

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2016 to June 30, 2017

July 1, 2017 to June 30, 2018

Luzerne County Children and Youth Agency

April 2020



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE
AUDITOR GENERAL

Independent Auditor's Report

Tim McGinley, County Council Chairman
Luzerne County Courthouse
200 North River St.
Wilkes-Barre, PA 18711-1001

Dear Chairman McGinley:

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 Luzerne County Children and Youth Agency (agency), legally known as Luzerne 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, 2016 to June 30, 2017 and July 1, 2017 to June 30, 2018. 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, 2017, and June 30, 2018.

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 Luzerne 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 2016-2017 and 2017-2018 fiscal years based on the accrual basis of accounting.

Independent Auditor's Report (Continued)

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

- For the **2016-2017 fiscal year**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$170,872. Based on the application of the state participation rates, the two adjustments resulted in an amount due to the state totaling \$102,300. Both adjustments are detailed in our amended fiscal reports for fiscal year 2016-2017, as included in Section 1 of this report.
- For the **2017-2018 fiscal year**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$72,572. Based on the application of the state participation rates, the adjustment resulted in an amount due to the state totaling \$55,957. This adjustment is detailed in our amended fiscal reports for fiscal year 2017-2018, as included in Section 2 of this report.

In addition, we found that the agency complied with two of the three findings included in our prior engagement report, as detailed in Section 3 of this report. For the finding below, due to the timing of the conduct of our prior engagement, the agency was not able to implement corrective actions to comply with the recommendations included in this finding. As a result, we concluded this finding should be re-issued as a repeat finding in the current section of our engagement report, as listed below and detailed in Section 4 of this report.

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

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 emailed to County representatives and agency management on April 7, 2020.

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 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

Independent Auditor's Report (Continued)

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 Luzerne County Children and Youth Agency.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

April 15, 2020

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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 Luzerne County Children and Youth Agency provided in-home and placement services to 1,235 children residing within the County during the 2017-2018 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 scope, 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, 2016 to JUNE 30, 2017

**LUZERNE 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		\$	19,545,899
Supplemental Act 148			<u>0</u>
Total State Allocation			19,545,899
State Share (CY348) ²	\$		18,831,048
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	18,831,048
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	18,831,048
Actual Act 148 Revenues Received ⁴			<u>18,933,348</u>
Net Amount Due County/(State) ⁵		\$	<u>(102,300)</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 (State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

LUZERNE 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	34,897	0	2,389	0	0	0	0	0	32,508	32,508	0
02. 90% REIMBURSEMENT	27,079	0	511	768	0	0	0	0	25,800	23,220	2,580
03. 80% REIMBURSEMENT	29,251,854	404,108	7,084,105	912,347	270,105	97,172	0	0	20,484,017	16,387,212	4,096,805
04. 60% REIMBURSEMENT	4,321,686	69,652	500,145	0	0	0	0	13,909	3,737,980	2,242,788	1,495,192
05. 50% REIMBURSEMENT	290,639	0	0	0	0	0	0	0	290,639	145,320	145,319
06. TOTAL NET CHILD WELFARE EXPEND.	33,926,155	473,760	7,587,150	913,115	270,105	97,172	0	13,909	24,570,944	18,831,048	5,739,896
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	244,736	2,820							241,916	145,150	96,766
08. NON-REIMBURSABLE EXPENDITURES	0	0							0	0	0
09. TOTAL EXPENDITURES	34,170,891	476,580	7,587,150	913,115	270,105	97,172	0	13,909	24,812,860	18,976,198	5,836,662
10. TOTAL TITLE IV-D COLLECTIONS	248,846										
11. TITLE IV-D Collections for IV-E Children	60,501										
12. STATE ACT 148 - line 6	18,831,048										
13. STATE ACT 148 ALLOCATION	19,545,899										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	18,831,048										
INVOICE											
AMENDED STATE SHARE (ACT 148)	18,831,048										
ACT 148 AMOUNT RECEIVED	18,933,348										
ADJUSTMENT TO STATE SHARE	(102,300)										

