

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

Lackawanna County Children and Youth Agency

February 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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

The Commissioners of Lackawanna County
Lackawanna County Government Center
123 Wyoming Avenue, Sixth Floor
Scranton, PA 18502

Dear Commissioners:

We have fulfilled the requirements pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)) for the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of Lackawanna County Office of Youth and Family Services (agency). The purpose of this engagement is to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county for the fiscal years July 1, 2019 to June 30, 2020 and July 1, 2020 to June 30, 2021. The scope of our engagement was limited to the fiscal reports submitted to the Pennsylvania Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the fiscal years ended June 30, 2020 and June 30, 2021.

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

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

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

- For the **2019-2020 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Net State Share by decreasing non-reimbursable expenditures by \$3,961. Based on the application of the state participation rates, this adjustment resulted in an amount due to the county totaling \$2,376.
- For the **2020-2021 fiscal year**, our engagement resulted in no adjustments made to the agency's submitted fiscal reports.

This report includes the following observation:

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

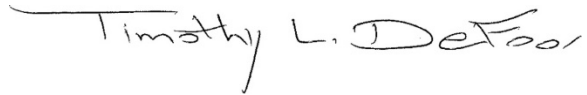
The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 17, 2023.

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

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

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

Sincerely,

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

Timothy L. DeFoor
Auditor General
January 24, 2023

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BACKGROUND

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

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2019 to JUNE 30, 2020

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

Approved State Allocation ¹		\$ 10,526,970
Supplemental Act 148		<u>0</u>
Total State Allocation		10,526,970
State Share (CY348) ²	\$ 10,263,518	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 10,263,518
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 10,263,518
Actual Act 148 Revenues Received ⁴		<u>10,261,142</u>
Net Amount Due County/(State) ⁵		<u><u>2,376</u></u>

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

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

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

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

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

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

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	189,209	0	30,402	0	0	0	5,787	0	153,020	153,020	0
02. 90% REIMBURSEMENT	55,913	0	2,549	0	0	0	485	0	52,879	47,591	5,288
03. 80% REIMBURSEMENT	15,838,675	145,568	3,815,799	163,128	160,373	60,386	251,518	45,719	11,196,184	8,956,947	2,239,237
04. 60% REIMBURSEMENT	1,618,316	9,632	99,757	0	0	0	24,610	6,779	1,477,538	886,523	591,015
05. 50% REIMBURSEMENT	438,872	0	0	0	0	0	0	0	438,872	219,437	219,435
06. TOTAL NET CHILD WELFARE EXPEND.	18,140,985	155,200	3,948,507	163,128	160,373	60,386	282,401	52,498	13,318,492	10,263,518	3,054,974
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	43,860	0							43,860	26,316	17,544
08. NON-REIMBURSABLE EXPENDITURES	465,912	0							465,912		
09. TOTAL EXPENDITURES	18,650,757	155,200	3,948,507	163,128	160,373	60,386	282,401	52,498	13,828,264	10,289,834	3,538,430
10. TOTAL TITLE IV-D COLLECTIONS	25,363										
11. TITLE IV-D Collections for IV-E Children	25,320										
12. STATE ACT 148 - line 6	10,263,518										
13. STATE ACT 148 ALLOCATION	10,526,970										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	10,263,518										
INVOICE											
AMENDED STATE SHARE (ACT 148)	10,263,518										
ACT 148 AMOUNT RECEIVED	10,261,142										
ADJUSTMENT TO STATE SHARE	2,376										

