



County of Los Angeles DEPARTMENT OF CHILDREN AND FAMILY SERVICES

510 S. Vermont Avenue, Los Angeles, California 90020

(213) 351-5602

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September 29, 2025

To: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn
for
From: Brandon T. Nichols
Director

PENNY LANE CENTERS FISCAL COMPLIANCE ASSESSMENT

REVIEW OF REPORT

The Department of Children and Family Services (DCFS) Contract Compliance Division (CCD) conducted a Fiscal Compliance Assessment of the Penny Lane Centers (the Contractor) in July/August 2025. This Contractor provides Family Preservation; Foster Family Agency (FFA); Intensive Services Foster Care - Serious Emotional and Behavioral Needs; Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, Intersex, Asexual, and 2-Spirit, Tailored Services; Prevention and Aftercare Services; Relative Home Assessment Services; Relative Support Services; Transitional Housing Placement - Program for Non-Minor Dependents services. The Contractor is headquartered in the Fifth Supervisorial District.

Key Outcomes

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

CCD conducted a Fiscal Compliance Assessment Tool review of the Contractor's financial records, which consisted of the following: financial statements; bank statements; check register(s); and personnel files. The review focused on five key areas of internal controls to

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determine their compliance with their contract, Financial Overview (financial records and bank statements); Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

CCD identified potential internal control weakness in the following areas:

Priority 1

- Cash/Expenditures: FFA Contract Section (2 Findings)
 - The weekly allowance for two of the five sampled participants was not properly maintained.
 - The monthly clothing allowance for one of the five sampled participants was not properly maintained.

On August 19, 2025, Financial Specialist IV from DCFS' CCD held an exit conference with the Contractor's Accounting Director, and Accounting Supervisor. 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 weakness in a Fiscal Corrective Action Plan (FCAP).

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) 371-6052.

BTN:LM:RT
AJ:DF:zr

Attachments

- c: Fesia Davenport, Chief Executive Officer
Oscar Valdez, Auditor-Controller
Guillermo Viera Rosa, Chief Probation Officer
Public Information Office
Audit Committee
Wendy Carpenter, Chief Executive Officer, Penny Lane Centers
Kellee Coleman, Assist Program Administrator, Community Care Licensing Division (CCLD)
Monique Turner-Marshall, Regional Manager, CCLD
Bernice Karnsrithong, Regional Manager, CCLD
Celeste M. Fitchett, Bureau Chief, Performance and Fiscal Audits, California Department of Social Services

August 20, 2025



Fiscal Compliance Administrator
Contract Compliance Division
Department of Children and Family Services
510 South Vermont Ave., 14th Floor
Los Angeles, CA 90020

RE: Penny Lane Centers, Fiscal Compliance Assessment
Fiscal Corrective Action Plan (FCAP) related to FFA Contract

Dear 

During the recent July 2025 Fiscal Compliance Assessment, the following was noted:

FFA Contract:

- Randomly selected five participants' weekly Allowance reports (for the period of April – June 2025):
- Randomly selected five participants' monthly clothing allowance reports (for the period of March – June 2025):

As a result of the assessment, the following deficiencies were identified:

- Weekly FFA allowance logs were not maintained properly for two participants.
- Monthly FFA clothing allowance logs were not maintained properly for one participant.

We remain steadfast in our commitment to maintaining the highest standards of care and supervision for children and youth in foster care. In light of these findings, we identified targeted areas for improvement:

1. Client VG is owed \$5.09 in weekly allowance; this will be provided as soon as possible, and we will obtain written confirmation.
2. Client NH is owed \$17.25 in weekly allowance; this will be provided as soon as possible, and we will obtain written confirmation.
3. Client JS is owed \$9.16 in clothing allowance; this will be added to the next available monthly allowance, and we will obtain written confirmation.
4. FFA staff will participate in refresher training regarding the requirements of weekly and monthly clothing allowance during the staff meeting on 09/15/2025;



confirmation of participation, including training materials, can be provided as part of this CAP.

5. Resource families will participate in refresher training regarding the requirements of weekly and monthly clothing allowance as part of the monthly training or "Question of the Month." Verification of training will be filed in each caregiver's individual file.
6. FFA supervisors and administrators will completely file quarterly reviews to ensure compliance with contract requirements and provide additional staff and caregiver support as needed.

These reviews will also enable us to provide additional support to both staff and caregivers, reinforcing our commitment to excellence. We value your feedback and appreciate your support during this assessment. Together, we can strengthen our internal policies and procedures, ensuring that we continue to provide the best possible care for the children and youth we serve.

Respectfully,

██████████, LCSW
Deputy Director of In-Home Services

