

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

Lehigh County Children and Youth Agency

February 2023



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov**

**TIMOTHY L. DEFOOR
AUDITOR GENERAL**

The Honorable Phillips Armstrong
Lehigh County Executive
Lehigh County Government Center, Fourth Floor
17 South Seventh Street
Allentown, PA 18101-2400

Dear Executive Armstrong:

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 Lehigh County Office of Children and Youth Services (agency). The purpose of this engagement is to ascertain and certify the actual commonwealth expenditures incurred on behalf of children residing within the county for the fiscal years July 1, 2019 to June 30, 2020 and July 1, 2020 to June 30, 2021. 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 Lehigh 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

The procedures we performed during this engagement resulted in no adjustments to the agency's submitted fiscal reports for the fiscal years included in our engagement period.

This report includes the following observation:

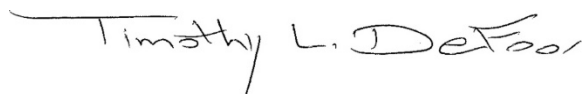
Observation – Despite the Pennsylvania Department of Human Services Apparent Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers, DHS Failed to Review the Adequacy of the C&Y Agencies Procedures and Results for Ensuring these Providers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

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held on January 20, 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.

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,



Timothy L. DeFoor
Auditor General
January 24, 2023

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.

CONTENTS

	Page
Background	1
<u>Section 1 – Amended Fiscal Reports for the Fiscal Year July 1, 2019 to June 30, 2020</u>	
Amended Computation of Final Net State Share	3
Amended CY-348 - Fiscal Summary	4
Amended CY-370A - Revenue Report	5
Amended CY-370 - Expenditure Report.....	6
Amended Summary of Expense and Expense Adjustments	7
<u>Section 2 – Amended Fiscal Reports for the Fiscal Year July 1, 2020 to June 30, 2021</u>	
Amended Computation of Final Net State Share	9
Amended CY-348 - Fiscal Summary	10
Amended CY-370A - Revenue Report	11
Amended CY-370 - Expenditure Report.....	12
Amended Summary of Expense and Expense Adjustments	13
Section 3 – Current Engagement Observation.....	15
Report Distribution List.....	19

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

**LEHIGH 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		\$ 19,044,716
Supplemental Act 148		<u>0</u>
Total State Allocation		19,044,716
State Share (CY348) ²	\$ 19,044,716	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 19,044,716
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 19,044,716
Actual Act 148 Revenues Received ⁴		<u>19,044,716</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.

**LEHIGH 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	632,510	0	81,506	0	0	0	0	0	551,004	551,004	0
02. 90% REIMBURSEMENT	407,500	24	25,121	0	0	0	0	0	382,355	344,120	38,235
03. 80% REIMBURSEMENT	26,001,124	431,759	4,715,305	1,240,824	229,495	0	0	0	19,383,741	15,506,993	3,876,748
04. 60% REIMBURSEMENT	4,290,287	48,717	490,339	0	0	120,699	0	7,702	3,622,830	2,173,698	1,449,132
05. 50% REIMBURSEMENT	953,901	16,101	0	0	0	0	0	0	937,800	468,901	468,899
06. TOTAL NET CHILD WELFARE EXPEND.	32,285,322	496,601	5,312,271	1,240,824	229,495	120,699	0	7,702	24,877,730	19,044,716	5,833,014
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,959,768	14,169							1,945,599	1,167,359	778,240
08. NON-REIMBURSABLE EXPENDITURES	319,969	0							319,969		319,969
09. TOTAL EXPENDITURES	34,565,059	510,770	5,312,271	1,240,824	229,495	120,699	0	7,702	27,143,298	20,212,075	6,931,223
10. TOTAL TITLE IV-D COLLECTIONS	424,973										
11. TITLE IV-D Collections for IV-E Children	78,926										
12. STATE ACT 148 - line 6	19,044,716										
13. STATE ACT 148 ALLOCATION	19,044,716										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	19,044,716										
INVOICE											
AMENDED STATE SHARE (ACT 148)	19,044,716										
ACT 148 AMOUNT RECEIVED	19,044,716										
ADJUSTMENT TO STATE SHARE	0										

