



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

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JOHN NAIMO
AUDITOR-CONTROLLER

March 11, 2016

TO: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: John Naimo *John Naimo*
Auditor-Controller

SUBJECT: **CHILD ALLIANCE, INC. – A DEPARTMENT OF PUBLIC SOCIAL SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a contract compliance review of Child Alliance, Inc. (Child Alliance or Agency), which covered a sample of transactions from July 2013 through January 2015. The Department of Public Social Services (DPSS) contracts with Child Alliance, a non-profit organization, to provide Domestic Violence Supportive Services (DVSS) to eligible victims of domestic violence. DVSS Program services include performing assessments, facilitating shelter assistance, and providing legal assistance to the victims.

The purpose of our review was to determine whether Child Alliance appropriately accounted for and spent DVSS Program funds to provide the services outlined in their County contract. We also evaluated the Agency's accounting records, internal controls, and compliance with their County contract and other applicable guidelines.

DPSS paid Child Alliance approximately \$449,000 on a fee-for-service basis from July 2013 through January 2015. The County's Fiscal Year (FY) 2013-14 contract with Child Alliance required the Agency to reinvest or return any unspent revenues to DPSS. Child Alliance provides services to residents of the Second Supervisorial District.

Results of Review

Child Alliance's Board of Directors (Board) membership was not in compliance with California Corporations Code Section 5227 (Section 5227). Section 5227 limits the

number of Board positions assigned to the organization's employees to less than 50%. During our review, Child Alliance's Board consisted of the Agency's Chief Executive Officer (CEO), the Vice President (who was also the CEO's wife), and one community representative. As a result, the Agency's employees held 67% of the Board's positions, which is greater than the 49% allowed by State law.

After our review, Child Alliance reported that they developed a new Board to oversee the Agency's fiscal operations. Child Alliance's management indicated that they are now in compliance with the California Corporations Code.

Child Alliance also did not maintain adequate internal controls over their fiscal operations or accurate accounting records which impact their ability to safeguard program assets and funding received from the County. Specifically:

- The CEO performed nearly all of the Agency's fiscal duties, including depositing and recording cash receipts, preparing and reviewing bank account reconciliations, and signing checks for each of the Agency's bank accounts, without any oversight.

Child Alliance's attached response indicates that they adopted policies and procedures that establish adequate separation of duties for cash receipts, bank reconciliations, and disbursements.

- Child Alliance did not maintain a complete and accurate listing of fixed assets and equipment or conduct semi-annual inventories as required.

Child Alliance's attached response indicates that they completed an accurate inventory listing and will conduct semi-annual inventory of fixed assets and equipment.

- Child Alliance's close-out expenditure report did not reconcile to the Agency's financial records. Specifically, the Agency's FY 2013-14 close-out expenditure report listed \$142,145 more in program expenditures than what was recorded in their accounting records.

Child Alliance's attached response indicates that they will review their accounting records, and provide DPSS with a revised close-out expenditure report for FY 2013-14. In addition, Child Alliance's attached response indicates that they will ensure that their close-out expenditure reports are based on actual expenditures.

- Child Alliance's payroll bank account reconciliation did not reconcile to their accounting records. Specifically, the ending balance on the payroll bank account reconciliation for September 2014 was \$68,430 more than the ending balance on the Agency's accounting records.

Child Alliance's attached response indicates that they have implemented new policies and procedures to ensure that bank account reconciliations are properly prepared, reviewed, and approved by Agency management.

- Child Alliance did not accurately record revenue in their accounting records. Specifically, the Agency overstated their DVSS Program revenue by \$6,571 for September 2014.

Child Alliance's attached response indicates that they will ensure that their financial records reflect their actual fiscal activity.

Child Alliance also did not always comply with all of their other County contract requirements. For example, Child Alliance:

- Inappropriately charged \$30,540 to the DVSS Program in FY 2014-15 for payroll expenditures incurred in FY 2013-14, which is not allowable. Child Alliance also inappropriately charged \$5,592 in shared payroll and non-payroll expenditures to the DVSS Program based on unallowable or unsupported methods.

