

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2017 to June 30, 2018

July 1, 2018 to June 30, 2019

Lancaster County Children and Youth Agency

March 2021



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General



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TIMOTHY L. DEFOOR
AUDITOR GENERAL

Independent Auditor's Report

The Commissioners of Lancaster County
Lancaster County Government Center
150 North Queen Street, Suite 715
Lancaster, PA 17603

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 Lancaster County Children and Youth Agency (agency), legally known as Lancaster County Children and Youth Social Service Agency, 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 Lancaster 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.

Independent Auditor's Report (Continued)

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 scope period. The fiscal reports are included in the following sections of this report:

- Section 1 for the 2017-2018 fiscal year
- Section 2 for the 2018-2019 fiscal year

In addition, we found that the agency complied with the finding included in our prior engagement report, as detailed in Section 3 of this report.

Furthermore, we updated our Child Protective Services Law Observation to include DHS corrective actions taken and our current position, as listed below and detailed in Section 4 of this report.

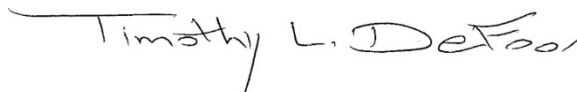
Observation – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

The results of our engagement procedures, as presented in this report, were discussed with agency management at an exit conference held on March 3, 2021.

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 our representatives by your officials and the staff of the Lancaster County Children and Youth Agency. If you have any questions, please feel free to contact Tracie Fountain, CPA, Director, Bureau of Children and Youth Services Audits at 717-787-1159.

Sincerely,



Timothy L. DeFoor
Auditor General

March 4, 2021

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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 Lancaster County Children and Youth Agency provided in-home and placement services to 7,430 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

**LANCASTER 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		\$	24,084,661
Supplemental Act 148			<u>968,346</u>
Total State Allocation			25,053,007
State Share (CY348) ²	\$		25,053,007
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	25,053,007
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	25,053,007
Actual Act 148 Revenues Received ⁴			<u>25,053,007</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</u></u>

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

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

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

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

⁵ 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.

**LANCASTER 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	587,235	0	97,759	0	0	0	0	0	489,476	489,476	0
02. 90% REIMBURSEMENT	564,675	34,605	9,548	0	0	0	0	0	520,522	468,469	52,053
03. 80% REIMBURSEMENT	33,708,598	1,059,456	6,331,158	1,337,871	291,070	97,673	0	0	24,591,370	19,673,095	4,918,275
04. 60% REIMBURSEMENT	4,853,415	22,602	568,115	0	0	0	0	16,477	4,246,221	2,547,733	1,698,488
05. 50% REIMBURSEMENT	3,812,735	64,268	0	0	0	0	0	0	3,748,467	1,874,234	1,874,233
06. TOTAL NET CHILD WELFARE EXPEND.	43,526,658	1,180,931	7,006,580	1,337,871	291,070	97,673	0	16,477	33,596,056	25,053,007	8,543,049

YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	195,603	0							195,603	117,362	78,241

08. NON-REIMBURSABLE EXPENDITURES	579,252	0							579,252		579,252
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09. TOTAL EXPENDITURES	44,301,513	1,180,931	7,006,580	1,337,871	291,070	97,673	0	16,477	34,370,911	25,170,369	9,200,542
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10. TOTAL TITLE IV-D COLLECTIONS 510,592

11. TITLE IV-D Collections for IV-E Children 154,317

12. STATE ACT 148 - line 6 25,053,007

13. STATE ACT 148 ALLOCATION 25,053,007

14. ADJUSTED STATE SHARE (lower of 12 or 13) 25,053,007

INVOICE											
AMENDED STATE SHARE (ACT 148)	25,053,007										
ACT 148 AMOUNT RECEIVED	25,053,007										
ADJUSTMENT TO STATE SHARE	0										

