



PHILIP L. BROWNING  
Director

**County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

September 4, 2015

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

From: Philip L. Browning  
Director

Board of Supervisors  
HILDA L. SOLIS  
First District  
MARK RIDLEY-THOMAS  
Second District  
SHEILA KUEHL  
Third District  
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Fifth District

**CASA EDITHA FOUNDATION DBA AVA LYN'S GROUP HOME FISCAL ASSESSMENT AND CONTRACT COMPLIANCE REVIEW**

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a fiscal assessment and contract compliance review of Casa Editha Foundation dba Ava Lyn's Group Home (the Group Home) in August and September 2014. The Group Home has one site located in the Fifth Supervisorial District and provides services to County of Los Angeles DCFS placed children. According to the Group Home's program statement, its mission is "to enable these children to increase their independent adaptive skills and decrease their maladaptive behaviors in order to gain skills necessary for successful adult adjustment."

The Group Home has a 6-bed site and is licensed to serve a capacity of six children ages 7-17 including up to four non-ambulatory children only. At the time of the review, the Group Home served two DCFS placed children. The placed children's overall average length of placement was 11 months and their average age was 14.

**SUMMARY**

CAD conducted a fiscal compliance assessment, which included an on-site review of the Group Home's financial records, such as financial statements, bank statements, check register, and personnel files to determine the Group Home's compliance with the terms, conditions, and requirements of the Group Home contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State and County regulations and guidelines.

The Group Home was in full compliance with 1 of 5 areas of the fiscal compliance assessment: Loans, Advances and Investments.

CAD identified deficiencies in the areas of: Financial Overview, related to total net assets deficit of \$111,025 for the Group Home's fiscal year that ended December 31, 2013, no cost allocation plan, inadequate documentation for a loan from the Director to the Group Home, and delinquent payroll taxes; Board of Directors and Business Influence, related to less-than-arms-length auto and fixed asset and equipment leases; Cash/Expenditures, related to inadequate internal controls for disbursement procedures and independent contractor agreement missing billing rate; and Payroll and Personnel, related to personnel files missing rate of pay and the Fair Labor Standards Act status of employees.

During CAD's contract compliance review, the child interviews were not conducted due to the children's inability to participate in the interviews caused by the level of intellectual disability of the placed children. The children were observed to be dressed appropriately and looked comfortable in the presence of the Group Home staff. The Group Home staff appeared to be appropriately responsive to the children's needs and treated the children with respect and dignity.

The Group Home was in full compliance with 7 of 10 areas of our contract compliance review: Facility and Environment; Maintenance of Required Documentation and Service Delivery; Education and Workforce Readiness; Psychotropic Medication; Personal Rights and Social/Emotional Well-Being; Personal Needs/Survival and Economic Well-Being; and Discharged Children.

CAD noted deficiencies in the areas of: Licensure/Contract Requirements related to the Group Home not maintaining detailed Sign In/Out Logs; Health and Medical Needs related to not conducting initial dental and follow-up medical appointments timely; and Personnel Records, related to one employee not receiving mandatory initial training within the required timeframe.

Attached are the details of our review.

### **REVIEW OF REPORT**

On September 24, 2014, DCFS CAD staff Viktoria Penchuk, Yvonne Kang, and Kirk Barrow, Out-of-Home Care Management Division, held an Exit Conference with Casa Editha staff: Edith Avanzado, Executive Director; Luis Araullo, Group Home Program Administrator and Steve Goodman, Group Home Social Worker. The Group Home's representatives agreed with the review findings and recommendations, were receptive to implementing systemic changes to improve compliance with regulatory standards and agreed to address the noted deficiencies in Corrective Action Plans (CAPs).

A copy of this report has been sent to the A-C and Community Care Licensing.

The Group Home provided the attached approved contract compliance CAP, and the Fiscal Corrective Action Plan (FCAP). CAD fiscal will continue working with the Group Home to ensure implementation of the FCAP by December 31, 2015.

Each Supervisor  
September 4, 2015  
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CAD compliance conducted a follow-up visit to the Group Home in March 2015 and verified that the CAP had been implemented. CAD fiscal will follow-up with this Group Home to ensure the FCAP is fully implemented.

If you have any questions, your staff may contact Aldo Marin, Board Relations Manager, at (213) 351-5530.

