

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2014 to June 30, 2015

July 1, 2015 to June 30, 2016

July 1, 2016 to June 30, 2017

Lehigh County Children and Youth Agency

November 2018



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DEPASQUALE
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 the Lehigh County Children and Youth Agency (agency), legally known as Lehigh County Children and Youth Services, for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years July 1, 2014 to June 30, 2015, July 1, 2015 to June 30, 2016, and July 1, 2016 to June 30, 2017. 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, 2015, June 30, 2016, and June 30, 2017.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance¹ with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*), but was not required to be and was not conducted 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 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 fiscal years 2014-2015, 2015-2016, and 2016-2017.

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

- For the **2014-2015 fiscal year**, our engagement resulted in 1 adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$169,265. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$101,559. This adjustment is detailed in our amended fiscal reports for fiscal year 2014-2015, as included in Section 1 of this report.
- For the **2015-2016 fiscal year**, our engagement resulted in 1 adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$194,390. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$116,634. This adjustment is detailed in our amended fiscal reports for fiscal year 2015-2016, as included in Section 2 of this report.
- For the **2016-2017 fiscal year**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. There is no impact on the Final Net State Share, as detailed in our amended fiscal reports, included in Section 3 of this report.

In addition, we found that the agency complied with the finding included in our prior released audit report, as detailed in Section 4 of this report.

Furthermore, we updated our Child Protective Services Law Observation to include DHS management's current and planned corrective actions in response to our concerns, as listed below and detailed in Section 5 of this report:

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

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 October 25, 2018.

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

et seq., you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

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

Sincerely,



Eugene A. DePasquale
Auditor General

October 29, 2018

Endnote

¹ The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies, as well as the volunteers/employees of their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and the Commonwealth DHS. Details regarding these deficiencies are further outlined in the Observation included in this report.

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under 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 Lehigh County Children and Youth Agency provided in-home and placement services to 10,597 children residing within the County during the 2016-2017 fiscal year. The Children and Youth Social Services Program is County-Administered and State-Supervised by the DHS and thus, they are jointly responsible for achieving the Commonwealth’s goal.

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

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

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2014 to JUNE 30, 2015

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	18,196,139
Supplemental Act 148			<u>0</u>
Total State Allocation			18,196,139
State Share (CY348) ²	\$		15,626,363
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	15,626,363
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	15,626,363
Actual Act 148 Revenues Received ⁴			<u>15,727,922</u>
Net Amount Due County/(State) ⁵		\$	<u>(101,559)</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.

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
 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	672,966	124,919	0	0	0	0	0	548,047	548,047	0
02. 90% REIMBURSEMENT	764,860	68,608	0	0	0	0	0	695,790	626,211	69,579
03. 80% REIMBURSEMENT	21,814,294	4,327,358	1,240,822	229,495	5,195	0	0	15,715,227	12,572,181	3,143,046
04. 60% REIMBURSEMENT	3,067,567	51,047	469,937	0	115,504	0	13,616	2,417,463	1,450,477	966,986
05. 50% REIMBURSEMENT	866,662	239	7,531	0	0	0	0	858,892	429,447	429,445
06. TOTAL NET CHILD WELFARE EXPEND.	27,186,349	4,998,353	1,240,822	229,495	120,699	0	13,616	20,235,419	15,626,363	4,609,056

YDC/YFC PLACEMENT COSTS										
07. 60% DHSP PARTICIPATION	5,089,484	40,477						5,049,007	3,029,404	2,019,603

08. NON-REIMBURSABLE EXPENDITURES	11,075	0						11,075		11,075
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09. TOTAL EXPENDITURES	32,286,908	388,422	4,998,353	1,240,822	229,495	120,699	0	25,295,501	18,655,767	6,639,734
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10. TOTAL TITLE IV-D COLLECTIONS 252,662

11. TITLE IV-D Collections for IV-E Children 37,162

12. STATE ACT 148 - line 6 15,626,363

13. STATE ACT 148 ALLOCATION 18,196,139

14. ADJUSTED STATE SHARE (lower of 12 or 13) 15,626,363

INVOICE	
AMENDED STATE SHARE (ACT 148)	15,626,363
ACT 148 AMOUNT RECEIVED	15,727,922
ADJUSTMENT TO STATE SHARE	(101,559)