LANCASTER 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	587,235	0		97,759	0		0	0	0	489,476	489,476	0
1-B	ADOPTION ASSISTANCE	5,204,455	0	2,291,430	45,601			0	0	0	2,867,424	2,293,939	573,485
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	370,542	0	114,171	0			0	0	0	256,371	205,097	51,274
1-D	COUNSELING - DEPENDENT	1,190,754	0		5,385	13,081		0	0	0	1,172,288	937,830	234,458
1-E	COUNSELING - DELINQUENT	1,339,298	6,124		0	638,479		0	0	0	674,695	539,756	134,939
1-F	CARE	30,611	0		0	29,327		0	0	0	1,284	1,027	257
1-G	DAY TREATMENT - DEPENDENT	0	0		0	0		0	0	0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	332,708	0		0	171,638		0	0	0	161,070	128,856	32,214
1-I	HOMEMAKER SERVICE	0	0		0	0		0	0	0	0	0	0
1-J	INTAKE & REFERRAL	0	0		0	0		0	0	0	0	0	0
1-K	LIFE SKILLS - DEPENDENT	586,970	0		4,451	167,686		0	0	0	414,833	331,866	82,967
1-L	LIFE SKILLS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-M	PROTECTIVE SERVICE - CHILD ABUSE	1,081,972	0		179,791	0		0	0	0	902,181	721,745	180,436
1-N	PROTECTIVE SERVICE - GENERAL	4,155,433	1,080		567,694	297,660		0	0	0	3,288,999	2,631,199	657,800
1-O	SERVICE PLANNING	573,846	0		74,132	0		0	0	0	499,714	399,771	99,943
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	310,275	0		0	0		0	0	0	310,275	155,138	155,137
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0		0	0	0	0	0	0
1-R	SUBTOTAL IN-HOME	15,764,099	7,204	2,405,601	974,813	1,337,871	0	0	0	0	11,038,610	8,855,700	2,202,910
COMMUNITY BASED PLACEMENT													
2-A	ALTERNATIVE TREATMENT - DEPENDENT	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
2-C	COMMUNITY RESIDENTIAL - DEPENDENT	5,596,046	0	758,686	0			0	0	0	4,837,360	3,869,888	967,472
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	1,284,682	84,556	0	0			0	0	0	1,200,126	960,101	240,025
2-E	EMERGENCY SHELTER - DEPENDENT	519,800	32,325	9,548	0	0		0	0	0	477,927	430,134	47,793
2-F	EMERGENCY SHELTER - DELINQUENT	44,875	2,280	0	0	0		0	0	0	42,595	38,335	4,260
2-G	FOSTER FAMILY - DEPENDENT	11,305,274	967,696	968,299	1,289,240		291,070	97,673	0	0	7,691,296	6,153,037	1,538,259
2-H	FOSTER FAMILY - DELINQUENT	231,583	0	0	0		0	0	0	0	231,583	185,266	46,317
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	424,424	0	32,278	0		0	0	0	0	392,146	313,717	78,429
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-K	SUBTOTAL CBP	19,406,684	1,086,857	1,768,811	1,289,240	0	291,070	97,673	0	0	14,873,033	11,950,478	2,922,555
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	3,502,460	64,268								3,438,192	1,719,096	1,719,096
3-B	RESIDENTIAL SERVICE - DEPENDENT	797,512	0	241,587	0			0	0	0	555,925	333,555	222,370
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	22,602	22,602	0	0			0	0	0	753,671	452,203	301,468
3-D	SECURE RES. SERVICE (EXCEPT YDC)	1,319,113	0								1,319,113	791,468	527,645
3-E	YDC SECURE	195,603	0								195,603	117,362	78,241
3-F	SUBTOTAL INSTITUTIONAL	6,590,961	86,870	241,587	0	0	0	0	0	0	6,262,504	3,413,684	2,848,820
4	ADMINISTRATION	1,960,517	0		326,528		0	0	0	0	1,617,512	970,507	647,005
5	TOTAL REVENUES	43,722,261	1,180,931	4,415,999	2,590,581	1,337,871	291,070	97,673	0	16,477	33,791,659	25,170,369	8,621,290