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
 AMENDED CY370A
 REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES										
		1	2	3	4	5	6	7	8	9	10	11
		TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A	ADOPTION SERVICE	189,209	0	1,477,432	27,859	0	0	5,787	0	153,020	1,439,938	359,984
1-B	ADOPTION ASSISTANCE	3,308,760	0	266,710	4,707	0	0	3,547	0	1,799,922	326,292	81,574
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	680,179	0	14,318	17,850	0	0	896	0	407,866	42,560	10,639
1-D	COUNSELING - DEPENDENT	88,093	0	0	0	0	0	2,726	0	38,170	30,536	7,634
1-E	COUNSELING - DELINQUENT	38,170	0	0	0	0	0	0	0	28,967	23,174	5,793
1-F	DAY CARE	28,967	0	0	0	0	0	0	0	0	0	0
1-G	DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
1-I	HOMEMAKER SERVICE	111,438	0	21,772	21,772	0	0	4,145	0	85,521	68,417	17,104
1-J	INTAKE & REFERRAL	1,280,016	0	250,078	250,078	0	0	47,605	0	982,333	785,867	196,466
1-K	LIFE SKILLS - DEPENDENT	101,498	0	15,495	15,495	0	0	2,949	0	83,054	66,443	16,611
1-L	LIFE SKILLS - DELINQUENT	29,167	0	0	0	0	0	0	0	29,167	23,334	5,833
1-M	PROTECTIVE SERVICE - CHILD ABUSE	817,915	0	121,803	107,078	0	0	23,186	0	565,848	452,678	113,170
1-N	PROTECTIVE SERVICE - GENERAL	6,189,306	9,693	1,117,601	10,407	0	0	37,393	0	5,014,212	4,011,369	1,002,843
1-O	SERVICE PLANNING	773,268	0	53,748	27,793	0	0	12,738	0	678,989	543,191	135,798
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	151,371	0	0	0	0	0	0	0	151,371	75,686	75,685
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
1-R	SUBTOTAL IN-HOME	13,787,357	9,693	1,744,142	1,657,783	163,128	0	140,972	0	10,071,639	8,042,505	2,029,134
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	26,700	135	0	0	0	0	0	0	26,565	21,252	5,313
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-E	EMERGENCY SHELTER - DEPENDENT	18,309	0	2,549	2,549	0	0	485	0	15,275	13,747	1,528
2-F	EMERGENCY SHELTER - DELINQUENT	37,604	0	0	0	0	0	0	0	37,604	33,844	3,760
2-G	FOSTER FAMILY - DEPENDENT	1,616,539	119,740	50,379	164,070	0	160,373	94,130	25,719	941,742	753,393	188,349
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-I	KINSHIP CARE - DEPENDENT	680,334	16,000	111,842	116,638	0	0	22,203	20,000	393,651	314,921	78,730
2-J	KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-K	SUP. INDEPENDENT LIVING - DEPENDENT	68,325	0	1,347	0	0	0	0	0	66,978	53,582	13,396
2-L	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0
2-M	SUBTOTAL CBP	2,447,811	135,875	163,568	283,257	0	160,373	116,819	45,719	1,481,814	1,190,739	291,075
INSTITUTIONAL PLACEMENT												
3-A	JUVENILE DETENTION SERVICE	287,501	0	0	0	0	0	0	0	287,501	143,751	143,750
3-B	RESIDENTIAL SERVICE - DEPENDENT	79,714	5,370	0	9,001	0	0	3,687	0	61,656	36,994	24,662
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,050,923	4,262	0	0	0	0	0	0	1,046,661	627,997	418,664
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	0	0	0	0	0	0	0
3-E	YDC SECURE	43,860	0	0	0	0	0	0	0	43,860	26,316	17,544
3-F	SUBTOTAL INSTITUTIONAL	1,461,998	9,632	0	9,001	0	0	3,687	0	1,439,678	835,058	604,620
4	ADMINISTRATION	487,679	0	0	90,756	0	0	20,924	6,779	369,220	221,552	147,688
5	TOTAL REVENUES	18,184,845	155,200	1,907,710	2,040,797	163,128	160,373	282,401	52,498	13,362,352	10,289,834	3,072,518