LUZERNE 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	34,897	0		2,389	0				0	32,508	32,508	0
1-B	ADOPTION ASSISTANCE	7,632,274	0	3,299,218	16,332					0	4,316,724	3,453,379	863,345
1-C	SUBSIDIZED PERMANENT LEGAL CUSTODIANSH	2,177,130	0	373,152	5,014					0	1,798,964	1,439,171	359,793
1-D	COUNSELING - DEPENDENT	453,144	0		538	406,337				0	46,269	37,015	9,254
1-E	COUNSELING - DELINQUENT	181,580	0			150,147				0	31,433	25,146	6,287
1-F	DAY CARE	66,106	0		2,153	38,854				0	25,099	20,079	5,020
1-G	DAY TREATMENT - DEPENDENT	0	0							0	0	0	0
1-H	DAY TREATMENT - DELINQUENT	15,105	0			12,770				0	2,335	1,868	467
1-I	HOMEMAKER SERVICE	99,954	0		15,247	0				0	84,707	67,766	16,941
1-J	INTAKE & REFERRAL	290,219	0		35,337	0				0	254,882	203,906	50,976
1-K	LIFE SKILLS - DEPENDENT	400,804	0		30,681	162,172				0	207,951	166,361	41,590
1-L	LIFE SKILLS - DELINQUENT	215,036	0			135,576				0	79,460	63,568	15,892
1-M	PROTECTIVE SERVICE - CHILD ABUSE	1,065,601	0		146,190	0				0	919,411	735,529	183,882
1-N	PROTECTIVE SERVICE - GENERAL	5,017,186	0		699,876	6,491				0	4,310,819	3,448,655	862,164
1-O	SERVICE PLANNING	2,805,036	0		428,017	0				0	2,377,019	1,901,615	475,404
1-P	JUVENILE ACT PROCEEDINGS - DEPENDENT	179,426	0							0	179,426	89,713	89,713
1-Q	JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0							0	0	0	0
1-R	SUBTOTAL IN-HOME	20,633,498	0	3,672,370	1,381,774	912,347	0	0	0	0	14,667,007	11,686,279	2,980,728
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	1,167,966	74,178	255,869	356					0	837,563	670,050	167,513
2-D	COMMUNITY RESIDENTIAL - DELINQUENT	761,841	25,005	0	61		270,105	97,172		0	369,498	295,598	73,900
2-E	EMERGENCY SHELTER - DEPENDENT	27,079	0		511	768				0	25,800	23,220	2,580
2-F	EMERGENCY SHELTER - DELINQUENT	0	0							0	0	0	0
2-G	FOSTER FAMILY - DEPENDENT	6,152,276	301,394	998,782	761,260					0	4,090,840	3,272,672	818,168
2-H	FOSTER FAMILY - DELINQUENT	64,344	0							0	64,344	51,475	12,869
2-I	SUP. INDEPENDENT LIVING - DEPENDENT	686,252	3,531	16,022						0	666,699	533,359	133,340
2-J	SUP. INDEPENDENT LIVING - DELINQUENT	0	0							0	0	0	0
2-K	SUBTOTAL CBP	8,859,758	404,108	1,270,673	762,188	768	270,105	97,172	0	0	6,054,744	4,846,374	1,208,370
INSTITUTIONAL PLACEMENT													
3-A	JUVENILE DETENTION SERVICE	111,213	0							0	111,213	55,607	55,606
3-B	RESIDENTIAL SERVICE - DEPENDENT	805,185	15,498	159,830	4,126					0	625,731	375,439	250,292
3-C	RES. SERVICE - DELINQUENT (NON YDC/YFC)	666,139	22,949							0	643,190	385,914	257,276
3-D	SECURE RES. SERVICE (EXCEPT YDC)	785,369	31,205							0	754,164	452,498	301,666
3-E	YDC SECURE	244,736	2,820							0	241,916	145,150	96,766
3-F	SUBTOTAL INSTITUTIONAL	2,612,642	72,472	159,830	4,126	0	0	0	0	0	2,376,214	1,414,608	961,606
4	ADMINISTRATION	2,064,993	0		336,189		0	0	0	13,909	1,714,895	1,028,937	685,958
5	TOTAL REVENUES	34,170,891	476,580	5,102,873	2,484,277	913,115	270,105	97,172	0	13,909	24,812,860	18,976,198	5,836,662

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
 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	4,430	2,576		8,358	19,533	0	34,897	14	24	0	0	0
1-B ADOPTION ASSISTANCE	10,125	5,888	7,613,497	2,164	0	0	7,632,274	24	880	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	2,177,130	0	0	0	2,177,130	0	269	0	0	0
1-D COUNSELING - DEPENDENT	1,898	1,104		518	449,624	0	453,144	1,919	226	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	181,580	0	181,580	0	22	0	0	0
1-F DAY CARE	7,594	4,416		2,071	52,025	0	66,106	22	20	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-I HOMEMAKER SERVICE	53,788	31,631		14,535	0	0	99,954	131	0	0	0	0
1-J INTAKE & REFERRAL	124,663	73,197		33,859	58,500	0	290,219	1,253	4,384	0	0	0
1-K LIFE SKILLS - DEPENDENT	108,210	63,630		29,538	199,426	0	400,804	362	167	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	215,036	0	215,036	0	77	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	515,736	302,724		139,833	107,308	0	1,065,601	318	33	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	2,467,307	1,448,303		705,120	396,256	0	5,017,186	818	35	0	0	0
1-O SERVICE PLANNING	1,476,335	928,395		400,306	0	0	2,805,036	1,877	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	179,426		179,426	0	868	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,770,086	2,862,064	9,790,627	1,336,902	1,873,819	958	20,633,498					
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
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,266	736		836	1,165,128	0	1,167,966	6,375	37	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		0	760,289	0	761,841	3,601	20	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	1,898	1,104		1,517	22,560	0	27,079	940	41	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	535,353	314,484		304,468	4,997,971	0	6,152,276	131,571	497	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0		128	64,216	0	64,344	484	4	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	686,252	0	686,252	4,617	20	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	538,517	316,324	0	308,501	7,696,416	0	8,859,758	147,588	619	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0		0	111,213	0	111,213	447	19	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	14,555	8,464		4,272	777,894	0	805,185	4,183	36	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDCVFC)	0	0		2,055	664,084	0	666,139	4,279	23	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	785,369	0	785,369	2,278	13	0	0	0
3-E YDC SECURE	0	0		0	244,736	0	244,736	481	4	0	0	0
3-F SUBTOTAL INSTITUTIONAL	14,555	8,464	0	6,327	2,383,296	0	2,612,642	11,668	95	0	0	0
4 ADMINISTRATION	935,641	528,202	0	601,150	0	0	2,064,993					
5 TOTAL EXPENDITURES	6,258,799	3,715,054	9,790,627	2,252,880	12,153,531	0	34,170,891					
County Indirect Costs = \$ 440,444												