LANCASTER COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
 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	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	316,503	141,674		129,172	0	0	587,349	132	0	114	0	0
1-B ADOPTION ASSISTANCE	0	0	5,208,655	0	0	0	5,208,655	0	1,080	0	4,200	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SH	0	0	370,542	0	0	0	370,542	0	67	0	0	0
1-D COUNSELING - DEPENDENT	0	0		32,654	1,175,577	0	1,208,231	0	948	0	17,477	0
1-E COUNSELING - DELINQUENT	0	0		1,345,811	0	0	1,345,811	0	368	0	6,513	0
1-F DAY CARE	0	0		30,611	0	0	30,611	0	19	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	332,708	0	332,708	0	31	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	0	0		0	0	0	0	0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0		26,846	560,124	0	586,970	0	419	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	618,902	241,663		220,564	1,080	0	1,082,209	2,061	2	237	0	0
1-N PROTECTIVE SERVICE - GENERAL	2,047,492	756,074		511,129	721,186	120,744	4,156,625	8,124	567	1,192	0	0
1-O SERVICE PLANNING	335,218	103,285		7,506	127,928	0	573,937	21,582	137	91	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	310,275		310,275	0	788	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	3,318,115	1,242,696	5,579,197	927,871	4,605,300	120,744	15,793,923			1,634	28,190	0
Number of Children receiving only NON-PURCHASED IN-Home Services 5,146												
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	22,371	5,759,660	0	5,782,031	23,889	148	0	185,985	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	2,549	1,294,900	0	1,297,449	5,833	46	0	12,767	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	386	560,849	0	561,235	1,480	51	0	41,435	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	49,037	0	49,037	83	7	0	4,162	0
2-G FOSTER FAMILY - DEPENDENT	1,716,257	667,485	0	713,086	8,178,801	55,288	11,330,917	147,676	637	519	25,124	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	231,583	0	231,583	1,651	6	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	424,424	0	424,424	2,600	16	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	1,716,257	667,485	0	738,392	16,499,254	55,288	19,676,676	183,212	911	519	269,473	0

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
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	8,074	3,773,256	0	3,781,330	4,585	142	0	278,870	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	10,199	787,313	0	797,512	2,940	68	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	838	775,435	0	776,273	3,871	38	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	1,319,113	0	1,319,113	4,086	25	0	0	0
3-E YDC SECURE	0	0	0	0	195,603	0	195,603	339	1	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	19,111	6,850,720	0	6,869,831	15,821	274	0	278,870	0
4 ADMINISTRATION	717,965	291,119	0	924,359	0	27,640	1,961,083			566	0	0
5 TOTAL EXPENDITURES	5,752,337	2,201,300	5,579,197	2,609,733	27,955,274	203,672	44,301,513			2,719	576,533	0
County Indirect Costs = \$ 690,260												

**LANCASTER 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	\$ 587,349	\$ 0	\$ 587,349
Adoption Assistance	5,208,655	0	5,208,655
Subsidized Permanent Legal Custodianship	370,542	0	370,542
Counseling	2,554,042	0	2,554,042
Day Care	30,611	0	30,611
Day Treatment	332,708	0	332,708
Homemaker Service	0	0	0
Intake and Referral	0	0	0
Life Skills	586,970	0	586,970
Protective Service - Child Abuse	1,082,209	0	1,082,209
Protective Service - General	4,156,625	0	4,156,625
Service Planning	573,937	0	573,937
Juvenile Act Proceedings	310,275	0	310,275
Alternative Treatment	0	0	0
Community Residential	7,079,480	0	7,079,480
Emergency Shelter	610,272	0	610,272
Foster Family	11,562,500	0	11,562,500
Supervised Independent Living	424,424	0	424,424
Juvenile Detention Service	3,781,330	0	3,781,330
Residential Service	1,573,785	0	1,573,785
Secure Residential Service (Except YDC)	1,319,113	0	1,319,113
YDC Secure	195,603	0	195,603
Administration	<u>1,961,083</u>	<u>0</u>	<u>1,961,083</u>
Combined Total Expense	44,301,513	0	44,301,513
Less Non-reimbursables	<u>579,252</u>	<u>0</u>	<u>579,252</u>
Total Net Expense	<u>\$ 43,722,261</u>	<u>\$ 0</u>	<u>\$ 43,722,261</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,752,337	\$ 0	\$ 5,752,337
Employee Benefits	2,201,300	0	2,201,300
Subsidies	5,579,197	0	5,579,197
Operating	2,609,733	0	2,609,733
Purchased Services	27,955,274	0	27,955,274
Fixed Assets	<u>203,672</u>	<u>0</u>	<u>203,672</u>
Combined Total Expense	44,301,513	0	44,301,513
Less Non-reimbursables	<u>579,252</u>	<u>0</u>	<u>579,252</u>
Total Net Expense	<u>\$ 43,722,261</u>	<u>\$ 0</u>	<u>\$ 43,722,261</u>