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME	77,900	47,908	30,155	33,600	21	189,674	102	21	465	0	0	0
1-A ADOPTION SERVICE	47,800	29,364	3,213,387	18,481	0	3,309,045	70	420	285	0	0	0
1-B ADOPTION ASSISTANCE	12,076	7,419	656,086	4,667	0	680,251	16	65	72	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	36,730	22,563	14,201	14,808	10	88,312	43	16	219	0	0	0
1-D COUNSELING - DEPENDENT	0	0	0	38,170	0	38,170	0	15	0	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	28,967	0	28,967	0	9	0	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	55,851	34,308	21,597	0	15	111,771	70	0	333	0	0	0
1-J INTAKE & REFERRAL	641,531	394,084	248,047	15,369	0	1,283,837	702	0	3,821	0	0	0
1-K LIFE SKILLS - DEPENDENT	39,751	24,418	0	0	11	101,735	65	23	237	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	29,167	0	45	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	312,463	191,941	120,812	194,475	85	819,776	409	225	1,861	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	2,867,015	1,761,166	1,108,520	468,899	784	6,206,384	3,354	379	17,078	0	0	0
1-O SERVICE PLANNING	289,821	178,033	112,060	195,001	79	774,994	340	41	1,726	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	151,371	0	151,371	0	54	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,381,028	2,691,204	3,869,473	1,693,909	1,176,644	1,196	13,813,454		26,097	0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services: 5,800												
COMMUNITY BASED PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	26,700	0	26,700	178	1	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	6,541	4,017	2,528	5,260	2	18,348	28	2	39	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	37,604	0	37,604	158	8	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	287,477	176,593	1,467,366	1,007,366	79	1,618,251	29,926	193	1,712	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	83,334	82	682,116	3,859	91	1,782	0	0	0
2-I KINSHIP CARE - DEPENDENT	299,210	183,801	115,689	0	0	0	0	0	0	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	68,325	0	68,325	725	30	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-M SUBTOTAL CRP	593,228	364,411	2,649,953	1,228,589	163	2,451,344	34,874	325	3,533	0	0	0
INSTITUTIONAL PLACEMENT	0	0	0	0	0	0	0	0	0	0	0	0
3-A JUVENILE DETENTION SERVICE	11,069	6,801	38,719	23,188	3	79,780	48	3	66	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	1,050,923	0	1,050,923	3,525	32	0	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	0	0	0	0	0	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	43,860	0	43,860	85	1	0	0	0	0
3-E YDC SECURE	11,069	6,801	38,719	1,405,472	3	1,462,064	4,723	75	66	0	0	0
SUBTOTAL INSTITUTIONAL	46,292	28,435	849,155	0	13	923,895	436,216	0	0	0	0	0
4 ADMINISTRATION	5,031,617	3,090,851	3,869,473	2,846,736	3,810,705	1,375	18,650,757		465,912	0	0	0
TOTAL EXPENDITURES	County Indirect Costs = \$ 831,258											

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 189,674	\$ 0	\$ 189,674
Adoption Assistance	3,309,045	0	3,309,045
Subsidized Permanent Legal Custodianship	680,251	0	680,251
Counseling	126,482	0	126,482
Day Care	28,967	0	28,967
Day Treatment	0	0	0
Homemaker Service	111,771	0	111,771
Intake and Referral	1,283,837	0	1,283,837
Life Skills	130,902	0	130,902
Protective Service - Child Abuse	819,776	0	819,776
Protective Service - General	6,206,384	0	6,206,384
Service Planning	774,994	0	774,994
Juvenile Act Proceedings	151,371	0	151,371
Alternative Treatment	0	0	0
Community Residential	26,700	0	26,700
Emergency Shelter	55,952	0	55,952
Foster Family	1,618,251	0	1,618,251
Kinship Care	682,116	0	682,116
Supervised Independent Living	68,325	0	68,325
Juvenile Detention Service	287,501	0	287,501
Residential Service	1,130,703	0	1,130,703
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	43,860	0	43,860
Administration	923,895	0	923,895
Combined Total Expense	<u>18,650,757</u>	<u>0</u>	<u>18,650,757</u>
Less Non-reimbursables	<u>469,873</u>	<u>(3,961)</u>	<u>465,912</u>
Total Net Expense	<u>\$ 18,180,884</u>	<u>\$ 3,961</u>	<u>\$ 18,184,845</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,031,617	\$ 0	\$ 5,031,617
Employee Benefits	3,090,851	0	3,090,851
Subsidies	3,869,473	0	3,869,473
Operating	2,846,736	0	2,846,736
Purchased Services	3,810,705	0	3,810,705
Fixed Assets	1,375	0	1,375
Combined Total Expense	<u>18,650,757</u>	<u>0</u>	<u>18,650,757</u>
Less Non-reimbursables	<u>469,873</u>	<u>(3,961)</u>	<u>465,912</u>
Total Net Expense	<u>\$ 18,180,884</u>	<u>\$ 3,961</u>	<u>\$ 18,184,845</u>

