AMENDED FINANCIAL REPORT

Luzerne County Children and Youth Agency

For the Period
July 1, 2008 to June 30, 2009

December 2014

Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General

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EUGENE A. DEPASQUALE
AUDITOR GENERAL

Luzerne County Council
Luzerne County Courthouse
200 North River Street
Wilkes-Barre, Pennsylvania 18711

Dear Luzerne County Council Members:

We have examined the submitted fiscal forms CY-370, CY-370A, and CY-348, and the related financial records of the Luzerne County Children and Youth Agency for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the period July 1, 2008 to June 30, 2009, pursuant to authority derived from Act 148 of July 9, 1976, (P.L. 846, No. 148), as amended, 62 P.S. § 704.1(a)(4). The scope of our engagement was limited to the aforementioned fiscal forms included in the Act 148 Invoice Package for the fiscal year ended June 30, 2009, as certified by the County Officials, and submitted to the Department of Public Welfare (DPW).

Preparation of these submitted fiscal forms and compliance with children, youth, and families regulations are the responsibility of the Luzerne County Children and Youth Agency management. Our engagement included testing of the County Children and Youth Agency's records and other procedures we considered necessary to enable us to ascertain and certify the financial information included on the attached amended fiscal forms 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*.). We believe that our engagement provides a reasonable basis for the certification of the amended financial reports.

The results of the procedures performed during this engagement include four adjustments to the Luzerne County Children and Youth Agency's submitted fiscal forms, as presented on pages 7 and 8. We determined that, based upon the state participation rates, the $3,791 increase in Expenditures and the $103,460 decrease in Revenue resulted in a net amount of $83,410 due to the County.

In addition, during the course of our engagement of the Luzerne County Children and Youth Agency, we also identified an area of non-compliance, which is discussed in the following Finding and Recommendation:

Finding – Inadequate Financial Record-Keeping System

The results of our engagement procedures, as presented in this report, were discussed with representatives of the Luzerne County Children and Youth Agency at an exit conference held on Monday, September 29, 2014.

This report is being forwarded to the Department of Public Welfare, Bureau of Financial Operations, and the Office of Children, Youth, and Families. You will be notified by the Department of Public Welfare of any impact from the results of our engagement. At that time, you will be afforded the opportunity to appeal the results, in accordance with 1 PA Code 31.1 *et seq*.

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

Sincerely,

December 3, 2014

Eugene A. DePasquale
Auditor General

CONTENTS

Page

Background 1

Financial Reports

Amended Computation of Final Net State Share 2

Amended CY-348 - Fiscal Summary 3

Amended CY-370A - Revenue Report 4

Amended CY-370 - Expenditure Report 5

Amended Summary of Expense and Expense Adjustments 6

Adjustments Schedule 7

Finding and Recommendation 9

Status of Prior Audit Findings and Recommendations 11

Report Distribution List 12

BACKGROUND

The Department of the Auditor General is responsible for reviewing the submitted cost and revenue reports of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under the Public Welfare 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 the Department of Public Welfare (DPW) and thus, they are jointly responsible for achieving the Commonwealth's goal.

In accordance with the Public Welfare Code (62 P. S. § 703), the DPW 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 actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DPW 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 the DPW.

As part of our engagement, we reviewed three fiscal forms included in the Act 148 Invoice package, the CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary. Specifically, we reviewed the final, 4th Quarter fiscal forms submitted to the DPW, along with the County Children and Youth Agency's related financial records and supporting documentation, to determine if the County Children and Youth Agency's actual, cumulative expenditures and revenues were properly reported to the DPW for the respective fiscal year (FY). The variances identified between the reported and actual costs and revenues required adjustments to these fiscal forms, and thus, the Amended CY-370 Expenditure Report, the Amended CY-370A Revenue Report, and the Amended CY-348 Fiscal Summary included in this report reflect the County Children and Youth Agency's revised costs and revenues and the impact on the Net State Share.

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED
COMPUTATION OF FINAL NET STATE SHARE

Approved State Allocation[1]		$ 21,254,075
Supplemental Act 148		0
Total State Allocation		21,254,075
State Share (CY348)[2]	$ 18,923,969	
Less: Major Service Category Adjustment	0	
Net State Share		$ 18,923,969
Less: Expenditures in Excess of the Approved State Allocation		0
Final Net State Share Payable[3]		$ 18,923,969
Actual Act 148 Revenues Received[4]		18,840,559
Net Amount Due County/(State)[5]		$ 83,410

[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 audit adjustments are considered.