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2018 to JUNE 30, 2019

**LANCASTER 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		\$	27,342,840
Supplemental Act 148			<u>0</u>
Total State Allocation			27,342,840
State Share (CY348) ²	\$		24,117,702
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	24,117,702
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	24,117,702
Actual Act 148 Revenues Received ⁴			<u>24,117,702</u>
Net Amount Due County/(State) ⁵		\$	<u>0</u>

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

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

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

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

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

**LANCASTER 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	605,764	0	96,146	0	0	0	0	0	509,618	509,618	0
02. 90% REIMBURSEMENT	611,997	19,585	0	0	0	0	0	0	592,412	533,171	59,241
03. 80% REIMBURSEMENT	33,051,779	824,827	6,325,354	1,337,871	291,070	97,673	0	0	24,174,984	19,339,986	4,834,998
04. 60% REIMBURSEMENT	3,588,927	23,075	425,306	0	0	0	0	6,793	3,133,753	1,880,252	1,253,501
05. 50% REIMBURSEMENT	3,745,785	36,436	0	0	0	0	0	0	3,709,349	1,854,675	1,854,674
06. TOTAL NET CHILD WELFARE EXPEND.	41,604,252	903,923	6,846,806	1,337,871	291,070	97,673	0	6,793	32,120,116	24,117,702	8,002,414
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	0	0							0	0	0
08. NON-REIMBURSABLE EXPENDITURES	641,917	0							641,917		
09. TOTAL EXPENDITURES	42,246,169	903,923	6,846,806	1,337,871	291,070	97,673	0	6,793	32,762,033	24,117,702	8,644,331
10. TOTAL TITLE IV-D COLLECTIONS	409,051										
11. TITLE IV-D Collections for IV-E Children	149,625										
12. STATE ACT 148 - line 6	24,117,702										
13. STATE ACT 148 ALLOCATION	27,342,840										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	24,117,702										
INVOICE											
AMENDED STATE SHARE (ACT 148)	24,117,702										
ACT 148 AMOUNT RECEIVED	24,117,702										
ADJUSTMENT TO STATE SHARE	0										