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020
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 Non Purchased Services/Subsidies by \$3,961 to properly report indirect costs which exceed the two percent cost limitation.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 440,177	\$ (3,961)	\$ 436,216

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

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

Approved State Allocation ¹		\$ 12,206,296
Supplemental Act 148		<u>0</u>
Total State Allocation		12,206,296
State Share (CY348) ²	\$ 10,719,675	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 10,719,675
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 10,719,675
Actual Act 148 Revenues Received ⁴		<u>10,719,675</u>
Net Amount Due County/(State) ⁵		<u><u>0</u></u>

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

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

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

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

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

**LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	FAMILY FIRST TRANSITION ACT	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	167,407	0	19,470	0	0	0	0	0	147,937	147,937	0
02. 90% REIMBURSEMENT	39,610	0	5,263	0	0	0	0	0	34,347	30,912	3,435
03. 80% REIMBURSEMENT	15,994,572	134,588	3,657,659	163,128	160,373	60,386	0	27,081	11,791,357	9,433,086	2,358,271
04. 60% REIMBURSEMENT	1,442,356	9,675	89,524	0	0	0	0	10,231	1,332,926	799,755	533,171
05. 50% REIMBURSEMENT	615,968	0	0	0	0	0	0	0	615,968	307,985	307,983
06. TOTAL NET CHILD WELFARE EXPEND.	18,259,913	144,263	3,771,916	163,128	160,373	60,386	0	37,312	13,922,535	10,719,675	3,202,860

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0	0						0	0	0

08. NON-REIMBURSABLE EXPENDITURES	305,472	0							305,472		305,472
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09. TOTAL EXPENDITURES	18,565,385	144,263	3,771,916	163,128	160,373	60,386	0	37,312	14,228,007	10,719,675	3,508,332
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10. TOTAL TITLE IV-D COLLECTIONS 69,474

11. TITLE IV-D Collections for IV-E Children 37,249

12. STATE ACT 148 - line 6 10,719,675

13. STATE ACT 148 ALLOCATION 12,203,296

14. ADJUSTED STATE SHARE (lower of 12 or 13) 10,719,675

INVOICE											
AMENDED STATE SHARE (ACT 148)	10,719,675										
ACT 148 AMOUNT RECEIVED	10,719,675										
ADJUSTMENT TO STATE SHARE	0										

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
 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	Family First Transition Act	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	167,407	0	0	19,470	0	0	0	0	0	147,937	147,937	0
1-B ADOPTION ASSISTANCE	3,211,399	0	1,591,466	14,664	0	0	0	0	0	1,605,269	1,284,215	321,054
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	593,756	0	278,361	3,157	0	0	0	0	0	314,238	251,390	62,848
1-D COUNSELING - DEPENDENT	80,965	0	0	8,946	9,300	0	0	0	0	62,719	50,175	12,544
1-E COUNSELING - DELINQUENT	38,735	0	0	38,735	0	0	0	0	0	38,735	30,988	7,747
1-F DAY CARE	76,360	0	0	0	0	0	0	0	0	76,360	61,088	15,272
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	165,372	0	0	21,970	0	0	0	0	0	143,402	114,722	28,680
1-J INTAKE & REFERRAL	1,166,508	0	0	154,972	0	0	0	0	0	1,011,536	809,229	202,307
1-K LIFE SKILLS - DEPENDENT	104,032	0	0	13,418	0	0	0	0	0	90,614	72,491	18,123
1-L LIFE SKILLS - DELINQUENT	40,417	0	0	0	0	0	0	0	0	40,417	32,334	8,083
1-M PROTECTIVE SERVICE - CHILD ABUSE	906,984	0	0	94,588	102,040	0	0	0	0	710,356	568,285	142,071
1-N PROTECTIVE SERVICE - GENERAL	5,793,624	2,620	0	714,472	9,205	0	0	0	0	5,067,327	4,053,862	1,013,465
1-O SERVICE PLANNING	762,882	0	0	53,822	42,583	0	0	0	0	666,477	533,182	133,295
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	159,871	0	0	0	0	0	0	0	0	159,871	79,936	79,935
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	13,270,312	2,620	1,869,827	1,099,479	163,128	0	0	0	0	10,135,258	8,089,834	2,045,424

