

AMENDED/UNCERTIFIED FISCAL REPORTS
For Fiscal Years:

Amended - July 1, 2019 to June 30, 2020
Uncertified - July 1, 2020 to June 30, 2021

Jefferson County
Children and Youth Agency

May 2024



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Commissioners of Jefferson County
Jefferson Place, 2nd Floor
155 Main Street
Brookville, PA 15825

Dear Commissioners:

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

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. However, because of the matters discussed below, we were not able to ascertain and certify the actual 2020-2021 fiscal year Commonwealth expenditures incurred on behalf of children residing within Jefferson County.

The agency could not provide documentation to support the total amount of expenditures reported by the agency for the 2020-2021 fiscal year. As a result, we could not determine which transactions comprised the reported expenditure amounts, and we therefore could not perform procedures to conclude on the accuracy of the expenditures reported on the agency's fiscal reports. We also

found that the agency did not account for or report certain program income received as described in the adjustments described below. DHS regulations specify that the actual expenditures incurred on behalf of children resident within the county be reported net of related program income, and therefore any errors in the reporting of program income affects the net expenditures reported. Finally, because the reported expenditure amounts affect the Act 148 state share amount reported on the agency's CY-348 fiscal summary, we also could not determine the accuracy of the reported Act 148 state share amount. Additional details regarding this matter are included in the finding included in this report.

Because of the significance of the matters described in the two preceding paragraphs, we could not achieve our objective of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the county for the 2020-2021 fiscal year.

We certify that the enclosed amended fiscal reports fairly present, in all material aspects, the total Commonwealth expenditures paid on behalf of children residing within the county for the 2019-2020 fiscal year 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 no adjustments made to the agency's submitted fiscal reports.

Despite the matters described above, we did perform procedures related to the 2020-2021 fiscal year using the documentation available to us related to program income, and the results of those procedures are described in the bulleted items below.² The results described below, however, are limited to program income and we reiterate that we were not able to and do not certify the enclosed, uncertified fiscal reports.

- For the **2020-2021 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Net State Share by increasing program income by \$47,469. Based on the application of the state participation rates the adjustment resulted in an amount due to the state totaling \$37,942.

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.

² We obtained documentation from the county that provided evidence of program income that the agency received from the county but did not include in the fiscal reports submitted to DHS. Because our testing of program income was not affected by the agency's inability to provide documentation to support the expenditures reported in the fiscal reports, we included the adjustments related to program income in the enclosed, uncertified fiscal reports.

This report includes the following finding:

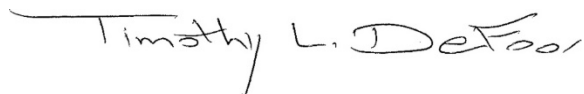
Finding – Jefferson County Children and Youth Failed to Provide Complete Financial Record and Supporting Documentation to Substantiate 2020-2021 Reported Expenditures

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on April 16, 2024.

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 and the final reconciliation of federal revenues not included in the scope of our engagement 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.

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 horizontal line above the first name.

Timothy L. DeFoor
Auditor General
April 29, 2024

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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.

We did not evaluate the agency’s provision of services or compliance with requirements in the Child Protective Services Law (CPSL). The Commonwealth of Pennsylvania Department of Human Services monitors each county’s provision of children and youth services and requires auditors who conduct the [Single Audit](#) of a county to evaluate the county’s monitoring of contracted providers of prevention, reunification, and aftercare services (services coded as in-home) for compliance with CPSL background check requirements.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

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

Approved State Allocation ¹		\$	4,938,744
Supplemental Act 148			<u>0</u>
Total State Allocation			4,938,744
State Share (CY348) ²	\$		4,833,045
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,833,045
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	4,833,045
Actual Act 148 Revenues Received ⁴			<u>4,833,045</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.

