



BRANDON T. NICHOLS  
Director

JENNIE FERIA  
Chief Deputy Director

LISA E. MANDEL  
Acting Chief Deputy Director

## 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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October 31, 2025

To: Supervisor Kathryn Barger, Chair  
Supervisor Hilda L. Solis  
Supervisor Holly J. Mitchell  
Supervisor Lindsey P. Horvath  
Supervisor Janice Hahn

From:  for  
Brandon T. Nichols  
Director

#### A GREATER LOVE FOSTER FAMILY AGENCY FISCAL COMPLIANCE ASSESSMENT

#### REVIEW OF REPORT

The Department of Children and Family Services (DCFS) Contract Compliance Division (CCD) conducted a Fiscal Compliance Assessment of A Greater Love Foster Family Agency (Contractor) in September 2024 through August 2025. This Contractor provides Foster Family Agency, Intensive Services Foster Care-Serious Emotional and Behavioral Needs, and Intensive Services Foster Care-Special Health Care Needs services. The Contractor is headquartered in the Forth Supervisorial District.

#### Key Outcomes

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

*"To Enrich Lives Through Effective and Caring Service"*

The CCD conducted a Fiscal Compliance Assessment 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 determine their compliance with their contracts: Financial Overview (financial records and bank statements); Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

The CCD identified potential internal control weakness in the following areas:

***Priority 1***

- Financial Overview: (1 Finding)
  - According to the 941 account transcripts, the Contractor has unpaid payroll taxes of \$34,956 for the quarters ending June 30, 2023, September 30, 2023, December 31, 2023, and March 31, 2024.

***Priority 2***

- Cash/Expenditures: (2 Findings)
  - Adequate separation of duties was not in place. Bank reconciliations were completed and reviewed by individuals who are also the check signors.
  - The Contractor didn't maintain a fixed asset inventory list (capitalized and non-capitalized) that includes item description, serial number, date of purchase, acquisition cost, and funding source.

On August 15, 2025, DCFS' CCD Financial Specialist IV held an exit conference with the Contractor's Chief Executive Officer 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).

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

Each Supervisor  
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If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 371-6052.

BTN:LM:RT  
KR:DF:hk

#### Attachments

c: Fesia Davenport, Chief Executive Officer  
Oscar Valdez, Auditor-Controller  
Guillermo Viera Rosa, Chief Probation Officer  
Public Information Office  
Audit Committee  
Elizabeth Viramontes, Chief Executive Officer  
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 & Fiscal Audits, California  
Department of Social Services



September 19, 2025

Los Angeles County Department of Children and Family Services

[REDACTED]

Re: Monitoring Review Corrective Action Plan

Dear [REDACTED]

A Greater Love Foster Family Agency submits the following Action Plan (CAP) to address the areas identified as needed improvement in the Foster Family Agency FCAT Summary Review dated 08/15/25. This plan has been developed and already implemented.

We thank you for your comprehensive review.

**According to the 941 account transcripts, A Greater Love FFA has unpaid payroll taxes of \$34,956 for the quarters ending June 30, 2023, September 30, 2023, December 31, 2023, and March 31, 2024.**

**Explain the Cause:**

Due to rapid program growth, AGL FFA went from a monthly deposit schedule to a semi-monthly deposit schedule and were notified of this change by IRS 6 months later and penalties were assessed. Payroll taxes have been paid and are current. The pending amounts are attributed to penalties only that we expect to be abated.

**Corrective Action Plan:**

Form 843 Request for Abatement has been filed with IRS and penalties are still under review for abatement. CFO has made contact to have a revenue officer assigned to case to resolve in a timely manner.

**Explain what the Quality Assurance (QA) Plan is to maintain Compliance:**

[REDACTED]



To correct and prevent future deficiencies in this area A Greater Love FFA will/has:

- a. Implement full-service payroll software
  - This is the most critical step for ensuring timely and accurate payments.
  - Automated calculations: The software will automatically calculate and withhold federal, state, and local taxes (including Social Security, Medicare, and unemployment).
  - Automatic tax filings: The service files all required forms (e.g., Forms 941, 940, W-2) with the appropriate government agencies.
  - Deposit scheduling: The software adheres to your specific deposit schedule (monthly, semi-weekly, etc.), ensuring payments are never late.
  - Error detection: Robust software proactively flags potential errors before they become costly mistakes.
- b. Establish a payroll tax calendar
  - Create and maintain a comprehensive calendar to track all payroll-related deadlines.
  - Track key dates: Include quarterly filings (Form 941), annual filings (Forms 940 and W-2), and specific deposit dates to ensure timely payments.
  - Set up reminders
  - Assign accountability: Assign a specific employee to be responsible for monitoring the calendar and verifying payments.
- c. Manage cash flow and reserve funds
  - Forecast and monitor: Use regular cash flow forecasting to identify potential payment shortfalls before they happen.

**Adequate separation of duties was not in place. Bank reconciliations are completed and reviewed by individuals who are also the check signers.**

**Explain the Cause:**

Due to minimizing costs, AGL FFA maintains a lean accounting department that the same personnel have to perform multiple tasks within the cash handling cycle.



**Corrective Action Plan:**

It is expected that no single employee should have control over all stages of a financial transaction. The following Separation of duties was created:

- a. Collection: Receiving and handling incoming cash or checks. [REDACTED]
- b. Recording: Entering cash receipt transactions into the accounting system or ledger. [REDACTED]
- c. Deposit: Preparing and making bank deposits. [REDACTED]
- d. Reconciliation: Comparing the bank statement with internal record. [REDACTED]

**Explain what the Quality Assurance (QA) Plan is to maintain Compliance:**

CFO will conduct monthly assessments to ensure that the personnel assigned to the tasks are being carried out.

**The Contractor didn't maintain a fixed asset inventory list (capitalized and non-capitalized) that includes item description, serial number, date of purchase, acquisition cost, and funding source.**

**Explain the Cause:**

AGL FFA does maintain a fixed asset inventory, but at the time of audit it lacked the funding source and acquisition cost fields.

**Corrective Action Plan:**

A Greater Love FFA has updated its current audit form to include cost and funding source.

**Explain what the Quality Assurance (QA) Plan is to maintain Compliance:**

To correct and prevent future deficiencies in this area A Greater Love FFA will/has:

- e. Regular Audits: Periodic physical inventories (e.g., annual) are conducted to compare assets on hand with the fixed asset records.
- f. Departmental Responsibility: Department heads are accountable for the fixed assets under their control, including reporting their existence, condition, and any changes.
- g. Documentation: Records should include the asset's description, location, and condition.



Thank you for your visit and valuable information and feedback received in this review. We found the monitoring review process to be collaborative and supportive. We look forward to working with the Department of Children and Family Services and value your partnership.

Best regards,

Chief Executive Officer