LEHIGH 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	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	632,510	0	1,348,573	81,506	0		0	0	0	551,004	551,004	0
1-B ADOPTION ASSISTANCE	2,885,531	0	1,348,573	14,195			0	0	0	1,522,763	1,218,210	304,553
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	697,769	0	199,423	0			0	0	0	498,346	498,346	99,669
1-D COUNSELING - DEPENDENT	1,495,515	0		3,619	489,421		0	0	0	1,002,475	801,980	200,495
1-E COUNSELING - DELINQUENT	616,195	16,020		3	229,124		0	0	0	371,048	296,838	74,210
1-F DAY CARE	808,086	0		0	283,405		0	0	0	524,681	419,745	104,936
1-G DAY TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	68,526	0		0	24,215		0	0	0	44,311	35,449	8,862
1-I HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J INTAKE & REFERRAL	1,716,122	0		221,047	0		0	0	0	1,495,075	1,196,060	299,015
1-K LIFE SKILLS - DEPENDENT	104,480	0		163	32,552		0	0	0	71,765	57,412	14,353
1-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	3,376,459	0		358,303	176,582		0	0	0	2,841,574	2,273,259	568,315
1-N PROTECTIVE SERVICE - GENERAL	2,589,473	0		333,924	0		0	0	0	2,255,549	1,804,439	451,110
1-O SERVICE PLANNING	1,246,128	0		155,261	5,525		0	0	0	1,085,342	868,274	217,068
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	200,429	0		0	0		0	0	0	200,429	100,215	100,214
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	52,405	0		0	0		0	0	0	52,405	26,203	26,202
1-R SUBTOTAL IN-HOME	16,489,628	16,020	1,547,996	1,168,021	1,240,824	0	0	0	0	12,516,767	10,047,765	2,469,002

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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,039,913	70,551	181,025	0			0	0	0	788,337	630,670	157,667
2-D COMMUNITY RESIDENTIAL - DELINQUENT	680,375	1,755	23,757	0			0	0	0	654,863	523,890	130,973
2-E EMERGENCY SHELTER - DEPENDENT	326,403	0	21,331	107	0		0	0	0	304,965	274,496	30,496
2-F EMERGENCY SHELTER - DELINQUENT	81,097	24	3,683	0	0		0	0	0	77,390	69,651	7,739
2-G FOSTER FAMILY - DEPENDENT	5,867,198	343,433	479,096	1,113,034	0	229,495	0	0	0	3,702,140	2,961,712	740,428
2-H FOSTER FAMILY - DELINQUENT	62,667	0	0	0	0		0	0	0	62,667	50,134	12,533
2-I KINSHIP CARE - DEPENDENT	2,282,048	0	261,172	0	0		0	0	0	2,020,876	1,616,701	404,175
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0		0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	460,559	0	22,710	0	0		0	0	0	437,849	350,279	87,570
2-L SUP. INDEPENDENT LIVING - DELINQUENT	4,080	0	0	0	0		0	0	0	4,080	3,264	816
2-M SUBTOTAL CBP	10,804,340	415,763	992,774	1,113,141	0	229,495	0	0	0	8,053,167	6,480,770	1,572,397

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	701,067	16,101								684,966	342,483	342,483
3-B RESIDENTIAL SERVICE - DEPENDENT	1,279,680	38,563	181,167	310			120,699	0	0	938,941	563,365	375,576
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	916,781	7,496	133,703	0			0	0	0	775,582	465,349	310,233
3-D SECURE RES. SERVICE (EXCEPT YDC)	736,945	2,658							0	734,287	440,572	293,715
3-E YDC SECURE	1,959,768	14,169								1,945,599	1,167,359	778,240
3-F SUBTOTAL INSTITUTIONAL	5,594,241	78,987	314,870	310	0	0	120,699	0	0	5,079,375	2,979,128	2,100,247
4 ADMINISTRATION	1,356,881	0		175,159			0	0	0	7,702	704,412	469,608
5 TOTAL REVENUES	34,245,090	510,770	2,855,640	2,456,631	1,240,824	229,495	120,699	0	7,702	26,823,329	20,212,075	6,611,254

