



County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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



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Director

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August 21, 2019

To: Supervisor Janice Hahn, Chair  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Kathryn Barger

From: *Cynthia McCoy Miller for*  
Bobby D. Cagle  
Director

**THE DANGERFIELD INSTITUTE OF URBAN PROBLEMS FISCAL COMPLIANCE ASSESSMENT**  
**REVIEW OF REPORT**

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of The Dangerfield Institute of Urban Problems (the Contractor) in April 2019. The Contractor provides Group Home, Foster Family Agency, and Relative Home Assessment services, and is headquartered in the Second Supervisorial District.

**Key Outcomes**

<b>NUMBER OF PRIORITY FINDINGS</b>
<b>PRIORITY 1</b> 1
<b>PRIORITY 2</b> 0
<b>PRIORITY 3</b> 0

CAD conducted an on-site Fiscal Compliance Assessment review of the Contractor's financial records, which consisted of: financial statements; bank statements; check register(s); and personnel files. The review also focused on five key areas of internal controls to determine their compliance with the Contracts: Financial Overview (financial records, bank statements); Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures (Check Registers); and Payroll and Personnel files.

The Contractor was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influence; and Payroll and Personnel.

Each Supervisor  
August 21, 2019  
Page 2

CAD identified potential internal control weaknesses in the area(s) of: Cash/Expenditures, related to checks being payable and signed by the Executive Director without a Board member signature.

On April 25, 2019, the DCFS CAD Fiscal Specialist IV held an exit conference with the Contractor's Assistant Executive Director. The Contractor's representative agreed with the review finding and recommendation; was receptive to implementing systemic changes to improve compliance with regulatory standards; and agreed to address the noted potential internal control weakness in a Fiscal Corrective Action Plan (FCAP).

The Contractor provided the attached approved FCAP addressing the recommendation noted in this report.

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

BDC:KR  
LTI:lm

#### Attachments

c: Sachi A. Hamai, Chief Executive Officer  
Arlene Barrera, Acting Auditor-Controller  
Terri L. McDonald, Chief Probation Officer  
Sheila Mitchell, Chief Deputy Probation Officer, Juvenile Services  
Public Information Office  
Audit Committee  
Elouise Dangerfield, Executive Director, The Dangerfield Institute of Urban Problems  
Jonathan E. Sherin, Director, Department of Mental Health



DANGERFIELD INSTITUTE  
of URBAN PROBLEMS

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E-mail dangerfield@diup.org

May 17, 2019

To: Luis Moreno, Fiscal Compliance Administrator  
Department of Children and Family Services  
Contracts Administration Division Fiscal Compliance  
3530 Wilshire Blvd 5<sup>th</sup> Floor  
Los Angeles, CA 90010

SUMMARY OF FINDINGS:

FCAT Section IV – Cash/Expenditures

QUESTION NO. 18

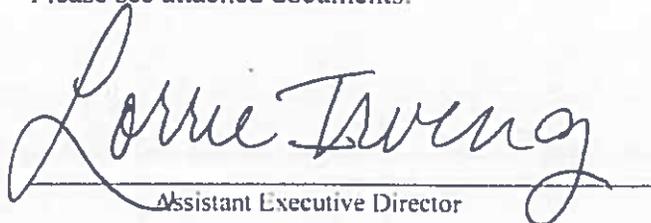
FINDINGS:

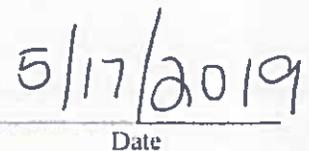
A<sup>1</sup>C Handbook Section B.2.1 states, "In instances where the payee is also a signor on the check, the disbursement shall be reviewed and approved by a higher-level employee, or Board member who shall also sign the check."

AGENCY PROPOSED FCAP:

We have added Board member Samuel V. Trice Jr, CPA to the (3) Bank Accounts and ADP Payroll. To ensure that the CAP is fully implemented, Katherine Kimbell, Bookkeeper will review all disbursements. Lorrie Irving, Assistant Executive Director will review and approve all disbursements. The Corrected Action was fully implemented on 05/07/19.

Please see attached documents.

  
Assistant Executive Director

  
Date