	0	3,737,120
Day Care	22,381	0	22,381
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	791,561	0	791,561
Life Skills	399,159	0	399,159
Protective Service - Child Abuse	1,099,318	0	1,099,318
Protective Service - General	2,663,129	0	2,663,129
Service Planning	1,378,136	0	1,378,136
Juvenile Act Proceedings	248,517	0	248,517
Alternative Treatment	0	0	0
Community Residential	1,261,766	0	1,261,766
Emergency Shelter	701,132	33,492	734,624
Foster Family	2,282,195	(33,492)	2,248,703
Kinship Care	159,098	0	159,098
Supervised Independent Living	207,423	0	207,423
Juvenile Detention Service	3,533,125	0	3,533,125
Residential Service	2,525,304	0	2,525,304
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	957,180	0	957,180
Administration	2,148,411	0	2,148,411
Combined Total Expense	<u>26,202,615</u>	<u>0</u>	<u>26,202,615</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 26,202,615</u>	<u>\$ 0</u>	<u>\$ 26,202,615</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,115,240	\$ 0	\$ 6,115,240
Employee Benefits	2,319,046	0	2,319,046
Subsidies	1,519,792	0	1,519,792
Operating	2,182,388	0	2,182,388
Purchased Services	14,066,149	0	14,066,149
Fixed Assets	0	0	0
Combined Total Expense	<u>26,202,615</u>	<u>0</u>	<u>26,202,615</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 26,202,615</u>	<u>\$ 0</u>	<u>\$ 26,202,615</u>

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

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustment			
CY-370	2-E	1	1	Emergency Shelter (Dependent) - Wages and Salaries	\$ 701,132	\$ 33,492	\$ 734,624
CY-370	2-G	1		Foster Family (Dependent) - Wages and Salaries	\$ 808,732	\$ (33,492)	\$ 775,240
				Total Adjustment Amount		<u>0</u>	
				To reclassify \$33,492 of expenditures to the proper cost center. The agency made revisions to the expenditure ledger after reporting expenditures on the Act 148 Invoice submitted to the Commonwealth Department of Human Services.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	17,495,955
Supplemental Act 148			<u>0</u>
Total State Allocation			17,495,955
State Share (CY348) ²	\$		14,499,433
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	14,499,433
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	14,499,433
Actual Act 148 Revenues Received ⁴			<u>14,499,433</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</u></u>

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

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after auditor's adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after auditor's adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the County received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
 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	579,042	75,719	0	0	0	0	0	503,323	503,323	0
02. 90% REIMBURSEMENT	191,948	0	0	0	0	0	0	191,948	172,753	19,195
03. 80% REIMBURSEMENT	15,514,902	1,985,408	743,324	0	0	0	29,078	12,636,867	10,109,495	2,527,372
04. 60% REIMBURSEMENT	4,359,035	115,852	343,228	0	263,587	171,818	9,198	3,455,352	2,073,211	1,382,141
05. 50% REIMBURSEMENT	3,390,734	109,380	54	0	0	0	0	3,281,300	1,640,651	1,640,649
06. TOTAL NET CHILD WELFARE EXPEND.	24,035,661	345,457	743,324	263,587	171,818	0	38,276	20,068,790	14,499,433	5,569,357

YDC/YFC PLACEMENT COSTS										
07. 60% DHS PARTICIPATION	611,918	0						611,918	367,151	244,767

08. NON-REIMBURSABLE EXPENDITURES	0	0						0	0	0
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09. TOTAL EXPENDITURES	24,647,579	345,457	743,324	263,587	171,818	0	38,276	20,680,708	14,866,584	5,814,124
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10. TOTAL TITLE IV-D COLLECTIONS	0									
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11. TITLE IV-D Collections for IV-E Children	0									
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12. STATE ACT 148 - line 6	14,499,433									
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13. STATE ACT 148 ALLOCATION	17,495,955									
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14. ADJUSTED STATE SHARE (low or of 12 or 13)	14,499,433									
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INVOICE										
AMENDED STATE SHARE (ACT 148)	14,499,433									
ACT 148 AMOUNT RECEIVED	14,499,433									
ADJUSTMENT TO STATE SHARE	0									

