

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

Lebanon County Children and Youth Agency

January 2022



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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

The Commissioners of Lebanon County
Lebanon Municipal Building Room 207
400 South Eighth Street
Lebanon, PA 17402-6794

Dear Commissioners:

We have fulfilled the requirements pursuant to authority derived from Act 148 of 1976, as amended, (62 P.S. § 704.1(a)(4)) for the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the Lebanon County Children and Youth Agency (agency), legally known as Lebanon County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2017 to June 30, 2018, and July 1, 2018 to June 30, 2019. 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, 2018, and June 30, 2019.

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 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.*), but 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 Lebanon County.

We certify that 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 2017-2018 and 2018-2019 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 **2017-2018 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Refer to Section 1 of this report.
- For the **2018-2019 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by increasing revenue by \$2,175. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$1,641. The adjustment is detailed in our amended fiscal reports for fiscal year 2018-2019, as included in Section 2 of this report.

In addition, we found that the agency did not comply with the finding included in our prior engagement report, as detailed in Section 3 of this report. This resulted in our issuance of a repeat finding, as listed below and detailed in Section 4 of this report:

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

Finally, we included the observation listed below related to DHS' monitoring of County Children and Youth (C&Y) Agencies' compliance with the Child Protective Services Law (CPSL), as detailed in Section 5 of this report:

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

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on January 5, 2022.

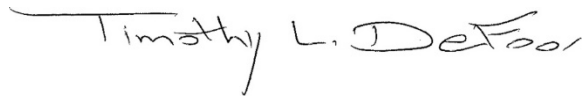
This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of any recommended adjustments included in our amended fiscal reports. You will be notified by DHS of the decisions made regarding the approval and finalization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

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.

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 Lebanon County Children and Youth Agency. If you have any questions, please feel free to contact the Bureau of County Audits at 717-787-1363.

Sincerely,

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

Timothy L. DeFoor
Auditor General
January 12, 2022

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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 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.” According to information provided by the Department of Human Services (DHS), Office of Children, Youth and Families (OCYF), the Lebanon County Children and Youth Agency provided in-home and placement services to 1,621 children residing within the County during the 2018-2019 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by DHS and thus, they are jointly responsible 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. 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.

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 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 DHS for the respective fiscal years (FYs). Any 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 engagement period, reflect the County Children and Youth Agency’s actual related costs and revenues for those years. The reports also include the impact of those costs and revenues on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹	\$ 4,845,468
Supplemental Act 148	<u>20,067</u>
Total State Allocation	4,865,535
State Share (CY348) ²	\$ 4,865,535
Less: Major Service Category Adjustment	<u>0</u>
Net State Share	\$ 4,865,535
Less: Expenditures in Excess of the Approved State Allocation	<u>0</u>
Final Net State Share Payable ³	\$ 4,865,535
Actual Act 148 Revenues Received ⁴	<u>4,865,535</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.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
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	31,792	0	4,191	0	0	0	0	0	27,601	27,601	0
02. 90% REIMBURSEMENT	113,686	0	16,106	0	0	0	0	0	97,580	87,822	9,758
03. 80% REIMBURSEMENT	5,488,312	148,826	730,220	115,072	101,152	13,712	0	0	4,379,330	3,503,465	875,865
04. 60% REIMBURSEMENT	2,146,446	63,579	132,882	0	0	0	0	4,126	1,945,859	1,167,516	778,343
05. 50% REIMBURSEMENT	159,010	186	562	0	0	0	0	0	158,262	79,131	79,131
06. TOTAL NET CHILD WELFARE EXPEND.	7,939,246	212,591	883,961	115,072	101,152	13,712	0	4,126	6,608,632	4,865,535	1,743,097

YDC/YFC PLACEMENT COSTS											
07. 60% DHSPARTICIPATION	192,718	0							192,718	115,631	77,087

08. NON-REIMBURSABLE EXPENDITURES	1,481	0							1,481		1,481
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09. TOTAL EXPENDITURES	8,133,445	212,591	883,961	115,072	101,152	13,712	0	4,126	6,802,831	4,981,166	1,821,665
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10. TOTAL TITLE IV-D COLLECTIONS	142,602										
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11. TITLE IV-D Collections for IV-E Children	6,172										
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12. STATE ACT 148 - line 6	4,865,535										
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13. STATE ACT 148 ALLOCATION	4,865,535										
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14. ADJUSTED STATE SHARE (lower of 12 or 13)	4,865,535										
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INVOICE											
AMENDED STATE SHARE (ACT 148)	4,865,535										
ACT 148 AMOUNT RECEIVED	4,865,535										
ADJUSTMENT TO STATE SHARE	0										