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
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	672,966	0		124,919	0		0	0	548,047	0	548,047	0
1-B ADOPTION ASSISTANCE	3,663,857	0	1,410,492	11,194				0	2,242,171	0	1,793,737	448,434
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	307,136	0	83,337	1,189			0	0	220,610	0	176,488	44,122
1-D COUNSELING - DEPENDENT	1,654,340	0		13,836	475,611	0	0	0	1,164,893	0	931,914	232,979
1-E COUNSELING - DELINQUENT	1,315,847	14,158		161	294,324	0	0	0	1,007,204	0	805,763	201,441
1-F DAY CARE	480,112	0			210,502	0	0	0	269,610	0	215,688	53,922
1-G DAY TREATMENT - DEPENDENT	14,431	0			0	0	0	0	14,431	0	11,545	2,886
1-H DAY TREATMENT - DELINQUENT	63,168	0			12,432	0	0	0	50,736	0	40,589	10,147
1-I HOMEMAKER SERVICE	0	0			0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	1,532,798	0		284,277	0	0	0	0	1,248,521	0	998,817	249,704
1-K LIFE SKILLS - DEPENDENT	288,502	0		23,864	22,564	0	0	0	242,074	0	193,659	48,415
1-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	2,706,175	0		390,859	176,859	0		0	2,138,457	0	1,710,766	427,691
1-N PROTECTIVE SERVICE - GENERAL	2,182,460	0		405,607	48,530	0		0	1,728,323	0	1,382,658	345,665
1-O SERVICE PLANNING	1,214,318	0		201,757	0	0	0	0	1,012,561	0	810,049	202,512
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	127,750	0		7,531	0	0	0	0	120,219	0	60,110	60,109
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	4,889	0			0	0	0	0	4,889	0	2,445	2,444
SUBTOTAL IN-HOME	16,228,749	14,158	1,495,829	1,465,194	#####	0	0	0	12,012,746	0	9,682,275	2,330,471
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0							0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0							0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	908,258	32,964	145,982	41		0	0	0	729,271	0	583,417	145,854
2-D COMMUNITY RESIDENTIAL - DELINQUENT	701,245	50,324	50,413			0	0	0	600,508	0	480,406	120,102
2-E EMERGENCY SHELTER - DEPENDENT	544,286	0	36,885	118	0	0	0	0	507,283	0	456,555	50,728
2-F EMERGENCY SHELTER - DELINQUENT	220,574	462	31,605			0	0	0	188,507	0	169,656	18,851
2-G FOSTER FAMILY - DEPENDENT	4,648,080	190,912	518,076	784,273		229,495	5,195	0	2,920,129	0	2,336,103	584,026
2-H FOSTER FAMILY - DELINQUENT	133,567	7,839	0				0	0	125,728	0	100,582	25,146
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0				0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0				0	0	0	0	0	0	0
SUBTOTAL CBP	7,156,010	282,501	782,961	784,432	0	229,495	5,195	0	5,071,426	0	4,126,719	944,707
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	734,023	239							733,784	0	366,892	366,892
3-B RESIDENTIAL SERVICE - DEPENDENT	440,790	17,936	128,115	253		0	115,504	0	178,982	0	107,389	71,593
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	985,874	31,304	93,640			0	0	0	860,930	0	516,558	344,372
3-D SECURE RES. SERVICE (EXCEPT YDC)	468,786	1,807							466,979	0	280,187	186,792
3-E YDC SECURE	5,089,484	40,477							5,049,007	0	3,029,404	2,019,603
SUBTOTAL INSTITUTIONAL	7,718,957	91,763	221,755	253	0	0	115,504	0	7,289,682	0	4,300,430	2,989,252
ADMINISTRATION	1,172,117	0		247,929		0	0	0	13,616	0	546,343	364,229
TOTAL REVENUES	32,275,833	388,422	2,500,545	2,497,808	#####	229,495	120,699	0	13,616	0	18,655,767	6,628,659

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	419,411	152,962		100,593	0	0	672,966	97	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	3,663,857	0	0	0	3,663,857	0	539	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	307,136	0	0	0	307,136	0	45	0	0	0
1-D COUNSELING - DEPENDENT	0	0	74,806	1,579,534	0	0	1,654,340	0	163	0	0	0
1-E COUNSELING - DELINQUENT	0	0	884	1,314,963	0	0	1,315,847	0	1,457	0	0	0
1-F DAY CARE	0	0	0	480,112	0	0	480,112	0	35	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	14,431	0	0	14,431	0	3	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	1,330	61,838	0	63,168	0	29	0	0	0
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	869,534	311,745	0	351,519	0	0	1,532,798	7,819	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	106,257	39,953	0	22,212	120,080	0	288,502	0	25	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,377,535	526,839	0	195,172	606,629	0	2,706,175	1,898	111	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,416,423	505,099	0	260,938	0	0	2,182,460	6,412	0	0	0	0
1-O SERVICE PLANNING	731,558	257,108	0	225,652	0	0	1,214,318	8,310	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	127,750	0	0	127,750	408	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	4,889	0	0	4,889	0	9	0	0	0
1-R SUBTOTAL IN-HOME	4,920,718	1,793,706	3,970,993	1,360,856	4,182,476	0	16,228,749	0	0	0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
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	556	907,702	0	908,258	4,528	14	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	1,696	702,667	0	704,363	3,434	29	0	3,118	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	6,640	537,646	0	544,286	3,069	16	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	220,574	0	220,574	866	51	0	0	0
2-G FOSTER FAMILY - DEPENDENT	580,181	209,968	0	402,832	3,452,884	2,195	4,648,084	48,355	139	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	133,567	0	133,567	951	5	0	0	0
2-I ISDP, INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	580,181	209,968	0	411,744	5,955,040	2,195	7,159,128	61,203	254	0	3,118	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	734,023	0	734,023	2,538	139	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	5,744	435,046	0	440,790	1,361	6	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	176	985,698	0	985,874	5,043	51	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	476,743	0	476,743	1,711	13	0	7,957	0
3-E YDC SECURE	0	0	0	0	5,089,484	0	5,089,484	10,400	77	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	5,920	7,720,994	0	7,726,914	21,053	286	0	7,957	0
4 ADMINISTRATION	433,881	196,520	0	541,716	0	0	1,172,117	0	0	0	0	0
TOTAL EXPENDITURES	5,934,780	2,200,194	3,970,993	2,520,236	17,858,510	2,195	32,286,908	0	0	0	11,075	0
	County Indirect Costs = \$ 501,946											

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 672,966	\$ 0	\$ 672,966
Adoption Assistance	3,663,857	0	3,663,857
Subsidized Permanent Legal Custodianship	307,136	0	307,136
Counseling	2,970,187	0	2,970,187
Day Care	480,112	0	480,112
Day Treatment	77,599	0	77,599
Homemaker Service	0	0	0
Intake and Referral	1,532,798	0	1,532,798
Life Skills	288,502	0	288,502
Protective Service - Child Abuse	2,706,175	0	2,706,175
Protective Service - General	2,182,460	0	2,182,460
Service Planning	1,214,318	0	1,214,318
Juvenile Act Proceedings	132,639	0	132,639
Alternative Treatment	0	0	0
Community Residential	1,612,621	0	1,612,621
Emergency Shelter	764,860	0	764,860
Foster Family	4,781,647	0	4,781,647
Supervised Independent Living	0	0	0
Juvenile Detention Service	734,023	0	734,023
Residential Service	1,426,664	0	1,426,664
Secure Residential Service (Except YDC)	476,743	0	476,743
YDC Secure	5,089,484	0	5,089,484
Administration	1,341,382	(169,265)	1,172,117
Combined Total Expense	<u>32,456,173</u>	<u>(169,265)</u>	<u>32,286,908</u>
Less Non-reimbursables	<u>11,075</u>	<u>0</u>	<u>11,075</u>
Total Net Expense	<u>\$ 32,445,098</u>	<u>\$ (169,265)</u>	<u>\$ 32,275,833</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,934,780	\$ 0	\$ 5,934,780
Employee Benefits	2,200,194	0	2,200,194
Subsidies	3,970,993	0	3,970,993
Operating	2,489,501	(169,265)	2,320,236
Purchased Services	17,858,510	0	17,858,510
Fixed Assets	2,195	0	2,195
Combined Total Expense	<u>32,456,173</u>	<u>(169,265)</u>	<u>32,286,908</u>
Less Non-reimbursables	<u>11,075</u>	<u>0</u>	<u>11,075</u>
Total Net Expense	<u>\$ 32,445,098</u>	<u>\$ (169,265)</u>	<u>\$ 32,275,833</u>