**LUZERNE 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	\$ 34,897	\$ 0	\$ 34,897
Adoption Assistance	7,632,274	0	7,632,274
Subsidized Permanent Legal Custodianship	2,177,130	0	2,177,130
Counseling	636,448	(1,724)	634,724
Day Care	66,106	0	66,106
Day Treatment	15,105	0	15,105
Homemaker Service	99,733	221	99,954
Intake and Referral	289,646	573	290,219
Life Skills	616,414	(574)	615,840
Protective Service - Child Abuse	1,063,856	1,745	1,065,601
Protective Service - General	5,008,112	9,074	5,017,186
Service Planning	2,798,459	6,577	2,805,036
Juvenile Act Proceedings	180,000	(574)	179,426
Alternative Treatment	0	0	0
Community Residential	1,934,404	(4,597)	1,929,807
Emergency Shelter	27,079	0	27,079
Foster Family	6,227,219	(10,599)	6,216,620
Supervised Independent Living	687,976	(1,724)	686,252
Juvenile Detention Service	111,500	(287)	111,213
Residential Service	1,474,484	(3,160)	1,471,324
Secure Residential Service (Except YDC)	787,093	(1,724)	785,369
YDC Secure	245,310	(574)	244,736
Administration	2,228,518	(163,525)	2,064,993
Combined Total Expense	<u>34,341,763</u>	<u>(170,872)</u>	<u>34,170,891</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 34,341,763</u>	<u>\$ (170,872)</u>	<u>\$ 34,170,891</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 6,258,799	\$ 0	\$ 6,258,799
Employee Benefits	3,679,833	35,221	3,715,054
Subsidies	9,790,627	0	9,790,627
Operating	2,430,247	(177,367)	2,252,880
Purchased Services	12,182,257	(28,726)	12,153,531
Fixed Assets	0	0	0
Combined Total Expense	<u>34,341,763</u>	<u>(170,872)</u>	<u>34,170,891</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 34,341,763</u>	<u>\$ (170,872)</u>	<u>\$ 34,170,891</u>

**LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370 Adjustments							
CY-370	1-I	2	1	Homemaker Service - Employee Benefits	\$ 31,279	\$ 352	\$ 31,631
	1-J	2		Intake & Referral - Employee Benefits	\$ 72,493	\$ 704	\$ 73,197
	1-K	2		Life Skills (Dep.) - Employee Benefits	\$ 62,925	\$ 705	\$ 63,630
	1-M	2		Protective Service Child Abuse - Employee Benefits	\$ 299,906	\$ 2,818	\$ 302,724
	1-N	2		Protective Service General - Employee Benefits	\$ 1,434,767	\$ 13,736	\$ 1,448,503
	1-O	2		Service Planning - Employee Benefits	\$ 919,590	\$ 8,805	\$ 928,395
	2-G	2		Foster Family (Dep.) - Employee Benefits	\$ 311,314	\$ 3,170	\$ 314,484
	4	2		Administration - Employee Benefits	\$ 523,271	\$ 4,931	\$ 528,202
	1-I	4		Homemaker Service - Operating	\$ 14,666	\$ (131)	\$ 14,535
	1-J	4		Intake & Referral - Operating	\$ 33,990	\$ (131)	\$ 33,859
	1-K	4		Life Skills (Dep.) - Operating	\$ 29,669	\$ (131)	\$ 29,538
	1-M	4		Protective Service Child Abuse - Operating	\$ 140,619	\$ (786)	\$ 139,833
	1-N	4		Protective Service General - Operating	\$ 708,920	\$ (3,800)	\$ 705,120
	1-O	4		Service Planning - Operating	\$ 402,534	\$ (2,228)	\$ 400,306
	2-G	4		Foster Family (Dep.) - Operating	\$ 306,172	\$ (1,704)	\$ 304,468
	4	4		Administration - Operating	\$ 769,606	\$ (4,194)	\$ 765,412
	1-D	5		Counseling (Dep.) - Purchased Services	\$ 450,773	\$ (1,149)	\$ 449,624
	1-E	5		Counseling (Del.) - Purchased Services	\$ 182,155	\$ (575)	\$ 181,580
	1-K	5		Life Skills (Dep.) - Purchased Services	\$ 200,000	\$ (574)	\$ 199,426
	1-L	5		Life Skills (Del.) - Purchased Services	\$ 215,610	\$ (574)	\$ 215,036
	1-M	5		Protective Service Child Abuse - Purchased Services	\$ 107,595	\$ (287)	\$ 107,308
	1-N	5		Protective Service General - Purchased Services	\$ 397,118	\$ (862)	\$ 396,256
	1-P	5		Juvenile Act. Proceedings (Dep.) - Purchased Services	\$ 180,000	\$ (574)	\$ 179,426
	2-C	5		Community Residential (Dep.) - Purchased Services	\$ 1,168,001	\$ (2,873)	\$ 1,165,128
	2-D	5		Community Residential (Del.) - Purchased Services	\$ 762,013	\$ (1,724)	\$ 760,289
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 5,009,749	\$ (11,778)	\$ 4,997,971
	2-H	5		Foster Family (Del.) - Purchased Services	\$ 64,503	\$ (287)	\$ 64,216
	2-I	5		Supervised Ind. Living (Dep.) - Purchased Services	\$ 687,976	\$ (1,724)	\$ 686,252
	3-A	5		Juvenile Detention Service - Purchased Services	\$ 111,500	\$ (287)	\$ 111,213
	3-B	5		Residential Service (Dep.) - Purchased Services	\$ 779,618	\$ (1,724)	\$ 777,894
	3-C	5		Residential Service (Del.) - Purchased Services	\$ 665,520	\$ (1,436)	\$ 664,084
	3-D	5		Secure Residential - Purchased Services	\$ 787,093	\$ (1,724)	\$ 785,369
	3-E	5		YDC/YFC - Purchased Services	\$ 245,310	\$ (574)	\$ 244,736
				Total Adjustment Amount		\$ (6,610)	
				To decrease expenditures by \$6,610 to properly report Employee Benefits, Operating, and Purchased Services costs and to reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			
CY-370	4	4	2	Administration - Operating	\$ 765,412	\$ (164,262)	\$ 601,150
				To decrease Administration - Operating expenses by \$164,262 to properly report indirect costs and reconcile to the County Cost Allocation Plan.			
				Title 55 PA Code, Chapter 3170.60 OCYF Bulletin 00-95-12			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2017 to JUNE 30, 2018

**LUZERNE 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	\$	21,067,665
Supplemental Act 148		<u>697,711</u>
Total State Allocation		21,765,376
State Share (CY348) ²	\$	21,709,419
Less: Major Service Category Adjustment		<u>0</u>
Net State Share	\$	21,709,419
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³	\$	21,709,419
Actual Act 148 Revenues Received ⁴		<u>21,765,376</u>
Net Amount Due County/(State) ⁵	\$	<u><u>(55,957)</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 (State) is the variance between the amount of Act 148 funds the County received and the Final Net State Share Payable to the County.