LEHIGH 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
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	386,115	135,200		111,195	0	0	632,510	38	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	2,885,531	0	0	0	2,885,531	0	428	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	697,769	0	0	0	697,769	0	84	0	0	0
1-D COUNSELING - DEPENDENT	0	0		27,879	1,467,636	0	1,495,515	0	242	0	0	0
1-E COUNSELING - DELINQUENT	0	0		1,975	614,220	0	616,195	513	553	0	0	0
1-F DAY CARE	0	0		0	808,086	0	808,086	0	91	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		420	68,106	0	68,526	0	17	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	1,088,413	399,330		228,379	0	0	1,716,122	13,502	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		1,258	103,222	0	104,480	0	19	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0					0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,778,320	614,159		384,795	599,185	0	3,376,459	1,519	170	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,814,360	634,638		140,475	0	0	2,589,473	12,988	0	0	0	0
1-O SERVICE PLANNING	803,425	276,044		166,659	0	0	1,246,128	13,444	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				200,429	0	0	200,429	30	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				52,127	278	0	52,405	76	2	0	0	0
1-R SUBTOTAL IN-HOME	5,870,633	2,059,371	3,583,300	1,315,591	3,660,733	0	16,489,628			0	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services 41,916												
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	0	0	0	583	1,039,330	0	1,039,913	4,457	23	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	690	679,685	0	680,375	2,792	22	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,786	322,617	0	326,403	4,050	67	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	81,097	0	81,097	303	13	0	0	0
2-G FOSTER FAMILY - DEPENDENT	496,275	175,594	0	450,254	4,745,075	0	5,867,198	52,430	289	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	62,667	0	62,667	429	2	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0	0	0	2,282,048	0	2,282,048	37,946	131	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	300	460,259	0	460,559	2,323	9	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	4,080	0	4,080	21	1	0	0	0
2-M SUBTOTAL CBP	496,275	175,594	0	455,613	9,676,858	0	10,804,340	104,751	557	0	0	0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A JUVENILE DETENTION SERVICE	0	0	0	67,486	685,388	0	752,874	2,227	93	51,807	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	7,422	1,272,258	0	1,279,680	5,781	25	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	202	916,579	0	916,781	4,153	37	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	1,338	735,607	0	736,945	2,327	15	0	0	0
3-E YDC SECURE	0	0	0	0	1,959,768	0	1,959,768	3,798	33	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	76,448	5,969,600	0	5,646,048	18,286	203	51,807	0	0
4 ADMINISTRATION	535,502	283,967	0	805,574	0	0	1,625,043			268,162	0	0
5 TOTAL EXPENDITURES	6,902,410	2,518,932	3,583,300	2,653,226	18,907,191	0	34,565,059			319,969	0	0
County Indirect Costs = \$ 499,000												

**LEHIGH 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	\$ 632,510	\$ 0	\$ 632,510
Adoption Assistance	2,885,531	0	2,885,531
Subsidized Permanent Legal Custodianship	697,769	0	697,769
Counseling	2,111,710	0	2,111,710
Day Care	808,086	0	808,086
Day Treatment	68,526	0	68,526
Homemaker Service	0	0	0
Intake and Referral	1,716,122	0	1,716,122
Life Skills	104,480	0	104,480
Protective Service - Child Abuse	3,376,459	0	3,376,459
Protective Service - General	2,589,473	0	2,589,473
Service Planning	1,246,128	0	1,246,128
Juvenile Act Proceedings	252,834	0	252,834
Alternative Treatment	0	0	0
Community Residential	1,720,288	0	1,720,288
Emergency Shelter	407,500	0	407,500
Foster Family	5,929,865	0	5,929,865
Kinship Care	2,282,048	0	2,282,048
Supervised Independent Living	464,639	0	464,639
Juvenile Detention Service	752,874	0	752,874
Residential Service	2,196,461	0	2,196,461
Secure Residential Service (Except YDC)	736,945	0	736,945
YDC Secure	1,959,768	0	1,959,768
Administration	1,625,043	0	1,625,043
Combined Total Expense	<u>34,565,059</u>	<u>0</u>	<u>34,565,059</u>
Less Non-reimbursables	<u>319,969</u>	<u>0</u>	<u>319,969</u>
Total Net Expense	<u>\$ 34,245,090</u>	<u>\$ 0</u>	<u>\$ 34,245,090</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,902,410	\$ 0	\$ 6,902,410
Employee Benefits	2,518,932	0	2,518,932
Subsidies	3,583,300	0	3,583,300
Operating	2,653,226	0	2,653,226
Purchased Services	18,907,191	0	18,907,191
Fixed Assets	0	0	0
Combined Total Expense	<u>34,565,059</u>	<u>0</u>	<u>34,565,059</u>
Less Non-reimbursables	<u>319,969</u>	<u>0</u>	<u>319,969</u>
Total Net Expense	<u>\$ 34,245,090</u>	<u>\$ 0</u>	<u>\$ 34,245,090</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2020 to JUNE 30, 2021

**LEHIGH 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		\$ 21,769,702
Supplemental Act 148		<u>0</u>
Total State Allocation		21,769,702
State Share (CY348) ²	\$ 17,144,749	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 17,144,749
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 17,144,749
Actual Act 148 Revenues Received ⁴		<u>17,144,749</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.