Child Alliance's attached response indicates that they intend to reallocate all expenditures charged to the DVSS Program during the audit period, provide DPSS with supporting documentation, and repay any overbilled amounts. However, Child Alliance's management acknowledged that they used the same methodology to allocate other expenditures to the DVSS Program during the contract term. Therefore, Child Alliance will need to reallocate all expenditures charged to the DVSS Program during the contract term, provide DPSS with supporting documentation, and repay any overbilled amounts.

- Transferred \$14,300 in DVSS Program funds to another Agency bank account, but did not provide an explanation for the transfer or documentation to support that the funds were used on DVSS Program services.

Child Alliance's attached response indicates that they are currently researching the transfers, and will either repay DPSS \$14,300 or provide DPSS with supporting documentation. In addition, Child Alliance's attached response indicates that they plan to review the transactions that appear to be personal in nature, and will take corrective action as needed.

In addition, the Agency incurred \$1,785 in overdraft fees from January through September 2014. According to Child Alliance, the overdraft fees were the result of cash flow issues due to delayed payments from the County, which raises concerns regarding the Agency's financial condition.

Based on the results of our review, it is imperative that Child Alliance correct the deficiencies noted in our report. If the Agency does not correct the deficiencies and cannot support their billings, DPSS should place the Agency in the County's Contractor Alert Reporting Database or terminate their contract with the Agency.

Details of our review, along with recommendations for corrective action, are attached (Attachment I).

Review of Report

We discussed our report with Child Alliance and DPSS. Child Alliance's attached response (Attachment II) indicates general agreement with our findings and recommendations. DPSS will work with Child Alliance to ensure that our recommendations are implemented.

We thank Child Alliance management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Don Chadwick at (213) 253-0301.

JN:AB:PH:DC:AA:pn

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Sheryl L. Spiller, Director, DPSS
Gustavo Loera, Ed.D., Acting Board Chair, Child Alliance
Alfonso Rubio, MA, President and Chief Executive Officer, Child Alliance
Public Information Office
Audit Committee

**CHILD ALLIANCE, INC.
DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM
CONTRACT COMPLIANCE REVIEW
JULY 2013 THROUGH JANUARY 2015**

GOVERNANCE AND ADMINISTRATIVE COMPLIANCE

Objective

Determine whether Child Alliance, Inc. (Child Alliance or Agency) maintained a Board of Directors (Board) in compliance with the California Corporations Code Section 5227 (Section 5227). In addition, determine whether Child Alliance maintained the appropriate liability insurance as required by their County contract.

Verification

We interviewed Agency personnel and reviewed audited financial statements and insurance policies.

Results

Child Alliance's Board membership was not in compliance with Section 5227. Section 5227 limits the number of Board positions assigned to the organization's employees to less than 50%. During our review, Child Alliance's Board consisted of the Agency's Chief Executive Officer (CEO), the Vice President (who was also the CEO's wife), and one community representative. As a result, the Agency's employees held 67% of the Board's positions which is greater than the 49% allowed by State law. The high percentage of Board positions assigned to Agency employees also impacts the level of independence and internal controls over the Agency's fiscal operations, and their ability to safeguard program assets and funding received from the County. As noted later in this report, the Agency did not maintain sufficient internal controls over their cash and fixed asset functions.

Child Alliance also indicated that they immediately shred all of their original source documents after they save an electronic copy of the documents. The Auditor-Controller Contract Accounting and Administration Handbook Section A.3.2. requires agencies to maintain original source documents, such as vouchers, invoices, and receipts from vendors. Due to the composition of the Board and its impact to the Agency's internal controls, it is critical that the Agency maintain original source documents as required.

Lastly, Child Alliance did not maintain the required general liability insurance coverage. After our review, the Agency obtained the required coverage.

Recommendations**Child Alliance, Inc. management:**

- 1. Develop an appropriate Board of Directors in compliance with California State law to oversee and actively monitor the Agency's fiscal operations.**
- 2. Establish adequate internal controls (e.g., separation of duties for cash receipts, bank account reconciliations, and disbursements).**
- 3. Maintain all original source documents as required by the County contract.**
- 4. Ensure that the Agency maintains the required insurance coverage.**

ELIGIBILITY**Objective**

Determine whether Child Alliance maintained documentation to support the eligibility of individuals that the Agency claimed as recipients of the Domestic Violence Supportive Services (DVSS) Program.

