PHILIP L. BROWNING
Director

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

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August 19, 2015

To: Supervisor Michael D. Antonovich, Mayor
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Supervisor Shelia Kuehl
Supervisor Don Knabe

From: Philip L. Browning
Director

**LEROY HAYNES CENTER FOR CHILDREN AND FAMILY SERVICES FISCAL COMPLIANCE ASSESSMENT**

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) Contract Fiscal Compliance conducted a review of Leroy Haynes Center for Children and Family Services (the Group Home) in February, 2015. The Group Home) is a non-profit organization that is contracted with DCFS and the Probation Department to provide Group Home Foster Care Services.

## 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 contracts with 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 Group Home 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 May 6, 2015, Joe Jimenez, DCFS CAD, held an exit conference with Group Home staff: Tony Williams, Chief Financial Officer, and Karen McKown, Senior Staff Accountant. The Group Home representatives agreed with the results of the review. A copy of this compliance report has been sent to the Auditor-Controller.

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

PLB:EM
LTI:jj

Attachment

c: Sachi A. Hamai, Interim Chief Executive Officer
John Naimo, Auditor-Controller
Jerry E. Powers, Chief Probation Officer
Daniel S. Maydeck, Executive Director, Leroy Haynes Center for Children & Family Services
Public Information Office
Audit Committee
Sybil Brand Commission
Leonora Scott, Regional Manager, Community Care Licensing Division
Lajuannah Hills, Regional Manager, Community Care Licensing Division

# LEROY HAYNES CENTER FOR CHILDREN AND FAMILY SERVICES
# FISCAL COMPLIANCE ASSESSMENT REVIEW
# FISCAL YEAR 2014-2015

## SCOPE OF REVIEW

The fiscal compliance assessment included a review of Leroy Haynes Center for Children and Family Services' (the Group Home's) financial records for the period of July 1, 2013 through January 31, 2015. CAD reviewed 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 Group Home contracts 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 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 5 of 5 areas of the fiscal compliance assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

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

The most recent fiscal review report of the Group Home was posted by the Auditor-Controller (A-C) on June 9, 2009 for Fiscal Year 2008-2009. The A-C's review identified $780 in costs that were incorrectly charged to the wrong program and $3,004 in payroll costs that were inadequately supported. The A-C recommended that the Group Home strengthen its documentation of client care plans, internal controls over bank reconciliations, payroll and personnel records and fixed assets. In addition, the A-C review recommended that the Group Home ensure that only allowable program expenditures are charged to the contracted program.

## NEXT FISCAL COMPLIANCE ASSESSMENT

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