PHILIP L. BROWNING
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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March 21, 2016

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

From: Philip L. Browning
Director

COUNSELING AND RESEARCH ASSOCIATES DBA MASADA HOMES FOSTER FAMILY AGENCY FISCAL COMPLIANCE ASSESSMENT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of Counseling and Research Associates dba Masada Homes Foster Family Agency (the FFA) in November 2015. The FFA has one licensed office located in the Second Supervisorial District, two licensed offices located in the Fifth Supervisorial District and one licensed office in San Bernardino County. The FFA provides services to the County of Los Angeles DCFS placed children and children from other counties. According to the FFA's program statement, its stated mission is, "to provide children with a stable and supportive living environment while preparing them for reunification with their biological families or placement."

At the time of the review, the FFA supervised 97 DCFS placed children in 40 Certified Foster Homes. The placed children's overall average length of placement was 11 months and their average age was 15.

SUMMARY

CAD conducted a Fiscal Compliance Assessment, which included an agency-wide review of the FFA's financial records such as financial statements, bank statements, check register and personnel files to determine their compliance with the terms, conditions, and requirements of the FFA contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State and County regulations and guidelines.

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

Attached are the details of CAD's review.

REVIEW OF REPORT

On December 16, 2015, Ali A. Gomaa-Mersal, DCFS CAD Fiscal, held an Exit Conference with the FFA representative: John McCullough, Controller. There were no findings.

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

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

PLB:EM:LTI:lm

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Calvin Remington, Interim Chief Probation Officer
John Naimo, Auditor-Controller
Public Information Office
Audit Committee
Sybil Brand Commission
George Igi, Executive Director, Counseling and Research Associates dba Masada Homes
Leonora Scott, Regional Manager, Community Care Licensing Division
Lajuannah Hills, Regional Manager, Community Care Licensing Division

COUNSELING AND RESEARCH ASSOCIATES
DBA MASADA HOMES
FISCAL COMPLIANCE ASSESSMENT REVIEW
FISCAL YEAR 2015 – 2016

SCOPE OF REVIEW

The Fiscal Compliance Assessment included a review of Counseling & Research Associates, dba Masada Homes Foster Family Agency's (the FFA's) financial records for the period of July 1, 2013 through October 31, 2015. CAD reviewed the financial statements, bank statements, check register and personnel files to determine the FFA's compliance with the terms, conditions and requirements of the FFA's contracts with the Department of Children and Family Services (DCFS), 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 FFA was in full compliance with all areas of the Fiscal Compliance Assessment.

PRIOR YEAR FISCAL COMPLIANCE ASSESSMENT FOLLOW-UP

CAD conducted a Fiscal Compliance Assessment of the FFA in County FY 2014-2015. There was one recommendation; bank reconciliation items should not remain outstanding for over six months. CAD verified that FFA implemented the recommendation and cancels all un-cleared checks that are over six months.

NEXT FISCAL COMPLIANCE ASSESSMENT

The next Fiscal Compliance Assessment will be conducted in FY 2016-2017.