County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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January 28, 2016

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

From: Philip L. Browning
Director

THE RICHSTONE CENTER FISCAL COMPLIANCE ASSESSMENT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) Contract Fiscal Compliance conducted a Fiscal Compliance Assessment of The Richstone Center (the Contractor) in October 2014.

SUMMARY

CAD conducted a Fiscal Compliance Assessment, which included a review of the Contractor's financial records, such as financial statements, bank statements, check register, and personnel files to determine the Contractor's compliance with the terms, conditions, and requirements of the Transitional Housing Program-Plus for Emancipated Foster and Probation Youth contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State, and County regulations and guidelines.

The Contractor was in full compliance with 5 of 5 areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influences; Cash/Expenditures; and Payroll and Personnel.

REVIEW OF REPORT

On December 16, 2014, Ali Gomaa-Mersal, DCFS Financial Specialist IV, held an Exit Conference with representative, Claudia Villegas-Avalos, Director of Programs. A copy of this Fiscal Compliance Report has been sent to the A-C. If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 351-5530.

PLB:EM:LTI:dlf

Attachment

c: Sachi A. Hamai, Chief Executive Officer
John Naimo, Auditor-Controller
Calvin Remington, Interim Chief Probation Officer
Roger Van Remmen, President/Chief Executive Officer, The Richstone Center

THE RICHSTONE CENTER
FISCAL COMPLIANCE ASSESSMENT REVIEW
FISCAL YEAR 2014-2015

SCOPE OF REVIEW

The Fiscal Compliance Assessment included a review of the Richstone Center's (the Contractor's) financial records for the period of January 1, 2012 thorugh December 31, 2014. Contracts Administration Division reviewed the Contractor's financial statements, bank statements, check register, and personnel files to determine the Contractor's compliance with the terms, conditions, and requirements of Transitional Housing Program-Plus for Emancipated Foster and Probation Youth contract with the Department of Children and Family Services (DCFS), and the Probation Department, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State, and County regulations and guidelines.

The agency-wide 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 Contractor was in full compliance with 5 of 5 areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influences; Cash/Expenditures; and Payroll and Personnel.

FISCAL COMPLIANCE

No deficiencies noted.

MOST RECENT FISCAL REVIEW CONDUCTED BY THE AUDITOR-CONTROLLER

A fiscal review has not been conducted by the Auditor-Controller.

NEXT FISCAL COMPLIANCE ASSESSMENT

The next Fiscal Compliance Assessment is not planned at this time as the Contractor does not have a contract as of December 31, 2014.