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2014 TO JUNE 30, 2015
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Operating</p> <p>To decrease indirect cost expenditures by \$169,265 to eliminate employee benefits paid to retired County employees. Only employee benefits paid by the County to active employees are eligible for state reimbursement.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 710,981	\$ (169,265)	\$ 541,716

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2015 to JUNE 30, 2016

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	17,373,617
Supplemental Act 148			<u>0</u>
Total State Allocation			17,373,617
State Share (CY348) ²	\$		15,428,140
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	15,428,140
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	15,428,140
Actual Act 148 Revenues Received ⁴			<u>15,544,774</u>
Net Amount Due County/(State) ⁵		\$	<u><u>(116,634)</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.

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
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-F	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	471,285	0	88,347	0	0	0	0	0	382,938	382,938	0
02. 90% REIMBURSEMENT	647,175	0	72,098	0	0	0	0	0	575,077	517,570	57,507
03. 80% REIMBURSEMENT	21,744,372	238,666	4,246,142	1,240,824	229,495	0	0	0	15,789,245	12,631,399	3,157,846
04. 60% REIMBURSEMENT	2,940,648	43,023	412,397	0	0	120,699	0	12,690	2,351,839	1,411,103	940,736
05. 50% REIMBURSEMENT	972,027	1,768	0	0	0	0	0	0	970,259	485,130	485,129
06. TOTAL NET CHILD WELFARE EXPEND.	26,775,507	283,457	4,818,984	1,240,824	229,495	120,699	0	12,690	20,069,358	15,428,140	4,641,218

YDCYFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	4,528,776	60,742							4,468,034	2,680,820	1,787,214

08. NON-REIMBURSABLE EXPENDITURES	964	0							964		964
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09. TOTAL EXPENDITURES	31,305,247	344,199	4,818,984	1,240,824	229,495	120,699	0	12,690	24,538,356	18,108,960	6,429,396
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10. TOTAL TITLE IV-D COLLECTIONS 313,048

11. TITLE IV-D Collections for IV-E Children 42,714

12. STATE ACT 148 - line 6 15,428,140

13. STATE ACT 148 ALLOCATION 17,373,617

14. ADJUSTED STATE SHARE (lower of 12 or 13) 15,428,140

INVOICE											
AMENDED STATE SHARE (ACT 148)	15,428,140										
ACT 148 AMOUNT RECEIVED	15,544,774										
ADJUSTMENT TO STATE SHARE	(116,634)										

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
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	471,285	0		88,347	0			0	0	382,938	382,938	0
1-B ADOPTION ASSISTANCE	3,524,185	0	1,360,423	12,942				0	0	2,150,820	1,720,656	430,164
1-C SUBSIZED PERMANENT LEGAL CUSTODIANSH	340,341	0	104,090	0				0	0	236,251	189,001	47,250
1-D COUNSELING - DEPENDENT	2,029,045	0		16,371	573,882	0		0	0	1,438,792	1,151,034	287,758
1-E COUNSELING - DELINQUENT	990,872	19,589			293,683	0		0	0	677,600	542,080	135,520
1-F DAY CARE	480,026	0			166,414	0		0	0	313,612	250,890	62,722
1-G DAY TREATMENT - DEPENDENT	42,299	0		0	0	0	0	0	0	42,299	33,839	8,460
1-H DAY TREATMENT - DELINQUENT	62,659	0		0	13,074	0	0	0	0	49,585	39,668	9,917
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	1,181,683	0		220,679	0	0	0	0	0	961,004	768,803	192,201
1-K LIFE SKILLS - DEPENDENT	364,223	0		27,770	51,721	0	0	0	0	284,732	227,786	56,946
1-L LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	2,989,756	0		459,332	142,050	0		0	0	2,388,354	1,910,683	477,671
1-N PROTECTIVE SERVICE - GENERAL	2,058,292	0		383,325	0	0		0	0	1,674,967	1,339,974	334,993
1-O SERVICE PLANNING	1,529,607	0		253,680	0	0	0	0	0	1,275,927	1,020,742	255,185
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	133,742	0		0	0	0	0	0	0	133,742	66,871	66,871
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	7,868	0		0	0	0	0	0	0	7,868	3,934	3,934
1-R	16,205,863	19,589	1,464,513	1,462,446	1,240,824	0	0	0	0	12,018,491	9,648,899	2,369,592
SUBTOTAL IN-HOME												

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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0				0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	787,494	24,595	116,529	18				0	0	646,352	517,082	129,270
2-D COMMUNITY RESIDENTIAL - DELINQUENT	329,496	71,331	19,414	0				0	0	238,751	191,001	47,750
2-E EMERGENCY SHELTER - DEPENDENT	409,442	0	31,375	132	0	0	0	0	0	377,935	340,142	19,714
2-F EMERGENCY SHELTER - DELINQUENT	237,753	0	40,591	0	0	0	0	0	0	197,142	177,428	19,714
2-G FOSTER FAMILY - DEPENDENT	4,991,833	111,667	553,861	704,773		229,495	0	0	0	3,392,037	2,713,630	678,407
2-H FOSTER FAMILY - DELINQUENT	42,381	11,484	8,660	4,275			0	0	0	18,162	14,530	3,632
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K	6,798,579	219,077	770,430	709,198	0	229,495	0	0	0	4,870,379	3,953,813	916,566
SUBTOTAL CBP												