[3] Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit 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.

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LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
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	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	418,516	0	74,655	0	0	0	0	0	343,861	343,861	0
02. 90% REIMBURSEMENT	186,043	4,214	39,879	0	0	0	0	0	141,950	127,755	14,195
03. 80% REIMBURSEMENT	30,270,132	790,576	8,658,811	1,059,431	270,105	103,186	0	0	19,388,023	15,510,418	3,877,605
04. 60% REIMBURSEMENT	5,299,033	208,644	758,279	0	0	0	0	10,649	4,321,461	2,592,876	1,728,585
05. 50% REIMBURSEMENT	710,191	12,075	0	0	0	0	0	0	698,116	349,059	349,057
06. TOTAL NET CHILD WELFARE EXPEND.	36,883,915	1,015,509	9,531,624	1,059,431	270,105	103,186	0	10,649	24,893,411	18,923,969	5,969,442
YDC/YFC PLACEMENT COSTS											
07. 60% DPW PARTICIPATION	755,294	10,497							744,797	446,878	297,919
08. NON-REIMBURSABLE EXPENDITURES	171,958	0	0						171,958		171,958
09. TOTAL EXPENDITURES	37,811,167	1,026,006	9,531,624	1,059,431	270,105	103,186	0	10,649	25,810,166	19,370,847	6,439,319

10. IL Grant Funds Reported	115,481
11. TOTAL HSDF used for Child Welfare	58,000
12. TOTAL TITLE IV-D COLLECTIONS	316,083
13. TITLE IV-D Collections for IV-E Children	145,442
14. STATE ACT 148 - line 6	18,923,969
15. STATE ACT 148 ALLOCATION	21,254,075
16. ADJUSTED STATE SHARE (lower of 14 or 15)	18,923,969

INVOICE	
AMENDED STATE SHARE (ACT 148)	18,923,969
ACT 148 AMOUNT RECEIVED	18,840,559
ADJUSTMENT TO STATE SHARE	83,410

Subsidized Permanent Legal Custodianship	Total Subsidies	Number of Days	Number of Children
SPLC	953,753	47,483	162

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
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	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A	ADOPTION SERVICE	418,516	0		74,655	0		0	0	0	343,861	343,861	0
1-B	ADOPTION ASSISTANCE	3,956,294	0	1,821,940	0			0		0	2,134,354	1,707,483	426,871
1-C	COUNSELING - DEPENDENT	556,009	0		70,289	228,942	0	0	0	0	256,778	205,422	51,356
1-D	COUNSELING - DELINQUENT	150,589	2,786		0	0	0	0	0	0	147,803	118,242	29,561
1-E	DAY CARE	76,362	0		0	73,159	0	0	0	0	3,203	2,562	641
1-F	DAY TREATMENT - DEPENDENT	14,135	0		0	0	0	0	0	0	14,135	11,308	2,827
1-G	DAY TREATMENT - DELINQUENT	31,176	6,897		0	0	0	0	0	0	24,279	19,423	4,856
1-H	HOMEMAKER SERVICE	112,914	0		23,429	0	0	0	0	0	89,485	71,588	17,897
1-I	INTAKE & REFERRAL	396,104	0		71,289	0	0	0	0	0	324,815	259,852	64,963
1-J	LIFE SKILLS - DEPENDENT	130,980	0		0	130,980	0	0	0	0	0	0	0
1-K	LIFE SKILLS - DELINQUENT	497,236	0		0	97,779	0	0	0	0	399,457	319,566	79,891
1-L	PROTECTIVE SERVICE - CHILD ABUSE	1,001,384	0		187,491	0	0		0	0	813,893	651,114	162,779
1-M	PROTECTIVE SERVICE - GENERAL	5,916,263	58,000		1,070,181	528,571	270,105		0	0	3,989,406	3,191,525	797,881
1-N	SERVICE PLANNING	2,935,772	0		609,170	0	0	0	0	0	2,326,602	1,861,282	465,320
1-O	JUVENILE ACT PROCEEDINGS - DEPENDENT	40,185	0		0	0		0	0	0	40,185	20,093	20,092
1-P	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-Q	**SUBTOTAL IN-HOME**	16,233,919	67,683	1,821,940	2,106,504	1,059,431	270,105	0	0	0	10,908,256	8,783,321	2,124,935

	COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A	ALTERNATIVE TREATMENT - DEPENDENT	454,583	5,799	140,270	0		0	0		0	308,514	246,811	61,703
2-B	ALTERNATIVE TREATMENT - DELINQUENT	936,126	67,796	83,368	0		0	0		0	784,962	627,970	156,992
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	1,454,607	66,398	426,034	56		0	0		0	962,119	769,695	192,424
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	40,706	17,082	15,744	0		0	0		0	7,880	6,304	1,576
2-E	EMERGENCY SHELTER - DEPENDENT	186,043	4,214	39,879	0	0	0	0	0	0	141,950	127,755	14,195
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	11,484,474	565,818	2,360,236	1,663,833		0	103,186	0	0	6,791,401	5,433,121	1,358,280
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	0		0	0		0	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	124,418	0	115,481	0		0	0		0	8,937	7,150	1,787
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0		0	0	0	0
2-K	**SUBTOTAL CBP**	14,680,957	727,107	3,181,012	1,663,889	0	0	103,186	0	0	9,005,763	7,218,806	1,786,957

	INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A	JUVENILE DETENTION SERVICE	670,006	12,075						0	0	657,931	328,966	328,965
3-B	RESIDENTIAL SERVICE - DEPENDENT	964,991	16,113	254,506	0		0	0		0	694,372	416,623	277,749
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,617,962	103,407	169,046	0		0	0		0	1,345,509	807,305	538,204
3-D	SECURE RES. SERVICE (EXCEPT YDC)	1,069,487	41,062							0	1,028,425	617,055	411,370
3-E	YDC/YFC (NON-SECURE)-Institutional	174,194	2,049								172,145	103,287	68,858
3-F	YDC SECURE	581,100	8,448								572,652	343,591	229,061
3-G	**SUBTOTAL INSTITUTIONAL**	5,077,740	183,154	423,552	0	0	0	0	0	0	4,471,034	2,616,827	1,854,207

4	**ADMINISTRATION**	1,646,593	48,062		334,727		0	0		10,649	1,253,155	751,893	501,262

5	**TOTAL REVENUES**	37,639,209	1,026,006	5,426,504	4,105,120	1,059,431	270,105	103,186	0	10,649	25,638,208	19,370,847	6,267,361