LUZERNE 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	PROGRAM	TITLE	TANF	TITLE	TITLE	Child Welfare Demonstration Project Title IV-E	MEDICAL ASSISTANCE	NET	STATE	LOCAL
	TOTAL	INCOME	IV-E		XX	IV-B			TOTAL	ACT 148	SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	231,284	0	34,339	0	0	0	0	0	196,945	196,945	0
02. 90% REIMBURSEMENT	51,140	0	2,372	8,128	0	0	0	0	40,640	36,576	4,064
03. 80% REIMBURSEMENT	33,203,100	423,109	7,434,725	904,987	67,526	24,293	0	0	24,348,460	19,478,769	4,869,691
04. 60% REIMBURSEMENT	3,854,077	83,717	349,489	0	202,579	0	0	20,816	3,197,477	1,918,487	1,278,990
05. 50% REIMBURSEMENT	230,162	0	0	0	0	72,879	0	0	157,283	78,642	78,641
06. TOTAL NET CHILD WELFARE EXPEND.	37,569,763	506,826	7,820,925	913,115	270,105	97,172	0	20,816	27,940,805	21,709,419	6,231,386
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	328,890	2,412							326,478	195,887	130,591
08. NON-REIMBURSABLE EXPENDITURES	0	0							0	0	0
09. TOTAL EXPENDITURES	37,898,653	509,238	7,820,925	913,115	270,105	97,172	0	20,816	28,267,283	21,905,306	6,361,977
10. TOTAL TITLE IV-D COLLECTIONS	219,231										
11. TITLE IV-D Collections for IV-E Children	65,424										
12. STATE ACT 148 - line 6	21,709,419										
13. STATE ACT 148 ALLOCATION	21,765,376										
14. ADJUSTED STATE SHARE (lower of 12 or 13)	21,709,419										
INVOICE											
AMENDED STATE SHARE (ACT 148)	21,709,419										
ACT 148 AMOUNT RECEIVED	21,765,376										
ADJUSTMENT TO STATE SHARE	(55,957)										

LUZERNE 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 Denomination Project Title IV-E	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	231,284	0	3,272,073	34,339	0			0	0	196,945	196,945	0
1-B ADOPTION ASSISTANCE	7,559,976	0	347,810	22,857	0			0	0	4,265,046	3,412,037	853,009
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	2,004,818	0	0	0	0			0	0	1,657,008	1,325,606	331,402
1-D COUNSELING - DEPENDENT	985,605	0	0	12,709	385,588	0	0	0	0	587,308	469,847	117,461
1-E COUNSELING - DELINQUENT	141,346	0	0	0	0	0	0	0	0	32,926	26,341	6,585
1-F DAY CARE	51,817	0	0	821	32,148	0	0	0	0	18,848	15,078	3,770
1-G DAY TREATMENT - DEPENDENT	3,751	0	0	547	0	0	0	0	0	3,204	2,563	641
1-H DAY TREATMENT - DELINQUENT	17,853	0	0	0	10,538	0	0	0	0	7,295	5,836	1,459
1-I HOMEMAKER SERVICE	32,503	0	0	4,744	0	0	0	0	0	27,759	22,207	5,552
1-J INTAKE & REFERRAL	359,693	0	0	44,446	0	0	0	0	0	315,247	252,198	63,049
1-K LIFE SKILLS - DEPENDENT	434,481	0	0	27,730	179,001	0	0	0	0	227,750	182,200	45,550
1-L LIFE SKILLS - DELINQUENT	341,048	0	0	0	189,272	0	0	0	0	151,776	121,421	30,355
1-M PROTECTIVE SERVICE - CHILD ABUSE	6,956,100	0	0	160,727	0	0	0	0	0	931,491	745,193	186,298
1-N PROTECTIVE SERVICE - GENERAL	1,092,218	0	0	823,359	0	0	0	0	0	6,132,741	4,906,193	1,226,548
1-O SERVICE PLANNING	2,863,261	0	0	425,068	0	0	0	0	0	2,438,193	1,950,554	487,639
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	139,956	0	0	0	0	0	72,879	0	0	67,077	33,539	33,538
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	23,215,710	0	3,619,883	1,557,347	904,987	0	72,879	0	0	17,060,614	13,667,738	3,392,856
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	2,091,183	57,036	335,765	912	0	0	0	0	0	1,697,470	1,357,976	339,494
2-D COMMUNITY RESIDENTIAL - DELINQUENT	516,839	26,088	0	0	0	67,526	24,293	0	0	398,932	319,146	79,786
2-E EMERGENCY SHELTER - DEPENDENT	51,140	0	0	2,372	8,128	0	0	0	0	40,640	36,576	4,064
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	6,937,882	336,028	1,183,102	735,155	0	0	0	0	0	4,683,597	3,746,878	936,719
2-H FOSTER FAMILY - DELINQUENT	25,165	0	0	0	0	0	0	0	0	25,165	20,132	5,033
2-I SUP. INDEPENDENT LIVING - DEPENDENT	770,538	2,564	36,900	0	0	0	0	0	0	731,094	584,875	146,219
2-J SUP. INDEPENDENT LIVING - DELINQUENT	17,003	1,393	0	0	0	0	0	0	0	15,610	12,488	3,122
2-K SUBTOTAL CBP	10,409,770	423,109	1,555,767	738,439	8,128	67,526	24,293	0	0	7,592,508	6,078,071	1,514,437
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	90,206	0	0	0	0	0	0	0	0	90,206	45,103	45,103
3-B RESIDENTIAL SERVICE - DEPENDENT	906,274	23,382	39,204	1,368	0	0	0	0	0	842,320	505,392	336,928
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	423,443	40,455	0	0	0	202,579	0	0	0	180,409	108,246	72,163
3-D SECURE RES. SERVICE (EXCEPT YDC)	409,089	1,018	0	0	0	0	0	0	0	408,071	244,843	163,228
3-E YDC SECURE	328,890	2,412	0	0	0	0	0	0	0	326,478	195,887	130,591
3-F SUBTOTAL INSTITUTIONAL	2,157,902	67,267	39,204	1,368	0	202,579	0	0	0	1,847,485	1,099,471	748,014
4 ADMINISTRATION	2,115,271	18,862	0	308,917	0	0	0	0	0	1,766,676	1,060,006	706,670
TOTAL REVENUES	37,898,653	509,238	5,214,854	2,606,071	913,115	270,105	97,172	0	20,816	28,267,283	21,905,306	6,361,977