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	830,417	1,768							0	828,649	414,325	414,324
3-B RESIDENTIAL SERVICE - DEPENDENT	465,178	6,936	58,302	304				0	0	278,937	167,362	111,575
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	569,550	32,431	88,716	0				0	0	448,403	269,042	179,361
3-D SECURE RES. SERVICE (EXCEPT YDC)	686,965	3,656						0	0	683,309	409,985	273,324
3-E YDC SECURE	4,528,776	60,742						0	0	4,468,034	2,680,820	1,787,214
SUBTOTAL INSTITUTIONAL	7,080,886	105,533	147,018	304	0	120,699	0	0	0	6,707,332	3,941,534	2,765,798
4 ADMINISTRATION	1,218,955	0		265,075				0	0	941,190	564,714	376,476
TOTAL REVENUES	31,304,283	344,199	2,381,961	2,437,023	1,240,824	229,495	120,699	0	12,690	24,537,392	18,108,960	6,428,432

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	CHILDREN SERVED (BY COUNTY)	CHILDREN SERVED (PURCHASED)	NON-REIMBURSABLE NON-PS/SUB.	NON-REIM. PURCHASED SERV/SUBSIDIES	PROGRAM INCOME RELATED TO ALL NON-REIMBURSABLE
IN-HOME												
1-A ADOPTION SERVICE	289,927	90,510		90,848			471,285	81	0	0	0	0
1-B ADOPTION ASSISTANCE	0	0	3,524,185	0	0	0	3,524,185	0	510	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANS/SH	0	0	340,341	0	0	0	340,341	0	48	0	0	0
1-D COUNSELING - DEPENDENT	0	0		88,841	1,940,204	0	2,029,045	0	184	0	0	0
1-E COUNSELING - DELINQUENT	0	0		295	990,577	0	990,872	0	1,357	0	0	0
1-F DAY CARE	0	0		0	480,026	0	480,026	0	59	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		42,299	0	0	42,299	0	4	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		920	61,739	0	62,659	0	30	0	0	0
1-I HOMEMAKER SERVICE	0	0		0	0	0	0	0	0	0	0	0
1-J INTAKE & REFERRAL	685,746	215,904		280,033	0	0	1,181,683	5,634	0	0	0	0
1-K LIFE SKILLS - DEPENDENT	92,990	30,671		24,024	216,538	0	364,223	216	38	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	1,502,877	538,082		415,463	533,314	0	2,989,736	1,758	101	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,367,111	463,193		227,988	0	0	2,058,292	3,688	0	0	0	0
1-O SERVICE PLANNING	896,176	328,854		304,577	0	0	1,529,607	5,446	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				133,742	0	0	133,742	1,284	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				608	7,260	0	7,868	0	15	0	0	0
1-R SUBTOTAL IN-HOME	4,834,827	1,667,214	3,864,526	1,567,339	4,271,957	0	16,203,863			0	0	0
	Number of Children receiving only NON-PURCHASED IN-Home Services											
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	544	786,950	0	787,494	3,688	20	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	842	328,654	0	329,496	1,944	20	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	0	0	0	4,853	404,589	0	409,442	2,812	13	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	237,733	0	237,733	922	52	0	0	0
2-G FOSTER FAMILY - DEPENDENT	600,605	210,502		352,500	3,829,024	0	4,992,631	55,584	199	0	798	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	42,581	0	42,581	307	3	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	600,605	210,502	0	358,739	5,629,531	0	6,799,377	65,257	307	0	798	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	830,417	0	830,417	2,892	126	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	4,748	460,430	0	465,178	1,270	13	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	193	569,357	0	569,550	2,973	41	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	687,131	0	687,131	3,079	14	0	166	0
3-E YDC SECURE	0	0	0	0	4,528,776	0	4,528,776	9,423	67	0	0	0
3-F SUBTOTAL INSTITUTIONAL	0	0	0	4,941	7,076,111	0	7,081,052	19,637	261	0	166	0
4 ADMINISTRATION	444,505	235,040	0	539,410	0	0	1,218,955			0	0	0
5 TOTAL EXPENDITURES	5,879,937	2,112,756	3,864,526	2,470,429	16,977,599	0	31,303,247			0	964	0
	County Indirect Costs = \$ 501,036											

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 471,285	\$ 0	\$ 471,285
Adoption Assistance	3,524,185	0	3,524,185
Subsidized Permanent Legal Custodianship	340,341	0	340,341
Counseling	3,019,917	0	3,019,917
Day Care	480,026	0	480,026
Day Treatment	104,958	0	104,958
Homemaker Service	0	0	0
Intake and Referral	1,181,683	0	1,181,683
Life Skills	364,223	0	364,223
Protective Service - Child Abuse	2,989,736	0	2,989,736
Protective Service - General	2,058,292	0	2,058,292
Service Planning	1,529,607	0	1,529,607
Juvenile Act Proceedings	141,610	0	141,610
Alternative Treatment	0	0	0
Community Residential	1,116,990	0	1,116,990
Emergency Shelter	647,175	0	647,175
Foster Family	5,035,212	0	5,035,212
Supervised Independent Living	0	0	0
Juvenile Detention Service	830,417	0	830,417
Residential Service	1,034,728	0	1,034,728
Secure Residential Service (Except YDC)	687,131	0	687,131
YDC Secure	4,528,776	0	4,528,776
Administration	1,413,345	(194,390)	1,218,955
Combined Total Expense	<u>31,499,637</u>	<u>(194,390)</u>	<u>31,305,247</u>
Less Non-reimbursables	<u>964</u>	<u>0</u>	<u>964</u>
Total Net Expense	<u>\$ 31,498,673</u>	<u>\$ (194,390)</u>	<u>\$ 31,304,283</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 5,879,937	\$ 0	\$ 5,879,937
Employee Benefits	2,112,756	0	2,112,756
Subsidies	3,864,526	0	3,864,526
Operating	2,664,819	(194,390)	2,470,429
Purchased Services	16,977,599	0	16,977,599
Fixed Assets	0	0	0
Combined Total Expense	<u>31,499,637</u>	<u>(194,390)</u>	<u>31,305,247</u>
Less Non-reimbursables	<u>964</u>	<u>0</u>	<u>964</u>
Total Net Expense	<u>\$ 31,498,673</u>	<u>\$ (194,390)</u>	<u>\$ 31,304,283</u>