Verification

We reviewed the documentation stored in the case files for ten (12%) of the 84 individuals that the Child Alliance claimed as recipients of DVSS Program services during September 2014.

Results

Child Alliance maintained documentation to support the eligibility of the ten individuals reviewed who receive DVSS Program services.

Recommendation

None.

PROGRAM SERVICES**Objective**

Determine whether Child Alliance maintained documentation to support the services charged to the Department of Public Social Services (DPSS) and whether the clients received the billed services.

Verification

We reviewed the case files for ten (12%) of the 84 clients that the Agency claimed as recipients of DVSS Program services during September 2014.

Results

Child Alliance maintained documentation to support the services provided to the ten participants reviewed.

Recommendation

None.

STAFFING QUALIFICATIONS**Objective**

Determine whether Child Alliance's staff had the qualifications required to provide program services.

Verification

We reviewed the personnel files for three (60%) of the five Child Alliance staff who provided services to the DVSS Program clients during September 2014.

Results

Child Alliance's three staff reviewed had the qualifications required by their County contract.

Recommendation

None.

CASH/REVENUE**Objective**

Determine whether Child Alliance properly recorded revenue in their financial records, deposited cash receipts into their bank account timely, and, if bank account reconciliations were prepared, reviewed, and approved by Agency management in a timely manner.

Verification

We interviewed Child Alliance's management, and reviewed their financial records and September 2014 bank reconciliations.

Results

We noted significant weaknesses in Child Alliance's controls over their cash receipts and bank account reconciliations. Specifically, we noted that Child Alliance:

- Did not maintain an adequate separation of duties over cash receipts, bank account reconciliations, and disbursements as required. The CEO performed nearly all of the Agency's fiscal duties, including depositing and recording cash receipts, preparing and reviewing bank reconciliations, and signing checks for each of the Agency's bank accounts, without any oversight.
- Did not accurately complete their payroll bank account reconciliation. Specifically, the ending balance on the payroll bank account reconciliation for September 2014 was \$68,430 more than the ending balance on the Agency's accounting records.
- Did not accurately record revenue in their financial records. Specifically, the Agency overstated their DVSS Program revenue by \$6,571 for September 2014.

In addition, the July through October 2014 accounting records showed transfers totaling \$14,300 in DVSS Program funds to another Agency bank account. The Agency did not provide us with an explanation or documentation to support the reason for the transfers or that the funds were used on DVSS Program services.

Lastly, from January through September 2014, the Agency incurred \$1,785 in overdraft fees. According to Child Alliance, the overdraft fees were the result of cash flow issues due to delayed payments from the County, which raises concerns regarding the Agency's financial condition and ability to maintain working capital to pay their bills.

Recommendations

Refer to Recommendation 2.

Child Alliance, Inc. management:

5. **Repay the Department of Public Social Services \$14,300, or provide the Department of Public Social Services with supporting documentation.**
6. **Ensure Domestic Violence Supportive Services Program funds are only used for their intended purpose.**

- 7. Ensure bank account reconciliations are properly prepared, and reviewed and approved by Agency management.**
- 8. Ensure that their financial records reflect their actual fiscal activity.**

COST ALLOCATION PLAN/EXPENDITURES

Objective

Determine whether Child Alliance developed their Cost Allocation Plan (Plan) using an appropriate cost allocation methodology, and if expenditures charged to the DVSS Program were allowable, properly documented, and appropriately allocated.

Verification

We interviewed Child Alliance personnel, and reviewed their Plan and financial records for 17 non-payroll expenditures, totaling \$20,679, that the Agency charged to the DVSS Program from January 2014 through January 2015.

Results

Child Alliance did not develop their Plan in compliance with their County contract using an appropriate cost allocation methodology. Specifically, the Agency's Plan indicated that they would use predetermined rates to allocate shared expenditures to the DVSS Program, which is unallowable.

Child Alliance initially had difficulty providing original supporting documentation for our review. As previously noted, the Agency indicated that they immediately shred all of their original source documents after they save an electronic copy of the documents. For this review, the Agency obtained copies of the original invoices from various vendors that supported the 17 non-payroll expenditures reviewed.

