



J. TYLER McCaULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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March 18, 2004

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *tm*  
Auditor-Controller

SUBJECT: **DICKISON COMMUNITY LIGHTED SCHOOLS, INC**

We have completed a review of the Dickison Community Lighted Schools, Inc., a nutrition Provider. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

**Background**

The Department of Community and Senior Services (DCSS) contracts with Dickison Community Lighted Schools, Inc. (Dickison), a private, non-profit, community-based organization, which provides congregate and home delivered meals to seniors ages 60 or older and their spouses and the disabled residents located in Service Planning Area (SPA) six. The contractor provides meals at three sites. In addition, Dickison has four assigned routes, within the Compton area, where they deliver meals to seniors that are home bound. Dickison is located in the Second District.

Dickison is paid \$3.50 for each meal served at congregate meal sites (e.g., senior and community centers) and \$3.60 for each home-delivered meal. The negotiated rate is based on budgeted program costs and the number of participants that Dickison estimated in their proposal. For Fiscal Year 2002-03, DCSS paid Dickison approximately \$330,000.

**Purpose/Methodology**

The purpose of the review was to determine whether Dickison was providing the services outlined in their Program Statement and County contract. We also evaluated

Dickison's ability to achieve planned service and staffing levels. In addition, we interviewed participants to determine if they received the meals that Dickison billed to DCSS. Our monitoring visit included a review of Dickison's Annual Service Level Assessment report, billing statements, participant case files, personnel and payroll records, and interviews with Dickison's management and staff.

### **Results of Review**

Dickison does not always bill DCSS for actual meals served. Instead, Dickison bills DCSS for meals served at congregate meal sites based on the number of individuals that sign the daily attendance log at each site. At one location 21 (60%) of the 35 participants listed on the attendance log were not served a meal. This resulted in Dickison overbilling DCSS \$74 out of \$123 sampled. The attendance log at Dickison's other two congregate meal sites accurately reported the number of meals served.

In addition, Dickison does not always document the eligibility of the program participants. For 35 (88%) of the 40 individuals that received meals at the congregate meal sites, and for all 13 individuals that received home delivered meals, Dickison did not adequately document the participants' program eligibility. Dickison could not locate the intake forms for the individuals receiving meals at congregate meal sites or the quarterly assessments for individuals receiving home delivered meals. As a result, Dickison may have billed DCSS for services provided to individuals that did not qualify for those services.

Dickison also does not maintain adequate controls over cash collections. We noted that Dickison staff does not record amounts collected from, nor issue receipts to, individuals or program participants that pay for their meals.

The incidents disclosed in our review do not show a pattern by the contractor to intentionally over-bill DCSS. Rather, the conditions demonstrate the need for Dickison management to strengthen their oversight over the billing procedures and eligibility determination. We recommend that Dickison not bill DCSS for services not provided and ensure that services are only provided to individuals that are eligible. Dickison also needs to improve their controls over cash collections.

### **Review of Report**

On February 25, 2004, we discussed our report with Dickison. We have attached their written response. In addition, we notified DCSS of the results of our review. DCSS will work with Dickison and monitor them to ensure that areas of non-compliance disclosed in this report are resolved and will report to your Board within 60 days of this report.

We thank Dickison for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1122.

Attachment

JTM:DR:DC

- c: David E. Janssen, Chief Administrative Officer  
Department of Community and Senior Services
  - Robert Ryans, Director
  - Cynthia Banks, Chief Deputy Director
  - Laura Medina, Acting Program Manager
- Delores Zurita, Director, Dickison Community Lighted Schools, Inc.
- Violet Varona-Lukens, Executive Officer
- Public Information Office
- Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT  
NUTRITION PROGRAM  
FISCAL YEAR 2003-2004  
DICKISON COMMUNITY LIGHTED SCHOOLS, INC**

**BILLED SERVICES**

**Objective**

Determine whether Dickison Community Lighted Schools, Inc. (Dickison) provided the services billed in accordance with their contract.

**Verification**

We selected a sample of 40 individuals that received 40 of the 5,540 congregate meals and 13 individuals that received 13 of the 7,286 in-home delivered meals that Dickison billed DCSS in October and November 2003 and reviewed the documentation to support the billed services. We also reviewed documentation to support the program participants' eligibility. In addition, we conducted a site visit at each of Dickison's three congregate meal sites to reconcile the names on the sign-in sheet to the individuals that received a meal.

**Results**

Our review of a sample of services billed noted the following:

- Thirty-five (88%) of the 40 individuals that received meals at the congregate meal sites and all 13 individuals that receive home delivered meals, Dickison did maintain documentation to support the participants' program eligibility. Dickison could not locate the intake forms for 35 individuals receiving meals at congregate meal sites or the quarterly evaluations for the 13 participants that received home delivered meals. We also noted that eight (60%) of the 13 participants that received home delivered meals do not have a Physician's Certification in their case files, identifying the participants' handicap that qualified them for in-home delivered meals, as required by the contract.