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		REVENUE SOURCES										
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	31,792	0		4,191	0		0	0	0	27,601	235,281	58,820
1-B ADOPTION ASSISTANCE	548,203	0	254,102	0			0	0	0	294,101	83,920	16,784
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	83,920	0	0	0			0	0	0	83,920	178,951	44,738
1-D COUNSELING - DEPENDENT	293,895	79			70,127	0	0	0	0	223,689	264,552	66,138
1-E COUNSELING - DELINQUENT	384,770	9,135		0	44,945	0	0	0	0	330,690	0	0
1-F DAY CARE	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
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	21,384	0		0	0	0	0	0	0	21,384	17,107	4,277
1-J INTAKE & REFERRAL	387,738	0		50,757	0	0	0	0	0	336,981	269,585	67,396
1-K LIFE SKILLS - DEPENDENT	914	0		139	0	0	0	0	0	775	620	155
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	442,013	0		57,736	0	0	0	0	0	384,277	307,422	76,855
1-N PROTECTIVE SERVICE - GENERAL	372,539	0		48,532	0	0	0	0	0	324,007	259,206	64,801
1-O SERVICE PLANNING	60,296	0		7,997	0	0	0	0	0	52,399	41,919	10,480
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	4,254	0		562	0		0	0	0	3,692	1,846	1,846
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	2,631,818	9,214	254,102	169,914	115,072	0	0	0	0	2,083,516	1,671,226	412,290
COMMUNITY BASED PLACEMENT	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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	907,907	14,904	78,183	2,630		0	0	0	0	812,190	649,752	162,438
2-D COMMUNITY RESIDENTIAL - DELINQUENT	447,477	21,204	6,829	27		0	0	0	0	419,417	335,534	83,883
2-E EMERGENCY SHELTER - DEPENDENT	113,686	0	15,399	707	0	0	0	0	0	97,580	87,822	9,758
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,366,750	82,516	104,154	118,961		101,152	13,712	0	0	946,255	757,004	189,251
2-H FOSTER FAMILY - DELINQUENT	170,406	20,988	0	173		0	0	0	0	149,245	119,396	29,849
2-I SUP. INDEPENDENT LIVING - DEPENDENT	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
2-K SUBTOTAL CBP	3,006,226	139,612	204,565	122,498	0	101,152	13,712	0	0	2,424,687	1,949,508	475,179
INSTITUTIONAL PLACEMENT	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	154,756	186								154,570	77,285	77,285
3-B RESIDENTIAL SERVICE - DEPENDENT	219,795	6,510	0	8,224		0	0	0	0	205,061	123,037	82,024
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	726,583	32,768	18,727	340		0	0	0	0	674,748	404,849	269,899
3-D SECURE RES. SERVICE (EXCEPT YDC)	392,907	7,539								385,368	231,221	154,147
3-E YDC SECURE	192,718	0								192,718	115,631	77,087
3-F SUBTOTAL INSTITUTIONAL	1,686,759	47,003	18,727	8,564	0	0	0	0	0	1,612,465	952,023	660,442
4 ADMINISTRATION	807,161	16,762		105,591		0	0	0	4,126	680,682	408,409	272,273
TOTAL REVENUES	8,131,964	212,591	477,394	406,567	115,072	101,152	13,712	0	4,126	6,801,350	4,981,166	1,820,184