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

	A	B	C	D	E	F	G	H	I	J	K
	GRAND	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B			TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	21,002	0	3,107	0	0	0	0	0	17,895	17,895	0
02. 90% REIMBURSEMENT	0	0	0	0	0	0	0	0	0	0	0
03. 80% REIMBURSEMENT	7,998,874	248,410	1,719,711	94,133	38,507	78,419	0	0	5,819,694	4,655,755	1,163,939
04. 60% REIMBURSEMENT	302,515	4,957	44,610	0	0	0	0	2,290	250,658	150,395	100,263
05. 50% REIMBURSEMENT	18,000	0	0	0	0	0	0	0	18,000	9,000	9,000
06. TOTAL NET CHILD WELFARE EXPEND.	8,340,391	253,367	1,767,428	94,133	38,507	78,419	0	2,290	6,106,247	4,833,045	1,273,202

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	7,224	962							6,262	3,757	2,505
08. NON-REIMBURSABLE EXPENDITURES	157	0							157		

09. TOTAL EXPENDITURES	8,347,772	254,329	1,767,428	94,133	38,507	78,419	0	2,290	6,112,666	4,836,802	1,275,864
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10. TOTAL TITLE IV-D COLLECTIONS 179,091

11. TITLE IV-D Collections for IV-E Children 50,649

12. STATE ACT 148 - inc 6 4,833,045

13. STATE ACT 148 ALLOCATION 4,938,744

14. ADJUSTED STATE SHARE (lower of 12 or 13) 4,833,045

INVOICE	
AMENDED STATE SHARE (ACT 148)	4,833,045
ACT 148 AMOUNT RECEIVED	4,833,045
ADJUSTMENT TO STATE SHARE	0

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2019 TO JUNE 30, 2020
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	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	21,002	0		3,107	0		0	0	0	17,895	17,895	0
1-B ADOPTION ASSISTANCE	1,377,672	0	490,540	62,793					0	824,339	659,471	164,868
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	549,264	0	121,886	23,672					0	403,706	322,965	80,741
1-D COUNSELING - DEPENDENT	1,014,949	0		44,704	90,866				0	879,379	703,503	175,876
1-E COUNSELING - DELINQUENT	9,467	0		0	2,540				0	6,927	5,542	1,385
1-F DAY CARE	0	0		0	0				0	0	0	0
1-G DAY TREATMENT - DEPENDENT	2,252	0		0	727				0	1,525	1,220	305
1-H DAY TREATMENT - DELINQUENT	180	0		0	0				0	180	144	36
1-I HOMEMAKER SERVICE	0	0		0	0				0	0	0	0
1-J INTAKE & REFERRAL	15,081	0		2,237	0				0	12,844	10,275	2,569
1-K LIFE SKILLS - DEPENDENT	0	0		0	0				0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0				0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	174,696	10		21,735	0				0	152,951	122,361	30,590
1-N PROTECTIVE SERVICE - GENERAL	715,868	570		97,755	0				0	617,543	494,034	123,509
1-O SERVICE PLANNING	25,053	0		3,695	0				0	21,358	17,086	4,272
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	18,000	0		0	0				0	18,000	9,000	9,000
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0				0	0	0	0
1-R SUBTOTAL IN-HOME	3,923,484	580	612,426	259,698	94,133	0	0	0	0	2,956,647	2,363,496	593,151
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	0				0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0				0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,367,376	58,556	254,084	68,623	38,507				0	947,606	758,085	189,521
2-D COMMUNITY RESIDENTIAL - DELINQUENT	738,209	47,827	41,850	276	0	78,419			0	569,837	455,870	113,967
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	0				0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0				0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,749,877	96,914	90,104	357,074	0				0	1,205,785	964,628	241,157
2-H FOSTER FAMILY - DELINQUENT	360	791	0	0	0				0	(431)	(345)	(86)
2-I KINSHIP CARE - DEPENDENT	249,651	43,742	37,326	36	0				0	168,547	134,838	33,709
2-J KINSHIP CARE - DELINQUENT	0	0		0	0				0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	8,919	0		1,321	0				0	7,598	6,078	1,520
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0				0	0	0	0
2-M SUBTOTAL CBP	4,114,392	247,830	423,364	427,330	0	38,507	78,419	0	0	2,898,942	2,319,154	579,788
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	0				0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	22		0	0				0	(22)	(13)	(9)
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0		0	0				0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0				0	0	0	0
3-E YDC SECURE	7,224	962								6,262	3,757	2,505
3-F SUBTOTAL INSTITUTIONAL	7,224	984	0	0	0	0	0	0	0	6,240	3,744	2,496
4 ADMINISTRATION	302,515	4,935		44,610					2,290	250,680	150,408	100,272
TOTAL REVENUES	8,347,615	254,329	1,035,790	731,638	94,133	38,507	78,419	0	2,290	6,112,509	4,836,802	1,275,707