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv./Subsidies	Program Income related to all Non-Reimbursable
IN-HOME												
1-A ADOPTION SERVICE	104,217	56,385		70,682	0	0	231,284	26	0	0	0	0
1-B ADOPTION ASSISTANCE	351	197	7,557,636	1,792	0	0	7,559,976	4	870	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	2,004,818	0	0	0	2,004,818	0	245	0	0	0
1-D COUNSELING - DEPENDENT	63,081	10,950		12,062	899,512	0	985,605	164	264	0	0	0
1-E COUNSELING - DELINQUENT	0	0		0	141,346	0	141,346	0	351	0	0	0
1-F DAY CARE	3,161	1,771		693	46,192	0	51,817	8	40	0	0	0
1-G DAY TREATMENT - DEPENDENT	2,108	1,181		462	0	0	3,751	1	38	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0		0	17,853	0	17,853	0	83	0	0	0
1-I HOMEMAKER SERVICE	18,266	10,235		4,002	0	0	32,503	147	0	0	0	0
1-J INTAKE & REFERRAL	165,505	90,022		44,166	60,000	0	359,693	2,357	1,541	0	0	0
1-K LIFE SKILLS - DEPENDENT	106,787	58,841		23,209	245,644	0	434,484	342	111	0	0	0
1-L LIFE SKILLS - DELINQUENT	0	0		0	341,048	0	341,048	0	76	0	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	604,549	318,780		160,414	8,475	0	1,092,218	456	69	0	0	0
1-N PROTECTIVE SERVICE - GENERAL	2,965,533	1,617,855		894,913	1,404,943	72,856	6,956,100	1,738	1,568	0	0	0
1-O SERVICE PLANNING	1,560,475	869,597		433,189	0	0	2,863,261	1,983	0	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT				0	139,956		139,956	0	998	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0		0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	5,594,033	3,035,814	9,562,454	1,645,584	3,304,969	72,856	23,215,710					
Number of Children receiving only NON-PURCHASED IN-Home Services: 425												
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	3,513	1,969	0	978	2,084,723	0	2,091,183	10,080	70	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	288	516,551	0	516,839	2,097	44	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	9,133	5,117	0	2,225	34,665	0	51,140	331	20	0	0	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-G FOSTER FAMILY - DEPENDENT	598,680	320,369	0	338,789	5,680,044	0	6,937,882	150,318	896	0	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0	25,165	0	25,165	2	2	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	770,558	0	770,558	5,479	26	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	17,003	0	17,003	113	1	0	0	0
2-K SUBTOTAL CBP	611,326	327,455	0	342,280	9,128,709	0	10,409,770	1,68,643	1,059	0	0	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	0	0	0	0	90,206	0	90,206	361	31	0	0	0
3-B RESIDENTIAL SERVICE - DEPENDENT	5,269	2,952	0	1,743	896,310	0	906,274	4,478	53	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	1,477	421,966	0	423,443	2,642	38	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	141	408,948	0	409,089	1,198	13	0	0	0
3-E YDC SECURE	0	0	0	0	328,890	0	328,890	570	5	0	0	0
3-F SUBTOTAL INSTITUTIONAL	5,269	2,952	0	3,361	2,146,320	0	2,157,902	9,249	140	0	0	0
ADMINISTRATION	831,746	451,457	0	831,508	0	560	2,115,271					
TOTAL EXPENDITURES	7,042,374	3,817,678	9,562,454	2,822,733	14,579,998	73,416	37,898,653					
County Indirect Costs = \$ 438,358												

