

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2010 to June 30, 2011

July 1, 2011 to June 30, 2012

July 1, 2012 to June 30, 2013

July 1, 2013 to June 30, 2014

Lackawanna County Children and Youth Agency

August 2017



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

The Commissioners of Lackawanna County
Lackawanna County Administration Building
200 Adams Avenue, Sixth Floor
Scranton, PA 18503

Dear Commissioners:

We have examined 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 Lackawanna County Children and Youth Agency (agency) for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children resident within the County for the fiscal years July 1, 2010 to June 30, 2011; July 1, 2011 to June 30, 2012; July 1, 2012 to June 30, 2013; and July 1, 2013 to June 30, 2014 pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)). The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2011, June 30, 2012, June 30, 2013, and June 30, 2014.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance¹ 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 performed a review of the agency's internal controls over its invoice review and approval process for the 2010-2011 through the 2013-2014 fiscal years. We determined that agency staff responsible for reviewing and approving invoices submitted for payment did not perform adequate procedures to substantiate that monthly services invoiced by the In-Home Purchased Service providers were actually provided, and provided in adherence to executed key contract terms, before these invoices were approved for payment. Specifically, as detailed in Finding No. 1, beginning on page 33 of this report, for submitted In-Home Purchased Services' invoices and the corresponding reported expenditures, the agency failed to provide adequate supporting documentation evidencing that the fees charged on the submitted invoices, and subsequently paid by the agency, were actually provided, and if provided, were provided in adherence to the requirements of the respective provider key contract terms.

Because of the significance of the matter described in the preceding paragraph, we had no assurance that the total FY 2011, 2012, 2013, and 2014 expenditures of \$4,336,213 paid to In-Home Purchased Service providers and included in total Purchased Services' expenditures of \$26,845,764, as reported on the agency's CY-370 Expenditure Reports, corresponding CY-383 Fee-For-Service Schedules, and the respective general ledgers, were valid because we were provided insufficient evidence that the corresponding services were actually provided or, if provided, that the services adhered to respective key executed contract provisions and DHS regulations. Therefore, while we achieved our objective of ascertaining and certifying the total Commonwealth FY 2011, 2012, 2013, and 2014 expenditures paid on behalf of children residing within the county, we cannot attest that the In-Home Purchased Services, for which the agency expended and the Commonwealth participated in \$4,336,213 of service costs, were actually provided, or if provided, were provided in adherence to executed key contract provisions and DHS regulations. This is because a high risk exists that overbillings and fraudulent billings could have occurred.

Despite the matter described in the third paragraph of the previous page, we did perform procedures using the documentation available to us, and the results of those procedures are described in the bulleted items below. However, these results may have been affected by the matter described in the third paragraph, and our assurance provided is limited by this matter:

The results of our procedures performed during this engagement were as follows:

- **For fiscal year ended 2011**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$4,518. Based on the application of the state participation rates, this adjustment resulted in an amount due to the county totaling \$2,711. This adjustment is detailed in our amended fiscal reports for fiscal year 2010-2011, as included in Section 1 of this report, beginning on page 3.
- **For fiscal year ended 2012**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$475 and decreasing non-reimbursable expenditures by \$14,932. However, no amount is due to the county or state because the agency's expenditures exceeded the Total State Act 148 Allocation by \$8,571, as detailed on page 10 of this report. While our adjustments resulted in a net increase of \$14,457 in expenditures for the agency for this fiscal year, as detailed on page 14 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share Payable. Both adjustments are detailed in our amended fiscal reports for fiscal year 2011-2012, as included in Section 2 of this report, beginning on page 10.
- **For fiscal year ended 2013**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$14,061. Based on the application of the state participation rates, the adjustment resulted in an amount due to the county totaling \$8,437. This adjustment is detailed

in our amended fiscal reports for fiscal year 2012-2013, as included in Section 3 of this report, beginning on page 17.

- **For fiscal year ended 2014**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing non-reimbursable expenditures by \$44,751. Based on the application of the state participation rates, the adjustment resulted in an amount due to the county totaling \$26,851. This adjustment is detailed in our amended fiscal reports for fiscal year 2013-2014, as included in Section 4 of this report, beginning on page 24.

In addition, we found that the agency implemented corrective action to address the prior engagement finding listed below. Additional details are provided on page 31 in Section 5 of this report.

Prior Engagement Finding – Failure to Conduct Annual Time Studies

Also, as previously discussed earlier in this letter, we identified a significant internal control deficiency. The impact of this deficiency is discussed in detail in Section 6 of this report in the below listed finding, beginning on page 33:

Finding No. 1 - Lackawanna County Office of Youth and Family Services Agency Failed to Provide Adequate Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers

Furthermore, we identified the following additional area of non-compliance, as detailed in Section 6 of this report, beginning on page 41.

Finding No. 2 – Lackawanna County Office of Youth and Family Services Agency Failed to Maintain Executed Contracts with Three Legal Service Providers

Finally, we also included the following current engagement observation, as detailed in Section 7 of this report, beginning on page 44:

Current Engagement Observation – Significant Control Deficiencies Exist in the Commonwealth DHS' Oversight of Children and Youth (C&Y) Agencies' Adherence to Child Protective Services Law (CPSL) Requirements

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on July 6, 2017.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the recommended adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made regarding the approval and finalization of the 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.

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

Sincerely,



Eugene A. DePasquale
Auditor General

July 31, 2017

Endnote

The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies, as well as the volunteers/employees of their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and DHS. Details regarding these deficiencies are further outlined in the Observation beginning on page 44 of this report.

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under Human Services Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Lackawanna County Children and Youth Agency provided in-home and placement services to 8,418 children residing within the County during the 2014-2015 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Human Services Code (62 P. S. § 703), the 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 the DHS through the Act 148 Invoice package. The expenditures reported in the Act 148 Invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by the DHS.

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4th Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). The variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years and those costs and revenues’ impact on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2010 to JUNE 30, 2011

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	11,224,986
Supplemental Act 148			<u>0</u>
Total State Allocation			11,224,986
State Share (CY348) ²	\$		10,400,827
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	10,400,827
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	10,400,827
Actual Act 148 Revenues Received ⁴			<u>10,398,116</u>
Net Amount Due County/(State) ⁵		\$	<u><u>2,711</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 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.

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
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	908,095	0	99,105	0	0	0	0	0	808,990	808,990	0
02. 90% REIMBURSEMENT	108,235	0	4,609	0	0	0	0	0	103,626	93,263	10,363
03. 80% REIMBURSEMENT	12,598,666	410,879	2,200,920	158,598	160,373	0	0	0	9,667,896	7,734,316	1,933,580
04. 60% REIMBURSEMENT	1,993,312	37,125	107,180	0	0	64,124	0	8,307	1,776,576	1,065,945	710,631
05. 50% REIMBURSEMENT	1,396,625	0	0	0	0	0	0	0	1,396,625	698,313	698,312
06. TOTAL NET CHILD WELFARE EXPEND.	17,004,933	448,004	2,411,814	158,598	160,373	64,124	0	8,307	13,753,713	10,400,827	3,352,886

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	998,995	0							998,995	599,397	399,598

08. NON-REIMBURSABLE EXPENDITURES	476,761	0	0						476,761		476,761
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09. TOTAL EXPENDITURES	18,480,689	448,004	2,411,814	158,598	160,373	64,124	0	8,307	15,229,469	11,000,224	4,229,245
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10. IL Grant Funds Reported 0

11. TOTAL HSDF used for Child Welfare 65,892

12. TOTAL TITLE IV-D COLLECTIONS 106,281

13. TITLE IV-D Collections for IV-E Children 57,282

14. STATE ACT 148 - line 6 10,400,827

15. STATE ACT 148 ALLOCATION 11,224,986

16. ADJUSTED STATE SHARE (lower of 14 or 15) 10,400,827

INVOICE											
AMENDED STATE SHARE (ACT 148)	10,400,827										
ACT 148 AMOUNT RECEIVED	10,398,116										
ADJUSTMENT TO STATE SHARE	2,711										