However, the Agency inappropriately charged \$4,439 (21%) of the \$20,679 to the DVSS Program. Specifically, Child Alliance inappropriately:

- Charged \$3,524 (100%) to the DVSS Program for shared expenditures (i.e., office supplies, equipment, telephone, etc.), instead of allocating the expenditures to all benefiting programs as required.
- Allocated \$915 to the DVSS Program for shared utility expenditures based on the number of programs, which is an unallowable allocation methodology.

Recommendations**Child Alliance, Inc. management:**

9. Reallocate all expenditures charged to the Domestic Violence Supportive Services Program during the contract term, provide the Department of Public Social Services with supporting documentation, and repay any overbilled amounts.
10. Ensure that all expenditures charged to the Domestic Violence Supportive Services Program are allowable, properly documented, and accurately billed.
11. Develop a Cost Allocation Plan that complies with their County contract.

FIXED ASSETS AND EQUIPMENT**Objective**

Determine whether Child Alliance's fixed assets and equipment purchased with DVSS Program funds were used for the appropriate Program and adequately safeguarded.

Verification

We interviewed Agency personnel, and reviewed their fixed assets and equipment inventory list. We also performed a physical inventory of 11 items purchased with DVSS Program funds to verify the items exist and were being used for the Program.

Results

Child Alliance did not maintain appropriate internal controls over their fixed assets and equipment to ensure they were adequately safeguarded. Specifically, Child Alliance did not:

- Maintain a complete and accurate listing of fixed assets and equipment. Specifically, four (36%) items that were purchased 100% with DVSS Program funds in September 2014 were not included in the Agency's inventory list. In addition, the remaining seven (64%) items reviewed did not have an asset identification number on record.
- Conduct semi-annual inventories as required. Child Alliance management indicated that they had never conducted a physical inventory of fixed assets and equipment purchased with DVSS Program funds.

Recommendation

12. Child Alliance, Inc. management develop and maintain a complete and accurate listing of fixed assets and equipment purchased with Domestic Violence Supportive Services Program funds and conduct semi-annual inventories of fixed assets and equipment.

PAYROLL AND PERSONNEL**Objective**

Determine whether Child Alliance maintained personnel files as required and charged payroll expenditures to the DVSS Program that were allowable, properly documented, and appropriately allocated.

Verification

We compared the payroll expenditures for three employees, totaling \$2,261 for September 2014, to the Agency's payroll records and time reports. We also interviewed employees, and reviewed personnel files for the three DVSS Program employees.

Results

Child Alliance maintained personnel files as required. However, Child Alliance inappropriately allocated \$1,153 (51%) of the \$2,261 in payroll expenditures reviewed to the DVSS Program. Specifically, Child Alliance allocated the payroll expenditures for two employees to the DVSS Program based on predetermined rates, instead of actual conditions as required. In addition, the Agency inappropriately charged payroll expenditures incurred in Fiscal Year (FY) 2013-14, totaling \$30,540, during FY 2014-15.

Recommendation

Refer to Recommendations 9 and 10.

CLOSE-OUT REVIEW**Objective**

Determine whether Child Alliance's close-out expenditure report reconciled to their financial records and whether the Agency had any unspent revenue for FY 2013-14.

Verification

We compared the total revenues and expenditures from Child Alliance's FY 2013-14 close-out expenditure report to the Agency's accounting records and to DPSS' payment records.

Results

Child Alliance's close-out expenditure report did not reconcile to the Agency's financial records. Specifically, the Agency's FY 2013-14 close-out expenditure report indicated that their DVSS Program expenditures totaled \$328,674. However, the Agency's accounting records indicated that their FY 2013-14 DVSS Program expenditures totaled \$186,529, resulting in a difference of \$142,145 (\$328,674 - \$186,529). Child Alliance needs to update their accounting records based on our recommendations noted in the previous sections of this report, provide DPSS with a revised close-out expenditure report for FY 2013-14, and work with DPSS to return or reinvest any unspent revenue.