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED CY 370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	579,042	0		75,719	0		0	0	0	503,323	503,323	0
1-B ADOPTION ASSISTANCE	1,399,367	0	681,763	11,586						706,218	564,974	141,244
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	63,971	0	23,319							40,652	32,522	8,130
1-D COUNSELING - DEPENDENT	2,222,651	8,639		40,965	192,068					1,980,979	1,584,783	396,196
1-E COUNSELING - DELINQUENT	1,866,248	18,956		666	551,256					1,295,370	1,036,296	259,074
1-F DAY CARE	0	0								0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0								0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0								0	0	0
1-I HOMEMAKER SERVICE	0	0								0	0	0
1-J INTAKE & REFERRAL	812,434	0		106,048						706,386	565,109	141,277
1-K LIFE SKILLS - DEPENDENT	644,161	9,541								634,620	507,696	126,924
1-L LIFE SKILLS - DELINQUENT	0	0								0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,056,524	0		137,632						918,892	735,114	183,778
1-N PROTECTIVE SERVICE - GENERAL	2,380,010	0		310,652						2,069,358	1,655,486	413,872
1-O SERVICE PLANNING	1,449,695	0		165,252						1,284,443	1,027,554	256,889
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	176,051	0								176,051	88,026	88,025
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	17,320	0		54						17,266	8,633	8,633
1-R SUBTOTAL IN-HOME	12,667,474	37,136	705,082	848,374	743,324	0	0	0	0	10,333,558	8,309,516	2,024,042
COMMUNITY BASED PLACEMENT												
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	435,793	7,588	18,115	24,633						385,457	308,366	77,091
2-D COMMUNITY RESIDENTIAL - DELINQUENT	453,756	32,950		24						420,782	336,626	84,156
2-E EMERGENCY SHELTER - DEPENDENT	191,948	0								191,948	172,753	19,195
2-F EMERGENCY SHELTER - DELINQUENT	0	0								0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,020,367	20,779	227,615	237,323					29,078	1,505,572	1,204,458	301,114
2-H FOSTER FAMILY - DELINQUENT	311,504	21,772		15						289,717	231,774	57,943
2-I KINSHIP CARE - DEPENDENT	173,911	0								173,911	139,129	34,782
2-J KINSHIP CARE - DELINQUENT	0	0								0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	163,743	0								163,743	130,994	32,749
2-L SUP. INDEPENDENT LIVING - DELINQUENT	60,767	0								60,767	48,614	12,153
2-M SUBTOTAL CBP	3,811,789	83,089	245,730	261,995	0	0	0	0	29,078	3,191,897	2,572,714	619,183
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	3,197,363	109,580								3,087,983	1,543,992	1,543,991
3-B RESIDENTIAL SERVICE - DEPENDENT	1,390,554	80,779	35,046	36,413						802,911	481,747	321,164
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	885,403	35,073		218						850,112	510,067	340,045
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0								0	0	0
3-E YDC SECURE	611,918	0								611,918	367,151	244,767
3-F SUBTOTAL INSTITUTIONAL	6,085,238	225,232	35,046	36,631	0	263,587	171,818	0	0	5,352,924	2,902,957	2,449,967
ADMINISTRATION	2,083,078	0		271,551						1,802,329	1,081,397	720,932
TOTAL REVENUES	24,647,579	345,457	985,858	1,418,551	743,324	263,587	171,818	0	38,276	20,680,708	14,866,584	5,814,124

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										9 Children Served (Purchased)	10 Non-Reimbursable Non PS/Sub.	11 Non-Reim. Purchased Serv/ Subsidies	12 Program Income related to all Non-Reimbursable	
	1 WAGES AND SALARIES	2 EMPLOYEE BENEFITS	3 SUBSIDIES	4 OPERATING SERVICES	5 PURCHASED SERVICES	6 FIXED ASSETS	7 TOTAL EXPENDITURES	8 Children Served (by county)							
IN-HOME															
I-A ADOPTION SERVICE	360,115	144,389		74,538	0	0	0	0	0	0	0	0	0	0	0
I-B ADOPTION ASSISTANCE	0	1,399,367		0	0	0	0	0	0	0	193	0	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	63,971	0	0	0	0	0	0	0	0	0	0	0	0
I-D COUNSELING - DEPENDENT	44,946	18,925		262,757	1,896,023	0	2,222,651	311	0	0	133	0	0	0	0
I-E COUNSELING - DELINQUENT	0	0		6,604	1,859,644	0	1,866,248	33	0	0	118	0	0	0	0
I-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	574,928	222,005		15,501	0	0	812,434	1,813	0	0	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		0	644,161	0	644,161	0	0	0	107	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	691,853	267,267		97,404	0	0	1,056,524	367	0	0	0	0	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,591,411	631,975		156,624	0	0	2,380,010	667	0	0	0	0	0	0	0
I-O SERVICE PLANNING	780,051	308,997		177,827	182,820	0	1,449,695	247	0	0	276	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					176,051		176,051	0	0	0	141	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					17,320		17,320	67	0	0	0	0	0	0	0
SUBTOTAL IN-HOME	4,043,304	1,593,558	1,463,338	808,575	4,758,699	0	12,667,474	67	0	0	0	0	0	0	0
LRCNP = Legal Representation for Children in Placement - \$															
LRCNP = Legal Representation for Children Non-Placement - \$															
Number of Children receiving sub-SUBS-PURCHASED HI Services: 0															
COMMUNITY BASED PLACEMENT															
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		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	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	115,488	45,593		14,072	260,640	0	435,793	960	0	0	5	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		220	453,536	0	453,756	1,458	0	0	5	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	191,948	0	191,948	194	0	0	12	0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	777,650	300,938		320,252	621,527	0	2,020,367	8,594	0	0	35	0	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		113	311,391	0	311,504	3,869	0	0	7	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0		0	173,911	0	173,911	5,029	0	0	19	0	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	163,743	0	163,743	1,197	0	0	5	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	60,767	0	60,767	499	0	0	3	0	0	0	0
SUBTOTAL CBP	893,138	346,531	0	334,657	2,237,463	0	3,811,789	21,800	0	0	91	0	0	0	0
INSTITUTIONAL PLACEMENT															
3-A JUVENILE DETENTION SERVICE	0	0		0	3,197,363	0	3,197,363	2,912	0	0	40	0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	156,765	62,013		24,524	1,147,252	0	1,390,554	511	0	0	4	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		1,655	883,748	0	885,403	2,239	0	0	12	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0		0	611,918	0	611,918	1,129	0	0	3	0	0	0	0
SUBTOTAL INSTITUTIONAL	156,765	62,013	0	26,179	5,840,281	0	6,085,238	6,791	0	0	59	0	0	0	0
ADMINISTRATION	779,188	318,817	0	985,073	0	0	2,083,078								
TOTAL EXPENDITURES	5,872,395	2,320,919	1,463,338	2,154,484	12,836,443	0	24,647,579								
County Indirect Costs = \$ 418,407															