LEHIGH 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	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	689,719	0	88,659	0	0	0	0	0	601,060	601,060	0
02. 90% REIMBURSEMENT	340,410	0	19,837	0	0	0	0	0	320,573	288,516	32,057
03. 80% REIMBURSEMENT	24,389,511	305,343	4,780,432	1,240,825	229,495	0	0	0	17,833,416	14,266,733	3,566,683
04. 60% REIMBURSEMENT	3,493,419	127,436	420,382	0	0	120,699	0	10,704	2,814,198	1,688,519	1,125,679
05. 50% REIMBURSEMENT	610,449	4,585	6,023	0	0	0	0	0	599,841	299,921	299,920
06. TOTAL NET CHILD WELFARE EXPEND.	29,523,508	437,364	5,315,333	1,240,825	229,495	120,699	0	10,704	22,169,088	17,144,749	5,024,339

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	891,590	19,027							872,563	523,538	349,025

08. NON-REIMBURSABLE EXPENDITURES	394,872	0							394,872		394,872
-----------------------------------	---------	---	--	--	--	--	--	--	---------	--	---------

09. TOTAL EXPENDITURES	30,809,970	456,391	5,315,333	1,240,825	229,495	120,699	0	10,704	23,436,523	17,668,287	5,768,236
------------------------	------------	---------	-----------	-----------	---------	---------	---	--------	------------	------------	-----------

10. TOTAL TITLE IV-D COLLECTIONS 274,412

11. TITLE IV-D Collections for IV-E Children 66,455

12. STATE ACT 148 - line 6 17,144,749

13. STATE ACT 148 ALLOCATION 21,769,702

14. ADJUSTED STATE SHARE (lower of 12 or 13) 17,144,749

INVOICE											
AMENDED STATE SHARE (ACT 148)	17,144,749										
ACT 148 AMOUNT RECEIVED	17,144,749										
ADJUSTMENT TO STATE SHARE	0										

LEHIGH 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
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	689,719	0		88,659	0		0	0	0	601,060	601,060	0
I-B ADOPTION ASSISTANCE	2,660,427	0	1,315,342	17,065			0	0	0	1,328,020	1,062,416	265,604
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	715,166	0	224,301				0	0	0	490,865	392,692	98,173
I-D COUNSELING - DEPENDENT	1,237,225	0		1,726	382,776		0	0	0	852,723	682,178	170,545
I-E COUNSELING - DELINQUENT	350,268	12,774		0	207,114		0	0	0	130,380	104,304	26,076
I-F DAY CARE	945,360	0		0	416,407		0	0	0	528,953	423,162	105,791
I-G DAY TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	45,899	0		0	9,691		0	0	0	36,208	28,966	7,242
I-I HOME MAKER SERVICE	0	0		0	0		0	0	0	0	0	0
I-J INTAKE & REFERRAL	1,992,056	0		256,035	0		0	0	0	1,736,021	1,388,817	347,204
I-K LIFE SKILLS - DEPENDENT	98,531	0		142	74,460		0	0	0	23,929	19,143	4,786
I-L LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	3,006,812	0		337,980	77,442		0	0	0	2,591,390	2,073,112	518,278
I-N PROTECTIVE SERVICE - GENERAL	2,552,411	0		328,303	65,453		0	0	0	2,158,655	1,726,924	431,731
I-O SERVICE PLANNING	1,389,432	0		172,553	7,482		0	0	0	1,209,397	967,518	241,879
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	186,398	0		6,023	0		0	0	0	180,375	90,188	90,187
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	1,206	0		0	0		0	0	0	1,206	603	603
I-R SUBTOTAL IN-HOME	15,870,910	12,774	1,539,643	1,208,486	1,240,825	0	0	0	0	11,869,182	9,561,083	2,308,099