Subsidized Permanent Legal Custodianship											
SPLC	148,666	7,271	20								

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
 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	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	908,095	0	0	99,105	0		0	0	0	808,990	808,990	0
I-B ADOPTION ASSISTANCE	2,478,736	0	1,021,279	13,826			0	0	0	1,443,631	1,154,905	288,726
I-C COUNSELING - DEPENDENT	547,234	8,223	0	38,063	98,834		0	0	0	402,114	321,691	80,423
I-D COUNSELING - DELINQUENT	34,523	0	0	0	0		0	0	0	34,523	27,618	6,905
I-E DAY CARE	24,677	0	0	0	0		0	0	0	24,677	19,742	4,935
I-F DAY TREATMENT - DEPENDENT	5,774	1,097	0	0	0		0	0	0	4,677	3,742	935
I-G DAY TREATMENT - DELINQUENT	69,940	0	0	0	59,764		0	0	0	10,176	8,141	2,035
I-H HOMEMAKER SERVICE	0	0	0	0	0		0	0	0	0	0	0
I-I INTAKE & REFERRAL	1,587,980	5,898	0	184,348	0		0	0	0	1,397,734	1,118,187	279,547
I-J LIFE SKILLS - DEPENDENT	242,607	0	0	28,164	0		0	0	0	214,443	171,554	42,889
I-K LIFE SKILLS - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
I-L PROTECTIVE SERVICE - CHILD ABUSE	293,782	0	0	27,139	0		0	0	0	266,643	213,314	53,329
I-M PROTECTIVE SERVICE - GENERAL	2,456,808	0	0	236,408	0		0	0	0	2,220,400	1,776,320	444,080
I-N SERVICE PLANNING	1,374,915	59,994	0	111,512	0		0	0	0	1,203,409	962,727	240,682
I-O JUVENILE ACT PROCEEDINGS - DEPENDENT	197,500	0	0	0	0		0	0	0	197,500	98,750	98,750
I-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
I-Q SUBTOTAL IN-HOME	10,222,571	75,212	1,021,279	738,565	158,598	0	0	0	0	8,228,917	6,685,681	1,543,236
COMMUNITY BASED PLACEMENT												
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
2-C COMMUNITY RESIDENTIAL - DEPENDENT	13,841	0	0	1,451	0		0	0	0	12,390	9,912	2,478
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	108,235	0	0	4,609	0		0	0	0	103,626	93,263	10,363
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	3,295,287	335,520	394,458	144,272	0		160,373	0	0	2,260,664	1,808,531	452,133
2-H FOSTER FAMILY - DELINQUENT	8,803	0	0	0	0		0	0	0	8,803	7,042	1,761
2-I SUP. INDEPENDENT LIVING - DEPENDENT	163,759	147	0	0	0		0	0	0	163,612	130,890	32,722
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-K SUBTOTAL CBP	3,589,925	335,667	394,458	150,332	0	160,373	0	0	0	2,549,095	2,049,638	499,457
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,199,125	0	0	10,330	0		0	0	0	1,199,125	599,563	599,562
3-B RESIDENTIAL SERVICE - DEPENDENT	385,433	35,249	40,751	0	0		64,124	0	0	234,979	140,987	93,992
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,119,721	1,876	0	0	0		0	0	0	1,117,845	670,707	447,138
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0		0	0	0	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	998,995	0	0	0	0		0	0	0	998,995	599,397	399,598
3-F YDC SECURE	3,703,274	37,125	40,751	10,330	0		64,124	0	0	3,550,944	2,010,654	1,540,290
3-G SUBTOTAL INSTITUTIONAL	488,158	0	1,456,488	56,099	0	160,373	64,124	0	0	423,752	254,251	169,501
4 ADMINISTRATION	18,003,928	448,004	1,456,488	955,326	158,598	160,373	64,124	0	8,307	14,752,708	11,000,224	3,752,484
TOTAL REVENUES												
	18,003,928	448,004	1,456,488	955,326	158,598	160,373	64,124	0	8,307	14,752,708	11,000,224	3,752,484

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 910,196	\$ 0	\$ 910,196
Adoption Assistance	2,479,032	0	2,479,032
Counseling	582,573	0	582,573
Day Care	24,677	0	24,677
Day Treatment	75,714	0	75,714
Homemaker Service	0	0	0
Intake and Referral	1,591,932	0	1,591,932
Life Skills	243,211	0	243,211
Protective Service - Child Abuse	294,364	0	294,364
Protective Service - General	2,461,875	0	2,461,875
Service Planning	1,377,821	0	1,377,821
Juvenile Act Proceedings	197,500	0	197,500
Alternative Treatment	0	0	0
Community Residential	13,873	0	13,873
Emergency Shelter	108,334	0	108,334
Foster Family	3,305,442	0	3,305,442
Supervised Independent Living	163,759	0	163,759
Juvenile Detention Service	1,199,125	0	1,199,125
Residential Service	1,505,374	0	1,505,374
Secure Residential Service (Except YDC)	0	0	0
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	998,995	0	998,995
Administration	946,892	0	946,892
Combined Total Expense	<u>18,480,689</u>	<u>0</u>	<u>18,480,689</u>
Less Non-reimbursables	<u>481,279</u>	<u>(4,518)</u>	<u>476,761</u>
Total Net Expense	<u>\$ 17,999,410</u>	<u>\$ 4,518</u>	<u>\$ 18,003,928</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 4,477,069	\$ 0	\$ 4,477,069
Employee Benefits	1,678,542	0	1,678,542
Subsidies	2,535,067	0	2,535,067
Operating	2,287,378	0	2,287,378
Purchased Services	7,491,457	0	7,491,457
Fixed Assets	11,176	0	11,176
Combined Total Expense	<u>18,480,689</u>	<u>0</u>	<u>18,480,689</u>
Less Non-reimbursables	<u>481,279</u>	<u>(4,518)</u>	<u>476,761</u>
Total Net Expense	<u>\$ 17,999,410</u>	<u>\$ 4,518</u>	<u>\$ 18,003,928</u>

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub</p> <p>To decrease Non-Reimbursable expenditures by \$4,518 to properly report the amount of indirect costs which exceeded the 2% cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 463,252	\$ (4,518)	\$ 458,734

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2011 to JUNE 30, 2012

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹	\$	10,200,265
Supplemental Act 148		<u>183,090</u>
Total State Allocation		10,383,355
State Share (CY348) ²	\$	10,391,926
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	10,391,926
Less: Expenditures in Excess of the Approved State Allocation ⁵		<u>8,571</u>
Final Net State Share Payable ³	\$	10,383,355
Actual Act 148 Revenues Received ⁴		<u>10,383,355</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 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 No amount is due to the County or State because the Children and Youth Agency's expenditures exceeded the Total State Act 148 Allocation by \$8,571, as detailed above and on page 11 of this report. While our adjustments resulted in a net increase of \$14,457 in expenditures for the agency for said fiscal year, as detailed on page 14 of this report, the agency cannot receive state reimbursement in excess of the Total State Act 148 Allocation. Thus, there is no impact on the Final Net State Share Payable.

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
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	866,727	0	110,193	0	0	0	0	0	756,534	756,534	0
02. 90% REIMBURSEMENT	60,504	0	5,179	0	0	0	0	0	55,325	49,793	5,532
03. 80% REIMBURSEMENT	13,040,563	307,045	2,312,638	163,128	160,373	0	0	0	10,097,379	8,077,904	2,019,475
04. 60% REIMBURSEMENT	1,579,075	16,065	140,167	0	0	64,124	0	13,138	1,345,581	807,349	538,232
05. 50% REIMBURSEMENT	1,400,691	0	0	0	0	0	0	0	1,400,691	700,346	700,345
06. TOTAL NET CHILD WELFARE EXPEND	16,947,561	323,110	2,568,177	163,128	160,373	64,124	0	13,138	13,655,511	10,391,926	3,263,585
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	370,205	0							370,205	222,123	148,082
08. NON-REIMBURSABLE EXPENDITURES	464,436	0							464,436		464,436
09. TOTAL EXPENDITURES	17,782,202	323,110	2,568,177	163,128	160,373	64,124	0	13,138	14,490,152	10,614,049	3,876,103
10. TOTAL TITLE IV-D COLLECTIONS	98,040										
11. TITLE IV-D Collections for IV-E Children	54,111										
12. STATE ACT 148 - line 6	10,391,926										
13. STATE ACT 148 ALLOCATION	10,383,355										
14. ADJUSTED STATE SHARE (lower of 14 or 15)	10,383,355										
INVOICE											
AMENDED STATE SHARE (ACT 148)	10,391,926										
ACT 148 AMOUNT RECEIVED	10,383,355										
ADJUSTMENT TO STATE SHARE	8,571										