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
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 PS\Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A	ADOPTION SERVICE	214,887	78,849		74,301	48,137	2,342	418,516	524	43	0	0	0
1-B	ADOPTION ASSISTANCE	0	0	3,956,294	0	0	0	3,956,294	0	556	0	0	0
1-C	COUNSELING - DEPENDENT	214,887	78,849		42,665	217,266	2,342	556,009	9,940	300	0	0	0
1-D	COUNSELING - DELINQUENT	0	0		0	150,589	0	150,589	0	176	0	0	0
1-E	DAY CARE	0	0		9,735	66,627	0	76,362	0	64	0	0	0
1-F	DAY TREATMENT - DEPENDENT	0	0		0	14,135	0	14,135	0	2	0	0	0
1-G	DAY TREATMENT - DELINQUENT	0	0		0	31,176	0	31,176	0	109	0	0	0
1-H	HOMEMAKER SERVICE	71,628	26,283		14,222	0	781	112,914	267	0	0	0	0
1-I	INTAKE & REFERRAL	214,887	78,850		42,664	57,360	2,343	396,104	7,098	25,172	0	0	0
1-J	LIFE SKILLS - DEPENDENT	0	0		0	130,980	0	130,980	0	67	0	0	0
1-K	LIFE SKILLS - DELINQUENT	0	0		0	497,236	0	497,236	0	210	0	0	0
1-L	PROTECTIVE SERVICE - CHILD ABUSE	573,032	210,264		113,777	98,065	6,246	1,001,384	2,314	4	0	0	0
1-M	PROTECTIVE SERVICE - GENERAL	3,327,924	1,189,421		679,119	687,797	32,011	5,916,272	5,118	80	9	0	0
1-N	SERVICE PLANNING	1,862,354	683,355		369,763	0	20,300	2,935,772	0	0	0	0	0
1-O	JUVENILE ACT PROCEEDINGS - DEPENDENT				0	40,185		40,185	0	482	0	0	0
1-P	JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-Q	**SUBTOTAL IN-HOME**	6,479,599	2,345,871	3,956,294	1,346,246	2,039,553	66,365	16,233,928			9	0	0
								Number of Children receiving **only** NON-PURCHASED IN-Home Services					3,835
	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		298	454,285	0	454,583	2,722	50	0	0	0
2-B	ALTERNATIVE TREATMENT - DELINQUENT	0	0		150	935,976	0	936,126	7,615	284	0	0	0
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	0	0		3,588	1,456,309	0	1,459,897	10,910	76	0	5,290	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0		149	40,557	0	40,706	237	2	0	0	0
2-E	EMERGENCY SHELTER - DEPENDENT	0	0		0	186,043	0	186,043	1,193	68	0	0	0
2-F	EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	429,774	157,698	953,753	414,685	9,523,891	4,685	11,484,486	231,701	1,528	12	0	0
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	52,855	13,711	3,552	12,838	41,270	192	124,418	0	222	0	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K	**SUBTOTAL CBP**	482,629	171,409	957,305	431,708	12,638,331	4,877	14,686,259	254,378	2,230	12	5,290	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	Non-Reim. Program Income
3-A	JUVENILE DETENTION SERVICE	0	0		0	785,149	0	785,149	2,758	170	0	115,143	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	0	0		11,278	953,751	0	965,029	4,938	49	38	0	0
3-C	RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		5,366	1,664,062	0	1,669,428	13,599	128	0	51,466	0
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	1,069,487	0	1,069,487	3,699	20	0	0	0
3-E	YDC/YFC (NON-SECURE)-Institutional	0	0		0	174,194	0	174,194	694	10	0	0	0
3-F	YDC SECURE	0	0		0	581,100	0	581,100	1,416	9	0	0	0
3-G	**SUBTOTAL INSTITUTIONAL**	0	0	0	16,644	5,227,743	0	5,244,387	27,104	386	38	166,609	0
4	**ADMINISTRATION**	644,662	236,547	0	728,372	0	37,012	1,646,593			0	0	0
5	**TOTAL EXPENDITURES**	7,606,890	2,753,827	4,913,599	2,522,970	19,905,627	108,254	37,811,167			59	171,899	0
			County Indirect Costs = $		416,969								

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	$ 418,407	$ 109	$ 418,516
Adoption Assistance	3,956,294	0	3,956,294
Counseling	706,489	109	706,598
Day Care	76,362	0	76,362
Day Treatment	45,311	0	45,311
Homemaker Service	112,878	36	112,914
Intake and Referral	395,995	109	396,104
Life Skills	628,216	0	628,216
Protective Service - Child Abuse	1,001,095	289	1,001,384
Protective Service - General	5,914,635	1,637	5,916,272
Service Planning	2,934,832	940	2,935,772
Juvenile Act Proceedings	40,185	0	40,185
Alternative Treatment	1,390,709	0	1,390,709
Community Residential	1,500,603	0	1,500,603
Emergency Shelter	186,043	0	186,043
Foster Family	11,484,269	217	11,484,486
Supervised Independent Living	124,399	19	124,418
Juvenile Detention Service	785,149	0	785,149
Residential Service	2,634,457	0	2,634,457
Secure Residential Service (Except YDC)	1,069,487	0	1,069,487
YDC/YFC (Non-Secure) - Institutional	174,194	0	174,194
YDC Secure	581,100	0	581,100
Administration	1,646,267	326	1,646,593
Combined Total Expense	37,807,376	3,791	37,811,167
Less Non-reimbursables	171,958	0	171,958
Total Net Expense	$ 37,635,418	$ 3,791	$ 37,639,209

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	$ 7,606,890	$ 0	$ 7,606,890
Employee Benefits	2,750,036	3,791	2,753,827
Subsidies	4,913,599	0	4,913,599
Operating	2,522,970	0	2,522,970
Purchased Services	19,905,627	0	19,905,627
Fixed Assets	108,254	0	108,254
Combined Total Expense	37,807,376	3,791	37,811,167
Less Non-reimbursables	171,958	0	171,958
Total Net Expense	$ 37,635,418	$ 3,791	$ 37,639,209