PLB:EM  
LTI:vp

#### Attachments

c: Sachi A. Hamai, Interim Chief Executive Officer  
John Naimo, Auditor-Controller  
Jerry E. Powers, Chief Probation Officer  
Public Information Office  
Audit Committee  
Sybil Brand Commission  
Edith Avanzado, Executive Director, Casa Editha Foundation, Inc.  
Lenora Scott, Regional Manager, Community Care Licensing Division  
Lajuannah Hills, Regional Manager, Community Care Licensing Division

**CASA EDITHA FOUNDATION DBA AVA LYN'S GROUP HOME  
FISCAL COMPLIANCE ASSESSMENT REVIEW  
FISCAL YEAR 2014 – 2015**

**SCOPE OF REVIEW**

The fiscal compliance assessment included review of Casa Editha Foundation dba Ava Lyn's Group Home (the Group Home's) financial records for the period of January 1, 2013 through December 31, 2014. CAD reviewed the financial statements, bank statements, check register, and personnel files to determine the Group Home's compliance with the terms, conditions, and requirements of the Group Home contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State, and County regulations and guidelines.

The on-site fiscal compliance assessment review focused on five key areas of internal controls:

- Financial Overview,
- Loans, Advances and Investments,
- Board of Directors and Business Influence,
- Cash/Expenditures, and
- Payroll and Personnel.

The Group Home was in full compliance with 1 of 5 areas of the fiscal compliance assessment: Loans, Advances and Investments.

During the review, it was noted that the Group Home facility is leased from the Group Home's Executive Director (ED). The ED is not on or related to a member of the non-profit's Board of Directors and the amount of the related party residential home lease transaction is within allowable limits established in the Welfare and Institutions Code (WIC) Section 11462.06(a).

**FISCAL COMPLIANCE**

CAD found the following four areas out of compliance:

**Financial Overview**

- The Audited Financial Statements (AFS) for the Group Home's fiscal year (FY) ending December 31, 2013, have a net asset deficit of \$111,025.
- The Group Home receives placements from multiple Counties and did not provide a cost allocation plan upon request.

The cost allocation plan was submitted as a part of the Fiscal Corrective Action Plan (FCAP).

- The AFS for FY ending December 31, 2013, has an officer's payable in the amount of \$123,377.41. The promissory note dated December 3, 1993, is not signed by the members of the Board of Directors. No supporting documentation was provided confirming the deposit of the loan proceeds into the Group Home's bank account or for the expenditures of those loan proceeds by the Group Home.

- Outstanding payroll taxes are owed to the Internal Revenue Service (IRS) in the amount of \$4,115.74 for the period ending June 30, 2014. The Group Home does not have a payment plan agreement with the IRS for this delinquent tax liability.

**Recommendations:**

The Group Home management shall ensure that:

1. It implements its newly developed operational plan to eliminate the net asset deficit and operate the Group Home program without incurring annual losses.
2. It develops and maintains a cost allocation plan.
3. The unallowable and inadequately documented loan is converted into donation and this is documented in the AFS for FY ending on December 31, 2015, to both the California Department of Social Services (CDSS) Foster Care Rates Bureau and to the County.
4. It develops and implements a plan to resolve the delinquent payroll taxes.

**Board of Directors and Business Influence**

- The Group Home has unallowable less-than-arms-length leases for a vehicle and for all of their fixed assets and equipment. The leases were between the Group Home and its ED and Assistant ED (related parties).

In December 1993, the Group Home entered into a lease from the ED for furniture and equipment used for the day to day business at \$365 per month. In July 1994, the monthly fixed assets and equipment lease amount increased to \$500 and the lease agreement was amended to include provisions to maintain and keep the furniture and equipment in good working order at all times or they were to be replaced by the Group Home if destroyed, broken, or not maintained in good working condition.

In 2010, the Group Home entered into an auto lease from the Assistant ED for a 2002 minivan at \$600 per month plus repair and maintenance.

These related party transactions are not allowable according to the CDSS Manual of Policies and Procedures Section 11-402.824 (a). As a result of this review, the ED and Assistant ED, discontinued the unallowable less-than-arms-length leases, agreed to return the lease payment received for the last 12 months and donated the leased vehicle and furniture and equipment to the Group Home.

**Recommendation:**

The Group Home management shall ensure that:

5. It identifies all unallowable affiliated payments made and executes repayment agreements to have all unallowable funds returned to the Group Home. The unallowable amount can be reduced by the reasonable costs of ownership the Group Home would have incurred if the Group Home purchased these items instead of the long term lease.