LANCASTER 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
IN-HOME	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
1-A ADOPTION SERVICE	605,764	0		96,146	0			0	0	509,618	509,618	0
1-B ADOPTION ASSISTANCE	5,546,048	0	2,503,796	55,578				0	0	2,986,674	2,389,339	597,335
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	507,678	0	193,556					0	0	314,122	251,298	62,824
1-D COUNSELING - DEPENDENT	1,285,276	0		5,173	8,626			0	0	1,271,477	1,017,182	254,295
1-E COUNSELING - DELINQUENT	1,426,293	8,750			565,114			0	0	852,429	681,943	170,486
1-F DAY CARE	51,787	0			38,178			0	0	13,609	10,887	2,722
1-G DAY TREATMENT - DEPENDENT	0	0			0			0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	254,363	0			185,705			0	0	68,658	54,926	13,732
1-I HOMEMAKER SERVICE	0	0			0			0	0	0	0	0
1-J INTAKE & REFERRAL	0	0			0			0	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	533,581	0		5,338	196,780			0	0	331,463	265,170	66,293
1-L LIFE SKILLS - DELINQUENT	0	0			0			0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,086,172	0		172,629	0			0	0	913,543	730,834	182,709
1-N PROTECTIVE SERVICE - GENERAL	3,964,978	75		523,613	343,468			0	0	3,097,822	2,478,258	619,564
1-O SERVICE PLANNING	702,304	0		75,750	0			0	0	626,554	501,243	125,311
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	315,805	0			0			0	0	315,805	157,903	157,902
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0			0	0	0	0	0
1-R SUBTOTAL IN-HOME	16,280,049	8,825	2,697,352	934,227	1,337,871	0	0	0	0	11,301,774	9,048,601	2,253,173
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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	5,036,946	0	620,736					0	0	4,416,210	3,532,968	883,242
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,530,123	71,007						0	0	1,459,116	1,167,293	291,823
2-E EMERGENCY SHELTER - DEPENDENT	461,465	16,584			0			0	0	444,881	400,593	44,488
2-F EMERGENCY SHELTER - DELINQUENT	150,532	3,001			0			0	0	147,531	132,778	14,753
2-G FOSTER FAMILY - DEPENDENT	10,728,754	744,995	995,958	1,164,020		291,070	97,673	0	0	7,435,038	5,948,030	1,487,008
2-H FOSTER FAMILY - DELINQUENT	133,818	0						0	0	133,818	107,054	26,764
2-I SUP. INDEPENDENT LIVING - DEPENDENT	263,658	0	9,207					0	0	254,451	203,561	50,890
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0						0	0	0	0	0
2-K SUBTOTAL CBP	18,305,296	835,587	1,625,901	1,164,020	0	291,070	97,673	0	0	14,291,045	11,492,077	2,798,968
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	3,429,980	36,436							0	3,393,544	1,696,772	1,696,772
3-B RESIDENTIAL SERVICE - DEPENDENT	355,343	0	119,503					0	0	235,840	141,504	94,336
3-C RES. SERVICE - DELINQUENT (NON YDC/VFC)	346,688	23,075						0	0	323,613	194,168	129,445
3-D SECURE RES. SERVICE (EXCEPT YDC)	961,877	0							0	961,877	577,126	384,751
3-E YDC SECURE	0	0							0	0	0	0
3-F SUBTOTAL INSTITUTIONAL	5,093,888	59,511	119,503		0	0	0	0	0	4,914,874	2,609,570	2,305,304
4 ADMINISTRATION	1,925,019	0		305,803				0	0	1,612,423	967,454	644,969
5 TOTAL REVENUES	41,604,252	903,923	4,442,756	2,404,050	1,337,871	291,070	97,673	0	6,793	32,120,116	24,117,702	8,002,414