Recommendations**Child Alliance, Inc. management:**

- 13. Ensure that their close-out expenditure reports are based on actual expenditures as required.**

- 14. Revise their accounting records based on our recommendations above, provide the Department of Public Social Services with a revised close-out expenditure report for Fiscal Year 2013-14, and work with the Department of Public Social Services to return or reinvest any unspent revenue.**



January 19, 2016

Board of Directors:

Gustavo Loera, Ed D
Acting Board Chair

Henry Acosta, MA, MSW, LSW
Treasurer

Maribel Romero, MSW, LCSW
Secretary

Alfonso Rubio, MA
Chief Executive Officer

Mary V. Galvan

John Naimo, Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
Countywide Contract Monitoring Division
350 S. Figueroa Street, 8th Floor
Los Angeles, CA 90071

Re: CHILD ALLIANCE, INC. – A DEPARTMENT OF PUBLIC SOCIAL SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM PROVIDER – CONTRACT COMPLIANCE REVIEW

Dear Mr. Naimo,

Child Alliance Inc. has received and reviewed the Auditor-Controller Report on the Department of Public Social Services Domestic Violence Supportive Services Program. Attached is our response to the recommendations contained in the report.

Should you require additional information, please feel free to contact me at (323) 232-3100, or via e-mail at arubio@childalliance.org.

Chief Executive Officer
Alfonso Rubio, MA

Program Director
Iris Cruet-Rubio, MS, MFTI

Child Alliance, Inc.
5708 S. Broadway, Suite AB
Los Angeles, CA 90037

Tel: 323.232.3100
Fax: 323.232.1900

Sincerely,

Alfonso Rubio, MA
Chief Executive Director

W: www.childalliance.org

“Helping Families Improve Their Quality of Life”

CHILD ALLIANCE, INC.
DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM
CONTRACT COMPLIANCE REPORT
JULY 2013 THROUGH JANUARY 2015

RECOMMENDATIONS/RESPONSES

ADMINISTRATIVE CONTROLS/CONTRACT COMPLIANCE

Recommendations

Child Alliance, Inc. management:

1. Developed an appropriate Board of Directors in compliance with California State laws to oversee and actively monitor the Agency's fiscal operations.

Child Alliance welcomed a new Board of Directors on Tuesday, May 21, 2015 in full compliance with California State laws, and in accordance with the Auditor-Controller Contract Accounting and Administration Handbook and best practices for non-profit management. A copy of the Board Meeting Agenda, Minutes, By-Laws, Policy's adopted, and other pertinent information were provided to DPSS. From May 21, 2015 until January 5, 2016 the board was comprised of six (6) unrelated individuals with less than 49% of 'interested parties' in accordance with state law. As of January 5, 2016 there is a vacancy on the board resulting from a resignation; the percentage of 'interested parties' is still below the 49% allowed by law. A Board of Directors meeting was also held on January 5, 2016.

2. Establish adequate separation of duties for cash receipts, bank account reconciliations and disbursements.

Child Alliance has implemented Board adopted policies and procedures that establish adequate separation of duties for cash receipts, bank reconciliations and disbursements.

3. Maintain all original source documents as required by the County contract.

Child Alliance agrees to follow all Auditor-Controller Contract Accounting and Administration Handbook Section A.3.2 guidelines concerning maintaining all original source documents. In good faith, the management believed that scanning original source documents was an acceptable practice in support of the county and its own internal green policies.

4. Ensure that the Agency maintains the required insurance coverage.

Child Alliance is in compliance with all local, state and federal laws, and contracts, with respect to required insurance coverage and liability limits, and will maintain required insurance. Certificate of Insurance Coverage are on file and have been sent to all respective department with whom the agency has contracts.

CASH AND REVENUE

Recommendations

Child Alliance, Inc. management:

5. Repay the Department of Public Social Service \$14,300, or provide the Department of Public Social Services with supporting documentation.

Child Alliance is currently researching the transfers totaling \$14,300 from the Domestic Violence Supportive Services Program funds and will either repay, or provide supporting documentation to the Department of Public Social Services.