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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0			0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	887,398	26,373	141,203				0	0	0	719,822	575,858	143,964
2-D COMMUNITY RESIDENTIAL - DELINQUENT	606,663	28,893	79,498				0	0	0	498,272	398,618	99,654
2-E EMERGENCY SHELTER - DEPENDENT	340,102	0	19,740	97	0		0	0	0	320,265	288,239	32,026
2-F EMERGENCY SHELTER - DELINQUENT	308	0	0	0	0		0	0	0	308	277	31
2-G FOSTER FAMILY - DEPENDENT	5,492,257	126,914	561,607	1,053,111		229,495	0	0	0	3,521,130	2,816,904	704,226
2-H FOSTER FAMILY - DELINQUENT	87,509	5,504	1,259				0	0	0	80,746	64,597	16,149
2-I KINSHIP CARE - DEPENDENT	1,846,673	98,657	259,593	2,095			0	0	0	1,486,328	1,189,062	297,266
2-J KINSHIP CARE - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	454,633	6,228	28,619				0	0	0	419,786	335,829	83,957
2-L SUP. INDEPENDENT LIVING - DELINQUENT	20,791	0	0	0			0	0	0	20,791	16,633	4,158
2-M SUBTOTAL CBP	9,736,334	292,569	1,091,519	1,055,303	0	229,495	0	0	0	7,067,448	5,686,017	1,381,431

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	422,845	4,585							0	418,260	209,130	209,130
3-B RESIDENTIAL SERVICE - DEPENDENT	1,037,360	61,764	178,529	50			120,699	0	0	676,318	405,791	270,527
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	499,027	35,198	52,482	0			0	0	0	411,347	246,808	164,539
3-D SECURE RES. SERVICE (EXCEPT YDC)	483,254	30,474							0	452,780	271,668	181,112
3-E YDC SECURE	891,590	19,027								872,563	523,538	349,025
3-F SUBTOTAL INSTITUTIONAL	3,334,076	151,048	231,011	50	0	0	120,699	0	0	2,831,268	1,656,935	1,174,333
4 ADMINISTRATION	1,473,778	0		189,321			0	0	0	10,704	764,252	509,501
TOTAL REVENUES	30,415,098	456,391	2,862,173	2,453,160	1,240,825	229,495	120,699	0	10,704	23,041,651	17,668,287	5,373,364

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2020 TO JUNE 30, 2021
 AMENDED CY 370
 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	EMPLOYEE BENEFITS SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
I-A ADOPTION SERVICE	407,004	163,158		119,557	0	0	689,719	79	0	0	0	0
I-B ADOPTION ASSISTANCE	0	0	2,660,427	0	0	0	2,660,427	0	375	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	715,166	0	0	0	715,166	0	87	0	0	0
I-D COUNSELING - DEPENDENT	0	0	13,465	13,465	1,233,760	0	1,237,225	0	200	0	0	0
I-E COUNSELING - DELINQUENT	0	0	1,406	1,406	348,862	0	350,268	380	292	0	0	0
I-F DAY CARE	0	0		0	945,360	0	945,360	0	103	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0		30	45,869	0	45,899	0	10	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	1,253,194	506,536		232,326	0	0	1,992,056	8,254	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		1,112	97,419	0	98,531	0	35	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,623,529	618,720		388,099	376,464	0	3,006,812	1,317	118	0	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,746,162	675,098		131,151	0	0	2,552,411	11,986	0	0	0	0
I-O SERVICE PLANNING	882,814	345,863		160,755	0	0	1,389,432	16,291	0	0	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				186,398	0		186,398	58	0	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				1,007	199		1,206	2	3	0	0	0
I-R SUBTOTAL IN-HOME	5,912,703	2,309,375	3,375,593	1,235,306	3,037,933	0	15,870,910			0	0	0
	LRCNP = Legal Representation for Children in Placement = \$											
	LRCNP = Legal Representation for Children Non-Placement = \$											
					0							0
					0							0
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	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	0	0	0	322	887,076	0	887,398	3,543	61	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	821	605,842	0	606,663	2,350	17	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	3,352	336,750	0	340,102	3,988	182	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	308	0	308	1	1	0	0	0
2-G FOSTER FAMILY - DEPENDENT	534,562	213,844	0	102,465	4,641,386	0	5,492,257	51,880	700	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	109	87,400	0	87,509	568	5	0	0	0
2-I KINSHIP CARE - DEPENDENT	0	0	0	16,599	1,830,074	0	1,846,673	28,589	366	0	0	0
2-J KINSHIP CARE - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	454,633	0	454,633	2,456	36	0	0	0
2-L SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	20,791	0	20,791	107	1	0	0	0
2-M SUBTOTAL CBP	534,562	213,844	0	123,668	8,864,260	0	9,736,334	93,482	1,369	0	0	0
	LRCNP = Legal Representation for Children in Placement = \$											
	LRCNP = Legal Representation for Children Non-Placement = \$											
					0							0
					0							0
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	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	148,515	413,396	0	561,911	1,331	52	139,066	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	3,715	1,033,645	0	1,037,360	4,276	61	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	350	498,677	0	499,027	2,067	21	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	397	482,857	0	483,254	1,477	9	0	0	0
3-E YDC SECURE	0	0	0	0	891,590	0	891,590	1,645	13	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	152,977	3,320,165	0	3,473,142	10,796	156	139,066	0	0
4 ADMINISTRATION	540,482	340,677	0	848,425	0	0	1,729,584			255,806	0	0
5 TOTAL EXPENDITURES	6,987,747	2,863,896	3,375,593	2,360,376	15,222,358	0	30,809,970			394,872	0	0
	County Indirect Costs = \$ 483,919											