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
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	14,926	11,272		5,594	0	0	31,792	8	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	548,203	0	0	0	548,203	#VALUE!	100	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	83,920	0	0	0	83,920	0	17	0	0	0
1-D COUNSELING - DEPENDENT	0	0		0	293,895	0	293,895	0	97	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	384,770	0	384,770	0	125	0	0	0
1-F DAY CARE	0	0		0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		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	0	0		0	21,384	0	21,384	0	6	0	0	0
1-J INTAKE & REFERRAL	230,240	132,795		24,703	0	0	387,738	942	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		914	0	0	914	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	259,162	147,755		35,096	0	0	442,013	450	0	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	188,383	113,740		70,416	0	0	372,539	476	0	0	0	0
1-O SERVICE PLANNING	37,496	20,920		1,980	0	0	60,396	386	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				4,254	0		4,254	0	1	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	730,207	426,482	632,123	142,957	700,049	0	2,631,818					0
Number of Children receiving only NON-PURCHASED IN-Home Services 2,385												
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	3,464	1,709	0	26,602	876,132	0	907,907	3,997	27	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	998	446,699	0	447,697	1,937	23	0	220	0
2-E EMERGENCY SHELTER - DEPENDENT	3,467	2,289	0	3,487	104,472	0	113,715	1,096	49	0	29	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	264,245	163,802	0	122,172	816,713	0	1,366,932	16,258	73	0	182	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	1,375	169,031	0	170,406	1,199	5	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	271,176	167,800	0	154,634	2,413,047	0	3,006,657	24,487	177	0	431	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
3-A JUVENILE DETENTION SERVICE	0	0	0	0	0	0	0	0	38	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	32,083	20,219	0	12,317	156,226	0	220,845	792	6	0	1,050	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	3,997	722,586	0	726,583	4,058	42	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	392,907	0	392,907	1,273	7	0	0	0
3-E YDC SECURE	0	0	0	0	192,718	0	192,718	334	2	0	0	0
3-F SUBTOTAL INSTITUTIONAL	32,083	20,219	0	16,314	1,619,193	0	1,687,809	7,044	95	0	1,050	0
4 ADMINISTRATION	401,056	212,789	0	192,439	0	877	807,161			0	0	0
5 TOTAL EXPENDITURES	1,434,522	827,290	632,123	506,344	4,732,289	877	8,133,445			0	1,481	0
County Indirect Costs = \$ 81,712												

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 31,792	\$ 0	\$ 31,792
Adoption Assistance	548,203	0	548,203
Subsidized Permanent Legal Custodianship	83,920	0	83,920
Counseling	678,665	0	678,665
Day Care	0	0	0
Day Treatment	0	0	0
Homemaker Service	21,384	0	21,384
Intake and Referral	387,738	0	387,738
Life Skills	914	0	914
Protective Service - Child Abuse	442,013	0	442,013
Protective Service - General	372,539	0	372,539
Service Planning	60,396	0	60,396
Juvenile Act Proceedings	4,254	0	4,254
Alternative Treatment	0	0	0
Community Residential	1,355,604	0	1,355,604
Emergency Shelter	113,715	0	113,715
Foster Family	1,537,338	0	1,537,338
Supervised Independent Living	0	0	0
Juvenile Detention Service	154,756	0	154,756
Residential Service	947,428	0	947,428
Secure Residential Service (Except YDC)	392,907	0	392,907
YDC Secure	192,718	0	192,718
Administration	807,161	0	807,161
Combined Total Expense	8,133,445	0	8,133,445
Less Non-reimbursables	1,481	0	1,481
Total Net Expense	\$ 8,131,964	\$ 0	\$ 8,131,964

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,434,522	\$ 0	\$ 1,434,522
Employee Benefits	827,290	0	827,290
Subsidies	632,123	0	632,123
Operating	506,344	0	506,344
Purchased Services	4,732,289	0	4,732,289
Fixed Assets	877	0	877
Combined Total Expense	8,133,445	0	8,133,445
Less Non-reimbursables	1,481	0	1,481
Total Net Expense	\$ 8,131,964	\$ 0	\$ 8,131,964

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2018 to JUNE 30, 2019

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	5,320,984
Supplemental Act 148			<u>484,453</u>
Total State Allocation			5,805,437
State Share (CY348) ²	\$	5,803,796	
Less: Major Service Category Adjustment		<u>0</u>	
Net State Share	\$	5,803,796	
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>	
Final Net State Share Payable ³	\$	5,803,796	
Actual Act 148 Revenues Received ⁴			<u>5,805,437</u>
Net Amount Due County/(State) ⁵	\$		<u><u>(1,641)</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.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
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	37,888	0	4,657	0	0	0	0	0	33,231	33,231	0
02. 90% REIMBURSEMENT	54,299	0	4,210	0	0	0	0	0	50,089	45,080	5,009
03. 80% REIMBURSEMENT	6,798,215	172,526	820,025	115,072	101,152	13,712	0	0	5,575,728	4,460,585	1,115,143
04. 60% REIMBURSEMENT	2,134,528	55,482	110,596	0	0	0	0	1,979	1,966,471	1,179,883	786,588
05. 50% REIMBURSEMENT	170,671	0	637	0	0	0	0	0	170,034	85,017	85,017
06. TOTAL NET CHILD WELFARE EXPEND.	9,195,601	228,008	940,125	115,072	101,152	13,712	0	1,979	7,795,553	5,803,796	1,991,757