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2015 TO JUNE 30, 2016
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	4	4	1	<p style="text-align: center;">CY-370 Adjustment</p> <p>Administration - Operating</p> <p>To decrease indirect cost expenditures by \$194,390 to eliminate employee benefits paid to retired County employees. Only employee benefits paid by the County to active employees are eligible for state reimbursement.</p> <p>Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12</p>	\$ 733,800	\$ (194,390)	\$ 539,410

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2016 to JUNE 30, 2017

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	16,543,536
Supplemental Act 148			<u>0</u>
Total State Allocation			16,543,536
State Share (CY348) ²	\$		16,145,937
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	16,145,937
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	16,145,937
Actual Act 148 Revenues Received ⁴			<u>16,145,937</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.

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 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	550,001	0	90,110	0	0	0	0	0	459,891	459,891	0
02. 90% REIMBURSEMENT	862,698	71	63,225	0	0	0	0	0	799,402	719,462	79,940
03. 80% REIMBURSEMENT	22,241,002	330,544	3,976,789	1,240,824	229,495	0	0	0	16,463,350	13,170,680	3,292,670
04. 60% REIMBURSEMENT	2,760,478	40,969	390,406	0	0	120,699	0	12,195	2,196,209	1,317,725	878,484
05. 50% REIMBURSEMENT	956,357	0	0	0	0	0	0	0	956,357	478,179	478,178
06. TOTAL NET CHILD WELFARE EXPEND.	27,370,536	371,584	4,520,530	1,240,824	229,495	120,699	0	12,195	20,875,209	16,145,937	4,729,272
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	3,558,780	42,750							3,516,030	2,109,618	1,406,412
08. NON-REIMBURSABLE EXPENDITURES	222,082	0							222,082		222,082
09. TOTAL EXPENDITURES	31,151,398	414,334	4,520,530	1,240,824	229,495	120,699	0	12,195	24,613,321	18,255,555	6,357,766
10. TOTAL TITLE IV-D COLLECTIONS	309,100										
11. TITLE IV-D Collections for IV-E Children	46,663										
12. STATE ACT 148 - line 6	16,145,937										
13. STATE ACT 148 ALLOCATION	16,543,536										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	16,145,937										
INVOICE											
AMENDED STATE SHARE (ACT 148)	16,145,937										
ACT 148 AMOUNT RECEIVED	16,145,937										
ADJUSTMENT TO STATE SHARE	0										

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
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	550,001	0	90,110	0	0	0	0	0	459,891	459,891	0	
1-B ADOPTION ASSISTANCE	3,369,561	0	1,346,961	15,116	0	0	0	0	2,007,484	1,605,987	401,497	
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	456,764	0	140,115	0	0	0	0	0	316,649	253,319	63,330	
1-D COUNSELING - DEPENDENT	1,736,990	0	20,810	531,338	0	0	0	0	1,164,842	931,874	232,968	
1-E COUNSELING - DELINQUENT	817,973	14,218	0	267,949	0	0	0	0	535,806	428,645	107,161	
1-F DAY CARE	544,526	0	0	0	190,889	0	0	0	353,637	282,910	70,727	
1-G DAY TREATMENT - DEPENDENT	2,651	0	0	0	0	0	0	0	2,651	2,121	530	
1-H DAY TREATMENT - DELINQUENT	70,997	0	0	38,807	0	0	0	0	32,190	25,752	6,438	
1-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	
1-J INTAKE & REFERRAL	1,036,648	0	170,008	0	0	0	0	0	866,640	693,312	173,328	
1-K LIFE SKILLS - DEPENDENT	229,759	0	1,982	95,270	0	0	0	0	132,507	106,006	26,501	
1-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
1-M PROTECTIVE SERVICE - CHILD ABUSE	2,986,601	0	499,707	96,571	0	0	0	0	2,486,323	1,984,258	496,065	
1-N PROTECTIVE SERVICE - GENERAL	2,297,492	0	377,239	0	0	0	0	0	1,920,253	1,536,202	384,051	
1-O SERVICE PLANNING	1,669,403	0	243,995	0	0	0	0	0	1,425,408	1,140,326	285,082	
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	129,952	0	0	0	0	0	0	0	129,952	64,976	64,976	
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	6,134	0	0	0	0	0	0	0	6,134	3,067	3,067	
1-R SUBTOTAL IN-HOME	15,905,452	14,218	1,487,076	1,328,967	########	0	0	0	11,834,367	9,518,646	2,315,721	
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,016,078	41,292	69,761	15	0	0	0	0	904,510	723,608	180,902	
2-D COMMUNITY RESIDENTIAL - DELINQUENT	505,820	43,395	43,281	0	0	0	0	0	419,144	335,315	83,829	
2-E EMERGENCY SHELTER - DEPENDENT	577,908	0	15,368	371	0	0	0	0	562,169	505,952	56,217	
2-F EMERGENCY SHELTER - DELINQUENT	284,790	71	47,486	0	0	0	0	0	237,233	213,510	23,723	
2-G FOSTER FAMILY - DEPENDENT	5,430,753	224,036	479,479	655,324	0	229,495	0	0	3,842,419	3,073,935	768,484	
2-H FOSTER FAMILY - DELINQUENT	68,986	7,103	1,919	1,077	0	0	0	0	58,887	47,110	11,777	
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	
2-K SUBTOTAL CBP	7,884,335	316,397	657,294	656,787	0	229,495	0	0	6,024,362	4,899,430	1,124,932	
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	820,271	0	0	0	0	0	0	0	820,271	410,136	410,135	
3-B RESIDENTIAL SERVICE - DEPENDENT	390,127	17,805	50,669	292	0	120,699	0	0	200,662	120,397	80,265	
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	691,712	20,060	144,889	0	0	0	0	0	526,763	316,058	210,705	
3-D SECURE RES. SERVICE (EXCEPT YDC)	497,788	3,104	0	0	0	0	0	0	494,684	296,810	197,874	
3-E YDC SECURE	3,558,780	42,570	0	0	0	0	0	0	3,516,030	2,109,618	1,406,412	
3-F SUBTOTAL INSTITUTIONAL	5,958,678	83,719	195,558	292	0	120,699	0	0	5,558,410	3,253,019	2,305,391	
4 ADMINISTRATION	1,180,851	0	194,556	194,556	0	0	0	0	974,100	584,460	389,640	
5 TOTAL REVENUES	30,929,316	414,334	2,339,928	2,180,602	########	229,495	0	12,195	24,391,239	18,255,555	6,135,684	