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
 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	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	866,727	0	110,193	0	0	0	0	0	0	756,534	756,534	0
I-B ADOPTION ASSISTANCE	2,541,904	0	930,805	29,087	0	0	0	0	0	1,582,012	1,265,610	316,402
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS	183,000	0	0	2,226	0	0	0	0	0	180,774	144,619	36,155
I-D COUNSELING - DEPENDENT	464,327	0	0	40,547	130,188	0	0	0	0	293,592	234,873	58,719
I-E COUNSELING - DELINQUENT	78,808	0	0	0	32,940	0	0	0	0	45,868	36,694	9,174
I-F DAY CARE	57,840	0	0	0	0	0	0	0	0	57,840	46,272	11,568
I-G DAY TREATMENT - DEPENDENT	1,502	0	0	0	0	0	0	0	0	1,502	1,202	300
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	1,590,825	0	0	207,152	0	0	0	0	0	1,383,673	1,106,939	276,734
I-K LIFE SKILLS - DEPENDENT	243,041	0	0	31,649	0	0	0	0	0	211,392	169,114	42,278
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	295,203	0	0	30,498	0	0	0	0	0	264,705	211,764	52,941
I-N PROTECTIVE SERVICE - GENERAL	2,482,537	0	0	265,653	0	0	0	0	0	2,216,884	1,773,508	443,376
I-O SERVICE PLANNING	1,362,783	0	0	130,996	0	0	0	0	0	1,231,787	985,429	246,358
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	198,162	0	0	0	0	0	0	0	0	198,162	99,081	99,081
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	10,366,660	0	930,805	848,001	163,128	0	0	0	0	8,424,726	6,831,639	1,593,087

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	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	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	81,673	0	0	1,629	0	0	0	0	0	80,044	64,035	16,009
2-D COMMUNITY RESIDENTIAL - DELINQUENT	24,750	0	0	0	0	0	0	0	0	24,750	19,800	4,950
2-E EMERGENCY SHELTER - DEPENDENT	60,504	0	0	5,179	0	0	0	0	0	55,325	49,793	5,532
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	3,486,684	307,045	410,724	230,676	0	160,373	0	0	0	2,377,866	1,902,293	475,573
2-H FOSTER FAMILY - DELINQUENT	437	0	0	0	0	0	0	0	0	437	350	87
2-I SUP. INDEPENDENT LIVING - DEPENDENT	145,248	0	0	996	0	0	0	0	0	144,252	115,402	28,850
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	3,799,297	307,045	410,724	238,480	0	160,373	0	0	0	2,682,675	2,151,673	531,002

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	1,202,529	0	0	0	0	0	0	0	0	1,202,529	601,265	601,264
3-B RESIDENTIAL SERVICE - DEPENDENT	244,691	16,065	76,185	11,508	0	64,124	0	0	0	76,809	46,086	30,723
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	869,782	0	0	0	0	0	0	0	0	869,782	521,869	347,913
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0	0
3-E YDC SECURE	370,205	0	0	0	0	0	0	0	0	370,205	222,123	148,082
3-F SUBTOTAL INSTITUTIONAL	2,687,207	16,065	76,185	11,508	0	64,124	0	0	0	2,519,325	1,391,343	1,127,982

4 ADMINISTRATION	464,602	0	0	52,474	0	0	0	0	0	398,990	239,394	159,596
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5 TOTAL REVENUES	17,317,766	323,110	1,417,714	1,150,463	163,128	160,373	64,124	0	13,138	14,025,716	10,614,049	3,411,667
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LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
 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
I-A ADOPTION SERVICE	505,004	191,139		138,588	20,500	13,518	868,749	390	29	2,022	0	0
I-B ADOPTION ASSISTANCE	71,202	26,950	2,422,591	19,540	0	1,906	2,542,189	55	1,364	285	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SHI	0	0	164,104	18,896	0	0	183,000	21	70	0	0	0
I-D COUNSELING - DEPENDENT	196,025	74,193		34,901	154,747	5,247	465,113	130	107	786	0	0
I-E COUNSELING - DELINQUENT	0	0		0	78,808	0	78,808	0	34	0	0	0
I-F DAY CARE	0	0		0	57,840	0	57,840	0	38	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	1,502	0	1,502	0	2	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	949,355	359,322		260,536	0	25,414	1,594,627	646	0	3,802	0	0
I-K LIFE SKILLS - DEPENDENT	145,040	54,896		39,803	0	3,883	243,622	96	0	581	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	15	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	139,766	52,901		38,354	61,000	3,742	295,763	225	226	560	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,217,460	460,798		334,108	442,456	32,591	2,487,413	883	1,172	4,876	0	0
I-O SERVICE PLANNING	698,391	264,336		191,661	192,496	18,696	1,365,580	464	128	2,797	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	198,162		198,162	0	80	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,922,244	1,484,535	2,586,695	1,076,387	1,207,511	104,997	10,382,369			15,709	0	0
	Number of Children receiving only NON-PURCHASED IN-Home 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	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	7,471	2,829	0	2,047	69,156	200	81,703	491	5	30	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	24,750	0	24,750	125	1	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	23,734	8,984	0	6,514	20,732	635	60,599	400	47	95	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	324,802	122,935	0	305,886	2,725,667	8,695	3,487,985	84,454	1,136	1,301	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	437	0	437	10	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	7,411	137,837	0	145,248	25	66	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	356,008	134,748	0	321,858	2,978,579	9,530	3,800,723	85,505	1,256	1,426	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	Non-Reim. Program Income
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,202,529	0	1,202,529	3,077	323	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	52,742	19,963	0	16,402	154,383	1,412	244,902	1,711	49	211	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	869,782	0	869,782	4,178	100	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	370,205	0	370,205	782	12	0	0	0
3-F SUBTOTAL INSTITUTIONAL	52,742	19,963	0	16,402	2,596,899	1,412	2,687,418	9,748	484	211	0	0
4 ADMINISTRATION	64,169	24,287	0	821,520	0	1,716	911,692			447,090	0	0
5 TOTAL EXPENDITURES	4,395,163	1,663,533	2,586,695	2,236,167	6,782,989	117,655	17,782,202			464,436	0	0
	County Indirect Costs = \$ 803,911											

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 868,804	\$ (55)	\$ 868,749
Adoption Assistance	2,542,197	(8)	2,542,189
Subsidized Permanent Legal Custodianship	183,000	0	183,000
Counseling	543,942	(21)	543,921
Day Care	57,840	0	57,840
Day Treatment	1,502	0	1,502
Homemaker Service	0	0	0
Intake and Referral	1,594,730	(103)	1,594,627
Life Skills	243,638	(16)	243,622
Protective Service - Child Abuse	295,778	(15)	295,763
Protective Service - General	2,487,545	(132)	2,487,413
Service Planning	1,365,655	(75)	1,365,580
Juvenile Act Proceedings	198,162	0	198,162
Alternative Treatment	0	0	0
Community Residential	106,454	(1)	106,453
Emergency Shelter	60,602	(3)	60,599
Foster Family	3,488,457	(35)	3,488,422
Supervised Independent Living	145,248	0	145,248
Juvenile Detention Service	1,202,529	0	1,202,529
Residential Service	1,114,690	(6)	1,114,684
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	370,205	0	370,205
Administration	911,699	(7)	911,692
Combined Total Expense	<u>17,782,677</u>	<u>(475)</u>	<u>17,782,202</u>
Less Non-reimbursables	<u>479,368</u>	<u>(14,932)</u>	<u>464,436</u>
Total Net Expense	<u>\$ 17,303,309</u>	<u>\$ 14,457</u>	<u>\$ 17,317,766</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 4,395,638	\$ (475)	\$ 4,395,163
Employee Benefits	1,663,533	0	1,663,533
Subsidies	2,586,695	0	2,586,695
Operating	2,236,167	0	2,236,167
Purchased Services	6,782,989	0	6,782,989
Fixed Assets	117,655	0	117,655
Combined Total Expense	<u>17,782,677</u>	<u>(475)</u>	<u>17,782,202</u>
Less Non-reimbursables	<u>479,368</u>	<u>(14,932)</u>	<u>464,436</u>
Total Net Expense	<u>\$ 17,303,309</u>	<u>\$ 14,457</u>	<u>\$ 17,317,766</u>