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	39,610	0	0	5,263	0	0	0	0	34,347	30,912	3,435	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	2,223,286	50,246	166,270	245,311	0	160,373	60,386	0	1,519,143	1,215,314	303,829	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	795,770	81,722	199,083	92,220	0	0	0	0	417,221	333,777	83,444	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	32,482	0	3,361	1,578	0	0	0	0	27,543	22,034	5,509	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-M SUBTOTAL CBP	3,091,148	131,968	368,714	344,372	0	160,373	60,386	0	1,998,254	1,602,037	396,217	0

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE	
3-A JUVENILE DETENTION SERVICE	456,097	0	0	0	0	0	0	0	456,097	228,049	228,048	0
3-B RESIDENTIAL SERVICE - DEPENDENT	237,659	9,675	0	4,635	0	0	0	0	223,349	134,009	89,340	0
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	565,082	0	0	0	0	0	0	0	565,082	339,049	226,033	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	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,258,838	9,675	0	4,635	0	0	0	0	1,244,528	701,107	543,421	0

4 ADMINISTRATION	639,615	0	0	84,889	0	0	0	0	10,231	544,495	326,697	217,798
5 TOTAL REVENUES	18,259,913	144,263	2,238,541	1,533,375	163,128	160,373	60,386	0	37,312	13,922,535	10,719,675	3,202,860

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

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	75,068	35,349		36,381	20,852	0	167,650	212	23	243	0	0
1-B ADOPTION ASSISTANCE	32,969	15,525	3,147,033	15,978	0	0	3,211,505	93	414	106	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	12,172	5,733	5,71,991	5,900	0	0	595,796	34	55	40	0	0
1-D COUNSELING - DEPENDENT	34,490	16,242		16,719	13,625	0	81,076	97	19	111	0	0
1-E COUNSELING - DELINQUENT	0	0			38,735	0	38,735	0	18	0	0	0
1-F DAY CARE	0	0		0	76,360	0	76,360	0	21	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	84,704	39,888		41,054	0	0	165,646	239	0	274	0	0
1-J INTAKE & REFERRAL	597,493	281,362		289,585	0	0	1,168,440	1,688	0	1,932	0	0
1-K LIFE SKILLS - DEPENDENT	51,736	24,363		25,072	3,028	0	104,199	146	10	167	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	40,417	0	40,417	0	42	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	364,684	171,732		176,747	195,000	0	908,163	1,031	120	1,179	0	0
1-N PROTECTIVE SERVICE - GENERAL	2,754,659	1,297,177		1,335,081	415,615	0	5,802,532	7,784	402	8,908	0	0
1-O SERVICE PLANNING	292,153	137,575		141,598	192,501	0	763,827	826	44	945	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT					159,871		159,871	0	45	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,300,128	2,024,946	3,719,024	2,084,115	1,156,004	0	13,284,217			13,905	0	0
	LRCP = Legal Representation for Children in Placement = \$											0
	LRNP = Legal Representation for Children Non-Placement = \$											0
	Number of Children receiving only NON-PURCHASED HI SERVICES											0
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	0	0	0	0	0	0	0	0	0	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	20,289	9,554		9,833	0	0	39,676	0	0	66	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	296,718	139,726		176,136	1,611,665	0	2,224,245	42,082	235	959	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-I KINSHIP CARE - DEPENDENT	355,554	167,432		172,326	101,608	0	796,920	4,706	118	1,150	0	0
2-J KINSHIP CARE - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	6,087	2,866		2,948	20,601	0	32,502	987	29	20	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-M SUBTOTAL CBP	678,648	319,578	0	361,243	1,733,874	0	3,093,343	47,775	382	2,195	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	456,097	0	456,097	1,624	54	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	6,087	2,866		25,954	202,772	0	237,679	493	5	20	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	0	565,082	0	565,082	1,968	19	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	0	0	0	0	0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	6,087	2,866	0	25,954	1,223,951	0	1,258,858	4,085	78	20	0	0
4 ADMINISTRATION	87,239	41,082	0	800,646	0	0	928,967			289,352	0	0
5 TOTAL EXPENDITURES	5,072,102	2,388,472	3,719,024	3,271,958	4,113,829	0	18,565,385			305,472	0	0
	County Indirect Costs = \$											758,366