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	50,508	0							50,508	30,305	20,203

08. NON-REIMBURSABLE EXPENDITURES	1,068	0							1,068		1,068
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09. TOTAL EXPENDITURES	9,247,177	228,008	940,125	115,072	101,152	13,712	0	1,979	7,847,129	5,834,101	2,013,028
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10. TOTAL TITLE IV-D COLLECTIONS 138,818

11. TITLE IV-D Collections for IV-E Children 9,738

12. STATE ACT 148 - line 6 5,803,796

13. STATE ACT 148 ALLOCATION 5,805,437

14. ADJUSTED STATE SHARE (lower of 12 or 13) 5,803,796

INVOICE	
AMENDED STATE SHARE (ACT 148)	5,803,796
ACT 148 AMOUNT RECEIVED	5,805,437
ADJUSTMENT TO STATE SHARE	(1,641)

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
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 Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	37,888	0		4,657	0			0	0	33,231	228,885	57,221
1-B ADOPTION ASSISTANCE	547,019	0	260,913	0				0	0	286,106	70,892	17,723
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	88,615	0	0	0				0	0	88,615	227,194	56,798
1-D COUNSELING - DEPENDENT	333,643	7,716		25	41,910			0	0	283,992	667,038	166,759
1-E COUNSELING - DELINQUENT	914,810	7,851			73,162			0	0	833,797	2,258	564
1-F DAY CARE	2,822	0		0	0			0	0	2,822	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0			0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	265	0		0	0			0	0	265	212	53
1-I HOMEMAKER SERVICE	48,468	0		0	0			0	0	48,468	38,774	9,694
1-J INTAKE & REFERRAL	377,008	0		47,587	0			0	0	329,421	263,537	65,884
1-K LIFE SKILLS - DEPENDENT	0	0		0	0			0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	0			0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	403,313	0		50,527	0			0	0	352,786	282,229	70,557
1-N PROTECTIVE SERVICE - GENERAL	468,504	0		59,232	0			0	0	409,272	327,418	81,854
1-O SERVICE PLANNING	127,800	0		16,789	0			0	0	111,011	88,809	22,202
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	5,389	0		637	0			0	0	4,752	2,376	2,376
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0			0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,355,544	15,567	260,913	179,454	115,072	0	0	0	0	2,784,538	2,232,853	551,685
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0				0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	755,445	17,213	54,902	4,595				0	0	678,735	542,988	135,747
2-D COMMUNITY RESIDENTIAL - DELINQUENT	995,850	24,925	45,141	183				0	0	925,601	740,481	185,120
2-E EMERGENCY SHELTER - DEPENDENT	54,299	0	4,142	68	0			0	0	50,089	45,080	5,009
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0			0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	1,463,886	96,264	149,190	126,722		101,152	13,712	0	0	976,846	781,477	195,369
2-H FOSTER FAMILY - DELINQUENT	231,402	18,275	0	288		0	0	0	0	212,839	170,271	42,568
2-I SUP. INDEPENDENT LIVING - DEPENDENT	7,538	0	3,927	4		0	0	0	0	3,607	2,886	721
2-J SUP. INDEPENDENT LIVING - DELINQUENT	31,827	282	0	0		0	0	0	0	31,545	25,236	6,309
2-K SUBTOTAL CBP	3,540,247	156,959	257,302	131,860	0	101,152	13,712	0	0	2,879,262	2,308,419	570,843
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	165,282	0							0	165,282	82,641	82,641
3-B RESIDENTIAL SERVICE - DEPENDENT	129,964	7,401	0	6,506		0	0	0	0	116,057	69,634	46,423
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	581,999	25,169	0	263		0	0	0	0	556,567	333,940	222,627
3-D SECURE RES. SERVICE (EXCEPT YDC)	603,897	12,326							0	591,571	354,943	236,628
3-E YDC SECURE	50,508	0								50,508	30,305	20,203
3-F SUBTOTAL INSTITUTIONAL	1,531,650	44,896	0	6,769	0	0	0	0	0	1,479,985	871,463	608,522
ADMINISTRATION	818,668	10,586		103,827		0	0	0	1,979	702,276	421,366	280,910
TOTAL REVENUES	9,246,109	228,008	518,215	421,910	115,072	101,152	13,712	0	1,979	7,846,061	5,834,101	2,011,960

