PHILIP L. BROWNING
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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March 29, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
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From: Philip L. Browning
Director

SENECA FAMILY OF AGENCIES FISCAL COMPLIANCE ASSESSMENT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a review of Seneca Family of Agencies (Seneca) in March 2015. Seneca is a non-profit Foster Family Agency (FFA) that is contracted with DCFS to provide FFA Foster Care Services. Seneca has three licensed sites: one located in Orange County; one in San Bernardino County; and one in Monterey County.

At the time of the review, Seneca supervised 37 DCFS placed children in 16 certified foster homes. The placed children's overall average length of placement was 20 months and their average age was six.

SUMMARY

CAD conducted a Fiscal Compliance Assessment which included an agency-wide review of the Seneca'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.

Seneca was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

CAD identified a deficiency in the area of: Financial Overview, related to non-submittal of the Semi-Annual Expenditure Report.

Attached are the details of CAD's review.

REVIEW OF REPORT

On May 26, 2015, Yvonne Kang, DCFS CAD-Fiscal, held an Exit Conference with the Seneca representative Janet Briggs, Chief Financial Officer. The representative was in agreement with the review finding and recommendation; was receptive to implementing systemic changes to improve compliance with its DCFS contract and to resolve the noted deficiency in a Fiscal Corrective Action Plan (FCAP).

Seneca provided the attached FCAP addressing the recommendation noted in this report.

A copy of this compliance report has been sent to the Auditor-Controller 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:RK:LTI:yk

Attachments

c: Sachi A. Hamai, Chief Executive Officer
John Naimo, Auditor-Controller
Katherine West, Chief Executive Officer, Seneca Family of Agencies
Public Information Office
Audit Committee
Leonora Scott, Regional Manager, Community Care Licensing Division
Lajuannah Hills, Regional Manager, Community Care Licensing Division

SENECA FAMILY OF AGENCIES
FISCAL COMPLIANCE ASSESSMENT REVIEW
FISCAL YEAR 2014-2015

SCOPE OF REVIEW

The Fiscal Compliance Assessment included a review of Seneca Family of Agencies' (Seneca) financial records for the period of July 1, 2013 through January 31, 2015. The Contracts Administration Division (CAD) reviewed the financial statements, bank statements, check register, and personnel files to determine Seneca's compliance with the terms, conditions, and requirements of Foster Family Agency 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.

Seneca was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Loans, Advances and Investments; Board of Directors, and Business Influence; Cash/Expenditures; and Payroll and Personnel.

FISCAL COMPLIANCE

CAD found the following area out of compliance:

Financial Overview

- The Semi-Annual Expenditure Report (SAER) for the reporting period ending December 31, 2014, was due March 1, 2015, and was not submitted as required.

As a result of this review, the SAER for the period ending December 31, 2014, was submitted June 30, 2015. Seneca's contract manager will send e-mail reminders to the Program Director, Accountant in charge, and the Chief Financial Officer notifying them of the report due date. The Assistant Director of Finance will be responsible for preparing the report. The Chief Financial Officer will be responsible for reviewing and ensuring reports are sent timely.

Recommendation:

Seneca management shall ensure that:

1. The Semi-Annual Expenditure Reports are submitted timely.

MOST RECENT FISCAL REVIEW CONDUCTED BY THE AUDITOR-CONTROLLER

A recent fiscal review report of Seneca has not been posted by the Auditor-Controller.

NEXT FISCAL COMPLIANCE ASSESSMENT

The next Fiscal Compliance Assessment of Seneca will be conducted in County Fiscal Year 2015-2016.

SENECA
FAMILY OF AGENCIES | UNCONDITIONAL CARE

June 15, 2015
Addendum September 17, 2015

Seneca Family of Agencies
Fiscal Corrective Action Plan
RE: Fiscal Compliance Assessment 3/3/15-5/18/15

Area of Internal Control Weakness Found: Non Submittal of Semi Annual Expenditure Report

Action Plan: Seneca Family of Agencies will submit timely Semi Annual Expenditure Reports for out Foster Family Agency Care services going forwawrd. Out next semi annual report for the period ending June 30, 2015 will be completed and mailed prior to the deadline of August 31, 2015.

Steps already implemented to endure timely reports:
Master Contract List for Los Angeles has been updated to include for Semi Annual Expenditure Report.
Annual review of contract documents and requirements.

Action steps to take:
Monthly, our contract manager will send out an email to our Foster Family Program Director, corresponding Accountant, and CFO notifying them of required deadlines for the month. The Semi Annual Report will appear on this report send out on August 1, 2015, and, going forwawrd, every six month. In addition, reminders will be put on Outlook Calendars of due dates for all applicable staff. Brian Shillcock will be reponsible for gathering the data from out GL and prepating the report, and Janet Briggs will be responsible for reviewing and ensuring that reports are sent in a timely manner.

Corrective Action for past reports for the period ending December 31, 2014:
We will complete and gather the necessary information and mail by June 30, 2015.
The combination of the steps above will strengthen out internal controls and operations effectiveness in complying with all of the requirements of our contract.

Janet Briggs CFO
Janet Briggs, CFO

6/15/15 addendum: 9/17/15
Date

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