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
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	550,001	0	0	90,110	0	0	0	0	0	459,891	459,891	0
I-B ADOPTION ASSISTANCE	3,369,361	0	1,346,961	15,116	0	0	0	0	0	2,007,484	1,605,987	401,497
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	456,764	0	140,115	0	0	0	0	0	0	316,649	253,319	63,330
I-D COUNSELING - DEPENDENT	1,736,990	0	0	20,810	551,338	0	0	0	0	1,164,842	931,874	232,968
I-E COUNSELING - DELINQUENT	817,973	14,218	0	0	267,949	0	0	0	0	535,806	428,645	107,161
I-F DAY CARE	544,526	0	0	0	190,889	0	0	0	0	353,637	282,910	70,727
I-G DAY TREATMENT - DEPENDENT	2,651	0	0	0	0	0	0	0	0	2,651	2,121	530
I-H DAY TREATMENT - DELINQUENT	70,997	0	0	0	38,807	0	0	0	0	32,190	25,752	6,438
I-I HOMEMAKER SERVICE	0	0	0	0	0	0	0	0	0	0	0	0
I-J INTAKE & REFERRAL	1,036,648	0	0	170,008	0	0	0	0	0	866,640	693,312	173,328
I-K LIFE SKILLS - DEPENDENT	229,759	0	0	1,982	95,270	0	0	0	0	132,507	106,006	26,501
I-L LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	2,986,601	0	0	409,707	96,571	0	0	0	0	2,480,323	1,984,258	496,065
I-N PROTECTIVE SERVICE - GENERAL	2,297,492	0	0	377,239	0	0	0	0	0	1,920,253	1,536,202	384,051
I-O SERVICE PLANNING	1,669,403	0	0	243,995	0	0	0	0	0	1,425,408	1,140,326	285,082
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	129,952	0	0	0	0	0	0	0	0	129,952	64,976	64,976
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	6,134	0	0	0	0	0	0	0	0	6,134	3,067	3,067
I-R SUBTOTAL IN-HOME	15,905,452	14,218	1,487,076	1,328,967	########	0	0	0	0	11,834,367	9,518,646	2,315,721
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	1,016,078	41,792	69,761	15	0	0	0	0	0	904,510	723,608	180,902
2-D COMMUNITY RESIDENTIAL - DELINQUENT	505,820	43,395	43,281	0	0	0	0	0	0	419,144	335,315	83,829
2-E EMERGENCY SHELTER - DEPENDENT	577,908	0	15,368	371	0	0	0	0	0	562,169	505,952	56,217
2-F EMERGENCY SHELTER - DELINQUENT	284,790	71	47,486	0	0	0	0	0	0	237,233	213,510	23,723
2-G FOSTER FAMILY - DEPENDENT	5,430,753	224,036	479,479	655,324	0	229,495	0	0	0	3,842,419	3,073,935	768,484
2-H FOSTER FAMILY - DELINQUENT	68,986	7,103	1,919	1,077	0	0	0	0	0	58,887	47,110	11,777
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	7,884,335	316,397	657,294	656,787	0	229,495	0	0	0	6,024,362	4,899,430	1,124,932
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	820,271	0	0	0	0	0	0	0	0	820,271	410,136	410,135
3-B RESIDENTIAL SERVICE - DEPENDENT	390,127	17,805	50,669	292	0	0	120,699	0	0	200,662	120,397	80,265
3-C RES. SERVICE - DELINQUENT (NON YDC/YTC)	691,712	20,060	144,889	0	0	0	0	0	0	526,763	316,058	210,705
3-D SECURE RES. SERVICE (EXCEPT YDC)	497,788	3,104	0	0	0	0	0	0	0	494,684	296,810	197,874
3-E YDC SECURE	3,538,780	42,750	0	0	0	0	0	0	0	3,516,030	2,109,618	1,406,412
3-F SUBTOTAL INSTITUTIONAL	5,958,678	83,719	195,558	292	0	0	120,699	0	0	5,558,410	3,253,019	2,305,391
4 ADMINISTRATION	1,180,851	0	0	194,556	0	0	0	0	0	12,195	584,460	389,640
5 TOTAL REVENUES	30,929,316	414,334	2,339,928	2,180,602	#####	229,495	120,699	0	12,195	24,391,239	18,255,555	6,135,684

**LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 550,001	\$ 0	\$ 550,001
Adoption Assistance	3,369,561	0	3,369,561
Subsidized Permanent Legal Custodianship	456,764	0	456,764
Counseling	2,554,963	0	2,554,963
Day Care	544,526	0	544,526
Day Treatment	73,648	0	73,648
Homemaker Service	0	0	0
Intake and Referral	1,036,648	0	1,036,648
Life Skills	229,759	0	229,759
Protective Service - Child Abuse	2,986,601	0	2,986,601
Protective Service - General	2,297,492	0	2,297,492
Service Planning	1,669,403	0	1,669,403
Juvenile Act Proceedings	136,086	0	136,086
Alternative Treatment	0	0	0
Community Residential	1,521,898	0	1,521,898
Emergency Shelter	862,698	0	862,698
Foster Family	5,499,739	0	5,499,739
Supervised Independent Living	0	0	0
Juvenile Detention Service	820,271	0	820,271
Residential Service	1,081,839	0	1,081,839
Secure Residential Service (Except YDC)	497,788	0	497,788
YDC Secure	3,558,780	0	3,558,780
Administration	<u>1,402,933</u>	<u>0</u>	<u>1,402,933</u>
Combined Total Expense	31,151,398	0	31,151,398
Less Non-reimbursables	<u>222,082</u>	<u>0</u>	<u>222,082</u>
Total Net Expense	<u>\$ 30,929,316</u>	<u>\$ 0</u>	<u>\$ 30,929,316</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,140,434	\$ 0	\$ 6,140,434
Employee Benefits	2,381,654	0	2,381,654
Subsidies	3,826,325	0	3,826,325
Operating	2,668,704	0	2,668,704
Purchased Services	16,134,281	0	16,134,281
Fixed Assets	0	0	0
Combined Total Expense	31,151,398	0	31,151,398
Less Non-reimbursables	<u>222,082</u>	<u>0</u>	<u>222,082</u>
Total Net Expense	<u>\$ 30,929,316</u>	<u>\$ 0</u>	<u>\$ 30,929,316</u>

SECTION 4

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

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

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

In our prior engagement report, covering the July 1, 2010 through the June 30, 2014 fiscal years, we cited the Lehigh County Children and Youth Agency (agency) for failing to provide adequate supporting documentation evidencing that services related to fees invoiced by contracted In-Home Purchased Service providers (In-Home providers) were actually provided, and if provided, provided in adherence to key executed contract terms. Agency management informed us that they did not require any of its contracted Fee-for-Service and Program-Funded In-Home providers to submit any documentation, other than submitted invoices, to substantiate the fees invoiced by these respective providers. Therefore, we concluded that the agency had no controls in place to reduce the agency's risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home providers during the fiscal years included in our prior engagement scope period.

Furthermore, due to the timing of the conduct of our prior engagement, we did not notify the agency of these control weaknesses and the related risks until January 23, 2017, well after the close of two (2014-2015 and 2015-2016) of the three fiscal years included in our current engagement scope, and almost seven months into the third fiscal year (2016-2017) included in our current engagement scope period; therefore, these control weaknesses and related risks remained in existence during these time periods.

During the conduct of our current engagement, agency management provided evidence that, as of April 2017, the agency developed and implemented various internal controls designed to reduce the risk of paying overbillings and/or fraudulent billings submitted by contracted In-Home providers and to obtain reasonable assurance that services related to costs invoiced by these providers were actually provided. These control procedures included requiring all contracted In-Home providers to attach to their submitted invoices supporting documentation substantiating that services related to invoiced costs were actually provided. This supporting documentation is required to substantiate the number of units invoiced by Fee-for-Service providers and substantiate operating costs invoiced by Program-Funded providers. Furthermore, if required supporting documentation is not attached, or if the attached supporting documentation does not fully substantiate the invoiced number of units or operating costs, the provider is contacted to resolve such identified issues before such invoices are approved for payment. Therefore, based on our evaluation of the agency's implemented controls, we concluded that the issuance of a repeat finding was not warranted.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

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

Foster Care

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL,³ the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by the DHS OCYF, the Lehigh County Children and Youth Agency provided in-home and placement services to 10,597 children residing within the County during the 2016-2017 fiscal year.

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

² 23 Pa.C.S. §§ 6344 and 6344.2.

³ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

Day Treatment Centers and Child Residential Facilities

Beginning July 1, 2012, the DHS Bureau of Human Services' Licensing (bureau) took over responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities, which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, the DHS OCYF had been responsible for performing these CPSL adherence reviews during its annual licensing inspections of these providers. Through a review of the DHS website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau and identifying regulatory violations, including CPSL adherence violations, as specified in the accompanying License Inspection Summaries. However, we are unable to attest to: 1) the timeliness of the completion and approval of these annual inspections and 2) whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.⁴

Contracted In-Home Preventative Service Providers

For contracted *In-Home Preventative Service providers*,⁵ we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. DHS' position was that while not all in-home service providers would meet the criteria requiring the conduct of *certifications* for employees/volunteers, when they do, C&Y agencies were responsible for including provisions in their executed contracts with these providers.

In correspondence with management of C&Y agencies during some of our recently conducted audit engagements, we have found that some C&Y agencies' management staffs are still of the opinion that there is no need to directly monitor CPSL adherence of the providers' employees/volunteers because they are now including the requirements for this type of monitoring in their executed contracts with these providers. However, our interpretation of the CPSL remains that C&Y agencies cannot fulfill their duties under the CPSL to protect the children receiving in-home preventative services from child abuse by merely including the requirements for "direct monitoring"⁶ in their provider executed contracts. Instead, all C&Y

⁴ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2017, via Finding 2017-012).

⁵ Please note that based on recent correspondence with DHS, these providers are referred to as "private providers delivering prevention and reunification services." We refer to them as *contracted In-Home Preventative Service providers* throughout our observation for ease of understanding.

⁶ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures (no less frequently than quarterly) to obtain reasonable assurance that their *contracted In-Home Preventative Service providers* and their sub-recipients are properly vetting a representative sample of the background checks

LEHIGH COUNTY CHILDREN AND YOUTH AGENCY CURRENT ENGAGEMENT OBSERVATION

agencies should have a process in place that allows them to actively monitor their providers and sub-recipients by routinely reviewing their employees' and volunteers' *certifications* for disqualifying convictions.