**LEHIGH 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	\$ 689,719	\$ 0	\$ 689,719
Adoption Assistance	2,660,427	0	2,660,427
Subsidized Permanent Legal Custodianship	715,166	0	715,166
Counseling	1,587,493	0	1,587,493
Day Care	945,360	0	945,360
Day Treatment	45,899	0	45,899
Homemaker Service	0	0	0
Intake and Referral	1,992,056	0	1,992,056
Life Skills	98,531	0	98,531
Protective Service - Child Abuse	3,006,812	0	3,006,812
Protective Service - General	2,552,411	0	2,552,411
Service Planning	1,389,432	0	1,389,432
Juvenile Act Proceedings	187,604	0	187,604
Alternative Treatment	0	0	0
Community Residential	1,494,061	0	1,494,061
Emergency Shelter	340,410	0	340,410
Foster Family	5,579,766	0	5,579,766
Kinship Care	1,846,673	0	1,846,673
Supervised Independent Living	475,424	0	475,424
Juvenile Detention Service	561,911	0	561,911
Residential Service	1,536,387	0	1,536,387
Secure Residential Service (Except YDC)	483,254	0	483,254
YDC Secure	891,590	0	891,590
Administration	1,729,584	0	1,729,584
Combined Total Expense	<u>30,809,970</u>	<u>0</u>	<u>30,809,970</u>
Less Non-reimbursables	<u>394,872</u>	<u>0</u>	<u>394,872</u>
Total Net Expense	<u>\$ 30,415,098</u>	<u>\$ 0</u>	<u>\$ 30,415,098</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,987,747	\$ 0	\$ 6,987,747
Employee Benefits	2,863,896	0	2,863,896
Subsidies	3,375,593	0	3,375,593
Operating	2,360,376	0	2,360,376
Purchased Services	15,222,358	0	15,222,358
Fixed Assets	0	0	0
Combined Total Expense	<u>30,809,970</u>	<u>0</u>	<u>30,809,970</u>
Less Non-reimbursables	<u>394,872</u>	<u>0</u>	<u>394,872</u>
Total Net Expense	<u>\$ 30,415,098</u>	<u>\$ 0</u>	<u>\$ 30,415,098</u>

SECTION 3

CURRENT ENGAGEMENT OBSERVATION

LEHIGH 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.

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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.

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

- 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.

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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.

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
REPORT DISTRIBUTION LIST

This report was originally distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

Ms. Valerie A. Arkoosh, MD, MPH
Acting Secretary
Department of Human Services

Ms. Natalie Bates
Acting Deputy Secretary
Office of Children, Youth and Families
Department of Human Services

Ms. Tia Petrovitz
Fiscal Management Specialist 4
Division of County Programs
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Mr. Jim Flanagan
Section Chief
Financial Reporting and Payments Section
Division of Financial Policy and Operations
Bureau of Financial Operations
Department of Human Services

Mr. David Bryan, CPA, CGMA
Manager
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

Ms. Linda L. Herrold
Audit Specialist
Audit Resolution Section
Bureau of Financial Operations
Department of Human Services

The Honorable Phillips Armstrong
Lehigh County Executive

Ms. Paula Griffin
Director
Lehigh County Children & Youth Agency

Ms. Bonnie Danubio
Fiscal Officer
Lehigh County Children & Youth Agency

Mr. Mark Pinsley
Controller
Lehigh County

Ms. Kay Achenbach
Human Services Director
Lehigh County

Mr. Michael Burns, CPA
Director
Bureau of Accounting & Financial Management
Office of Comptroller Operations
Office of the Budget

Mr. R. Dennis Welker
Special Audit Services
Bureau of Audits
Office of the Budget

Ms. Melanie Retherford
Human Services Program Specialist Supervisor
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

Ms. Melissa Erazo
Director
Bureau of Budget and Fiscal Support
Office of Children, Youth and Families
Department of Human Services

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.