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	CY-370 Adjustment			
				Administration - Non-Reimbursable Non PS/Sub	\$ 462,022	\$ (14,932)	\$ 447,090
				To decrease Non-Reimbursable expenditures by \$14,932 to properly report the amount of indirect costs which exceeded the 2% cost limitation.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			
CY-370	1-A	1	2	Adoption Service - Wages & Salaries	\$ 505,059	\$ (55)	\$ 505,004
	1-B	1		Adoption Assistance - Wages & Salaries	\$ 71,210	\$ (8)	\$ 71,202
	1-D	1		Counseling (Dep.) - Wages & Salaries	\$ 196,046	\$ (21)	\$ 196,025
	1-J	1		Intake & Referral - Wages & Salaries	\$ 949,458	\$ (103)	\$ 949,355
	1-K	1		Life Skills (Dep.) - Wages & Salaries	\$ 145,056	\$ (16)	\$ 145,040
	1-M	1		Protective Service Child Abuse - Wages & Salaries	\$ 139,781	\$ (15)	\$ 139,766
	1-N	1		Protective Service General - Wages & Salaries	\$ 1,217,592	\$ (132)	\$ 1,217,460
	1-O	1		Service Planning - Wages & Salaries	\$ 698,466	\$ (75)	\$ 698,391
	2-C	1		Community Residential (Dep.) - Wages & Salaries	\$ 7,472	\$ (1)	\$ 7,471
	2-E	1		Emergency Shelter (Dep.) - Wages & Salaries	\$ 23,737	\$ (3)	\$ 23,734
	2-G	1		Foster Family (Dep.) - Wages & Salaries	\$ 324,837	\$ (35)	\$ 324,802
	3-B	1		Residential Service (Dep.) - Wages & Salaries	\$ 52,748	\$ (6)	\$ 52,742
	4	1		Administration - Wages & Salaries	\$ 64,176	\$ (7)	\$ 64,169
					Total Adjustment Amount		\$ (475)
			To decrease Wages & Salaries by \$475 due to an agency employee's salary exceeding the total maximum compensation allowed for an equivalent Commonwealth position, as determined through a review of the agency's submitted PW-1171 Roster of Personnel by the Department of Human Services, Bureau of Human Resources.				
			Title 55 PA Code, Chapter 3170.42(b)				

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2012 to JUNE 30, 2013

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 10,894,701
Supplemental Act 148		<u>0</u>
Total State Allocation		10,894,701
State Share (CY348) ²	\$ 10,209,338	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 10,209,338
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 10,209,338
Actual Act 148 Revenues Received ⁴		<u>10,200,901</u>
Net Amount Due County/(State) ⁵		<u>\$ 8,437</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 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.

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 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	831,533	0	118,663	0	0	0	0	0	712,870	712,870	0
02. 90% REIMBURSEMENT	76,649	0	5,577	0	0	0	0	0	71,072	63,965	7,107
03. 80% REIMBURSEMENT	12,779,168	292,452	2,512,201	163,128	160,373	64,124	0	0	9,586,890	7,669,512	1,917,378
04. 60% REIMBURSEMENT	1,966,935	3,655	140,553	0	0	0	0	13,293	1,809,434	1,085,661	723,773
05. 50% REIMBURSEMENT	1,357,258	2,599	0	0	0	0	0	0	1,354,659	677,330	677,329
06. TOTAL NET CHILD WELFARE EXPEND.	17,011,543	298,706	2,776,994	163,128	160,373	64,124	0	13,293	13,534,925	10,209,338	3,325,587
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	44,225	0							44,225	26,535	17,690
08. NON-REIMBURSABLE EXPENDITURES	406,435	0							406,435		406,435
09. TOTAL EXPENDITURES	17,462,203	298,706	2,776,994	163,128	160,373	64,124	0	13,293	13,985,585	10,235,873	3,749,712
10. TOTAL TITLE IV-D COLLECTIONS	81,899										
11. TITLE IV-D Collections for IV-E Children	40,991										
12. STATE ACT 148 - line 6	10,209,338										
13. STATE ACT 148 ALLOCATION	10,894,701										
14. ADJUSTED STATE SHARE (lower of 14 or 15)	10,209,338										
INVOICE											
AMENDED STATE SHARE (ACT 148)	10,209,338										
ACT 148 AMOUNT RECEIVED	10,200,901										
ADJUSTMENT TO STATE SHARE	8,437										

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 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
I-A	ADOPTION SERVICE	831,533	0	0	118,663	0	0	0	0	712,870	0	0
I-B	ADOPTION ASSISTANCE	2,654,463	0	964,634	34,507	0	0	0	0	1,655,322	1,324,258	331,064
I-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	182,252	0	0	0	0	0	0	0	182,252	145,802	36,450
I-D	COUNSELING - DEPENDENT	393,511	26	0	46,062	116,752	0	0	0	230,671	184,537	46,134
I-E	COUNSELING - DELINQUENT	64,946	0	0	0	0	0	0	0	64,946	51,957	12,989
I-F	DAY CARE	15,280	0	0	0	0	0	0	0	15,280	12,224	3,056
I-G	DAY TREATMENT - DEPENDENT	1,276	0	0	0	0	0	0	0	1,276	1,021	255
I-H	DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
I-I	HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0
I-J	INTAKE & REFERRAL	1,504,918	0	0	223,071	0	0	0	0	1,281,847	1,025,478	256,369
I-K	LIFE SKILLS - DEPENDENT	229,920	0	0	34,082	0	0	0	0	195,838	156,670	39,168
I-L	LIFE SKILLS - DELINQUENT	281,554	0	0	32,841	0	0	0	0	248,713	198,970	49,743
I-M	PROTECTIVE SERVICE - CHILD ABUSE	2,331,590	0	0	286,067	0	0	0	0	2,045,523	1,636,418	409,105
I-N	PROTECTIVE SERVICE - GENERAL	1,307,089	0	0	143,757	46,376	0	0	0	1,116,956	893,565	223,391
I-O	SERVICE PLANNING	207,236	0	0	0	0	0	0	0	207,236	103,618	103,618
I-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0
I-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
I-R	SUBTOTAL IN-HOME	10,005,568	26	964,634	919,050	163,128	0	0	0	7,958,730	6,447,388	1,511,342
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	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
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	85,393	951	0	1,757	0	0	0	0	82,685	66,148	16,537
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	143,048	0	0	0	0	0	0	0	143,048	114,438	28,610
2-E	EMERGENCY SHELTER - DEPENDENT	76,649	0	0	5,577	0	0	0	0	71,072	63,965	7,107
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	3,442,185	291,475	449,688	295,735	0	0	0	0	2,180,790	1,744,632	436,158
2-H	FOSTER FAMILY - DELINQUENT	10,983	0	0	0	0	0	0	0	10,983	8,786	2,197
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	130,760	0	0	0	0	0	0	0	130,760	104,608	26,152
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-K	SUBTOTAL CBP	3,889,018	292,426	449,688	305,069	0	160,373	64,124	0	2,619,338	2,102,577	516,761
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	1,150,022	2,599	0	0	0	0	0	0	1,147,423	573,712	573,711
3-B	RESIDENTIAL SERVICE - DEPENDENT	172,455	3,655	59,484	12,393	0	0	0	0	96,923	58,154	38,769
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,313,406	0	0	0	0	0	0	0	1,313,406	788,044	525,362
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0
3-E	YDC SECURE	44,225	0	0	0	0	0	0	0	44,225	26,535	17,690
3-F	SUBTOTAL INSTITUTIONAL	2,680,108	6,254	59,484	12,393	0	0	0	0	2,601,977	1,446,445	1,155,532
4	ADMINISTRATION	481,074	0	0	68,676	0	0	0	13,293	399,105	239,463	159,642
5	TOTAL REVENUES	17,055,768	298,706	1,473,806	1,303,188	163,128	64,124	0	13,293	13,579,150	10,235,873	3,343,277

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non-Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
	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												
1-A ADOPTION SERVICE	471,765	184,265		141,721	31,000	4,156	832,907	588	16	1,374	0	0
1-B ADOPTION ASSISTANCE	66,515	25,981	2,541,588	19,986	0	586	2,654,656	83	1,417	193	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	182,252	0	0	0	182,252	0	94	0	0	0
1-D COUNSELING - DEPENDENT	183,122	71,525		55,013	82,770	1,614	394,044	228	78	533	0	0
1-E COUNSELING - DELINQUENT	0	0		0	64,946	0	64,946	0	45	0	0	0
1-F DAY CARE	0	0		0	15,280	0	15,280	0	22	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	1,276	0	1,276	0	1	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	886,870	346,399		266,419	0	7,814	1,507,502	1,105	0	2,584	0	0
1-K LIFE SKILLS - DEPENDENT	135,493	52,921		40,707	0	1,194	230,315	169	0	395	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	130,566	50,998		39,220	60,000	1,150	281,934	163	259	380	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,137,328	444,224		341,659	401,673	10,020	2,334,904	1,417	146	3,314	0	0
1-O SERVICE PLANNING	652,424	254,828		195,992	199,997	5,748	1,308,989	813	184	1,900	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					0	0	207,236	0	85	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,664,083	1,431,141	2,723,840	1,100,717	1,064,178	32,282	10,016,241			10,673	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT												3,056
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	6,979	2,727		2,096	73,550	61	85,413	373	10	20	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		0	143,048	0	143,048	755	14	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	22,171	8,661		6,663	39,023	195	76,713	529	14	64	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	303,425	118,513		297,375	2,721,083	2,673	3,443,069	81,750	1,165	884	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	10,983	0	10,983	121	4	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	130,760	0	130,760	11	41	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	332,575	129,901	0	306,134	3,118,447	2,929	3,889,986	83,539	1,248	968	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,150,022	0	1,150,022	6,228	233	144	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	49,270	19,244		15,292	88,358	435	172,599	604	48	144	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		0	1,313,406	0	1,313,406	5,532	94	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	0	0	0	0	0	0	0	0
3-E YDC SECURE	0	0		0	44,225	0	44,225	61	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	49,270	19,244	0	15,292	2,596,011	435	2,680,252	12,425	376	144	0	0
ADMINISTRATION	59,947	23,414	0	791,835	0	528	875,724			394,650	0	0
TOTAL EXPENDITURES	4,105,875	1,603,700	2,723,840	2,213,978	6,778,656	36,174	17,462,203			406,435	0	0
County Indirect Costs = \$ 773,828												