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

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 167,650	\$ 0	\$ 167,650
Adoption Assistance	3,211,505	0	3,211,505
Subsidized Permanent Legal Custodianship	595,796	0	595,796
Counseling	119,811	0	119,811
Day Care	76,360	0	76,360
Day Treatment	0	0	0
Homemaker Service	165,646	0	165,646
Intake and Referral	1,168,440	0	1,168,440
Life Skills	144,616	0	144,616
Protective Service - Child Abuse	908,163	0	908,163
Protective Service - General	5,802,532	0	5,802,532
Service Planning	763,827	0	763,827
Juvenile Act Proceedings	159,871	0	159,871
Alternative Treatment	0	0	0
Community Residential	0	0	0
Emergency Shelter	39,676	0	39,676
Foster Family	2,224,245	0	2,224,245
Kinship Care	796,920	0	796,920
Supervised Independent Living	32,502	0	32,502
Juvenile Detention Service	456,097	0	456,097
Residential Service	802,761	0	802,761
Secure Residential Service (Except YDC)	0	0	0
YDC Secure	0	0	0
Administration	928,967	0	928,967
Combined Total Expense	<u>18,565,385</u>	<u>0</u>	<u>18,565,385</u>
Less Non-reimbursables	<u>305,472</u>	<u>0</u>	<u>305,472</u>
Total Net Expense	<u>\$ 18,259,913</u>	<u>\$ 0</u>	<u>\$ 18,259,913</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,072,102	\$ 0	\$ 5,072,102
Employee Benefits	2,388,472	0	2,388,472
Subsidies	3,719,024	0	3,719,024
Operating	3,271,958	0	3,271,958
Purchased Services	4,113,829	0	4,113,829
Fixed Assets	0	0	0
Combined Total Expense	<u>18,565,385</u>	<u>0</u>	<u>18,565,385</u>
Less Non-reimbursables	<u>305,472</u>	<u>0</u>	<u>305,472</u>
Total Net Expense	<u>\$ 18,259,913</u>	<u>\$ 0</u>	<u>\$ 18,259,913</u>

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

The prior report included the following finding:

Finding – Lack of Internal Control Policies and Procedures to Reduce the Risk of Paying Overbillings or Fraudulent Billings Submitted by Contracted In-Home Purchased Service Providers

In our prior engagement report, for the fiscal years July 1, 2017 to June 30, 2019, we cited the agency for failing to develop and implement internal control policies and procedures to require adequate supporting documentation evidencing that services related to fees and operating costs invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms.

During the conduct of our current engagement, we obtained evidence substantiating that, as of December 1, 2018, the agency developed and implemented fiscal-related monitoring policy and procedures designed to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers.

The agency's fiscal-related monitoring policy requires In-Home Purchased Service providers to include supporting documentation, such as sign-in sheets, with submitted Fee-For-Service invoices and payroll reports, receipts, and attendance records with submitted Program Funded invoices. This policy further states that the agency performs a quarterly review of six to ten In-Home Purchased Service providers. If discrepancies are found, during the invoice to supporting documentation comparison, the provider is contacted and a resolution is determined.

To assess the sufficiency of these procedures, we reviewed several invoices and the related supporting documentation and verified the agency obtained sufficient documentation to verify the invoiced number of units and operating costs.

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

SECTION 4

CURRENT ENGAGEMENT OBSERVATION

LACKAWANNA COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

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

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

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

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

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

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

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

Our 2018 Position Statement Letter

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

DHS Corrective Actions Taken

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

C&Y agencies are required to:

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

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

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

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

Our Current Position

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

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

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

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

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Conclusion

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

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

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

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This report was originally distributed to the following:

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