



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

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March 11, 2022

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

From: *Cynthia McKay Miller for*
Ginger/Pryor
Acting Director

**SENECA FAMILY OF AGENCIES
FISCAL COMPLIANCE ASSESSMENT (DESK REVIEW)**

REVIEW OF REPORT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a virtual Fiscal Compliance Assessment (Desk Review) of Seneca Family of Agencies (the Contractor) from October 2021 through December 2021. The Contractor provides Foster Family Agency (FFA) and Intensive Services Foster Care (ISFC) – FFA services for children with Serious Emotional and Behavioral Needs (SEBN). The Contractor is headquartered in Alameda County.

Key Outcomes

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

“To Enrich Lives Through Effective and Caring Service”

Each Supervisor
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CAD conducted a virtual Fiscal Compliance Assessment (Desk Review) of the Contractor's financial records (Financial Overview) to determine their compliance with the FFA and ISFC-FFA – SEBN contracts.

CAD identified a potential internal control weakness in the area of:

Priority 1

- Financial Overview
 - The Annual Internal Revenue Service (IRS) transcript for the quarter ending December 31, 2020, reflected an account balance of \$33,035.96 and accrued interest of \$305.50 (total payoff amount of \$33,341.46). For the quarter ending June 30, 2021, it showed an account balance of \$2,370.98, accrued interest of \$5.46, and accrued penalty of \$3.88 (total payoff amount of \$2,380.32).

On December 10, 2021, DCFS CAD Financial Specialist IV held an exit conference with the Contractor's representative: Chief Financial Officer, Accounting Director and Controller. The Contractor's representatives agreed with the review finding and recommendation, were 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.

GP:KDR
LTI:lm

Attachments

c: Fesia Davenport, Chief Executive Officer
Leticia Gaylean, Chief Executive Officer
Arlene Barrera, Auditor-Controller
Dr. Adolfo Gonzalez, Chief Probation Officer
Audit Committee
Leticia Galyean, Chief Executive Officer Seneca Family of Agencies
Kellee Coleman, Regional Manager, Community Care Licensing Division
Monique Marshall-Turner, Regional Manager, Community Care Licensing Division
Public Information Office



SENECA

FAMILY OF AGENCIES | UNCONDITIONAL CARE

January 7, 2022

To Mr. Luis Moreno,

After our exit interview on December 10, 2022, our payroll staff called the IRS to review the penalties and interest on our account. Some time in April of 2020, the IRS was supposed to update Schedule B of Q4-2020, but it never happened. They recently updated the records, and we no longer owe the \$33,035.96 penalties, but will have to pay the interest of \$324.69.

Regarding the amount due for Q2- 2021, we discovered that we under paid the tax, so we need to pay IRS a total of \$2,396.30. The total payment will be \$ 2,720.99. We made both payments online on December 14, 2021. We are now calling IRS to request for an updated transcript, but due to high volume calls, we were told to try again every day.

Corrective Action Plan: Effective 1/1/2022

Payroll staff will make sure we pay the taxes timely and accurately and will reconcile the payroll tax accounts after every payroll period.

When we receive an IRS letter, Payroll will make this a priority to call and get everything settled and request for an updated transcript right away.

Payroll Director will follow up and reconcile monthly to make sure taxes are paid timely and accurately in the future.

Thank you.

Jamie Tang
Controller
Seneca Family of Agencies
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