**LUZERNE 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	\$ 232,839	\$ (1,555)	\$ 231,284
Adoption Assistance	7,559,777	199	7,559,976
Subsidized Permanent Legal Custodianship	2,004,818	0	2,004,818
Counseling	1,127,257	(306)	1,126,951
Day Care	51,817	0	51,817
Day Treatment	21,604	0	21,604
Homemaker Service	32,503	0	32,503
Intake and Referral	361,059	(1,366)	359,693
Life Skills	776,927	(1,398)	775,529
Protective Service - Child Abuse	1,097,311	(5,093)	1,092,218
Protective Service - General	6,983,428	(27,328)	6,956,100
Service Planning	2,877,481	(14,220)	2,863,261
Juvenile Act Proceedings	140,000	(44)	139,956
Alternative Treatment	0	0	0
Community Residential	2,608,853	(831)	2,608,022
Emergency Shelter	51,140	0	51,140
Foster Family	6,971,509	(8,462)	6,963,047
Supervised Independent Living	787,780	(219)	787,561
Juvenile Detention Service	90,250	(44)	90,206
Residential Service	1,330,110	(393)	1,329,717
Secure Residential Service (Except YDC)	409,220	(131)	409,089
YDC Secure	328,890	0	328,890
Administration	2,126,652	(11,381)	2,115,271
Combined Total Expense	<u>37,971,225</u>	<u>(72,572)</u>	<u>37,898,653</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 37,971,225</u>	<u>\$ (72,572)</u>	<u>\$ 37,898,653</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,042,376	\$ (2)	\$ 7,042,374
Employee Benefits	3,867,298	(49,620)	3,817,678
Subsidies	9,562,255	199	9,562,454
Operating	2,841,448	(18,715)	2,822,733
Purchased Services	14,584,372	(4,374)	14,579,998
Fixed Assets	73,476	(60)	73,416
Combined Total Expense	<u>37,971,225</u>	<u>(72,572)</u>	<u>37,898,653</u>
Less Non-reimbursables	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Expense	<u>\$ 37,971,225</u>	<u>\$ (72,572)</u>	<u>\$ 37,898,653</u>

**LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
				CY-370 Adjustment			
CY-370	1-N	1	1	Protective Service General - Wages & Salaries	\$ 2,965,535	\$ (2)	\$ 2,965,533
	1-A	2		Adoption Service - Employee Benefits	\$ 57,378	\$ (993)	\$ 56,385
	1-J	2		Intake & Referral - Employee Benefits	\$ 91,014	\$ (992)	\$ 90,022
	1-K	2		Life Skills (Dep.) - Employee Benefits	\$ 59,833	\$ (992)	\$ 58,841
	1-M	2		Protective Service Child Abuse - Employee Benefits	\$ 322,750	\$ (3,970)	\$ 318,780
	1-N	2		Protective Service General - Employee Benefits	\$ 1,638,695	\$ (20,840)	\$ 1,617,855
	1-O	2		Service Planning - Employee Benefits	\$ 881,010	\$ (11,413)	\$ 869,597
	2-G	2		Foster Family (Dep.) - Employee Benefits	\$ 324,835	\$ (4,466)	\$ 320,369
	4	2		Administration - Employee Benefits	\$ 457,411	\$ (5,954)	\$ 451,457
	1-B	3		Adoption Assistance - Subsidies	\$ 7,557,437	\$ 199	\$ 7,557,636
	1-A	4		Adoption Service - Operating	\$ 71,244	\$ (562)	\$ 70,682
	1-J	4		Intake & Referral - Operating	\$ 44,540	\$ (374)	\$ 44,166
	1-K	4		Life Skills (Dep.) - Operating	\$ 23,396	\$ (187)	\$ 23,209
	1-M	4		Protective Service Child Abuse - Operating	\$ 161,537	\$ (1,123)	\$ 160,414
	1-N	4		Protective Service General - Operating	\$ 900,902	\$ (5,989)	\$ 894,913
	1-O	4		Service Planning - Operating	\$ 435,996	\$ (2,807)	\$ 433,189
	2-G	4		Foster Family (Dep.) - Operating	\$ 341,035	\$ (2,246)	\$ 338,789
	4	4		Administration - Operating	\$ 836,935	\$ (5,427)	\$ 831,508
	1-D	5		Counseling (Dep.) - Purchased Services	\$ 899,774	\$ (262)	\$ 899,512
	1-E	5		Counseling (Del.) - Purchased Services	\$ 141,390	\$ (44)	\$ 141,346
	1-K	5		Life Skills (Dep.) - Purchased Services	\$ 245,732	\$ (88)	\$ 245,644
	1-L	5		Life Skills (Del.) - Purchased Services	\$ 341,179	\$ (131)	\$ 341,048
	1-N	5		Protective Service General - Purchased Services	\$ 1,405,380	\$ (437)	\$ 1,404,943
	1-P	5		Juvenile Act Proceedings (Dep.) - Purchased Services	\$ 140,000	\$ (44)	\$ 139,956
	2-C	5		Community Residential (Dep.) - Purchased Services	\$ 2,085,379	\$ (656)	\$ 2,084,723
	2-D	5		Community Residential (Del.) - Purchased Services	\$ 516,726	\$ (175)	\$ 516,551
	2-G	5		Foster Family (Dep.) - Purchased Services	\$ 5,681,794	\$ (1,750)	\$ 5,680,044
	2-I	5		Supervised Ind. Living (Dep.) - Purchased Services	\$ 770,777	\$ (219)	\$ 770,558
	3-A	5		Juvenile Detention Service - Purchased Services	\$ 90,250	\$ (44)	\$ 90,206
	3-B	5		Residential Service (Dep.) - Purchased Services	\$ 896,572	\$ (262)	\$ 896,310
	3-C	5		Residential Service (Del.) - Purchased Services	\$ 422,097	\$ (131)	\$ 421,966
	3-D	5		Secure Residential - Purchased Services	\$ 409,079	\$ (131)	\$ 408,948
	1-N	6		Protective Service General - Fixed Assets	\$ 72,916	\$ (60)	\$ 72,856
				Total Adjustment Amount		\$ (72,572)	
				To decrease total expenditures by \$72,572 to properly report Salaries, Employee Benefits, Subsidies, Operating, and Purchased Services costs and to reconcile to the agency's final expenditure ledger.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 3

STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Prior Engagement Finding No. 1 – The Luzerne County Children and Youth Agency Should Implement and Document Internal Control Policies and Procedures in Order to Reduce the Risk of Paying Overbillings or Fraudulent Billings by Contracted In-Home Purchased Service Providers (Unresolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2016, we cited the Luzerne County Children and Youth Agency (agency) for failing to develop and implement internal control policies and procedures to require adequate supporting documentation evidencing that services related to fees invoiced by In-Home Purchased Service providers, and paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider's contract terms. Agency management informed us that, during the fiscal years included in our prior engagement scope period, agency fiscal staff verified that all children listed on the Fee-for-Service providers' submitted invoices were authorized to receive the invoiced services, and the invoiced rates were compared to contracts. However, sufficient fiscal-related monitoring procedures were not performed to obtain reasonable assurance that the contracted services related to In-Home Purchased Service fees invoiced by Fee-for-Service In-Home providers were actually provided on the dates, and for the number of units, for each individual listed on the providers' submitted invoices. Also, for Program Funded providers, the agency did not substantiate monthly operating costs invoiced by these providers and subsequently paid by the agency or that services were actually provided to the individuals named on the invoices.