LANCASTER 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
	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												
I-A ADOPTION SERVICE	339,287	131,059		135,771	0	0	606,117	149	0	353	0	0
I-B ADOPTION ASSISTANCE	0	0	5,550,248	0	0	0	5,550,248	0	1,109	0	4,200	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	507,678	0	0	0	507,678	0	85	0	0	0
I-D COUNSELING - DEPENDENT	0	0		32,460	1,274,181	0	1,306,641	0	782	0	21,365	0
I-E COUNSELING - DELINQUENT	0	0		0	1,433,278	0	1,433,278	0	377	0	6,985	0
I-F DAY CARE	0	0		0	51,787	0	51,787	0	25	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		0	254,363	0	254,363	0	30	0	0	0
I-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	0	0		0	0	0	0	0	0	0	0	0
I-K LIFE SKILLS - DEPENDENT	0	0		34,508	499,073	0	533,581	0	354	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	636,983	231,643		217,589	405	0	1,086,620	1,682	1	448	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,973,651	672,551		554,240	644,405	123,637	3,968,484	3,736	496	3,506	0	0
I-O SERVICE PLANNING	357,394	109,706		9,535	225,795	0	702,430	23,234	182	126	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	315,805		315,805	0	698	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	3,307,315	1,144,959	6,057,926	984,103	4,699,092	123,637	16,317,032			4,433	32,550	0
Number of Children receiving only NON-PURCHASED IN-Home Services 5,775												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	26,645	5,158,319	0	5,184,964	20,572	115	0	148,018	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,626	1,544,749	0	1,546,375	5,937	56	0	16,252	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	86	497,926	0	498,012	1,245	38	0	36,547	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	163,070	0	163,070	295	15	0	12,538	0
2-G FOSTER FAMILY - DEPENDENT	1,760,137	609,129	0	624,993	7,702,609	55,344	10,752,212	134,014	581	1,019	22,439	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	243	133,575	0	133,818	880	3	0	0	0
2-J SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	263,658	0	263,658	1,563	12	0	0	0
2-K SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL CBP	1,760,137	609,129	0	653,593	15,463,906	55,344	18,542,109	164,506	820	1,019	235,794	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	110	3,756,447	0	3,756,557	4,485	141	0	326,577	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	11,074	385,356	0	396,430	1,748	50	0	41,087	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	297	346,391	0	346,688	1,528	24	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	197	961,680	0	961,877	2,788	15	0	0	0
3-E YDC SECURE	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INSTITUTIONAL	0	0	0	11,678	5,449,874	0	5,461,552	10,549	230	0	367,664	0
4 ADMINISTRATION	711,905	275,585	0	910,310	0	27,676	1,925,476			457	0	0
5 TOTAL EXPENDITURES	5,779,357	2,029,673	6,057,926	2,559,684	25,612,872	206,657	42,246,169			5,909	636,008	0
County Indirect Costs = \$ 667,744												

**LANCASTER 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	\$ 606,117	\$ 0	\$ 606,117
Adoption Assistance	5,550,248	0	5,550,248
Subsidized Permanent Legal Custodianship	507,678	0	507,678
Counseling	2,739,919	0	2,739,919
Day Care	51,787	0	51,787
Day Treatment	254,363	0	254,363
Homemaker Service	0	0	0
Intake and Referral	0	0	0
Life Skills	533,581	0	533,581
Protective Service - Child Abuse	1,086,620	0	1,086,620
Protective Service - General	3,968,484	0	3,968,484
Service Planning	702,430	0	702,430
Juvenile Act Proceedings	315,805	0	315,805
Alternative Treatment	0	0	0
Community Residential	6,731,339	0	6,731,339
Emergency Shelter	661,082	0	661,082
Foster Family	10,886,030	0	10,886,030
Supervised Independent Living	263,658	0	263,658
Juvenile Detention Service	3,756,557	0	3,756,557
Residential Service	743,118	0	743,118
Secure Residential Service (Except YDC)	961,877	0	961,877
YDC Secure	0	0	0
Administration	1,925,476	0	1,925,476
Combined Total Expense	<u>42,246,169</u>	<u>0</u>	<u>42,246,169</u>
Less Non-reimbursables	<u>641,917</u>	<u>0</u>	<u>641,917</u>
Total Net Expense	<u>\$ 41,604,252</u>	<u>\$ 0</u>	<u>\$ 41,604,252</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,779,357	\$ 0	\$ 5,779,357
Employee Benefits	2,029,673	0	2,029,673
Subsidies	6,057,926	0	6,057,926
Operating	2,559,684	0	2,559,684
Purchased Services	25,612,872	0	25,612,872
Fixed Assets	206,657	0	206,657
Combined Total Expense	<u>42,246,169</u>	<u>0</u>	<u>42,246,169</u>
Less Non-reimbursables	<u>641,917</u>	<u>0</u>	<u>641,917</u>
Total Net Expense	<u>\$ 41,604,252</u>	<u>\$ 0</u>	<u>\$ 41,604,252</u>