Additionally, items that appear to be personal in nature in the agency's general funds account will be reviewed for legitimacy and corrective action will be taken as needed. The Board of Directors understand the fiduciary duties of care and loyalty and will act in good faith with the diligence, care and skill that an ordinary person would exercise under similar circumstances.

With respect to overdraft fees and issues raised concerning the Agency's financial condition, Child Alliance has implemented new strategies to improve its financial position. The need for overdraft protection has since been reduced as a result of Child Alliance's efforts.

6. Ensure Domestic Violence Supportive Services Program funds are used for their intended purposes.

Child Alliance will utilize all Domestic Violence Supportive Services Programs funds for their intended purposes. The agency will ensure that all steps taken are in accordance with contract guidelines concerning any proposed modifications in program expenditures.

7. Ensure bank account reconciliations are properly prepared, reviewed and approved by Agency management.

Child Alliance has Financial Control Policies and Procedures that ensure bank account reconciliations are properly prepared, reviewed and approved by Agency management.

All policies and procedures have been developed in compliance with the Auditor-Controller Contract Accounting and Administration Handbook.

8. Ensure that their accounting records reflect their actual fiscal activity.

Child Alliance will ensure that all accounting records reflect actual fiscal activity. The discrepancies noted were a result of funds previously not being separated in individual bank accounts by cost centers, and as a result of actual services provided exceeding the 25% maximum cap for billing by quarter.

EXPENDITURES/COST ALLOCATION

9. Reallocate all expenditures charged to the Domestic Violence Supportive Services Program during the contract term, provide the Department of Public Social Services with supporting documentation, and repay any overbilled amounts.

Child Alliance intends to reallocate all expenditures charged to the Domestic Violence Supportive Services Program during the audit period, provide the Department of Public Social Services with supporting documentation, and repay any overbilled amounts.

10. Ensure that all expenditures charged to the Domestic Violence Supportive Services Program are allowable, properly documented, and accurately billed.

Child Alliance will ensure that all expenditures charged to the Domestic Violence Supportive Services Program are allowable, properly documented, and accurately billed.

11. Develop a Cost Allocation Plan that complies with their County Contract.

Child Alliance has implemented a Cost Allocation Methodology for Fiscal Year 2015-2016 which it feels is appropriate in addressing the contractual requirements and related guidelines. Child Alliance is currently revisiting this Cost Allocation Methodology with its accounting firm, and will formalize the plan accordingly. The plan will be presented to its Government partners for approval if changes are made.

FIXED ASSETS AND EQUIPMENT

12. Child Alliance, Inc. management develop and maintain a complete and accurate listing of fixed assets and equipment purchased with Domestic Violence Supportive Services Program funds and conduct semi-annual inventories of fixed assets and equipment.

Child Alliance has been reviewed the inventory and updated it to include a complete and accurate listing of fixed assets and equipment. Child Alliance will maintain an inventory listing and ensure they comply with County contract requirements. Additionally, Child

Alliance will ensure that a semi-annual inventory of fixed assets and equipment is conducted.

PAYROLL AND PERSONNEL

REFER TO RECOMMENDATIONS 9 AND 10.

Child Alliance intends to reallocate all expenditures charged to the Domestic Violence Supportive Services Program during the audit period, provide the Department of Public Social Services with supporting documentation, and repay any overbilled amounts.

Additionally, Child Alliance will ensure that all expenditures charged to the Domestic Violence Supportive Services Program are allowable, properly documented, and accurately billed.

CLOSE-OUT REVIEW

Child Alliance, Inc. management:

13. Ensure that their close-out reports are based on actual expenditures as required.

Child Alliance will ensure that the close-out reports are based on actual expenditures. The revised close-out report for the audit period will be submitted to the Department of Public and Social Services.

14. Review their accounting records based on our recommendations above, provide the Department of Public Social Services with a revised close-out report for Fiscal Year 2013-2014, and work with the Department of Public Social Services to return or reinvest any unspent revenue.

Child Alliance will review its accounting records based on the recommendations and will provide the Department of Public Social Services with a revised close-out report for Fiscal Year 2013-2014. If the revised report results in expenditures below revenue received, then Child Alliance will work with the Department of Public Social Services to return or reinvest any unspent revenue. If however, expenditures exceed revenue, then no repayment will be made.