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE/	AMENDED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	(DECREASE)	TOTAL
				CY-370 Adjustment			
CY-370	1-A	2	1	Adoption Service - Employee Benefits	$ 78,740	$ 109	$ 78,849
	1-C	2		Counseling (Dep.) - Employee Benefits	$ 78,740	$ 109	$ 78,849
	1-H	2		Homemaker Service - Employee Benefits	$ 26,247	$ 36	$ 26,283
	1-I	2		Intake & Referral - Employee Benefits	$ 78,741	$ 109	$ 78,850
	1-L	2		Protective Service Child Abuse - Employee Benefits	$ 209,975	$ 289	$ 210,264
	1-M	2		Protective Service General - Employee Benefits	$ 1,187,784	$ 1,637	$ 1,189,421
	1-N	2		Service Planning - Employee Benefits	$ 682,415	$ 940	$ 683,355
	2-G	2		Foster Family (Dep.) - Employee Benefits	$ 157,481	$ 217	$ 157,698
	2-I	2		Supervised Independent Living (Dep.) - Employee Benefits	$ 13,692	$ 19	$ 13,711
	4	2		Administration - Employee Benefits	$ 236,221	$ 326	$ 236,547
				Total Adjustment Amount		$ 3,791	
				To increase Retirement Employee Benefits $3,791 to properly report the agency's allocation of 2008-2009 fiscal year county pension contributions. In the agency calculation, prior fiscal year employee salaries were used instead of current year fiscal salaries.			
				Title 55 PA Code, Chapter 3170.47(f)			
				CY-370A Adjustment			
CY-370A	1-B	3	2	Adoption Assistance - Title IV-E Maintenance	$ 1,854,026	$ (32,086)	$ 1,821,940
	2-A	3		Alt. Treatment (Dep.) - Title IV-E Maintenance	$ 142,739	$ (2,469)	$ 140,270
	2-B	3		Alt. Treatment (Del.) - Title IV-E Maintenance	$ 84,836	$ (1,468)	$ 83,368
	2-C	3		Community Residential (Dep.) - Title IV-E Maintenance	$ 433,534	$ (7,500)	$ 426,034
	2-D	3		Community Residential (Del.) - Title IV-E Maintenance	$ 16,025	$ (281)	$ 15,744
	2-E	3		Emergency Shelter (Dep.) - Title IV-E Maintenance	$ 40,580	$ (701)	$ 39,879
	2-G	3		Foster Family (Dep.) - Title IV-E Maintenance	$ 2,401,786	$ (41,550)	$ 2,360,236
	3-B	3		Residential Service (Dep.) - Title IV-E Maintenance	$ 258,986	$ (4,480)	$ 254,506
	3-C	3		Residential Service (Del.) (Non-YDC/YFC) - Title IV-E Main.	$ 172,020	$ (2,974)	$ 169,046
	1-A	4		Adoption Service - Title IV-E Administration	$ 74,837	$ (182)	$ 74,655
	1-C	4		Counseling (Dep.) - Title IV-E Administration	$ 70,461	$ (172)	$ 70,289
	1-H	4		Homemaker Service - Title IV-E Administration	$ 23,486	$ (57)	$ 23,429
	1-I	4		Intake & Referral - Title IV-E Administration	$ 71,461	$ (172)	$ 71,289
	1-L	4		Protective Service Child Abuse - Title IV-E Administration	$ 187,950	$ (459)	$ 187,491
	1-M	4		Protective Service General - Title IV-E Administration	$ 1,072,798	$ (2,617)	$ 1,070,181
	1-N	4		Service Planning - Title IV-E Administration	$ 610,659	$ (1,489)	$ 609,170
	2-G	4		Foster Family (Dep.) - Title IV-E Administration	$ 1,667,817	$ (3,984)	$ 1,663,833
	4	4		Administration - Title IV-E Administration	$ 335,546	$ (819)	$ 334,727
				Total Adjustment Amount		$ (103,460)	
				To decrease Title IV-E revenue by $103,460 to include 29 supplemental invoices not reported on the CY-370A fiscal report submitted to the Department of Public Welfare.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ.		AS REPORTED	INCREASE	AMENDED
SCHEDULE	LINE	COLUMN	NO.	EXPLANATION OF ADJUSTMENTS	OR ADJUSTED	DECREASE	TOTAL
				CY-348 Adjustments			
CY-348	12	A	3	Total Title IV-D Collections To decrease Title IV-D Collections by $102,987 to properly report the total amount received. This adjustment does not have an affect on the state share of expenditures. Title 55 PA Code, Chapter 3170.95(a)(b)	$ 419,070	$ (102,987)	$ 316,083
CY-348	13	A	4	Total Title IV-D Collections for IV-E Children To increase Title IV-D Collections for IV-E Children by $744 to properly report the total amount received. This adjustment does not have an affect on the state share of expenditures. Title 55 PA Code, Chapter 3170.95(a)(b)	$ 144,698	$ 744	$ 145,442