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR 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 (by county)	Children Served (Purchased)	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	3,634	0	15,758	0	70	21,002	1	6	0	0	0	0
I-B ADOPTION ASSISTANCE	79,489	34,316	972,464	290,382	0	1,043	1,377,694	3	104	22	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	30,247	13,022	389,497	116,090	0	417	549,273	1	42	9	0	0
I-D COUNSELING - DEPENDENT	47,711	20,231	234,341	711,834	849	1,014,966	1	203	17	0	0	0
I-E COUNSELING - DELINQUENT	0	0	0	9,467	0	9,467	0	10	0	0	0	0
I-F DAY CARE	0	0	0	0	0	0	2,252	0	5	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0	0	0	180	0	180	0	2	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	2,983	1,290	10,764	0	44	15,081	1	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	27,032	11,616	107,672	462	27,922	174,704	149	50	8	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	118,070	50,663	489,576	55,495	2,100	715,904	1,363	23	36	0	0	0
I-O SERVICE PLANNING	3,928	1,665	19,380	4	78	25,055	401	1	2	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	18,000	18,000	0	120	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	313,094	134,343	1,361,961	1,283,963	825,154	5,063	3,923,578	1,179	94	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 1,337												
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	96,050	41,638	324,717	903,792	1,203	1,367,400	4,854	41	24	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	2,187	736,022	0	738,209	3,810	25	0	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	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	135,203	58,574	551,146	1,003,246	1,741	1,749,910	14,515	69	33	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	360	0	360	54	1	0	0	0	0
2-J KINSHIP CARE - DEPENDENT	0	0	1,501	248,150	0	249,651	8,677	42	0	0	0	0
2-K KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DEPENDENT	1,711	736	6,449	3	20	8,919	1	1	0	0	0	0
2-M SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-N SUBTOTAL CBP	232,964	100,948	886,000	2,891,573	2,964	4,114,449	31,911	179	57	0	0	0
ADMINISTRATION	23,958	10,369	0	266,443	1,425	326	302,521	0	6	0	0	0
TOTAL EXPENDITURES	570,016	245,660	1,361,961	2,456,406	3,725,376	8,353	8,347,772	1,179	157	0	0	0
County Indirect Costs = \$ 177,776												

**JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR 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	\$ 21,002	\$ 0	\$ 21,002
Adoption Assistance	1,377,694	0	1,377,694
Subsidized Permanent Legal Custodianship	549,273	0	549,273
Counseling	1,024,433	0	1,024,433
Day Care	0	0	0
Day Treatment	2,432	0	2,432
Homemaker Service	0	0	0
Intake and Referral	15,081	0	15,081
Life Skills	0	0	0
Protective Service - Child Abuse	174,704	0	174,704
Protective Service - General	715,904	0	715,904
Service Planning	25,055	0	25,055
Juvenile Act Proceedings	18,000	0	18,000
Alternative Treatment	0	0	0
Community Residential	2,105,609	0	2,105,609
Emergency Shelter	0	0	0
Foster Family	1,750,270	0	1,750,270
Kinship Care	249,651	0	249,651
Supervised Independent Living	8,919	0	8,919
Juvenile Detention Service	0	0	0
Residential Service	0	0	0
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	7,224	0	7,224
Administration	302,521	0	302,521
Combined Total Expense	<u>8,347,772</u>	<u>0</u>	<u>8,347,772</u>
Less Non-reimbursables	<u>157</u>	<u>0</u>	<u>157</u>
Total Net Expense	<u>\$ 8,347,615</u>	<u>\$ 0</u>	<u>\$ 8,347,615</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 570,016	\$ 0	\$ 570,016
Employee Benefits	245,660	0	245,660
Subsidies	1,361,961	0	1,361,961
Operating	2,436,406	0	2,436,406
Purchased Services	3,725,376	0	3,725,376
Fixed Assets	8,353	0	8,353
Combined Total Expense	<u>8,347,772</u>	<u>0</u>	<u>8,347,772</u>
Less Non-reimbursables	<u>157</u>	<u>0</u>	<u>157</u>
Total Net Expense	<u>\$ 8,347,615</u>	<u>\$ 0</u>	<u>\$ 8,347,615</u>

SECTION 2

UNCERTIFIED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

**JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	5,825,797
Supplemental Act 148			<u>0</u>
Total State Allocation			5,825,797
State Share (CY348) ²	\$		4,320,412
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	4,320,412
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	4,320,412
Actual Act 148 Revenues Received ⁴			<u>4,358,354</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(37,942)</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.