**Cash/Expenditures**

- Twenty-eight checks were made payable to the check signer without a second non-related signer. These checks were for payroll, Group Home facility lease payments, Group Home vehicle lease payments and Group Home facility equipment and furniture lease payments.
- One independent contractor agreement did not include billing rate.

**Recommendations:**

The Group Home management shall ensure that:

6. A second signature is required on all checks payable to the check signer.
7. Independent contractor agreements include the billing rate.

**Payroll and Personnel**

- All three personnel files reviewed did not include rate of pay and the Fair Labor Standards Act (FLSA) status.

**Recommendation:**

The Group Home management shall ensure that:

8. Personnel files include rate of pay and FLSA status of all employees.

**MOST RECENT FISCAL REVIEW CONDUCTED BY THE AUDITOR-CONTROLLER**

A fiscal review of the Group Home was posted by the Auditor-Controller on July 10, 2012. The findings were: \$15,331 in unallowable expenditures for prior year payroll taxes, penalties and interest, and penalties paid to the CDSS and \$4,885 in inadequately supported expenditures. The balance due is \$6,716 and the Group Home makes timely payments as agreed.

Additionally, the Group Home currently has an overpayment of \$5,191 and is making payments in accordance with the invoice dates.

**NEXT FISCAL COMPLIANCE ASSESSMENT**

The next fiscal compliance assessment of the Group Home will be conducted in County Fiscal Year 2015-2016.

**CASA EDITHA FOUNDATION DBA AVA LYN'S GROUP HOME  
CONTRACT COMPLIANCE REVIEW SUMMARY**

**1756 North Hill Avenue  
Pasadena, CA 91104  
License # 191222785  
Rate Classification Level: 10**

	<b>Contract Compliance Review</b>	<b>Findings: August 2014</b>
<b>I</b>	<p><b><u>Licensure/Contract Requirements</u></b> (9 Elements)</p> <ol style="list-style-type: none"> <li>1. Timely Notification for Child's Relocation</li> <li>2. Transportation Needs Met</li> <li>3. Vehicle Maintained in Good Repair</li> <li>4. Timely, Cross-Reported SIRs</li> <li>5. Disaster Drills Conducted &amp; Logs Maintained</li> <li>6. Runaway Procedures</li> <li>7. Comprehensive Monetary and Clothing Allowance Logs Maintained</li> <li>8. Detailed Sign In/Out Logs for Placed Children</li> <li>9. CCL Complains on Safety/Plan Deficiencies</li> </ol>	<ol style="list-style-type: none"> <li>1. Full Compliance</li> <li>2. Full Compliance</li> <li>3. Full Compliance</li> <li>4. Full Compliance</li> <li>5. Full Compliance</li> <li>6. Full Compliance</li> <li>7. Full Compliance</li> <li>8. Improvement Needed</li> <li>9. Full Compliance</li> </ol>
<b>II</b>	<p><b><u>Facility and Environment</u></b> (5 Elements)</p> <ol style="list-style-type: none"> <li>1. Exterior Well Maintained</li> <li>2. Common Areas Well Maintained</li> <li>3. Children's Bedrooms Well Maintained</li> <li>4. Sufficient Recreational Equipment/Educational Resources</li> <li>5. Adequate Perishable and Non-Perishable Foods</li> </ol>	Full Compliance (All)
<b>III</b>	<p><b><u>Maintenance of Required Documentation and Service Delivery</u></b> (10 Elements)</p> <ol style="list-style-type: none"> <li>1. Child Population Consistent with Capacity and Program Statement</li> <li>2. County Children's Social Worker's Authorization to Implement NSPs</li> <li>3. NSPs Implemented and Discussed with Staff</li> <li>4. Children Progressing Toward Meeting NSP Case Goals</li> <li>5. Therapeutic Services Received</li> <li>6. Recommended Assessment/Evaluations Implemented</li> <li>7. County Children's Social Worker's Monthly Contacts Documented</li> <li>8. Children Assisted in Maintaining Important Relationships</li> </ol>	Full Compliance (All)