Without a completed intake form or quarterly evaluations, we were unable to confirm if most of the individuals sampled were eligible to receive program services. The meals provided to individuals whose program eligibility is undocumented totaled \$170 out of \$187 sampled.

- Dickison bills DCSS for meals not provided. Dickison bills DCSS for congregate meals based on the number of individuals that sign the daily attendance logs at each congregate meal site. However, we noted that 21 (60%) of the 35 participants listed on the attendance log at one congregate meal site were not served a meal. The Nutrition Coordinator indicated the participants sign-in

before meals are served to reserve a meal. However, Dickison does not eliminate the names of participants that appear on the daily attendance logs that do not receive a meal. The attendance log at Dickison's other two congregate meal sites accurately reported the number of meals served.

We also noted that Dickison does not maintain adequate controls over cash collections. Program participants may voluntarily make a monetary donation toward the cost of their meals and individuals not eligible for program services are required to pay \$3.00. However, we noted that Dickison staff do not record the amount collected from, nor issue receipts to, individuals and program participants that pay for their meals.

### **Recommendations**

#### **Dickison Management:**

- 1. Ensure that participants are eligible to receive program services, including fully completing participant intake sheets and quarterly assessments.**
- 2. Do not bill DCSS for services not provided.**
- 3. Maintain accountability over cash contribution.**

### **CLIENT VERIFICATION**

#### **Objective**

Determine whether the program participants actually received the meals that Dickison Community Lighted Schools, Inc. billed to DCSS.

#### **Verification**

We selected a sample of 40 program participants to interview to confirm the services Dickison billed to DCSS. However, Dickison did not provide us with the telephone numbers for 35 participants. As noted above, Dickison did not complete client intake forms for all program participants.

#### **Results**

No exceptions for the participants interviewed. The five program participants interviewed generally stated that the meals were nutritious, satisfactory, and generally met their expectations. However, because Dickison did not complete an intake form for all program participants, we were unable to interview additional participants.

**Recommendation**

There are no recommendations for this section.

**STAFFING LEVELS**

**Objective**

Ensure that staffing levels are equal to the levels identified in the County contract.

**Verification**

We interviewed Dickison's Account Clerk and reviewed billing invoices for October and November 2003.

**Results**

No exceptions. Dickison's has 14 employees working under the Nutrition program. Twelve of the 14 employees work full time on the County contract. The remaining two employees work part-time on the County contract. Dickison's County Contract Budget listed 12 employees as working full-time (40 hours a week) and two of those individuals working part-time (20 hours a week). Therefore, Dickison was in compliance with the County contract.

**Recommendation**

There are no recommendations for this section.

**STAFFING QUALIFICATIONS**

**Objective**

Determine whether Dickison's staff meets the qualifications required in the County contract.

**Verification**

We interviewed Dickison's staff who worked on DCSS' contract. In addition, we reviewed each staff's personnel file for documentation to confirm their qualifications.

**Results**

Generally, the staff possess the qualifications required by the County contract. However, three (22%) of the 14 employee personnel files reviewed did not have the proper safety training certifications (e.g., first aid, CPR, and HAACP training) in the file.

**Recommendation**

4. Dickison management ensure staff possess the qualifications required by the contract by documenting those qualifications in each staff's personnel file.

**SERVICE LEVELS**

**Objectives**

Determine whether Dickison's reported services and food purchases for Fiscal Year (FY) 2003-04 did not significantly vary from planned services levels.

**Verification**

We reviewed DCSS' monthly billing invoices from July through November 2003 and Dickison's proposed service levels for the same period.

**Results**

No exceptions. Overall, Dickison is achieving their planned service levels. For the first five months of FY 2003-04, Dickison reported serving an average of approximately 2,900 congregate meals and 3,700 home-delivered meals. The contractor planned serving a monthly average of approximately 3,200 congregate meals and 3,300 home-delivered meals.

We also compared Dickison's budgeted food costs per meal to actual food costs per meal. For congregate meals, Dickison's budgeted food cost per meal totaled \$2.25 and actual cost per meal totaled \$3.13. For home delivered meals, Dickison's budgeted food cost per meal totaled \$2.25 and actual cost per meal totaled \$2.27. Dickison stated that the congregate meals' high food cost per meal can be attributed to Dickison purchasing more food than they needed and the increase in the price of food.

Based on the number of participants receiving meals during our site visits, and Dickison's reported actual food cost per meal served, it appears that the contractor is meeting its planned service levels.

**Recommendation**

**There are no recommendations for this section.**

**Dickison Community Lighted Schools, Inc.**

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March 9, 2004

Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Braithwaite Burke  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich  
Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012-2766

**SUBJECT: DICKISON COMMUNITY LIGHTED SCHOOLS, INC.**

In response to the recent audit, Results of Review, dated March XX, 2004, I am submitting the following facts for your review.