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATIONS

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

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

In our prior engagement report, for the fiscal years July 1, 2014 to June 30, 2017, we cited the Lancaster County Children and Youth Agency (agency) for failing to have internal control policies and procedures in place to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home Purchased Service Providers, which includes Fee-for-Services providers and Program-Funded Providers. For contracted In-Home Fee-for-Service providers, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on these providers' submitted invoices. For contracted In-Home Program-Funded providers, the agency failed to provide supporting documentation evidencing that services related to contracted costs invoiced by these providers, and paid by the agency, were actually provided. Agency management stated, during the conduct of our previous engagement, they did not have policies and procedures in place to obtain reasonable assurance that the services related to the fees or operating costs invoiced by contracted In-Home Purchased Services providers were actually provided, and if provided, provided in adherence to executed contract terms.

During the conduct of our current engagement, we determined that, as of July 2017, the agency fully implemented fiscal-related monitoring policy and procedures designed to reduce the agency's risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided and provided in adherence to executed contract terms.

As of July 2017, agency management's fiscal-related monitoring policy requires In-Home Purchased Service providers to include supporting documentation with submitted invoices. Acceptable supporting documentation includes: sign-in/attendance sheets; payroll registers, timesheets, vehicle mileage logs, and receipts. If invoice billing errors are found, they are to be resolved by contacting the provider and notifying the agency's Director of Quality Assurance, Executive Director, and Deputy Fiscal Officer. If the expense is determined to be unallowable, the provider immediately is to send a corrected invoice with the amount in dispute removed. If the provider disputes the disallowance, a dispute resolution meeting is to be held. If a decision cannot be reached during this meeting, the Board of County Commissioners are to review and render a final decision. In addition, as of November 2017, the agency implemented fiscal-related monitoring procedures during provider Site Monitoring (SM) visits. An agency Quality Assurance staff member, or an alternate agency staff member, is assigned to be the primary provider contact and is responsible for scheduling SM, conducting the monitoring visit, and writing the SM Report. SM visits are performed no less than two times per year for provider

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

programs receiving more than \$15,000 per year. Programs receiving less than \$15,000 are subject to a desk review or a SM visit. Cases selected for review are documented on a Case Sampling and Purchased Services Review Form, and during the SM visit, the agency staff member completes a Program Monitoring Guidelines form. The SM results and conclusions are documented on a SM report and a copy is provided to the provider and to the agency's Executive Director, Director of Quality Assurance, Program Specialists, and Deputy Fiscal Officer. Overbilling errors are discussed with the provider and a request is made to refund the overbilled amount or credit the amount to the following month's invoice. Providers have 30 days to respond with a completed correction plan. During the conduct of our current engagement, we obtained evidence substantiating that the agency's policies and procedures requiring the submission of supporting documentation along with invoices were implemented in July 2017 and that the agency's policies and procedures for SM visits were implemented in November 2017. The evidence obtained included: written policies and procedures; contracted In-Home Purchased Service providers submitted invoices and related supporting documentation substantiating the number of units and operating costs incurred; and the Providers' Site Monitoring Review form reports.

Based on the results of the procedures performed during the conduct of our current engagement we concluded that sufficient fiscal-related monitoring policies and procedures were in place during our July 1, 2017 to June 30, 2019 current engagement period to substantiate the validity of the number of units invoiced by contracted In-Home Fee-for-Service providers and operating costs invoiced by In-Home Program-Funded providers, which reduced the agency's risk of paying overbillings and/or fraudulent billings submitted by these providers. Therefore, we concluded that the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT OBSERVATION

LANCASTER COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Observation – Pennsylvania Department of Human Services is Making Strides in Increasing the Protection of At-Risk Children in the Care of Contracted In-Home Preventative Service Providers; Risk that has been Further Exacerbated by the Current COVID-19 Crisis.

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.¹ 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.²

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 as it 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 action when disqualifying incidents are identified. Furthermore, these Contracted Providers are not subject to licensure nor annual inspections under the Human Services Code (Code).³ 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 also stated that DHS had communicated these expectations to the C&Y Agencies on numerous occasions since 2016.