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
 UNCERTIFIED 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	FAMILY FIRST TRANSITION ACT	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	13,560	0	1,639	0	0	0	0	0	11,921	11,921	0
02. 90% REIMBURSEMENT	18,397	0	1,169	0	0	0	0	0	17,228	15,505	1,723
03. 80% REIMBURSEMENT	7,184,093	289,911	1,529,235	94,134	38,507	78,419	0	0	5,153,887	4,123,112	1,030,775
04. 60% REIMBURSEMENT	299,731	1,021	36,009	0	0	0	0	2,273	260,428	156,256	104,172
05. 50% REIMBURSEMENT	28,067	0	832	0	0	0	0	0	27,235	13,618	13,617
06. TOTAL NET CHILD WELFARE EXPEND.	7,543,848	290,932	1,568,884	94,134	38,507	78,419	0	2,273	5,470,699	4,320,412	1,150,287

YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	20,178	0							20,178		20,178
09. TOTAL EXPENDITURES	7,564,026	290,932	1,568,884	94,134	38,507	78,419	0	2,273	5,490,877	4,320,412	1,170,465

10. TOTAL TITLE IV-D COLLECTIONS	199,103
11. TITLE IV-D Collections for IV-E Children	43,990
12. STATE ACT 148 - line 6	4,320,412
13. STATE ACT 148 ALLOCATION	5,825,797
14. ADJUSTED STATE SHARE (lower of 12 or 13)	4,320,412
INVOICE	
AMENDED STATE SHARE (ACT 148)	4,320,412
ACT 148 AMOUNT RECEIVED	4,358,354
ADJUSTMENT TO STATE SHARE	(37,942)

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	13,560	0		1,639	0				0	11,921		0
I-B ADOPTION ASSISTANCE	1,330,853	0	567,421	32,036					0	731,396	585,117	146,279
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	490,426	357	141,054	11,661					0	337,354	269,883	67,471
I-D COUNSELING - DEPENDENT	1,140,415	0		23,965	86,895				0	1,029,555	823,644	205,911
I-E COUNSELING - DELINQUENT	45,416	0		50	7,239				0	38,127	30,502	7,625
I-F DAY CARE	0	0		0	0				0	0	0	0
I-G DAY TREATMENT - DEPENDENT	9,322	0		1,120	0				0	8,202	6,562	1,640
I-H DAY TREATMENT - DELINQUENT	330	0		0	0				0	330	264	66
I-I HOMEMAKER SERVICE	0	0		0	0				0	0	0	0
I-J INTAKE & REFERRAL	9,545	0		1,153	0				0	8,392	6,714	1,678
I-K LIFE SKILLS - DEPENDENT	0	0		0	0				0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0				0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	133,648	24		12,781	0				0	120,843	96,674	24,169
I-N PROTECTIVE SERVICE - GENERAL	479,437	514		53,226	0				0	425,697	340,558	85,139
I-O SERVICE PLANNING	17,182	0		2,075	0				0	15,107	12,086	3,021
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	27,872	0		811	0				0	27,061	13,531	13,530
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	195	0		21	0				0	174	87	87
I-R SUBTOTAL IN-HOME	3,698,201	895	708,475	140,538	94,134	0	0	0	0	2,754,159	2,197,543	556,616
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0					0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0					0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,102,587	74,194	110,216	53,541		38,507			0	826,129	660,903	165,226
2-D COMMUNITY RESIDENTIAL - DELINQUENT	491,997	48,802	72,783	11,541			78,419		0	280,452	224,362	56,090
2-E EMERGENCY SHELTER - DEPENDENT	0	0		0	0				0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	18,397	0		987	182				0	17,228	15,505	1,723
2-G FOSTER FAMILY - DEPENDENT	1,358,606	77,604	137,146	178,010					0	965,846	772,677	193,169
2-H FOSTER FAMILY - DELINQUENT	22,320	790	2,132	298					0	19,100	15,280	3,820
2-I KINSHIP CARE - DEPENDENT	523,526	74,249	105,524	7,142					0	336,611	269,289	67,322
2-J KINSHIP CARE - DELINQUENT	22,755	11,984	3,668	0					0	7,103	5,682	1,421
2-K SUP. INDEPENDENT LIVING - DEPENDENT	5,715	1,393		691					0	3,631	2,905	726
2-L SUP. INDEPENDENT LIVING - DELINQUENT	13	0		1					0	12	10	2
2-M SUBTOTAL CBP	3,545,916	289,016	482,456	251,406	0	38,507	78,419	0	0	2,456,112	1,966,613	489,499
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0							0	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	1,016		0					0	(1,016)	(610)	(406)
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	0	0		0					0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	200	0							0	200	120	80
3-E YDC SECURE	0	0							0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	200	1,016	0	0	0	0	0	0	0	(816)	(490)	(326)
4 ADMINISTRATION	299,531	5		36,009					2,273	261,244	156,746	104,498
5 TOTAL REVENUES	7,543,848	290,932	1,140,931	427,953	94,134	38,507	78,419	0	2,273	5,470,699	4,320,412	1,150,287