Our current engagement scope period included the 2016-2017 and 2017-2018 fiscal years. Due to the timing of the conduct of our prior audit engagement, we did not make the agency aware of these internal control deficiencies until July 25, 2018, subsequent to the June 30, 2018 end of our current engagement scope period. Therefore, the risk of the agency paying for fraudulent or excessive billings continued to exist during the engagement period. As such, we concluded that the issuance of a repeat finding is warranted. This repeat finding is included in the Current Engagement Finding and Recommendations section (Section 4) of this report.

Prior Engagement Finding No. 2 – The Luzerne County Children and Youth Agency Failed to Obtain Written Approval from the Department of Human Services – Office of Children, Youth and Families Regional Office Prior to Contracting Separately with Four Members of the Agency's Staff to Provide Kinship Care (Resolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2016, we cited the Luzerne County Children and Youth Agency (agency) for contracting separately with four agency staff members to provide kinship care services without obtaining written approval from the Department of Human Services (DHS) – Office of Children, Youth and Families (OCYF)

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDINGS AND RECOMMENDATIONS

regional office. Agency management stated the Commonwealth DHS OCYF regional office was contacted, but written approval was never received.

During our current engagement period, an agency staff member provided kinship care services without documented DHS OCYF approval until January 9, 2017. The agency stated there were no transactions in which the agency contracted with agency staff or with an immediate family member of agency staff for the remainder of the engagement period. In addition, as of April 9, 2020, the agency developed and implemented written policies and procedures detailing the requirements that must be met for the provision of emergency and kinship care services by agency staff members and communicated this policy to all agency staff. As such, we concluded that the issuance of a repeat finding is not warranted.

Prior Engagement Finding No. 3 – Luzerne County Children and Youth Agency Failed to Perform a Reconciliation of Agency Records to County Records (Resolved)

In our prior engagement report, for the fiscal years July 1, 2010 to June 30, 2016, we cited the Luzerne County Children and Youth Agency (agency) for not establishing a process for reconciling the agency's expenditures and revenues presented on the quarterly fiscal reports submitted to the Department of Human Services (DHS) with the related expenditures and revenues recorded in the county's general ledger, pursuant to the CY-376 Certification Statement attached to the quarterly fiscal reports submitted to DHS through the Act 148 Invoice Package.

During our current engagement, agency management developed and implemented formal policy and procedures in April 2019 to prepare monthly reconciliations of the agency's financial records with the related financial records of the County, prior to submitting their quarterly Act 148 fiscal reports to DHS. Because the agency eventually complied with this DHS requirement, we concluded that the issuance of a repeat finding is not warranted.

SECTION 4

CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

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

Condition: As detailed in our Status of Prior Engagement Findings and Recommendations section (Section 3) of this report, the Luzerne County Children and Youth Agency (agency) lacked internal control procedures designed to sufficiently reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers. For contracted In-Home Fee-for-Service Purchased Service providers, as cited in the finding included in our prior engagement report, the agency could not provide evidence that substantiated the validity of the number of units invoiced for each individual listed on invoices submitted by these providers.

During the conduct of our current engagement, in response to the recommendations included in our prior engagement report, agency management stated fiscal-related monitoring policy and corresponding procedures were developed and implemented subsequent to the end of our current engagement scope period. Because agency management did not develop and implement policies and procedures until after the close of our current engagement scope period (June 30, 2018), we did not assess the sufficiency of these newly created monitoring policies and procedures during the conduct of our current engagement. We will review and evaluate the implemented policy and procedures during the conduct of our next regularly scheduled engagement of this agency and determine whether they are sufficient in providing agency management reasonable assurance that invoiced contracted In-Home Services were actually provided, and that the number of units invoiced by contracted Fee-for-Service In-Home providers and (if applicable) operating costs for Program Funded providers, are properly substantiated, thus reducing the agency’s risk of paying overbillings or fraudulent billings submitted by In-Home Purchased Service providers.

Criteria: The following section of 55 Pa. Code Chapter 3140, Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs:

Section 3140.21. Reimbursement for Services. General. “(a) Under section 704.1 of the [Human Services] (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the [Human Services] Code (62 P.S. § 709.3).”

- *Office of Children, Youth and Families (OCYF) Bulletin 3140-06-06, applicable for fiscal year ended 6/30/2011; Bulletin 3140-11-02, applicable for fiscal year ended 6/30/2012; Bulletin 3140-13-01, applicable for fiscal year ended 6/30/2013; Bulletin*

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3140-13-05, applicable for fiscal year ended 6/30/2014 : Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report. This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).

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

- *Section 3170.2. Definitions.* Program funded agency – An agency whose total eligible expenditures are funded in a manner which is predetermined by the appropriate county authorities.
- *Section 3170.23(a). Purchase of Service.* Purchase of service funding may be by unit of service funding or by program funding.
- *Section 3170.85. Responsibility of the County.* “...the county executive officers shall be responsible for the effective execution of each purchase of service agreement...”
- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...”