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS		OBJECTS OF EXPENDITURE											
		1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME		WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
1-A	ADOPTION SERVICE	17,212	12,715		7,961	0	0	37,888	11	0	0	0	0
1-B	ADOPTION ASSISTANCE	0	0	547,019	0	0	0	547,019	0	94	0	0	0
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	88,615	0	0	0	88,615	0	15	0	0	0
1-D	COUNSELING - DEPENDENT	0	0		180	333,463	0	333,643	0	100	0	0	0
1-E	COUNSELING - DELINQUENT	0	0			914,810	0	914,810	0	126	0	0	0
1-F	DAY CARE	0	0		0	2,822	0	2,822	0	1	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	265	0	265	0	4	0	0	0
1-I	HOMEMAKER SERVICE	0	0		0	48,468	0	48,468	0	13	0	0	0
1-J	INTAKE & REFERRAL	229,328	134,414		12,217	0	1,049	377,008	902	0	0	0	0
1-K	LIFE SKILLS - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-L	LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M	PROTECTIVE SERVICE - CHILD ABUSE	214,356	137,315		51,642	0	0	403,313	289	0	0	0	0
1-N	PROTECTIVE SERVICE - GENERAL	259,072	123,197		85,186	0	1,049	468,504	652	0	0	0	0
1-O	SERVICE PLANNING	86,976	40,824		0	0	0	127,800	365	0	0	0	0
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT				5,389	0		5,389	0	0	0	0	0
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R	SUBTOTAL IN-HOME	806,944	448,465	635,634	162,575	1,299,828	2,098	3,355,544			0	0	0
		Number of Children receiving only NON-PURCHASED IN-Home Services 2,104											
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	6,096	4,863	0	21,506	722,980	0	755,445	3,341	27	0	0	0
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	2,211	994,234	0	996,445	4,115	25	0	595	0
2-E	EMERGENCY SHELTER - DEPENDENT	728	206	0	1,849	51,516	0	54,299	893	42	0	0	0
2-F	EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	244,611	154,499	0	143,750	921,026	0	1,463,886	18,618	86	0	0	0
2-H	FOSTER FAMILY - DELINQUENT	0	0	0	2,138	229,264	0	231,402	1,552	5	0	0	0
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	23	7,515	0	7,538	39	1	0	0	0
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	31,827	0	31,827	217	3	0	0	0
2-K	SUBTOTAL CBP	251,435	159,568	0	171,477	2,958,362	0	3,540,842	28,775	189	0	595	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	165,282	0	165,282	610	42	0	0	0
3-B	RESIDENTIAL SERVICE - DEPENDENT	28,857	17,679	0	7,074	76,827	0	130,437	509	4	0	473	0
3-C	RES. SERVICE - DELINQUENT (EXCEPT YDC/VFC)	0	0	0	4,204	577,795	0	581,999	2,808	33	0	0	0
3-D	SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	422	603,475	0	603,897	1,800	11	0	0	0
3-E	YDC SECURE	0	0	0	0	50,508	0	50,508	92	1	0	0	0
3-F	SUBTOTAL INSTITUTIONAL	28,857	17,679	0	11,700	1,473,887	0	1,532,123	5,819	91	0	473	0
4	ADMINISTRATION	404,141	207,000	0	207,527	0	0	818,668			0	0	0
5	TOTAL EXPENDITURES	1,491,377	832,712	635,634	553,279	5,732,077	2,098	9,247,177			0	1,068	0
County Indirect Costs = \$		85,006											

**LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 37,888	\$ 0	\$ 37,888
Adoption Assistance	547,019	0	547,019
Subsidized Permanent Legal Custodianship	88,615	0	88,615
Counseling	1,248,453	0	1,248,453
Day Care	2,822	0	2,822
Day Treatment	265	0	265
Homemaker Service	48,468	0	48,468
Intake and Referral	377,008	0	377,008
Life Skills	0	0	0
Protective Service - Child Abuse	403,313	0	403,313
Protective Service - General	468,504	0	468,504
Service Planning	127,800	0	127,800
Juvenile Act Proceedings	5,389	0	5,389
Alternative Treatment	0	0	0
Community Residential	1,751,890	0	1,751,890
Emergency Shelter	54,299	0	54,299
Foster Family	1,695,288	0	1,695,288
Supervised Independent Living	39,365	0	39,365
Juvenile Detention Service	165,282	0	165,282
Residential Service	712,436	0	712,436
Secure Residential Service (Except YDC)	603,897	0	603,897
YDC Secure	50,508	0	50,508
Administration	818,668	0	818,668
Combined Total Expense	9,247,177	0	9,247,177
Less Non-reimbursables	1,068	0	1,068
Total Net Expense	\$ 9,246,109	\$ 0	\$ 9,246,109

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 1,491,377	\$ 0	\$ 1,491,377
Employee Benefits	832,712	0	832,712
Subsidies	635,634	0	635,634
Operating	553,279	0	553,279
Purchased Services	5,732,077	0	5,732,077
Fixed Assets	2,098	0	2,098
Combined Total Expense	9,247,177	0	9,247,177
Less Non-reimbursables	1,068	0	1,068
Total Net Expense	\$ 9,246,109	\$ 0	\$ 9,246,109

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019
ADJUSTMENT SCHEDULE

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 A			1	CY-370A Adjustment			
	2-C	2		Community Residential (Delinquent) - Program Income	\$ 24,325	\$ 600	\$ 24,925
	2-G	2		Foster Family (Dependent) - Program Income	\$ 95,162	\$ 1,102	\$ 96,264
	2-H	2		Foster Family (Delinquent) - Program Income	\$ 18,425	\$ (150)	\$ 18,275
	2-J	2		Supervised Ind. Living (Delinquent) - Program Income	\$ 149	\$ 133	\$ 282
	3-B	2		Residential (Dependent) - Program Income	\$ 7,256	\$ 145	\$ 7,401
	3-C	2		Residential (Delinquent) - Program Income	\$ 24,824	\$ 345	\$ 25,169
				Total Adjustment Amount		\$ 2,175	
				To increase Program Income by \$2,175 to include receipts not reported on the Act 148 Invoice submitted to Commonwealth DHS and reconcile to the agency's final Program Income ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Finding – Lebanon County Children and Youth Agency Failed to Provide Supporting Documentation Evidencing that In-Home Purchased Services Paid for Were Actually Provided by the Contracted In-Home Purchased Service Providers (Unresolved)

In our prior engagement report, covering the July 1, 2014 to June 30, 2017 fiscal years, we cited the Lebanon County Children and Youth Agency (agency) for a lack of internal control policies and procedures designed to sufficiently reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and for failing to obtain reasonable assurance that services related to cots invoiced by these providers were actually provided and provided in adherence to executed contract terms.

During the conduct of our current engagement, we determined the agency implemented fiscal-related policy and procedures for In-Home Purchased Service providers, as of July 1, 2017. However, for three of the eight invoices we tested, the agency did not obtain sufficient evidence substantiating the validity of the number of units invoiced for individuals listed on the submitted invoices. The agency also discontinued conducting on-site reviews after June 2018.

We concluded that the issuance of a repeat finding is warranted since these control deficiencies, and corresponding risks, continued to exist for invoices submitted by In-Home Purchased Service providers during our current engagement period.

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Finding – Unresolved Prior Engagement Recommendations - 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

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report, the Lebanon County Children and Youth Agency (agency) lacked internal control policies, and corresponding procedures, designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and failed to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms. For contracted Fee-For-Service In-Home Purchased Service providers, the agency could not provide evidence substantiating the validity of the number of units invoiced for individuals listed on invoices submitted by these providers.

During the conduct of our current engagement, we determined that, as of July 1, 2017, the agency had implemented fiscal-related monitoring policy and procedures. The policy required In-Home Purchased Service providers to submit, with each monthly invoice, service logs signed by clients to confirm services were received and for the number of hours listed. The policy indicated the agency's fiscal assistant would randomly select 10% of the clients and compare the dates/times/hours on the service logs to the invoices. If discrepancies were found, the provider would be contacted to discuss and determine a resolution. Also, agency policy required annual on-site monitoring of In-Home Purchased Service providers. The agency Fiscal Officer or Accountant 1 would randomly select an invoice and ten cases for review and compare service logs received from the provider to actual logs in provider case files. A detailed report would be prepared with the number of cases reviewed and findings, which would be sent to the provider with a deadline of fifteen days to respond. The first on-site visit was conducted in March 2018.