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
 UNCERTIFIED 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 PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	6,085	2,672		4,399	0	404	13,560	4	2	0	0	0
1-B ADOPTION ASSISTANCE	117,361	51,518	1,065,502	84,842	0	11,630	1,330,833	12	422	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	46,945	20,608	394,014	28,554	0	305	490,426	4	171	0	0	0
1-D COUNSELING - DEPENDENT	94,759	41,596		61,089	942,103	868	1,404,415	5	628	0	0	0
1-E COUNSELING - DELINQUENT	0	0		474	44,942	0	45,416	0	65	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		3,841	0	5,481	9,322	1	2	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	330	0	330	0	1	0	0	0
1-I HOMEMAKER SERVICE	0	0		3,000	0	290	9,545	4	2	0	0	0
1-J INTAKE & REFERRAL	4,347	1,908		0	0	0	0	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	43,468	19,081		40,978	27,210	2,911	133,648	205	57	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	194,734	85,482		148,054	38,123	13,044	479,437	1,180	11	0	0	0
1-O SERVICE PLANNING	7,824	3,434		5,399	0	525	17,182	4	1	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				6,872	21,000		27,872	7	8	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				195	0		195	0	0	0	0	0
1-R SUBTOTAL IN-HOME	515,523	226,299	1,459,516	387,697	1,073,708	35,458	3,698,201			0	0	0
	LRCP = Legal Representation for Children in Placement = \$											
	LRCP = Legal Representation for Children Non-Placement = \$											
	Number of Children receiving only NON-PURCHASED III Services											

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 PS/Sub.	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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	130,402	57,243	0	90,245	815,962	8,735	1,102,587	5,291	72	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,379	490,815	0	492,194	2,991	49	197	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	186,041	81,667	0	191,961	886,490	12,447	1,358,606	14,453	185	0	0	0
2-G FOSTER FAMILY - DEPENDENT	0	0	0	915	21,405	0	22,320	7,613	11	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	56,809	466,717	0	523,526	11,425	190	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0	0	65	22,690	0	22,755	555	8	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	2,608	1,145	0	1,787	0	175	5,715	0	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	13	0	0	13	0	0	0	0	0
2-M SUBTOTAL CBP	319,051	140,055	0	343,174	2,722,476	21,357	3,546,113	42,432	518	197	0	0

INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
	3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	200	0	0	200	0	0	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	200	0	0	200	0	0	0	0	0
4 ADMINISTRATION	34,774	15,264	0	267,083	64	2,327	319,512			19,981	0	0
5 TOTAL EXPENDITURES	869,348	381,618	1,459,516	998,154	3,796,248	59,142	7,564,026			20,178	0	0
	County Indirect Costs = \$ 242,004											

**JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
UNCERTIFIED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 13,560	\$ 0	\$ 13,560
Adoption Assistance	1,330,853	0	1,330,853
Subsidized Permanent Legal Custodianship	490,426	0	490,426
Counseling	1,185,831	0	1,185,831
Day Care	0	0	0
Day Treatment	9,652	0	9,652
Homemaker Service	0	0	0
Intake and Referral	9,545	0	9,545
Life Skills	0	0	0
Protective Service - Child Abuse	133,648	0	133,648
Protective Service - General	479,437	0	479,437
Service Planning	17,182	0	17,182
Juvenile Act Proceedings	28,067	0	28,067
Alternative Treatment	0	0	0
Community Residential	1,594,781	0	1,594,781
Emergency Shelter	18,397	0	18,397
Foster Family	1,380,926	0	1,380,926
Kinship Care	546,281	0	546,281
Supervised Independent Living	5,728	0	5,728
Juvenile Detention Service	0	0	0
Residential Service	0	0	0
Secure Residential Service (Except YDC)	200	0	200
YDC Secure	0	0	0
Administration	319,512	0	319,512
Combined Total Expense	<u>7,564,026</u>	<u>0</u>	<u>7,564,026</u>
Less Non-reimbursables	<u>20,178</u>	<u>0</u>	<u>20,178</u>
Total Net Expense	<u>\$ 7,543,848</u>	<u>\$ 0</u>	<u>\$ 7,543,848</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 869,348	\$ 0	\$ 869,348
Employee Benefits	381,618	0	381,618
Subsidies	1,459,516	0	1,459,516
Operating	998,154	0	998,154
Purchased Services	3,796,248	0	3,796,248
Fixed Assets	59,142	0	59,142
Combined Total Expense	<u>7,564,026</u>	<u>0</u>	<u>7,564,026</u>
Less Non-reimbursables	<u>20,178</u>	<u>0</u>	<u>20,178</u>
Total Net Expense	<u>\$ 7,543,848</u>	<u>\$ 0</u>	<u>\$ 7,543,848</u>

**JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE FISCAL YEAR JULY 1, 2020 TO JUNE 30, 2021
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370A Adjustment			
CY-370A	1-C	2	1	Subsidized Permanent Legal Custodianship - Program Income	\$ 299	\$ 58	\$ 357
	1-M	2		Protective Service Child Abuse - Program Income	\$ 20	\$ 4	\$ 24
	1-N	2		Protective Service General - Program Income	\$ 430	\$ 84	\$ 514
	2-C	2		Community Residential (Dependent) - Program Income	\$ 62,088	\$ 12,106	\$ 74,194
	2-D	2		Community Residential (Delinquent) - Program Income	\$ 40,839	\$ 7,963	\$ 48,802
	2-G	2		Foster Family (Dependent) - Program Income	\$ 64,942	\$ 12,662	\$ 77,604
	2-H	2		Foster Family (Delinquent) - Program Income	\$ 661	\$ 129	\$ 790
	2-I	2		Kinship Care (Dependent) - Program Income	\$ 62,134	\$ 12,115	\$ 74,249
	2-J	2		Kinship Care (Delinquent) - Program Income	\$ 10,029	\$ 1,955	\$ 11,984
	2-K	2		Supervised Independent Living (Dependent) - Program Income	\$ 1,166	\$ 227	\$ 1,393
	3-B	2		Residential Service (Dependent) - Program Income	\$ 850	\$ 166	\$ 1,016
				Total Adjustment Amount		\$ 47,469	
				To increase program income by \$47,469 to report income not reported on the Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's program income ledgers.			
				Title 55 Pa Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

The prior report included the following finding:

Delegation of Management Responsibilities to a Private Non-Profit Management Company and Deficient Contract Terms and Conditions Resulted in Inadequate Monitoring and Raises Concerns that the Intent of the DHS Regulations were Not Being Followed by the County

In our prior engagement report, covering the 2017-2018 and 2018-2029 fiscal years, Jefferson County (county) entered a contract with a private non-profit company that provided and managed the provision of human services (management company) through management oversight of the agency and ongoing case management services. We cited the agency because the administration of the program (excluding intake services) was not with a county agency but with the director of operations employed by the management company, from June 1, 2018 to July 8, 2018. Further, during the period July 9, 2018 to approximately January or February 2019, the contract and statements made by the commissioners and agency management indicated that the responsibility for the day-to-day administration of the program (excluding intake services) remained with the director of operations.