¹ 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.

² 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.

³ Based on a recent communication with DHS in early September 2020, the 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.

LANCASTER COUNTY CHILDREN AND YOUTH AGENCY
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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 years ended June 30, 2019. The Supplement included the following requirements for C&Y Agencies and auditors who conduct Single Audits of counties.

C&Y Agencies are required to:

- Monitor 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 providers that deliver in-home coded services.
- Monitor a sample of in-home service providers' compliance with the CPSL requirements, including checking for incidents since the date of the background clearances.
- Communicate any violations to 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.

Single Auditors are required to:

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

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Our Current Position

We are glad that the DHS' 2019 revision to its Supplement requires (1) C&Y Agencies to document their monitoring of Contracted Providers' compliance with the CPSL; (2) the Single Auditors to evaluate the adequacy of this documentation; and (3) the documentation be provided to DHS for its review. However, the Supplement is entirely silent with regards to actions DHS will take if Single Auditors find a C&Y Agency failed to identify disqualifying incidents and/or failed to take appropriate corrective actions when disqualifying convictions that would prohibit employees and volunteers from having direct contact with children receiving services were identified.

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 **if the requirements are actually being followed consistently and routinely by each county C&Y Agency**. Therefore, as the oversight agency, we believe that it is imperative that DHS implement its own monitoring process to obtain assurance that each C&Y Agency is following the CPSL certification requirements by ensuring that appropriate corrective actions are taken if it is found by the Single Auditors that C&Y Agencies are not adequately protecting the safety of these already at-risk children. This specifically relates to obtaining assurance as to the sufficiency of each C&Y Agency's procedures for reviewing the Certifications of the Contracted Providers' employees and volunteers (whose duties require them to come into direct contact with children) and their respective subcontractors and taking appropriate corrective action when disqualifying incidents are identified.¹ Furthermore, we continue to believe that these children remain particularly vulnerable since the in-home services are sometimes provided outside the presence and view of others, which has been further aggravated by the current COVID-19 crisis.⁴

Conclusion

As previously stated, as the oversight agency, DHS must implement its own monitoring process that will provide DHS management with the assurance that every C&Y Agency and their respective Contracted Providers and their subcontractors are actually adhering to the CPSL certification requirements. This specifically relates to obtaining assurance as to the sufficiency of each C&Y Agency's procedures for reviewing the Certifications of their Contracted

⁴ Various articles point to children in the Commonwealth experiencing more abuse. See May 11, 2020, <https://www.ydr.com/story/news/2020/05/11/coronavirus-pa-hospitals-seeing-more-severe-child-abuse-injuries/3103045001/>; June 20, 2020, <https://www.buckscountycouriertimes.com/news/20200620/state-more-child-abuse-calls-coming-in-than-at-start-of-pandemic-but-still-being-underreported/>; and July 17, 2020, <https://www.goerie.com/news/20200717/child-abuse-in-pandemic-as-hospitals-see-more-severe-injuries-the-worst-is-yet-to-come> (accessed July 29, 2020).

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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. On August 31, 2020, DHS informed us that they began receiving the supplemental schedules (monitoring documentation) for Single Audits conducted for the fiscal years ended June 30, 2019. DHS further stated that, beginning in October, 2020, they plan to review these supplement schedules and each county's Corrective Action Plan (CAP) for CPSL adherence as a part of its on-site reviews of counties.

Finally, we note that in addition to following up with DHS on these issues, our Department will also reach out to the newly appointed Child Advocate Nicole Yancy and the new Council on Reform, as well as the Pennsylvania Senate and House of Representatives committee chairs focused on the protection of children and youth to ensure they are aware of our concerns.

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. However, it is important to note that these children under the care of the Contracted Providers remain particularly vulnerable since the in-home services are sometimes provided outside the presence and view of others, which has been further aggravated by the current COVID-19 crisis.

LANCASTER COUNTY CHILDREN AND YOUTH AGENCY
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This report was originally distributed to the following:

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