**CHESTER COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 579,042	\$ 0	\$ 579,042
Adoption Assistance	1,399,367	0	1,399,367
Subsidized Permanent Legal Custodianship	63,971	0	63,971
Counseling	4,088,899	0	4,088,899
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	0	0	0
Intake and Referral	812,434	0	812,434
Life Skills	644,161	0	644,161
Protective Service - Child Abuse	1,056,524	0	1,056,524
Protective Service - General	2,380,010	0	2,380,010
Service Planning	1,449,695	0	1,449,695
Juvenile Act Proceedings	193,371	0	193,371
Alternative Treatment	0	0	0
Community Residential	889,549	0	889,549
Emergency Shelter	191,948	0	191,948
Foster Family	2,331,871	0	2,331,871
Kinship Care	173,911	0	173,911
Supervised Independent Living	224,510	0	224,510
Juvenile Detention Service	3,197,363	0	3,197,363
Residential Service	2,275,957	0	2,275,957
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	611,918	0	611,918
Administration	2,083,078	0	2,083,078
Combined Total Expense	<u>24,647,579</u>	<u>0</u>	<u>24,647,579</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 24,647,579</u>	<u>\$ 0</u>	<u>\$ 24,647,579</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,872,395	\$ 0	\$ 5,872,395
Employee Benefits	2,320,919	0	2,320,919
Subsidies	1,463,338	0	1,463,338
Operating	2,154,484	0	2,154,484
Purchased Services	12,836,443	0	12,836,443
Fixed Assets	0	0	0
Combined Total Expense	<u>24,647,579</u>	<u>0</u>	<u>24,647,579</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 24,647,579</u>	<u>\$ 0</u>	<u>\$ 24,647,579</u>

SECTION 3

CURRENT ENGAGEMENT OBSERVATION

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers Comply with CPSL Requirements

The vast majority of Pennsylvania’s County Children and Youth (C&Y) agencies contract with non-government In-Home Preventative Service providers (contracted providers) to deliver services to children outside of an institutional or community-based setting, and those services are referred to as In-Home Purchased Services.² The Child Protective Services Law (CPSL) requires the conduct of Criminal Background Checks and Child Abuse History Clearances (certifications) for all contracted providers’ (and their respective subcontractors’) employees and direct volunteers.³

Since 2016, we have communicated concerns to the Pennsylvania Department of Human Services (DHS) that these contracted providers were not being monitored for compliance with the CPSL certification mandates. Specifically, this needed monitoring relates to obtaining assurance as to the sufficiency of each C&Y agency’s procedures for reviewing the certifications of contracted providers’ employees and volunteers and their respective subcontractors, whose duties require them to come into direct contact with children and taking appropriate corrective actions when disqualifying incidents are identified. Furthermore, these contracted providers are not subject to licensure nor annual inspections under the Human Services Code (Code).⁴ Our concerns continue to be communicated through the inclusion of a standardized observation in our C&Y Program engagement reports and through correspondence with DHS.