	<ol style="list-style-type: none"> <li>9. Development of Timely, Comprehensive Initial NSPs with Child's Participation</li> <li>10. Development of Timely, Comprehensive, Updated NSPs with Child's Participation</li> </ol>	
<b>IV</b>	<p><b><u>Educational and Workforce Readiness</u></b> (5 Elements)</p> <ol style="list-style-type: none"> <li>1. Children Enrolled in School Within Three School Days</li> <li>2. GH Ensured Children Attended School and Facilitated in Meeting Their Educational Goals</li> <li>3. Current Report Cards/Progress Reports Maintained</li> <li>4. Children's Academic Performance or Attendance Increased</li> <li>5. GH Encouraged Children's Participation in YDS/ Vocational Programs</li> </ol>	Full Compliance (All)
<b>V</b>	<p><b><u>Health and Medical Needs</u></b> (4 Elements)</p> <ol style="list-style-type: none"> <li>1. Initial Medical Exams Conducted Timely</li> <li>2. Follow-Up Medical Exams Conducted Timely</li> <li>3. Initial Dental Exams conducted Timely</li> <li>4. Follow-Up Dental Exams Conducted Timely</li> </ol>	<ol style="list-style-type: none"> <li>1. Full Compliance</li> <li>2. Improvement Needed</li> <li>3. Improvement Needed</li> <li>4. Full Compliance</li> </ol>
<b>VI</b>	<p><b><u>Psychotropic Medication</u></b> (2 Elements)</p> <ol style="list-style-type: none"> <li>1. Current Court Authorization for Administration of Psychotropic Medication</li> <li>2. Current Psychiatric Evaluation Review</li> </ol>	Full Compliance (All)
<b>VII</b>	<p><b><u>Personal Rights and Social/Emotional Well-Being</u></b> (13 Elements)</p> <ol style="list-style-type: none"> <li>1. Children Informed of Group Home's Policies and Procedures</li> <li>2. Children Feel Safe</li> <li>3. Appropriate Staffing and Supervision</li> <li>4. GH's Efforts to provide Meals and Snacks</li> <li>5. Staff Treat Children with Respect and Dignity</li> <li>6. Appropriate Rewards and Discipline System</li> <li>7. Children Allowed Private Visits, Calls and Correspondence</li> <li>8. Children Free to Attend or not Attend Religious Services/Activities</li> <li>9. Reasonable Chores</li> </ol>	Full Compliance (All)

	<ol style="list-style-type: none"> <li>10. Children Informed About Their Medication and Right to Refuse Medication</li> <li>11. Children Free to Receive or Reject Voluntary Medical, Dental and Psychiatric Care</li> <li>12. Children Given Opportunities to Plan Activities in Extra-Curricular, Enrichment and Social Activities (GH, School, Community)</li> <li>13. Children Given Opportunities to Participate in Extra-Curricular, Enrichment and Social Activities (GH, School, Community)</li> </ol>	
<b>VIII</b>	<p><b><u>Personal Needs/Survival and Economic Well-Being</u></b> (7 Elements)</p> <ol style="list-style-type: none"> <li>1. \$50 Clothing Allowance</li> <li>2. Adequate Quantity and Quality of Clothing Inventory</li> <li>3. Children Involved in Selection of Their Clothing</li> <li>4. Provision of Clean Towels and Adequate Ethnic Personal Care Items</li> <li>5. Minimum Monetary Allowances</li> <li>6. Management of Allowance/Earnings</li> <li>7. Encouragement and Assistance with Life Book/Photo Album</li> </ol>	Full Compliance (All)
<b>IX</b>	<p><b><u>Discharged Children</u></b> (3 Elements)</p> <ol style="list-style-type: none"> <li>1. Children Discharged According to Permanency Plan</li> <li>2. Children Made Progress Toward NSP Goals</li> <li>3. Attempts to Stabilize Children's Placement</li> </ol>	Full Compliance (All)
<b>X</b>	<p><b><u>Personnel Records</u></b> (7 Elements)</p> <ol style="list-style-type: none"> <li>1. DOJ, FBI, and CACIs Submitted Timely</li> <li>2. Signed Criminal Background Statement Timely</li> <li>3. Education/Experience Requirement</li> <li>4. Employee Health Screening/TB Clearances Timely</li> <li>5. Valid Driver's License</li> <li>6. Signed Copies of Group Home Policies and Procedures</li> <li>7. All Required Training</li> </ol>	<ol style="list-style-type: none"> <li>1. Full Compliance</li> <li>2. Full Compliance</li> <li>3. Full Compliance</li> <li>4. Full Compliance</li> <li>5. Full Compliance</li> <li>6. Full Compliance</li> <li>7. Improvement Needed</li> </ol>