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 832,907	\$ 0	\$ 832,907
Adoption Assistance	2,654,656	0	2,654,656
Subsidized Permanent Legal Custodianship	182,252	0	182,252
Counseling	458,990	0	458,990
Day Care	15,280	0	15,280
Day Treatment	1,276	0	1,276
Homemaker Service	0	0	0
Intake and Referral	1,507,502	0	1,507,502
Life Skills	230,315	0	230,315
Protective Service - Child Abuse	281,934	0	281,934
Protective Service - General	2,334,904	0	2,334,904
Service Planning	1,308,989	0	1,308,989
Juvenile Act Proceedings	207,236	0	207,236
Alternative Treatment	0	0	0
Community Residential	228,461	0	228,461
Emergency Shelter	76,713	0	76,713
Foster Family	3,454,052	0	3,454,052
Supervised Independent Living	130,760	0	130,760
Juvenile Detention Service	1,150,022	0	1,150,022
Residential Service	1,486,005	0	1,486,005
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	44,225	0	44,225
Administration	875,724	0	875,724
Combined Total Expense	<u>17,462,203</u>	<u>0</u>	<u>17,462,203</u>
Less Non-reimbursables	<u>420,496</u>	<u>(14,061)</u>	<u>406,435</u>
Total Net Expense	<u>\$ 17,041,707</u>	<u>\$ 14,061</u>	<u>\$ 17,055,768</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 4,105,875	\$ 0	\$ 4,105,875
Employee Benefits	1,603,700	0	1,603,700
Subsidies	2,723,840	0	2,723,840
Operating	2,213,978	0	2,213,978
Purchased Services	6,778,636	0	6,778,636
Fixed Assets	36,174	0	36,174
Combined Total Expense	<u>17,462,203</u>	<u>0</u>	<u>17,462,203</u>
Less Non-reimbursables	<u>420,496</u>	<u>(14,061)</u>	<u>406,435</u>
Total Net Expense	<u>\$ 17,041,707</u>	<u>\$ 14,061</u>	<u>\$ 17,055,768</u>

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub</p> <p>To decrease Non-Reimbursable expenditures by \$14,061 to properly report the amount of indirect costs which exceeded the 2% cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 408,711	\$ (14,061)	\$ 394,650

SECTION 4

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2013 to JUNE 30, 2014

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	10,619,219
Supplemental Act 148			<u>0</u>
Total State Allocation			10,619,219
State Share (CY348) ²	\$		9,686,382
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	9,686,382
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	9,686,382
Actual Act 148 Revenues Received ⁴			<u>9,659,531</u>
Net Amount Due County/(State) ⁵		\$	<u><u>26,851</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 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.

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
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	831,181	0	11,917	0	0	0	127,740	0	691,524	691,524	0
02. 90% REIMBURSEMENT	44,457	0	560	0	0	0	6,004	0	37,893	34,104	3,789
03. 80% REIMBURSEMENT	12,551,027	371,926	1,261,753	134,656	160,373	60,386	1,465,275	0	9,096,658	7,277,326	1,819,332
04. 60% REIMBURSEMENT	1,825,048	20,602	7,960	0	0	0	29,572	11,264	1,755,650	1,053,390	702,260
05. 50% REIMBURSEMENT	1,260,074	0	0	0	0	0	0	0	1,260,074	630,038	630,036
06. TOTAL NET CHILD WELFARE EXPEND.	16,511,787	392,528	1,282,190	134,656	160,373	60,386	1,628,591	11,264	12,841,799	9,686,382	3,155,417

YDC/YFC PLACEMENT COSTS											
07. 60% DHSPARTICIPATION	445	0							445	267	178

08. NON-REIMBURSABLE EXPENDITURES	470,072	0							470,072		470,072
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09. TOTAL EXPENDITURES	16,982,304	392,528	1,282,190	134,656	160,373	60,386	1,628,591	11,264	13,312,316	9,686,649	3,625,667
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10. TOTAL TITLE IV-D COLLECTIONS 84,061

11. TITLE IV-D Collections for IV-E Children 44,457

12. STATE ACT 148 - line 6 9,686,382

13. STATE ACT 148 ALLOCATION 10,619,219

14. ADJUSTED STATE SHARE (lower of 14 or 15) 9,686,382

INVOICE											
AMENDED STATE SHARE (ACT 148)	9,686,382										
ACT 148 AMOUNT RECEIVED	9,659,531										
ADJUSTMENT TO STATE SHARE	26,851										

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
 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												
I-A ADOPTION SERVICE	831,181	0		11,917	0		0	127,740	0	691,524	691,524	0
I-B ADOPTION ASSISTANCE	2,841,740	0	1,057,226	17,631			0	18,011	0	1,748,872	1,399,098	349,774
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	336,998	0	71,627				0		0	265,371	212,297	53,074
I-D COUNSELING - DEPENDENT	333,708	0		4,626	0		0	49,583	0	279,499	223,599	55,900
I-E COUNSELING - DELINQUENT	65,989	0			40,190		0	0	0	25,799	20,639	5,160
I-F DAY CARE	9,414	0		0	0		0	0	0	9,414	7,531	1,883
I-G DAY TREATMENT - DEPENDENT	4,718	0		0	0		0	0	0	4,718	3,774	944
I-H DAY TREATMENT - DELINQUENT	3,450	0		0	0		0	0	0	3,450	2,760	690
I-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
I-J INTAKE & REFERRAL	1,533,398	0		22,403	0		0	240,136	0	1,270,859	1,016,687	254,172
I-K LIFE SKILLS - DEPENDENT	234,265	0		3,423	0		0	36,688	0	194,154	155,323	38,831
I-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	310,746	0		3,298	0			35,353	0	272,095	217,676	54,419
I-N PROTECTIVE SERVICE - GENERAL	2,187,100	0		28,731	37,000			307,951	0	1,813,418	1,450,734	362,684
I-O SERVICE PLANNING	1,323,042	0		14,631	57,466		0	176,656	0	1,074,289	859,431	214,858
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	154,345	0		0	0		0	0	0	154,345	77,173	77,172
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	10,170,094	0	1,128,853	106,660	134,656	0	0	992,118	0	7,807,807	6,338,246	1,469,561
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0			0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0			0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	12,071	140		175			0	1,890	0	9,866	7,893	1,973
2-D COMMUNITY RESIDENTIAL - DELINQUENT	192,852	0		0			0	0	0	192,852	154,282	38,570
2-E EMERGENCY SHELTER - DEPENDENT	44,457	0		560	0		0	6,004	0	37,893	34,104	3,789
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0		0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	3,139,220	371,786	16,067	21,915		160,373	60,386	599,007	0	1,909,686	1,527,749	381,937
2-H FOSTER FAMILY - DELINQUENT	22,316	0		0		0	0	0	0	22,316	17,853	4,463
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0		0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0		0	0	0	0	0	0	0
2-K SUBTOTAL CBP	3,410,916	371,926	16,067	22,650	0	160,373	60,386	606,901	0	2,172,613	1,741,881	430,732
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,105,729	0							0	1,105,729	552,865	552,864
3-B RESIDENTIAL SERVICE - DEPENDENT	350,436	20,602		1,244			0	13,341	0	315,249	189,149	126,100
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	970,105	0		0			0	0	0	970,105	582,063	388,042
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0							0	0	0	0
3-E YDC SECURE	445	0							0	445	267	178
3-F SUBTOTAL INSTITUTIONAL	2,426,715	20,602	0	1,244	0	0	0	13,341	0	2,391,528	1,324,344	1,067,184
4 ADMINISTRATION	504,507	0		6,716		0	0	16,231	11,264	470,296	282,178	188,118
5 TOTAL REVENUES	16,512,232	392,528	1,144,920	137,270	134,656	160,373	60,386	1,628,591	11,264	12,842,244	9,686,649	3,155,595