During the conduct of our current engagement, we determined the agency terminated the contract on January 9, 2021, and maintained management responsibility and did not use a contractor for such duties. However, if the agency does contract with a management company in the future, we do recommend that the agency develop a policy to ensure the agency continues to retain responsibility for the administration of the county children and youth social services program and the intake function continues to be fully staffed and supervised by agency employees.

Based on the procedures performed during our current engagement, we concluded the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Jefferson County Children and Youth Failed to Provide Complete Financial Records and Supporting Documentation to Substantiate 2020-2021 Reported Expenditures

Condition: During our current engagement, for the 2020-2021 fiscal year, we could not conclude on the accuracy of expenditures reported on the agency's submitted CY-370 Expenditures Reports and in the agency's respective general ledgers. We could not perform sufficient testing of the expenditures as reflected in the accounting records or the fiscal reports because the agency could not provide and we could not determine the total population of invoices paid for costs accounted for in the Wages and Salaries, Employee Benefits, Subsidies, Operating, Purchased Services, and Fixed Assets objects of expenditures.

We asked the agency to provide us with the 2020-2021 expenditure ledgers and related supporting documents to confirm total expenditures as reported on the agency's submitted CY-370 Expenditure reports. We received an expenditure summary, invoices listings for the Operating, Purchased Services, and Fixed Assets objects of expenditures, and invoice listings for each cost center. For each document, we found significant variances for every object of expenditure and most cost centers, and agency management could not explain the variances. For the 2020-2021 fiscal year, total agency submitted CY370 Expenditure Report expenditures were \$175,041 more than the total amount of expenditures shown on the agency's expenditure summary and \$282,244 less than the total amount of expenditures shown on the agency's cost center invoice listings.

Criteria:

The following sections of Title 55, Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth:

- *Section 3170.91. County Responsibility. Records Maintenance.* County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed.
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed.

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- *Section 3170.95(a). Accounting.* Agency directors shall follow standard accounting principles and procedures for recording financial activity and maintain ledgers in sufficient detail for necessary fiscal management and adhere to the policies prescribed in § 3170.92(b) and (c) (relating to accountability for expenditures for clients).
- *Section 3170.95(b). Accounting.* Transactions entered in the records shall be identified in such a way as to permit them to be traced back to their source. Coding of these transactions shall be accomplished in a manner which shall enable county children and youth agencies to translate their financial accounts into the account structure prescribed by the Department for purposes of auditing and fiscal reporting.

Cause: The agency experienced turnover of management staff, and the current Administrator and Fiscal Officer began employment with the agency after prior management staff prepared the Act 148 Invoice for the current engagement fiscal years and were responsible for the maintenance of the related records. Therefore, current agency management could not explain the reason(s) for the expenditure variances.

Effect: Our inability to determine whether the amounts reported on the agency's submitted CY-370 Expenditure Report and the agency's general ledger are accurate, in addition to being unable to identify the entire population of expenditure invoices in order to perform invoice testing, increased the likelihood that errors and/or misappropriation of agency assets could have taken place and not have been detected, which could have led to inappropriate state reimbursement and/or loss of state/federal funding.

Recommendations: We recommend that the agency establish and implement effective internal control procedures over the financial record-keeping and maintenance of supporting documentation to ensure all amounts reported on the agency's submitted CY-370 Expenditure Reports represent actual expenditures for the respective fiscal year and can be sufficiently substantiated to justify payment by the Commonwealth DHS. This could be achieved by the agency implementing independent review procedures to ensure the financial records and submitted fiscal reports are reviewed for completeness and accuracy and to verify whether supporting documentation exists for all expenditures included on the submitted fiscal reports prior to submission to Commonwealth DHS.

Agency Response: The County acknowledges the finding in the recent audit associated with delinquent or incomplete financial records associated with the period that [management company name redacted] was providing such services. We have turned over what was on hand from that period and look to [management company name redacted] to account for anything further required. We understand the affect this can have on the county and have put into place new policies relating to the reports being kept within the county for reports submitted for reimbursement. The County also implemented a new policy to reconcile the agency's records

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

against the counties as well as saving supporting back-up documentation for any report for reimbursement.

Auditor's Conclusion: During our next engagement, we will determine whether sufficient review procedures were implemented to ensure supporting documentation exists and expenditures were properly reported on the CY-370 Expenditure Report submitted to the Commonwealth DHS.

JEFFERSON COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

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