



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

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

GINGER PRYOR
Acting Director

Dawna Yokoyama
Interim Chief Deputy Director

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Second District
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Fifth District

January 12, 2022

To: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Ginger Pryor
Acting Director

**FRED JEFFERSON MEMORIAL HOME FOR BOYS
FISCAL COMPLIANCE ASSESSMENT**

REVIEW OF REPORT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a virtual Fiscal Compliance Assessment of Fred Jefferson Memorial Home for Boys (the Contractor) in October 2020 through September 2021. The Contractor provides Short-Term Residential Therapeutic Program (STRTP) and Foster Family Agency (FFA) contracted program services. The Contractor is headquartered in the Second Supervisorial District.

Key Outcomes

NUMBER OF PRIORITY FINDINGS
PRIORITY 1 2
PRIORITY 2 3
PRIORITY 3 0

"To Enrich Lives Through Effective and Caring Service"

CAD conducted a virtual 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 focused on five key areas of internal controls to determine their compliance with STRTP and FFA contracts: Financial Overview (financial records, bank statements); Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

CAD identified potential internal control weaknesses in the following areas:

Priority 1

- Financial Overview
 - Internal Revenue Services transcripts for the quarter ending June 30, 2020 included an account balance, accrued interest and accrued penalty.
- Cash/Expenditures
 - Weekly allowance for four of four STRTP and two of four FFA participants were not adjusted to the new rate effective July 1, 2020. Three of the STRTP participants were given an allowance of \$15.60, instead of \$16.20. The fourth participant was given \$18.70 instead of \$19.40. The two FFA participants were given \$13.50, instead of \$14.00. It was also noted that the Agency's clothing allowance logs for the STRTP and FFA are not properly filled out to reflect the amount received, amount spent during the month, and carry over amounts.

Priority 2

- Board of Directors, and Business Influence
 - Board meeting minutes were not signed by the Board Secretary
- Cash/Expenditures
 - Supporting documentation for one transactions was not provided and one transaction is not allowable.
 - Bank reconciliations show outstanding items longer than six months.

On September 29, 2021, DCFS CAD Financial Specialist IV held an exit conference with the Contractor's Financial Manager and Chief Financial Officer. The Contractor's representatives agreed with the review findings and recommendations and were receptive to implementing systemic changes to improve compliance with regulatory standards. The Contractor agreed to address the noted potential internal control weaknesses in a Fiscal Corrective Action Plan (FCAP).

Each Supervisor
January 12, 2022
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The Contractor provided the attached approved FCAP addressing the recommendations noted in this report.

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

GP:KDR
LTI:lm

Attachments

c: Fesia Davenport, Chief Executive Officer
Arlene Barrera, Auditor-Controller
Dr. Adolfo Gonzalez, Chief Probation Officer
Public Information Office
Audit Committee



Fred Jefferson Memorial Foster Family Agency
152 W. Walnut Street #150
Gardena, CA 90248
License Number 197805873

Phone # (310)763-1660

Fax # (310)763-0357

November 9, 2021

Department of Children and Family Services
Contract Compliance Unit
Attention Luis Moreno

Re: Fred Jefferson Memorial Home for Boys Fiscal Year 2020

1. FCAT Section 1 - Financial Overview

Finding - Cost Allocation Plan did not include basis of accounting, fiscal year and was not signed by management.

Action Taken - FJMH has revised the cost allocation plan to include the required information. This is effective immediately and the CFO, David Freeman, the Financial Manager, Kimberly Weldon and our CPA, KC Dale & Associates will ensure that it is fully implemented to prevent future findings. A copy is attached.

Finding - IRS transcripts shows an account balance of \$84.00. accrued penalty of \$5.45 and accrued interest of \$1.61 (total payoff amount of \$91.53) for the quarter ending June 30, 2020.

Action Taken - ADP, a third party which handles payroll and tax payments for FJMH. The tax issue was resolved, and the balance was reduced to zero, \$0.00. Documentation attached. FJMH will monitor payments made to federal and state agencies for timely and accurate payments. This is effective immediately and the Financial Manager, Kimberly Weldon will ensure that it is fully implemented to prevent future findings.

2. FCAT Section 3 - Board of Directors and Business Influence

Finding - The board minutes for the March 12, 2020, June 11, 2020, and September 2020 were not signed by the board secretary.

Action Taken - Board meetings were held via zoom due to COVID19 and signatures was delayed because the board secretary has not physically met with the CEO. Attached are signed board minutes for review. FJMH will ensure that the board secretary completes and sign all board minutes in a timely manner. This is effective immediately and the CEO, Cecilia Jefferson will ensure that it is fully implemented to prevent future findings.



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3. FCAT Section IV - Cash/Expenditures

Finding - Supporting documentation for check#46507 in the amount of \$207.67 was not fully provided. The receipt or invoice for \$200.00 for 100 masks purchase was not provided. Only copies of text messages and a copy of a printout of payment of \$200.00 was provided.

Action Taken - an original receipt/statement was obtained from seller(attached) FJMH will ensure that proper receipts, bill of sale and/or invoices are collected for all cash and check transactions. This is effective immediately and the Financial Manager, Kimberly Weldon will ensure that it is fully implemented to prevent future findings.

Finding - A Zelle transaction for \$500.00 on 09/24/2020 for funeral donation was given. Donations are not allowable.

Action Taken - FJMH inadvertently contributed on behalf of a past foster child that we serviced for well over 10 years. As this is an unallowable expense, FJMH will assure that it will not happen again. This is effective immediately and the Financial Manager, Kimberly Weldon will ensure that it is fully implemented to prevent future findings.

Finding - Bank reconciliations for the months of July, August and September 2020 showed outstanding checks longer than six months.

Action Taken - FJMH will ensure that outstanding checks are reviewed and reconciled in a timely manner. This is effective immediately and the Financial Manager, Kimberly Weldon and our CPA, KC Dale & Associates will ensure that it is fully implemented to prevent future findings.

Finding - Weekly allowance for 4 of 4 STRTP and 2 of 4 FFA participants was not adjusted to the new rate effective July 1, 2020. It was also noted that the Agency's clothing allowance logs for the STRTP and FFA are not properly filled out to reflect the amount received, spent, and carried over during the month.

Action taken - FJMH has created a new form (attached) to ensure the accuracy of when the clothing allowance is received and for what month. Also, how much is spent and what is rolled over to the next month. This is effective immediately and all Administrators of the FFA and STRTP programs including the CFO, David Freeman and the Financial Manager, Kimberly Weldon and will ensure that it is fully implemented to prevent future findings.

I will do research of the allowances to see if the correct amount was issued to the clients and will submit my findings to you by November 22, 2021.



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If you have any questions, please call me at 310-763-1660, ext. 122 or 310-629-2509. It was a pleasure doing business with your company.

Sincerely,

A handwritten signature in black ink that reads 'Kimberly Weldon'.

Kimberly Weldon
Accounts Manager
Fred Jefferson Memorial Home for Boys
Fred Jefferson Memorial Foster Family Agency