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
 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	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	474,453	179,657		154,656	15,500	8,938	833,204	558	15	2,023	0	0
I-B ADOPTION ASSISTANCE	66,894	25,330	2,726,734	21,808	0	1,260	2,842,026	79	1,502	286	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	336,998	0	0	0	336,998	0	124	0	0	0
I-D COUNSELING - DEPENDENT	184,166	69,736		60,032	17,090	3,470	334,494	217	434	786	0	0
I-E COUNSELING - DELINQUENT	0	0		0	65,989	0	65,989	0	139	0	0	0
I-F DAY CARE	0	0		0	9,414	0	9,414	0	20	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	4,718	0	4,718	0	3	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		0	3,450	0	3,450	0	2	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	891,923	337,736		290,742	0	16,803	1,537,204	1,049	0	3,806	0	0
I-K LIFE SKILLS - DEPENDENT	136,266	51,599		44,415	0	2,567	234,847	160	0	582	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	131,310	49,721		42,802	85,000	2,474	311,307	154	499	561	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,143,808	433,115		372,848	220,661	21,549	2,191,981	1,345	434	4,881	0	0
I-O SERVICE PLANNING	656,142	248,454		213,882	195,001	12,363	1,325,842	772	34	2,800	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	154,345		154,345	0	50	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,684,962	1,395,348	3,063,732	1,201,185	771,168	69,424	10,185,819			15,725	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services 9,075											
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	7,020	2,658	0	2,289	0	134	12,101	0	0	30	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	192,852	0	192,852	974	23	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	22,299	8,443	0	7,269	6,120	421	44,552	153	29	95	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	305,153	115,550	0	254,969	2,459,097	5,749	3,140,518	70,583	1,039	1,298	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	22,316	0	22,316	344	4	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	334,472	126,651	0	264,527	2,680,385	6,304	3,412,339	72,054	1,095	1,423	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	1,105,729	0	1,105,729	2,766	183	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	49,551	18,762	0	16,552	264,850	933	350,648	1,222	33	212	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	970,105	0	970,105	4,980	110	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	445	0	445	1	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	49,551	18,762	0	16,552	2,341,129	933	2,426,927	8,969	327	212	0	0
ADMINISTRATION	60,288	22,829	0	872,966	0	1,136	957,219			452,712	0	0
TOTAL EXPENDITURES	4,129,273	1,563,590	3,063,732	2,355,230	5,792,682	77,797	16,982,304			470,072	0	0
	County Indirect Costs = \$ 853,316											

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 833,204	\$ 0	\$ 833,204
Adoption Assistance	2,842,026	0	2,842,026
Subsidized Permanent Legal Custodianship	336,998	0	336,998
Counseling	400,483	0	400,483
Day Care	9,414	0	9,414
Day Treatment	8,168	0	8,168
Homemaker Service	0	0	0
Intake and Referral	1,537,204	0	1,537,204
Life Skills	234,847	0	234,847
Protective Service - Child Abuse	311,307	0	311,307
Protective Service - General	2,191,981	0	2,191,981
Service Planning	1,325,842	0	1,325,842
Juvenile Act Proceedings	154,345	0	154,345
Alternative Treatment	0	0	0
Community Residential	204,953	0	204,953
Emergency Shelter	44,552	0	44,552
Foster Family	3,162,834	0	3,162,834
Supervised Independent Living	0	0	0
Juvenile Detention Service	1,105,729	0	1,105,729
Residential Service	1,320,753	0	1,320,753
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	445	0	445
Administration	957,219	0	957,219
Combined Total Expense	<u>16,982,304</u>	<u>0</u>	<u>16,982,304</u>
Less Non-reimbursables	<u>514,823</u>	<u>(44,751)</u>	<u>470,072</u>
Total Net Expense	<u>\$ 16,467,481</u>	<u>\$ 44,751</u>	<u>\$ 16,512,232</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 4,129,273	\$ 0	\$ 4,129,273
Employee Benefits	1,563,590	0	1,563,590
Subsidies	3,063,732	0	3,063,732
Operating	2,355,230	0	2,355,230
Purchased Services	5,792,682	0	5,792,682
Fixed Assets	77,797	0	77,797
Combined Total Expense	<u>16,982,304</u>	<u>0</u>	<u>16,982,304</u>
Less Non-reimbursables	<u>514,823</u>	<u>(44,751)</u>	<u>470,072</u>
Total Net Expense	<u>\$ 16,467,481</u>	<u>\$ 44,751</u>	<u>\$ 16,512,232</u>

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2013 TO JUNE 30, 2014
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	10	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Non-Reimbursable Non PS/Sub</p> <p>To decrease Non-Reimbursable expenditures by \$44,751 to properly report the amount of indirect costs which exceeded the 2% cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 497,463	\$ (44,751)	\$ 452,712

SECTION 5

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

**STATUS OF PRIOR ENGAGEMENT FINDING FOR FISCAL YEARS JULY 1, 2008
TO JUNE 30, 2009 AND JULY 1, 2009 TO JUNE 30, 2010**

Prior Engagement Finding - Failure to Conduct Annual Time Studies

During our current audit, we found that, beginning in the 2014-2015 fiscal year to the present, the Lackawanna Office of Youth and Family Services Agency (agency) conducted annual Time Studies to allocate the agency's operating expenses. Since the agency substantiated that they began conducting annual time studies during the 2014-15 fiscal year and that, due to the timing of our prior audit, we had not notified the agency of its failure to conduct time studies until May 2015, well after the close of the fiscal years included in our current engagement scope period, we concluded that the issuance of a repeat finding is not warranted. However, we will follow up on this issue during our next audit of the agency.

SECTION 6

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 - Lackawanna County Office of Youth and Family Services Agency Failed to Provide Adequate Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers

Condition: During the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 fiscal years, the Lackawanna County Office of Youth and Family Services Agency (agency) utilized 70 different In-Home Purchased Service providers to provide contracted services to resident at risk children and their families; these 70 providers invoiced services totaling \$4,336,213. During our current engagement for the aforementioned fiscal years, we judgmentally selected 29 of these In-Home Purchased Service providers for review; of the \$3,886,055 in In-Home service fees invoiced by these 29, we selected invoices totaling \$267,349 for detailed review and found that, while agency management did retain and provide us with the corresponding approved submitted invoices totaling \$267,349, for these providers, agency management failed to provide adequate supporting documentation evidencing that services related to the \$267,349 in service fees invoiced by these 29 providers, and subsequently paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms. Twenty-five of the twenty-nine cited In-Home Purchased Service providers invoiced service fees totaling \$3,128,816 and were contracted to perform In Home services directly to at risk children and their families, which included: counseling; temporary housing for children; child abuse prevention and school safety; truancy programs; and youth mentoring. The remaining 4 providers invoiced service fees totaling \$757,239 and were used to provide legal services on behalf of at risk children; however, agency management failed to maintain contracts with 3 of these providers who invoiced legal service fees totaling \$217,398. This issue is addressed in Finding No. 2 of this report, beginning on page 41.

The 29 cited In-Home Purchased Service providers we judgmentally selected for review consisted of 7 Fee-for Service providers and 22 Program Funded providers. Regarding the 22 Program Funded providers, 18 were used for the provision of preventative type In Home services directly to at risk children and, as stated above, 4 were used for the provision of legal services on behalf of at risk children. The approved contracts for the 7 Fee-for-Service providers include an agreed upon fee-for-service rate per unit (days or hours) and costs invoiced by these types of providers are calculated by multiplying the respective contracted service rate by the listed number of units, for the number of children or family members the respective Fee-for-Service provider lists on the submitted invoice. While the monthly invoices submitted by the 7 cited Fee-for-Service providers included the names of individuals who received service, we were not provided adequate supporting documentation substantiating the number of days or hours invoiced for each listed individual.

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Regarding the 18 Program Funded providers contracted to provide preventative type In-Home Services directly to at risk children and their families, per the terms of their respective contracts, these providers invoiced the agency monthly for either budgeted or actual operating costs, and while the monthly invoices submitted by these 18 cited providers included listings detailing the names of individuals who received the invoiced services, these providers submitted no documentation, nor did the agency require any documentation, substantiating the invoiced operating costs invoiced by these respective providers.

Criteria: 55 Pa. Code Chapter 3140. Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs.

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the [Human Services] Code (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the [Human Services] Code (62 P.S. § 709.3).”

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 6/30/2012; Bulletin 3140-13-01, applicable for fiscal year ended 6/30/2013; Bulletin 3140-13-05, applicable for fiscal year ended 6/30/2014 : Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report. This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).*

In addition, 55 Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

- *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 the fiscal operations of the program.”
- *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...”