**CASA EDITHA FOUNDATION DBA AVA LYN'S GROUP HOME  
CONTRACT COMPLIANCE REVIEW SUMMARY  
FISCAL YEAR 2013-2014**

**SCOPE OF REVIEW**

The following report is based on a "point in time" visit. This compliance report addresses findings noted during the August 2014 review. The purpose of this review was to assess Casa Editha Foundation dba Ava Lyn's Group Home's (The Group Home's) compliance with its County contract and State regulations and included a review of the Group Home's program statement, as well as internal administrative policies and procedures. The review covered the following 10 areas:

- Licensure/Contract Requirements,
- Facility and Environment,
- Maintenance and Required Documentation and Service Delivery,
- Educational and Workforce Readiness,
- Health and Medical Needs,
- Psychotropic Medication,
- Personal Rights and Social Emotional Well-Being,
- Personal Needs/Survival and Economic Well-Being,
- Discharged Children, and
- Personnel Records.

There were two Department of Children and Family Services (DCFS) children placed at the time of the review. For the purpose of this review, the two DCFS placed children were selected for the sample. The Contracts Administration Division (CAD) observed the children due to their inability to participate in the interviews, as a result of their intellectual disability. CAD observed the children in the Group Home to be clean, dressed appropriately and appeared to be comfortable in the presence of the Group Home staff. The Group Home staff was appropriately responsive to the children's needs, treating the children with respect and dignity.

CAD reviewed their case files to assess the care and services they received. Additionally, four discharged children's files were reviewed to assess the Group Home's compliance with permanency efforts. At the time of the review, one sampled child was prescribed psychotropic medication. The case file was reviewed to assess for timeliness of Psychotropic Medication Authorizations and to confirm the required documentation of psychiatric monitoring.

CAD reviewed three Group Home staff files for compliance with Title 22 regulations and County contract requirements and conducted a site visit to assess the provision of quality of care and supervision.

**CONTRACTUAL COMPLIANCE**

CAD found the following 3 areas out of compliance.

**Licensure/Contract Requirements**

- Detailed sign in/out logs for placed children were not maintained.

A review of the sign in/out log revealed that the Group Home did not maintain a comprehensive sign in/out visitor's log. The following information was missing on the log: time in/out, the visitor's relationship to the child, some of the visitor's signatures and dates. The Group Home representative was advised to revise the Group Home log to make it more comprehensive.

During the review, the Group Home representative revised the sign in/out log to address the deficiencies. During the Exit Conference, CAD verified that the new sign in/out log was implemented by the Group Home.

**Recommendation:**

The Group Home's management shall ensure that:

1. Detailed sign in/out logs are maintained.

**Health and Medical Needs**

- Follow-up medical exams were not conducted timely.

One child did not have vision and auditory follow-up exams as was recommended during the child's initial physical examination conducted on July 2, 2014. On August 29, 2014, CAD received verification that the vision exam took place on August 28, 2014. On March 17, 2015, during a follow-up visit, CAD verified that the auditory evaluation took place on January 27, 2015 at Children's Hospital.

- An initial dental exam was not conducted timely.

One child did not have an initial dental examination within 30 days of placement. The child was placed on May 28, 2014 and the dental exam took place on August 22, 2014. Further, the daily notes log indicated that the appointment was made on June 17, 2014.

During the Exit conference, the Group Home was advised that the attempts to schedule an appointment should have been made upon the child's placement. The Group Home was also advised to make attempts to re-schedule late appointments in case an earlier appointment time becomes available. All attempts to schedule an appointment in a timely manner need to be clearly documented.

CAD conducted a follow-up visit on March 17, 2015 and verified that the Group Home maintains a daily notes log, as well as an appointment follow-up record log, where the Group Home documents its' efforts to schedule appointments in a timely manner.

**Recommendations:**

The Group Home's management shall ensure that:

2. Follow-up medical exams are conducted timely.

3. Initial dental exams are conducted timely.

### **Personnel Records**

- All required training was not conducted in a timely manner.

One employee did not complete Pro-Act Training, which is a mandatory component of initial training, in a timely manner. The employee's hire date was May 16, 2014 and at the time of the review the employee had not yet completed the training.

The Group Home representatives stated the Group Home is utilizing one continuing education provider that conducts Pro-Act Trainings. The provider conducts the training twice a year. At the time of a new employee's hire date, the training was already conducted by the continuing education provider and the next training session was scheduled for October 2014. The employee was scheduled to attend that training. On March 17, 2015, during a follow-up visit, CAD verified that the staff completed the training on October 18, 2014.