LUZERNE COUNTY CHILDREN AND YOUTH SERVICES
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
FINDING AND RECOMMENDATION

Finding: Inadequate Financial Record-Keeping System

Condition: The Luzerne County Children and Youth Agency's (LCCYA) financial record-keeping system failed to properly account for revenue received. In our review of program income funds received by LCCYA, the agency failed to document the receipt of $150,859 included on the CY-370A Revenue Report as program income. Furthermore, total Title IV-D Collections included on the CY-348 Fiscal Summary Report were over-reported by $102,987.

Criteria:
Pennsylvania Code, Title 55. Public Welfare,
Chapter 3170. Allowable Costs and Procedures for County Children and Youth
Section 3170.91. County Responsibility.
The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to fiscal operations of the program.

Section 3170.92. Accountability for expenditures for clients
(b) *Records maintenance.* County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. … Methods of keeping records are acceptable as long as they are complete and accurate.

Cause: For the fiscal year ended June 30, 2009, documentation evidencing first and second quarter program income could not be located by the LCCYA fiscal officer or the Luzerne County Juvenile Probation Office (LCJPO). The Title IV-D Collections amount on the CY-348 report was over reported because the agency neglected to appropriately revise the reported amount.

Effect: The agency failed to maintain adequate supporting documentation for program income. As a result, we were not able to determine the actual amount of program income received or if the agency received the appropriate amount of Act 148 funds. Because the agency did not maintain supporting documentation, we did not make an adjustment to the agency's reported program income amount to decrease the agency's program income by $150,859. This would have resulted in the agency receiving more Act 148 funds. In addition, the agency's reporting of Total Title IV-D Collections on the CY-348 fiscal summary is inaccurate and does not reflect the actual amount of revenue received.

Recommendation: We recommend the agency maintain adequate supporting documentation for all revenue received and accurately report all amounts on the fiscal reports submitted to the Department of Public Welfare.

Agency Response: Starting in January 2009, LCCYA assumed responsibility for all delinquent expenditure and revenue information needed for Act 148 reporting purposes. This was evidenced by the fact the 2008-2009 third and fourth quarter documentation was properly maintained. The amount of Total Title IV-D Collections on the CY-348 fiscal summary is currently reported accurately.

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

STATUS OF PRIOR AUDIT FINDINGS FOR FISCAL YEAR JULY 1, 2006 TO JUNE 30, 2007

Finding 1 -Luzerne County Children and Youth Services (LCCYS) Did Not Maintain a Properly Signed Written Purchase of Service Agreement with a Regularly Used Provider as Required by the Department of Public Welfare (DPW) Regulations.

The contract was between the Luzerne County Juvenile Probation Office (LCJPO) and Children's Service Center which provided functional family therapy services, but the cost amount was incurred by LCJPO and not reported on the LCCYS CY-370 Expenditure Report submitted to the DPW. During the 2007-2008 fiscal year, the LCJPO began to maintain signed written Purchase of Service agreements with all providers; therefore this finding has been resolved.

Finding 2 – LCCYS Did Not Maintain a Properly Signed Written Purchase of Service Agreement with a Regularly Used Provider as Required by the DPW Regulations.

This contract was between the LCJPO and Northeast Counseling Services which provided counseling services; the cost amount was reported on the LCCYS CY-370 Expenditure Report submitted to DPW. During the 2007- 2008 fiscal year, the LCJPO began to maintain signed written Purchase of Service agreements with all providers; therefore this finding has been resolved.

Finding 3 – Luzerne County Did Not Maintain a Signed Written Agreement with a Contractor for All Services Provided, as Required by the DPW Regulations

The agency implemented policy during the 2008-2009 fiscal year that requires the maintenance of signed addendums whenever there are changes to the terms of purchase of service agreements; therefore this finding has been resolved.

Finding 4 – Luzerne County Children and Youth Services Did Not Document its Annual Physical Inventory of Fixed Assets

A documented annual physical inventory of fixed assets was maintained by the agency for the current audit period; therefore this finding has been resolved.

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

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