Dickison is on a performance base contract with the County and has never billed the county for meals that were not served.

**In response to the statement, "Dickison bills the DCSS for meals served at congregate sites based on the number of individuals that sign the daily attendance log at each site", I offer the following explanation in defense of the procedures at Dollarhide Congregate Site.**

After investigating the results of the review, I did an inquiry into the procedures that took place at the Dollarhide Congregate Site on the date that your auditors were there. The Site Manager, Barbara Thornton, explained to me that several clubs meet daily at the Dollarhide Center and they start meeting at 8:00am. Because the club members are regular participants at the congregate meals program, when they arrive at the center in the morning, they sign in and give the donation for their meal. They started this practice because they would get busy and when they arrived to eat the food would be all gone. Though the program is first come first serve, this is a way for the regular participants to attend their club meetings and also be sure and get a meal.



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On the day the auditors were at Dollarhide this is exactly what happened. The seniors arrived early, signed in, paid their donations, and went to their club meetings in the building. The auditors arrived during the serving of the lunch, prior to the club members coming in to eat their meals, the meals that they had signed and paid for prior to the auditors coming. The auditors did not know that many of the seniors who were in the building come in early to sign in and pay as a way to insure that they get a meal.

Your auditors stated that the other locations accurately reported the number of meals served. This is also the case with Dollarhide. The other sites do not hold club meetings or other outside activities, so the participants don't come in early to sign up and pay for fear that they will miss out.

This practice insures that all the seniors who regularly attend the congregate program get a meal. However, if the County does not approve of this practice, it will be stopped immediately. I assure you that Dickison has never billed the County for meals that it has not served.

**In response to the statement "Dickison does not always document the eligibility of the program participants."**

Dickison does document eligibility of the participants on an ongoing basis. However, when the auditors were there the staff was unable to locate the documents for the Homebound participants because these evaluations were being done by a part-time consultant who was visiting participants one day a week, and the evaluation forms had not been turned in at the time of the audit. All of the participants sampled did not have a current evaluation, however I will be taking on this responsibility myself and visiting the participants and completing the evaluations for each participant on the homebound program. The drivers make daily contact with the participants and regularly report any changes in their health and physical status.

Again, I will be taking on this responsibility personally and I will complete eligibility assessments for each homebound participant on a quarterly basis and for each congregate participant as required to insure each participant's eligibility. This is a task that I have started working on immediately and will be in compliance well before our 60 day review.

In response to the statement that "Dickison does not maintain adequate controls over cash collections, and Dickison staff does not record amounts collected from, nor issue receipts to, individuals or program participants that pay for their meals.

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In the past 32 years of my managing the program, we have not had one incident where the donations were stolen or missing. The congregate sites are relaxed and we employ the honor system, as we cannot refuse to serve anyone based on the fact that they are unable to pay, and the donation is not monitored and we are required to allow participants to donate privately. However, in response to your auditors concern we have installed a lock on the donation box to insure the security of the donations. We are faced with a bit of a problem as it relates to giving receipts and keeping count of donations, as we have, even since your auditors visit been told to move the donation box further from the clerk to insure the participants privacy while making their donation.

It is my understanding according to the regulation of the County that we cannot require participants to pay and that is why they receive an envelope to put their donation in. Often times when the envelopes are opened we find buttons and bus tokens instead of currency. So in order to provide the services to those who cannot pay, we provide them the privacy to place their donation in the box.

**In response to STAFFING QUALIFICATIONS:**

All site managers with the exception of one have the ServSafe certification. All required staff members have taken the HACCP Test, however, only one has passed. Other staff members are scheduled to take the course the next time that that it is offered. The County Nutritionist has told me that it will be offered soon. We will insure that all staff members obtain the proper safety training and the certificates will be placed in the personnel files. Some staff members have taken a first aid course, and I will make sure that the proper documentation is placed in personnel files.

**In conclusion:**

The observations made by your auditors proved to be very helpful in the management of the congregate sites. Often an auditor can identify problems where the average person cannot. However in at least the first case, where the auditors did not actually see the participants received their meals, I believe I have provided a legitimate and credible explanation.

Many times, because we are on a performance-based contract, I have to borrow money from my family to make payroll. I can assure you that we are not billing DCSS for services that we have not provided, and we will maintain the proper documentation, available to your auditors, upon future visits, to insure the Agency's integrity.

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Again, thank you for the review and I look forward to an outstanding assessment on our next review.

Respectfully,

Delores Zurita  
Executive Director

Cc. J. Tyler McCauley, Auditor-Controller  
David E. Janssen, Chief Administrative Officer  
Department of Community and Senior Services

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Robert Ryans, Director  
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Laura Medina, Acting Program Manager  
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Public Information Office Audit Committee