During the Exit Conference, the Group Home management was advised that it may be necessary to utilize other educational providers and send the new employees for training in the timeframe required by Title 22 and the County contract. The Group Home representatives agreed and stated an alternative educational provider would be identified to ensure that all required trainings are completed as required.

### **Recommendations:**

The Group Home management shall ensure that:

4. All required training is provided.

### **PRIOR YEAR FOLLOW-UP FROM DCFS OUT-OF-HOME CARE MANAGEMENT DIVISION'S (OHCMD's) GROUP HOME CONTRACT COMPLIANCE REVIEW**

The OHCMD's last compliance report, dated November 17, 2014, identified four recommendations.

### **Results**

Based on CAD's follow-up, the Group Home implemented three of four previous recommendations for which they were to ensure that:

- The Group Home maintains comprehensive monetary allowance logs and receipts.
- The Group Home is free of any substantiated Community Care Licensing complaints.
- All staff upon hire has a timely health screening and tuberculosis (TB) clearances.

Based on the results of the current review, the Group Home did not implement one recommendation for which they were to ensure that:

- The employees complete all required training. The review of the personnel files show one employee did not complete the initial required training.

**Recommendation:**

The Group Home management shall ensure that:

5. The outstanding recommendation from the November 17, 2014 report from the prior fiscal year monitoring review, which is noted in this report as Recommendation 4, is fully implemented.

At the Exit Conference, the Group Home representatives expressed their desire to remain in compliance with all Title 22 regulations and Contract requirements.

A follow-up visit was conducted on March 17, 2015, by CAD and the Group Home had implemented five of five recommendations. The Group Home Program Director will conduct periodic checks to monitor on-going compliance with newly implemented protocols. CAD will continue to assess implementation of the recommendations during our next review. The OHCMD will provide on-going technical assistance prior to the next review.

Casa Editha Foundation  
1756 N. Hill Avenue  
Pasadena, Ca 91104

**FISCAL CORRECTIVE ACTION PLAN (FCAP) FOR AUDIT ON 8/14/2014-8/21/2014**

**FCAT SECTION 1- FINANCIAL OVERVIEW**

**QUESTION #4: ANSWER**

The facility incurred a negative net asset in the year ending Dec 31, 2013 due to lack of compatible patients fitted for the facility. In 2013 the facility had only 3 patients for almost a year, which affected the income greatly and was forced to get some loan from the Executive Director. The facility including administrator, social worker, executive director, and assistant executive director were aggressively calling placement agencies including neighboring counties to fill up vacancies but unfortunately, there were no patients available. Starting October 24, 2014, all the management staff are now given the assignment to call daily or visit placement agencies at least once a week to inform agencies of vacancies and to advertise services of the facility. A checklist of placement agencies will be developed by the administrator, including date, phone number, address, contact person to be distributed to the staff and will hold a weekly meeting to evaluate the progress of securing client. The Executive Director will monitor.

**QUESTION #8: ANSWER**

The facility consulted and requested Mr. Ivan Colon, a business consultant with IBS (Independent Business Solution), to develop an allocation plan for the facility. On October 20, 2014, Mr. Colon submitted an allocation plan for the facility, which is attached to this fiscal corrective action plan. The Executive Director, starting October 24, 2014 will ensure that the facility will have a cost allocation plan.

**QUESTION #9: ANSWER**

On October 17, 2014 the facility consulted with a lawyer and a CPA, with regards on how to solve the promissory note that was not signed by the board of directors in 1993. Both the lawyer and the CPA were in agreement that there should be a ratification. The lawyer with agreement with the current board of directors have unanimously consented on a ratification on October 20, 2014. The ratification is attached to this fiscal corrective action plan.

The loan given by the executive director to the facility were mostly used for start-up cost, such as constructing the two exit doors, construct a ramp for wheelchair bound patients and convert the bathroom for wheelchair accessibility, construct another bathroom for mobile patients,

have electrical exit signs as required by the fire marshal, house rent, while facility was waiting for license, and paid staff when facility was just starting and paid taxes. Attached, you will find some documentation showing loan was used to pay taxes. In the future, the executive director will make sure that all loans will be signed by board of directors and the person who extended the loan, as well.