During our current engagement testing, we reviewed eight invoices and determined the agency did not receive service logs signed by clients as stated in the agency policy. However, the agency received other types of supporting documentation which were sufficient for five of the eight invoices reviewed (i.e. emails from C&Y staff verifying names of class participants and forms signed by County Juvenile Probation Office staff verifying services were received). For three of the eight tested invoices, however, the agency received a provider-created listing of client names, dates of service, rates, number of units, and amount along with referral sheets. The agency did not receive supporting documentation (i.e. client signed service logs, case files, etc.) from a party external to the provider to evidence the provider invoiced number of units were accurate. Also, the agency only performed two on-site provider reviews and discontinued the reviews after June 2018.

LEBANON COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

The following sections of 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...”
- *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

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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: The agency did not provide a reason why the agency did not obtain sufficient supporting documentation to substantiate the invoiced number of hours or require the submission of additional documentation from several providers. In addition, the performance of on-site visits was discontinued after June of 2018 because of fiscal staff turnover.

Effect: The agency’s lack of sufficient implemented fiscal-related monitoring policies, and corresponding procedures, from July 1, 2017 until June 30, 2019, designed to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service providers, increased the risk of:

- Failure to detect fraudulent or erroneous In-Home provider billings (invoices).
- Failure to prevent or detect improper payments for such invoices.
- Failure to obtain reasonable assurance that invoiced services were actually provided.
- Inappropriately billing the Commonwealth DHS for such improper payments.
- Receipt of Act 148 funds to which the agency may not be entitled.

Recommendation: We recommend agency management ensures fiscal-related monitoring of providers of In-Home services is sufficient to provide reasonable assurance that contracted services related to fees invoiced by Fee-For-Service In-Home providers were actually provided, and provided in adherence to executed contracted terms and DHS regulations.

In addition, we recommend the agency update its implemented written fiscal-related monitoring policy and procedures to include the specific fiscal-related monitoring procedures being performed and include details related to specific types of documentation that are to be provided with submitted invoices and ensure there is evidence provider supporting documentation was compared to the invoices.

Agency Response: Lebanon County Children and Youth is currently working to improve the procedures previously created for contract monitoring of In-Home providers. The agency has a Program Specialist 1, a Fiscal Technician, and a new Fiscal Officer 2 that will be overseeing the process and performing the on-site reviews. The procedures will ensure that all In-Home providers are being reviewed within a specified time frame to ensure proper billing of services and reduce any over/under billings. Procedures will also address internal controls of invoice processing and verification of services in the Agency’s case management system. Implementation of In-Home contract monitoring is expected to take place starting July 2022 with the new fiscal year, allowing the Agency enough time to create and test the

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process. Changes will be made to improve upon the process as implementation begins and deemed necessary.

Auditor's Conclusion: We commend the Lebanon County Children and Youth Agency management on their efforts in developing and implementing formal, written fiscal related monitoring policy and procedures. During our next regularly scheduled engagement, we will determine if the agency's implemented policy and procedures sufficiently reduce the agency's risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers going undetected.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

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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 have been, and 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 method to ensure that the certification monitoring is being performed adequately. DHS staff

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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also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

Our 2018 Position Statement Letter

On March 18, 2018, we sent a Position Statement Letter to the then DHS Deputy Secretary for Children, Youth and Families, which was also simultaneously delivered to the Pennsylvania Senate and House of Representatives' children and youth committee chairs focused on protecting the health, safety, and wellbeing of the children and youth receiving contracted in-home services across the Commonwealth. 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 has not started reviewing the Single Audit packages for this purpose.⁵

This lack of review by DHS, as the oversight agency, is especially concerning considering DHS could remain unaware, despite receiving an audit report with the information, of a C&Y Agency failing to identify disqualifying incidents and/or take appropriate corrective actions when disqualifying convictions that would prohibit employees, volunteers, and subcontractors from having direct contact with children receiving services were identified. 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 the procedures each C&Y Agency has implemented related to ensuring its Contracted Providers and their subcontractors are complying with CPSL certification requirements and evaluate the results the C&Y Agencies found, including 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 their 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 oftentimes 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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