Cause: Agency management informed us that, during the fiscal years included in our engagement scope period, they were not aware that fiscal related monitoring procedures were warranted to ensure that the services related to the costs invoiced by the 70 In-Home Purchased Service providers (66 contracted to provide preventative type In-Home services directly to at risk children and their families and 4 used for the provision of legal services on behalf of at risk children and their families), and subsequently paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective providers’ executed contract terms.

Regarding the agency’s failure to require its 66 In-Home Purchased Service providers contracted to provide preventative type In-Home services directly to at risk children and their families to include with their submitted invoices documentation substantiating the invoiced services fees and/or operating costs and that the related invoiced services were actually provided, agency management informed us that they thought their invoice review and approval policies and procedures were sufficient because, as previously stated above, they were not aware that fiscal related monitoring procedures were warranted to ensure that services related to invoiced In-Home Purchased Services costs were actually provided.

Regarding the agency’s failure to require its 4 In-Home Purchased Service providers used for the provision of legal services on behalf of at risk children and their families to include with their monthly billings documentation substantiating the specific children/families represented, the number of service hours provided per child/family, and that the legal services provided were allowable per DHS regulations, agency management informed us that the County contracted with the 4 legal services providers on a retainer basis and each respective agreed upon annual rate was divided by twelve months to determine the monthly billed amount; therefore, it was

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

not necessary for the specific information to be included on the invoices, since the providers were paid the same amount each month.

Finally, regarding the 3 out of 4 legal service providers for whom agency management failed to maintain executed contracts, agency management informed us that the County executed contracts with these providers, but copies of the contracts could not be located. This issue is addressed in Finding No. 2 of this report, beginning on page 41.

Effect: As previously stated, agency management informed us that, for the four years of our engagement scope period, the agency did not perform fiscal related monitoring visits of In-Home Purchased Service Providers, nor did they require any of the 70 In-Home Purchased Services providers (both Fee-For-Service or Program Funded) included in this population to submit any documentation substantiating that the services related to the fees invoiced by these providers were actually provided to, or on behalf of, at risk children and their families, and if provided, were provided in adherence to executed contract terms.

The agency's failure to require its 66 In-Home Purchased Service providers contracted to provide preventative type In-Home services directly to at risk children and their families to include with their submitted invoices documentation substantiating the invoiced services fees and/or operating costs, and that the related invoiced services were actually provided, increases the risk of provider overbillings and/or fraudulent billings going undetected by the agency. This also results in the possibility of inappropriate reimbursement payments being made by the agency to these types of providers and the agency's inaccurate invoicing of these overpayments to the Commonwealth DHS and, in turn, the agency's receipt of Act 148 funds to which it may not be entitled.

The agency's failure to require its 4 In-Home Purchased Service providers used for the provision of legal services on behalf of at risk children and their families to include with their monthly billings documentation substantiating the specific children/families represented, the number of service hours provided per child/family, and that the legal services provided were allowable per DHS regulations, increases the risk of overbillings and/or fraudulent billings being submitted by these providers and going undetected by the agency. This also results in the possibility of inappropriate reimbursement payments being made by the agency to these types of providers and the agency's inaccurate invoicing of these overpayments to the Commonwealth DHS and, in turn, the agency's receipt of Act 148 funds to which it may not be entitled.

Regarding the 3 out of 4 legal service providers for whom agency management failed to maintain executed contracts, without properly executed contracts, legal services could be rendered that are not in conformity with DHS regulations. In addition, there could be

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

misunderstandings between the agency and these legal service providers. These issues are addressed in Finding No. 2 of this report, beginning on page 41.

Finally, the agency's failure to provide our auditors with adequate substantiation evidencing that In-Home Purchased Services paid for were actually provided to, or on behalf of, at risk children and their families, and if provided, were allowable per DHS regulations, along with the agency's failure to require any documentation from In-Home Purchased Service Program Funded providers substantiating monthly invoiced operating costs, prevents us from substantiating the propriety of the \$4,336,213 in invoiced In-Home Purchased Service costs reported on the agency's respective submitted CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, for the applicable fiscal years. This again leads to the increased risk of overbillings and fraudulent billings by In-Home Purchased Service Providers that may have gone undetected by the agency.

Recommendations: We recommend that agency management develop and implement a formal, written fiscal related monitoring policy detailing the specific monitoring procedures that must be performed to ensure that:

- Services related to costs invoiced by In-Home Purchased Service Fee-for Service and Program-Funded providers used for the provision of In-Home services directly to at risk children and their families were actually rendered according to executed contracted terms and were allowable per DHS regulations.
- Services related to costs invoiced by In-Home Purchased Service providers used for the provision of legal services on behalf of at risk children and their families were actually provided and that the specific children/families represented, and the number of service hours provided per child/family, are properly substantiated, and that the legal services provided were allowable per DHS regulations, used for the provision of legal services on behalf of at risk children and their families), and provided in adherence to executed contract terms.
- Operating costs invoiced by Program Funded In-Home Service providers are properly substantiated.

We further recommend that agency management detail in the agency's fiscal related monitoring policy the documentation that must be maintained to evidence monitoring results and how identified provider deficiencies will impact the agency's payment process for submitted invoices.

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

The corresponding fiscal related monitoring procedures should include, but not be limited to, the following:

- Performance of on-site monitoring visits of In-Home Purchased Service Providers to determine whether appropriate supporting documentation exists substantiating invoiced costs and that related services were actually provided according to executed contract terms and/or randomly requiring Fee-For-Service and Program Funded In-Home Purchased Service providers to include with submitted invoices substantiation evidencing that invoiced contracted services were actually provided.
- Requiring Program Funded In-Home Purchased Service providers used for the provision of In-Home services to at risk children and their families to include with their submitted invoices documentation substantiating invoiced operating costs.
- Randomly requiring In-Home Purchased Service providers used for the provision of legal services on behalf of at risk children to include with their submitted invoices documentation substantiating the specific children/families represented, and the number of service hours provided per child/family.
- Assigning agency staff to review, and document their assessment of, the sufficiency of all submitted substantiation and ensuring that agency staff responsible for reviewing and approving submitted invoices for payment are made aware of the results of monitoring reviews of providers and the impact on the agency's review and approval process for those providers' submitted In-Home Purchased Service invoices for which significant documentation deficiencies have been identified.

We further recommend that the agency maintain sufficient evidence substantiating the results of all fiscal related monitoring procedures performed to determine whether In-Home Fee-For-Service and Program Funded contracted services paid for were actually provided and provided in adherence to DHS regulations and the executed contract terms.

Finally, we recommend that agency management ensure that contracts are maintained for all In-Home Purchased Service Providers used for the provision of legal services on behalf of at risk children and their families, as detailed in Finding No. 2 beginning on page 41 of this report.

Agency Response: Agency management disagreed with the above finding and provided the following response: Most of the in-home service invoices that were requested during the audit had detailed invoices with dates, case names, or child's name or sign-in sheets attached to the [respective] invoice with the dates and all of the participants signing in.

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Many of the invoices chosen for review were for the Arts Engage! Program. During the period under review, the agency had an Arts Engage! Caseworker who was assigned to oversee this program. Referrals were sent directly to this caseworker and the caseworker would make the referral to the providers. The caseworker would attend numerous meetings and all final performances for the program. This caseworker would sign off on the invoice due to the active knowledge of what was happening in the program.

For any counseling services, the caseworkers fill out a referral form for the provider and scan and upload the referral form in the agency's database which the agency provided copies of upon request during this audit. The communication between the agencies is also documented in the case notes.

Several of these in-home services also require a Review Board sign off by administration before a referral is made. A copy of this was sent during the audit as well. This clearly details what the agency will pay for and the reason. When appropriate, this is attached to the invoice as well.

For any of the housing invoices, the agency has a Housing coordinator that handles making the referral to the providers. The coordinator attends meetings on site and discusses the cases and the progress made. When the invoices are sent in, they are matched up with the referral and communication that is sent to verify services were provided before the invoice is signed off on.

When all in-home invoices are sent to the Agency by the in-home provider, they are signed off on by the supervisor who double-checks via case notes, referral forms, etc. to make sure that the service was in fact provided for every single child listed. The agency already takes many steps to ensure that there is no fraudulent billing by providers.

However, going forward, the agency will request copies of referral forms from the caseworker and attach it to the invoice where appropriate. The agency will also request the attorneys to add the dates in court, meetings, and prep time as well as the case numbers to their invoice that they submit, starting July 1, 2017. The agency is also open to any other suggestions to changes that could be made to strengthen the in-home services invoice process.