Cause: Due to the timing of the conduct of our prior engagement, agency management was not notified of these internal control deficiencies until July 25, 2018, which is after the end of our current engagement scope period. Agency management informed us that it developed and implemented fiscal related monitoring policy and corresponding procedures subsequent to being notified during our prior engagement. Therefore, these control deficiencies and corresponding risks continued to exist for both fiscal years included in our current engagement scope period.

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CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

Effect: The agency's lack of internal control procedures during the fiscal years included in our current engagement scope period, designed to reduce the risk of paying overbillings or fraudulent billings submitted by contracted In-Home Purchased Service providers, increased agency management's risk of:

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

Recommendations: We recommend that agency management ensure that the agency's newly created/implemented monitoring procedures are sufficient in reducing the agency's risk of paying overbillings and fraudulent billings submitted by contracted In-Home Purchased Service providers. We further recommend that agency management ensure that such policies and procedures are sufficient in providing agency management reasonable assurance that services related to the fees invoiced by contracted In-Home Purchased Service providers were actually provided, and provided in adherence to executed contract terms.

Specifically, this written fiscal-related monitoring policy, and corresponding procedures, must be sufficient to assess the validity of the number of units invoiced by Fee-for-Service providers and operating costs invoiced by Program-Funded providers. Procedures typically performed to achieve these objectives are listed below for agency management's consideration and comparison to its newly created and implemented procedures:

- Performing on-site fiscal-related monitoring visits of In-Home Purchased Services providers, as deemed necessary by agency management, to determine whether appropriate supporting documentation exists substantiating invoiced costs, including assessing the validity the number of units invoiced by Fee-for-Service providers and operating costs invoiced by Program-Funded providers, and that related services were actually provided according to executed contract terms.
- Requiring In-Home Purchased Services providers, as deemed necessary by agency management, to submit substantiation evidencing that services related to invoiced In-Home Purchased Service costs were actually provided.

We further recommend that agency management ensure that:

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CURRENT ENGAGEMENT FINDING AND RECOMMENDATIONS

- Agency staff responsible for reviewing and approving submitted In-Home Purchased Service providers' invoices for payment are made aware of the results of fiscal-related monitoring reviews of these providers and, for any such providers for which significant documentation deficiencies have been identified, the impact on the agency's review and approval process for these providers.
- The agency maintains sufficient evidence substantiating the results of all fiscal-related monitoring procedures performed to determine whether the services for which In-Home Purchased Service providers were paid were actually provided, and provided in adherence to DHS regulations and executed contract terms, and to reduce the risk of overbillings and fraudulent billings by contracted In-Home Purchased Service Providers going undetected.

Agency Response: In order to decrease the risk of erroneous or fraudulent billings from In-Home Purchased Service Providers, Quality Assurance staff will periodically perform random on-site visits of In-Home Purchased Services Providers and invoices will be compared to provider support documentation. In addition, upon receipt of provider invoices the details are entered into the CAPS system by a fiscal technician. If the details do not match the case file information, the fiscal technician contacts the agency caseworker (escalates to supervisors as necessary) to determine if the error is in agency documentation or provider documentation. If the invoice is deemed incorrect, the fiscal technician contacts the provider and explains errors which need corrected. Billing errors are typically resolved prior to payment, however if a payment has been issued a future credit/refund will be requested.

Auditor's Conclusion: We commend the agency's management on acknowledging the deficiencies that existed in the agency's invoice review and approval process for In-Home Purchased Services providers during the fiscal years included in our engagement scope period, and their efforts to develop and implement formal, written fiscal-related monitoring policy and procedures for these contracted In-Home Purchased Services providers. During our next audit of the agency, we will review and determine whether the agency implemented monitoring policy and procedures are adequate to reduce the agency's risk of overbillings and fraudulent billings submitted by contracted In-Home Purchased Services providers going undetected.

SECTION 5

CURRENT ENGAGEMENT OBSERVATION

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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

The Child Protective Services Law (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).¹ 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,² the safety of children receiving services from these agencies and their contractors and subcontractors may be at **risk**. According to information provided by DHS OCYF, the Luzerne County Children and Youth Agency provided in-home and placement services to 1,235 children residing within the County during the 2017-2018 fiscal year.

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, 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

¹ 23 Pa.C.S. §§ 6344 and 6344.2.

² This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2019, via Finding 2019-009).

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
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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.³

Contracted In-Home Preventative Service Providers

For contracted In-Home Preventative Service providers, 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 DHS.⁴ 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 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" in their provider executed contracts.⁵ Instead, all C&Y 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

³ This is detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2019, via Finding 2019-009).

⁴ 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.

⁵ In our Department's opinion "direct monitoring" consists of C&Y agencies routinely performing procedures 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 and child abuse history clearances of their employees and volunteers to identify, and properly address, any identified disqualifying convictions.

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volunteers, this Department will continue to raise concerns about the risks posed to the safety of these vulnerable children.⁶

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 providers⁷ 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.

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.⁸ 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.

⁶ 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.

⁷ This includes *contracted In-Home Preventative Service providers* and their sub-recipients.

⁸ As of the date of this report, DHS has not notified us that the Single Audit Supplement has been updated.

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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.⁹ However, recent amendments to the CPSL extend this time frame from one year to five years.¹⁰ 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 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.¹¹

⁹ Please note that the previous one year validity of checks and clearances only applied to prospective employees, which is a requirement that was deleted by Act 153 of 2014.

¹⁰ 23 Pa.C.S. § 6344.4.

¹¹ 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.

LUZERNE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT OBSERVATION

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.¹²

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)*.

¹² As noted in an earlier footnote, the now repealed one year validity of checks and clearances only applied to prospective employees.

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

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Commonwealth of Pennsylvania

The Honorable Teresa D. Miller
Acting Secretary
Department of Human Services

Mr. Jonathan Rubin
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Office of Children, Youth and Families
Department of Human Services

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