In February 2018, DHS senior management staff affirmed that DHS is responsible for communicating contract-monitoring expectations to the C&Y agencies and for implementing a

² Institutional and community-based settings are those in which the child is outside of the home for the entire time (e.g., Juvenile Detention, Residential Services, Secure Residential, Youth Development Camps, Youth Forestry Camps, Foster Care, Emergency Shelter, Group Homes, etc.). In-Home supportive services are provided while the child is in their own home or supportive services provided to the child or child’s family while the child is in substitute care.

³ 23 Pa.C.S. §§ 6344 and 6344.2. Please note that CPSL 23 Pa.C.S. § 6344.4 now requires recertification of the required state and federal background checks and the child abuse clearance every 60 months.

⁴ Based on a recent communication with DHS in early September 2020, the state agency candidly indicated that it lacks sufficient budgetary resources, leading to inadequate staffing to provide for the licensure and inspection of these contracted providers, which includes a large population of not only these providers, but also their subcontractors. Further, the implication of these budgetary constraints is that it would not be reasonable to pursue or support related legislation to make these contracted providers and their subcontractors subject to licensure and inspection. Please see the Special Note in Endnote 1.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

method to ensure certification monitoring is being performed adequately. DHS staff also stated these expectations were communicated to C&Y agencies on numerous occasions since 2016.

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to then DHS Deputy Secretary for Children, Youth and Families, which was also delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs. The major purpose of our letter was to express our concerns, as detailed above.

DHS Corrective Actions Taken

In an effort to further address our concerns, DHS expanded its CPSL adherence requirements for C&Y agencies through the issuance of its 2019 revision of its Single Audit Supplement (supplement) for counties, effective for the fiscal year ended June 30, 2019. The supplement included the following requirements for C&Y agencies and their auditors who conduct Single Audits of counties.

C&Y agencies are required to:

- Monitor contracted provider adherence to the CPSL background check requirements to assure the safety of children receiving prevention, reunification, and aftercare services (services coded as in-home).
- Document these efforts and report them to DHS on a supplemental schedule included in each counties' Single Audit package.
- Create a listing of contracted providers that deliver in-home coded services.
- Monitor a sample of contracted providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to contracted providers and obtain a corrective action plan.
- Follow-up on implementation of the corrective action plan within six months.
- Document the results of the monitoring.

As part of the Single Audit, the auditors are required to perform agreed-upon procedures with regard to the supplemental schedule noted above, including the following:

- Obtain a listing of contracted providers that deliver in-home coded services for the C&Y agency.
- Test the listing of contracted providers for completeness.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

- Analyze the C&Y agency's documentation of monitoring activities for adequacy of monitoring, the C&Y agency's obtaining of any necessary corrective action plans, the C&Y agency's timely follow-up on corrective action plans, and the adequacy and accuracy of the monitoring documentation as represented on the supplemental schedule.
- Disclose any exceptions or findings within the Single Audit package for items not reflected on the supplemental schedule.

Our Current Position

We believe that the requirements that DHS included in its supplement are great first steps in obtaining assurance of the C&Y agencies' compliance with the CPSL certification requirements. Specifically, having independent auditors reviewing the adequacy of the C&Y agencies' monitoring of the CPSL background check requirements for contracted providers annually, and reporting the C&Y agencies' monitoring efforts in a supplemental schedule of the Single Audit package that is provided to DHS appears to be effective. As part of the CPSL certification monitoring process, it is incumbent upon DHS to review the supplemental schedule and any exceptions or findings within the Single Audit packages to ascertain whether the C&Y agencies are properly monitoring for CPSL certification requirements of its contracted providers. However, as of March 2021, DHS officials acknowledged that staff have not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS is especially concerning considering DHS as the oversight agency could remain unaware of improper monitoring being performed by a C&Y agency and/or non-compliance with the CPSL occurring despite receiving an audit report disclosing such information. Therefore, we believe that it is imperative that DHS review the Single Audit packages for CPSL compliance by the C&Y agencies in a timely manner.

Alternatively, DHS could implement its own monitoring process whereby it reviews the adequacy of each C&Y agency's monitoring to ensure the agency's contracted providers and their subcontractors complied with CPSL certification requirements. The process would include reviewing the corrective actions plans when disqualifying incidents were identified and verifying that the corrective action plans were implemented.¹

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

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
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Conclusion

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

ⁱ **Special Note:** In marked contrast to contracted foster care parents/providers and day treatment centers/child residential facilities, as well as 12 other types of facilities and programs, these C&Y contracted providers are not subject to annual licensure and an inspection process in accordance with the Human Services Code (Code). As noted in an earlier footnote, DHS recently made the candid statement that it lacks sufficient budgetary resources, leading to inadequate staffing to provide for the licensure and inspection of these contracted providers.

Our Department understands and appreciates these budgetary difficulties and that it may not be practical, but it is definitely reasonable to have licensure and inspections under the Code for this very large population of these C&Y agencies' contracted providers and their subcontractors.

CHESTER COUNTY CHILDREN AND YOUTH AGENCY
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