Therefore, we concluded that DHS had not taken every action to obtain reasonable assurance that C&Y agencies were taking enough action to ensure the safety and welfare of the vulnerable, at risk children receiving in-home preventative services. Further, because DHS has not implemented a process to ensure that C&Y agencies are consistently monitoring the CPSL adherence of the contracted In-Home Preventative Service providers' employees and volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁷

DHS Senior Management Follow-Up Response

DHS senior management provided an official response to our concerns detailed in this Observation in a February 28, 2018 letter that affirmed their assertion that, because DHS has no contractual relationship with *contracted In-Home Preventative Service providers*, the ability and responsibility to monitor private providers⁸ to ensure that their *certifications* adhere to the CPSL falls to the C&Y agencies, as does the responsibility to take appropriate action when they do not comply.

DHS senior management staff further stated that DHS recognizes that they are responsible for communicating contract monitoring expectations to the C&Y agencies and for implementing a method to ensure that contract monitoring is being performed adequately. DHS' OCYF has communicated DHS' expectation that C&Y agencies must monitor these private providers' compliance with the requirements of the CPSL. DHS has also reiterated this expectation during quarterly Pennsylvania Children and Youth Administrators (PCYA) meetings held between June 2016 and October 2017, as well as in general guidance regarding contract monitoring efforts included in OCYF Bulletins issued for the 2017-18 and 2018-19 fiscal years. Further, DHS stated that OCYF will issue additional guidance in its Needs-Based Plan and Budget instructions for this year to emphasize adherence to the CPSL requirements for these providers as part of the C&Y agencies' monitoring expectations.

and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

⁷ The *2017 Annual Child Protective Services Report* notes that the DHS' Office of Children, Youth and Families (OCYF) and its regional offices (in Philadelphia, Scranton, Harrisburg, and Pittsburgh) have responsibilities that include, among others: "Monitoring, licensing, and providing technical assistance to CCYA and private children and youth agencies and facilities." [Emphasis added.], p. 7; http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_275378.pdf, accessed August 3, 2018.

⁸ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

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Finally, DHS informed us that they will address the adequacy of C&Y agencies' monitoring through the July 2019 version of the DHS Single Audit Supplement (SAS) and will develop and require through the SAS a schedule that captures the details of each C&Y agency's monitoring efforts. This will include a listing of these private providers, whether they were monitored and if any CPSL violations were identified. The schedule will be submitted with the respective county's annual single audit report and will be subject to an Agreed Upon Procedures (AUP) engagement. DHS will also provide technical assistance to any C&Y agency that needs improvement.

We believe that DHS obtaining C&Y agencies' reporting of the CPSL status of these providers as a part of their Single Audit Supplement and the other above discussed DHS' methods taken to address the issues we raised in our March 18, 2018 Position Statement letter to DHS would be a significant improvement. However, until DHS implements a process to ensure that all 67 C&Y agencies are routinely directly monitoring the CPSL adherence to the *certifications* of their contracted in-home preventative service providers' employees and volunteers, this Department, as indicated in our March 18, 2018 Position Statement letter, will continue to raise our concerns. Our Department again wishes to re-emphasize that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Greater Scrutiny of Arrest and Conviction Records

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained. However, recent amendments to the CPSL extend this time frame from one year to five years.⁹ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness about the arrest and conviction records, as well as child abuse adjudications, of the employees/volunteers of C&Y agencies' *contracted In-Home Preventative Service providers* and their sub-recipients. This is to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

Auditor General Senior Management's Follow-up Conclusion Statement

We commend DHS management for acknowledging the seriousness of the risks to children's safety resulting from the significant control deficiencies we identified related to CPSL adherence as discussed in our March 18, 2018 Position Statement letter. Further, we recognize the challenges that DHS faces in monitoring the 67 C&Y agencies' direct monitoring of the numerous *contracted In-Home Preventative Service providers* and their sub-recipients. We believe that requiring C&Y agencies to submit a schedule that captures the details of the agency's monitoring efforts as described above will be a major improvement. However, we

⁹ 23 Pa.C.S. § 6344.4.

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also recognize that risks to these vulnerable children continue to exist. One such risk results from the potential delay of 9 to 21 months (or possibly longer) between the date of possible noncompliance by a *contracted In-Home Preventative Service provider* and/or inadequate monitoring by a county C&Y agency and DHS becoming aware of those issues.¹⁰

Furthermore, as previously stated, we have communicated to DHS that we believe that DHS should do more to assure that employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through reviews of background checks and child abuse history clearances and to ensure that employees/volunteers do not have any convictions or adjudications that are disqualifying under the CPSL. Further, because of more recent amendments to the CPSL that changed the validity timeframe for background checks and child abuse history clearances from one to five years (i.e., 60 months) after being obtained, we believe that a greatly heightened awareness of these providers and sub-recipients' arrest and conviction records and child abuse adjudications is warranted.

Directly monitoring whether employees/volunteers of *contracted In-Home Preventative Service providers* are properly vetted through a background check process is a crucial step towards protecting these at-risk children. Therefore, we will continue to monitor the adequacy of measures taken by DHS to monitor and address C&Y agencies' compliance with the requirements of the CPSL as it relates to their contracted in-home preventative service providers and their sub-recipients. Again, our Department re-emphasizes that any failure to perform such monitoring puts the safety of these vulnerable children at great risk.

Finally, we requested that DHS reach out to, and work with, the chairs of the legislative committees of the Pennsylvania Senate and House of Representatives who help to protect the wellbeing of Pennsylvania children and youth to amend the Human Services Code to include provisions requiring the licensure and annual inspections of *contracted In-Home Preventative Service providers and their subcontractors (sub-recipients)*.¹¹

¹⁰ The potential 9-21 month delay is based on the Single Audit being due nine months after the end of the fiscal year plus up to 12 months for possible noncompliance occurring at the beginning of the fiscal year. The period of delay would be higher when the Single Audit is not received within nine months from the end of the fiscal year.

¹¹ The agency stated that it conducts monitoring of CPSL compliance by its In-Home Service providers and sub-recipients and provided the following additional information: "Our CPSL clearance procedures require all vendors to sign a certification statement at the start of the contract year. During programmatic site visits, we request to see a sample of employees (5%) to verify that clearances are valid and up to date." We did not perform procedures to evaluate the agency's performance of those procedures.

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