Auditor's Conclusion: While the In-Home Purchased Service invoices we reviewed did include the details as stated in the agency response, the finding is being cited due to the fact that on site provider monitoring visits were not performed and/or adequate supporting documentation was not always provided to substantiate the In-Home Purchased Services invoiced by the provider, and paid by the agency, were actually provided. In addition, we were not provided evidence that program staff involved with the Arts Engage! Program routinely shared information with the fiscal staff responsible for approving for payment invoices submitted by In-Home Purchased

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Services providers, therefore impeding the agency's fiscal staff's ability to determine whether overbillings and/or fraudulent billings occurred. Regarding the attached sign-in sheets, while several invoices did include sign-in sheets, we found inconsistencies regarding the number of children listed as attendees of the program events between the invoices and sign-in sheets, as well as the monthly tracking sheets, which were also included with the respective invoice.

As for the Referral forms used for the Arts Engage! Program and counseling services, while these forms evidence that a child was authorized by the agency to participate in this program, the form does not substantiate that the specific hours and/or days invoiced by the In-Home Purchased Service providers were actually provided. This same reasoning would apply to the Review Board sign off by administration in that this document would not adequately substantiate that the invoiced In-Home Purchased Services were actually provided; rather, it only substantiates the type of service the agency will pay for and the basis for the service. Furthermore, as referenced above, the completion of the referral forms and processing of the Review Board sign offs are also procedures typically conducted by the agency's program staff and may not be shared with the fiscal staff responsible for processing invoices for payment, therefore again impeding the fiscal staff's ability to determine if overbillings and/or fraudulent billings occurred.

In regards to the agency response that In-Home Purchased Service invoices were approved and signed by supervisors and caseworkers, we did not receive written documentation detailing these approval procedures nor did we see evidence of sign-offs by the respective program supervisors and caseworkers indicating proper authorization on any of the In-Home Purchased Service invoices we reviewed.

As such, our finding will stand as presented. We suggest the agency review our finding recommendations and develop formal, written monitoring procedures for the fiscal review and approval of future In-Home Purchased Services and, during our next audit of the agency, we will review these procedures to ensure the procedures incorporate substantiation of contracted services billed via the submitted invoices by In-Home Purchased Service Providers, as well as the proper implementation and effectiveness of these monitoring procedures.

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Finding No. 2 – Lackawanna County Office of Youth and Family Services Agency Failed to Maintain Executed Contracts with Three Legal Service Providers

Condition: As detailed in Finding No. 1 of this report, during the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 fiscal years, we found that the Lackawanna County Office of Youth and Family Services Agency (agency) failed to maintain the respective contracts that were executed with three In-Home Purchased Service providers used for the provision of legal services in Juvenile Act Proceedings on behalf of at risk children and their families. Two of these providers rendered legal services during the 2010-2011, 2011-2012, and 2012-2013 fiscal years and the other legal services provider rendered legal services for all four fiscal years included in our engagement period. For the aforementioned time frames above, the agency violated the Commonwealth's Department of Human Services (DHS) regulation requiring that executed contracts with providers to whom clients are regularly referred or with whom the agency, juvenile court and juvenile probation office have a continuing relationship be maintained.

Criteria: Title 55, Pa. Code § 3170.23(b) and § 3170.93(b) related to purchase of service and contract requirements, state, in part:

- *Section 3170.23(b).Purchase of Service.* A written agreement complying with Section 3170.93 (relating to contracts) shall be signed by the county and those providers to which clients are regularly referred or with which the public agency, the juvenile court, and juvenile probation office have a continuing relationship. This requirement shall apply to both unit of service and program-funded agencies.
- *Section 3170.93(b).Contracts.* In addition to restating the language of Section 3170.23, this section states the contract shall represent a legally binding agreement between the county and the provider, and shall be renewed annually.

Title 55, Pa. Code § 3170.92(b) related to records maintenance, states, in part:

- Section 3170.92(b). Records maintenance. County agency shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department

Cause: Agency management stated the County executed a contract with each of the 3 legal service providers for our engagement fiscal years; however, the County could not locate copies of these executed contracts.

Effect: The agency's failure to maintain contracts with the respective legal service providers for the 2010-2011, 2011-2012, 2012-2013, and 2013-2014 fiscal years is a violation of Commonwealth DHS regulations which require appropriate records and data be maintained to justify payment for expenses. In addition, because the agency could not produce the contracts, we could not verify that contracts were fully executed with these legal service providers. If

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services were rendered in the absence of legally binding contracts, which is a violation of DHS regulations, these violations could have resulted in misunderstandings between the agency and service providers as to the types of services requested and the approved rates to be charged for each respective service. However, based on DHS' position that because the legal service costs were incurred by the agency and were considered allowable expenses during the aforementioned time frames, we did not issue adjustments to disallow these legal service costs.

Recommendation: We recommend that, when using the County's legal service providers, the Lackawanna County Children and Youth Services Agency establish policies and procedures to ensure the agency obtains the legal services provider contracts and confirms the contracts were fully executed, maintained, and annually renewed with all regularly used legal service providers, in accordance with DHS' requirements. In addition, agency management should ensure that all DHS contracting requirements, along with the agency's established policies and procedures, are communicated to and understood by all agency staff, thus, preventing future assumptions regarding the proper execution and maintenance of contracts with providers of legal services.

Agency Response: Agency management agreed with the above finding and provided the following response: Several years ago, the agency took over payment of the attorneys from another department in the county. The agency was informed that the county had contracts with these attorneys, but the county could not find copies of the contracts for the attorneys which is why, starting in FY 2016-2017, the agency sent out their own contracts to the attorneys.

Auditor's Conclusion: We will follow up with the agency management during our next audit to ensure they properly execute and maintain their own contracts with all legal service providers, pursuant to DHS regulations.

SECTION 7

CURRENT ENGAGEMENT OBSERVATION

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Observation – Significant Control Deficiencies Exist in the Commonwealth DHS’ Oversight of Children and Youth (C&Y) Agencies’ Adherence with the Requirements of the Child Protective Services Law (CPSL)

The Child Protective Services Law¹ (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).² To ensure adherence to these requirements, the Commonwealth DHS (DHS) has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,³ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS, OCYF, the Lackawanna County Children and Youth Agency provided in-home and placement services to 8,418 children residing within the County during the 2014-2015 fiscal year.

Furthermore, beginning July 1, 2012, the Commonwealth DHS’ Bureau of Human Services’ Licensing (bureau) took over the responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, the DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review

¹ Please note that the CPSL was extensively amended in 2013, 2014, and 2015 with 24 pieces of legislation “[being] enacted, changing how Pennsylvania responds to child abuse. These changes will significantly impact the reporting, investigation, assessment, prosecution and judicial handling of child abuse and neglect cases. The new laws will expand and further define mandatory reporters and the reporting process, increase penalties for those mandated to report suspected child abuse who fail to do so, and provide protections from employment discrimination for filing a good faith report of child abuse.” See <http://keepkidssafe.pa.gov/laws/index.htm> last accessed on September 2, 2016. Please note that although this particular DHS’ keepkidssafe.pa.gov link only refers to 23, instead of 24, pieces of legislation, we were able to confirm that the link should actually refer to 24 pieces of legislation, just as in the following DHS’ link: <http://keepkidssafe.pa.gov/index.htm>

² 23 Pa.C.S. §§ 6344 and 6344.2.

³ This is as detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2016, via Finding 2016-017).

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of DHS' website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau; identified regulatory violations, including CPSL adherence violations, were specified in the accompanying License Inspection Summaries. However, we are unable to attest to the timeliness of the completion of these annual inspections. Furthermore, we are also unable to attest to whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.

However, in correspondence with agency management during the course of recently conducted audit engagements, we have found that the agency management staffs of these C&Y agencies are of the opinion that there is no need for C&Y agencies to monitor CPSL adherence of the employees/volunteers of these providers because they are now including the requirements for this monitoring in their executed contracts with these providers. Our interpretation of the CPSL is that the C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely "monitoring" their executed provider contracts rather than actually monitoring their providers' adherence to the CPSL background check requirements. While it is evident that neither the DHS nor the C&Y agencies are monitoring the CPSL adherence of the employees and volunteers of contracted in-home preventative service providers, this Department will continue to raise concerns about their interpretation of the CPSL and that this faulty interpretation may be putting the safety of these children at **great risk**.

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained. However, recent amendments to the CPSL extend this time frame from one year to five years.⁴ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about their employees' providers' and sub-recipients' arrest and conviction records, as well as child abuse adjudications to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

⁴ 23 Pa.C.S. § 6344.4.

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Ms. Linda Swick
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