**QUESTION# 10: ANSWER**

Contacted IRS regarding 941 tax accounts of the facility for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2013 and the 1<sup>st</sup> & 2<sup>nd</sup> quarter of 2014. On October 10, 2014, the tax account transcripts were faxed to the auditor, Ms. Kang. Starting October 24, 2014, the Assistant Executive Director is assigned to ensure the taxes are submitted and paid timely on a quarterly basis. In case the facility is not able to pay the amount needed, the assistant executive director will report this to the executive director and board of directors. In turn, the board of directors and executive director will conduct a meeting to come up with a solution on how to pay taxes. The Executive Director is assigned to compile tax records ready for the board of directors to examine during board meetings. The executive director will monitor.

**FCAT SECTION III: BOARD OF DIRECTORS AND BUSINESS INFLUENCE**

**QUESTION# 15: ANSWER**

The facility will ensure that it will never enter into transaction to affiliated organizations or related party transactions for program expense. The executive director was able to find a rental car company, located on Colorado Blvd., Pasadena. This rental company have some older cars and is willing to sell the cars to own. A Toyota Sienna Minivan, year 2000 is leased for \$600.00 and the rental car wants to sell this minivan for \$5,000 with \$1,000 down payment and 70% of the lease is applied towards the purchase. The millage of the care is 150,000 miles. Another minivan, a Sienna also with the year of 2004 is to be rented for \$700.00 and selling for \$6,000 with \$1,500 down payment. The mileage on this is 140,000 and again 70% of monthly lease is applied to the car purchase. Pending on decision on this purchase at this moment and will continue to look for better deals.

**FCAT SECTION 1V: CASH EXPENDITURE**

**QUESTION #17: ANSWER**

Another signatory is already added to all bank accounts, to be able to sign checks and the problem was already resolved in July 2014.

**AVA-LYN'S GROUP HOME**  
**1756 N. HILL AVE.**  
**PASADENA, CA 91104**  
**PHONE: (626) 794-3916**  
**FAX: (626) 696-3926**

Ms. Viktoria Penchuk  
Children's Service Administrator 1  
Department of Children and Family Services  
Contracts Administration Division  
3530 Wilshire Blvd. 4<sup>th</sup> Floor  
Los Angeles, CA 90212

11/05/2014

Dear Ms. Penchuk;

Attached please find modifications to the CAP (Corrective Action Plan) for Ava-Lyn's Group Home in response to the September 2014 monitoring review.

Sincerely,

  
Luis Araullo  
Administrator

  
Stephen R. Goodman, LCSW  
Facility Social Worker

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8) Does the facility maintain a detailed sign in/out log for placed children?  
(SAFETY)

A more detailed log was developed, submitted and put into use while the monitoring review was taking place (see attached log).

CAP: Updated log will be utilized daily for all placed children and will be reviewed and monitored daily for accuracy.

Person responsible: Group Home Administrator

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V. Health and Medical Needs

31) Are required follow-up medical exams conducted timely?  
(WELL-BEING)

Child 1 On 7/2/14 vision and auditory evaluations were recommended by the pediatrician. By 8-28-14 the vision exam took place but not the auditory evaluation.

CAP: An appointment follow-up log will be utilized to schedule medical and dental appointments. (See attached log). Care providers will be contacted weekly to schedule and re-schedule earliest available appointment dates for all medical and dental appointments. Regional Center service coordinators will be contacted to assist and provide a list of service providers.

Person responsible: Group Home Administrator

32) Child 1 Placement date 05/28/2014. Dental exam: 8/22/14.

CAP: An appointment follow-up log will be utilized to schedule medical and dental appointments. (See attached log). Care providers will be contacted weekly to schedule and re-schedule earliest available appointment dates for all medical and dental appointments. Regional Center service coordinators will be contacted to assist and provide a list of service providers.

Person responsible: Group Home Administrator

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65) Have appropriate employees received all required training?  
(SAFETY)

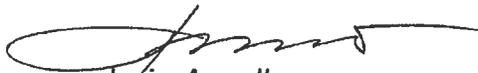
Worker 2 No initial Pro-Act training is completed. Hire date 5/16/2014.  
Pro-Act training was completed on 10/11/14, 10/12/14 and 10/18/14.

CAP: All new hired staff will complete Pro-Act training no later than  
90 days after date of hire.

Person responsible: Group Home Administrator

The group home administrator will ensure continued compliance of  
the corrective action plan

Sincerely,



Luis Araullo,  
Administrator,



Stephen R. Goodman, LCSW  
Facility Social Worker