



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

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

November 1, 2005

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

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **POMONA UNIFIED SCHOOL DISTRICT CONTRACT REVIEW – CAL-
WORKS STAGE 1 CHILD CARE SERVICE**

We have completed a contract compliance review of Pomona Unified School District (Pomona or Agency), a CalWORKs Stage 1 Child care service contractor. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

Background

The Department of Public Social Services (DPSS) contracts with Pomona to assist parents with child care services. The Agency's services include determining participants' presumptive eligibility, explaining participants' child care options and program rights, providing consumer education information and child care referrals upon request, and paying the daycare service providers. In addition, Pomona conducts monthly monitoring of its staff located at DPSS offices. Pomona is located in the First, Fourth and Fifth Districts.

DPSS paid Pomona a negotiated rate of approximately \$125 for FY 2004-2005 per case per month. DPSS also paid Pomona a fixed monthly fee of \$10,000 for FY 2004-2005 to fund 2 staff located at DPSS offices. In addition, Pomona paid approximately \$8,500 for FY 2004-2005 for outreach services. For FY 2004-2005, DPSS paid the Agency approximately \$1 million.

Purpose/Methodology

The purpose of the review was to determine whether Pomona provided the services outlined in their Program Statement and County contract. We also evaluated Pomona's

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ability to achieve planned service and staffing levels. Our monitoring visit included a review of Pomona's billing statements, participant case files, provider payment requests, time records and personnel files. In addition, we interviewed the Agency's staff, program participants and service providers.

Results of Review

The program participants stated that the services they received from Pomona met their expectations. In addition, the service providers stated that they received their payments from Pomona for the child care services within acceptable timeframes.

For five (4%) of the 118 case records reviewed, Pomona billed DPSS for child care services provided to participants that did not qualify for services. In addition, for 10 (7%) of the 140 billing transactions reviewed, Pomona billed DPSS twice for the same services. The total amount of services provided to ineligible participants and services billed twice was \$5,635. In addition, seven (64%) of the 11 Pomona staff sampled did not meet the required education or work experience.

We recommend that Pomona management ensure that services are only provided to eligible participants, implement controls to prevent billing DPSS twice for the same services, and repay DPSS for the amount over billed. In addition, we recommend that Pomona management hire staff that meet the required education and work experience.

Review of Report

On September 12, 2005, we discussed our report with Pomona who concurred with our report. In their attached response, Pomona Unified School District management indicates agreement with our report. We also notified DPSS of the results of our review.

We thank Pomona 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) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Bryce Yokomizo, Director, Department of Public Social Services
Jane Stallings, Administrative Director, Pomona Unified School District
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING DIVISION
CalWORKs STAGE 1 CHILD CARE PROGRAM
FISCAL YEAR 2004-2005
POMONA UNIFIED SCHOOL DISTRICT**

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether Pomona Unified School District (Pomona or Agency) provided the services billed in accordance with their contract and the program participants actually received those services.

Verification

We verified the eligibility status of a sample of 118 program participants on GEARS. We also reviewed the documentation for a sample of 22 retroactive payments to ensure the payments were appropriate. In addition, we interviewed 53 program participants and 68 daycare providers from the sample to ensure that the participants and the providers received the child care services. Our sample represents \$29,437 of \$399,540 that Pomona billed the Department of Public Social Services (DPSS) for the review period.

Results

Pomona provided consumer education information and child care referrals upon request to the program participants. In addition, the program participants stated that the services they received from Pomona met their expectations.

However, Pomona over billed DPSS for child care services provided to participants that did not qualify for services. In addition, they billed DPSS twice for the same services. The over billings totaled \$5,635. Specifically, we noted the following:

- For five (4%) of the 118 case records reviewed, Pomona billed DPSS for child care services provided to participants that did not qualify for services. The five participants were not enrolled in an activity that qualified them for the services as noted in the County contract. The amount of service provided to individuals not eligible totaled \$4,377.
- For seven (6%) of the 118 cases reviewed, Pomona billed DPSS for enhanced referrals and re-billed DPSS for the same services the following month. In addition, for three (14%) of 22 retroactive authorizations reviewed, Pomona billed DPSS for retroactive services that were already reimbursed by DPSS. The amount of services that Pomona billed DPSS twice totaled \$1,258.

Recommendations**Pomona management:**

1. Ensure that services are only provided to eligible participants.
2. Implement controls to prevent billing DPSS twice for the same services.
3. Repay DPSS for the amount over billed of \$5,635.

SERVICE/STAFFING LEVELS**Objectives**

Determine whether Pomona reported service levels did not significantly vary from planned services levels. Also, determine whether Pomona's actual staffing levels did not significantly vary from the planned staffing levels of 24 Full Time Equivalents (FTEs) for October and November 2004.

Verification

We reviewed invoices for October and November 2004 and compared them to Pomona's proposed service levels for the same periods. In addition, we interviewed 17 staff for October and November and reviewed Pomona's employee rosters.

Results

Pomona reported service levels for October and November 2004 averaged approximately 712 participant cases per month. This represents a decrease of approximately 30% from the budgeted participant service levels of 1,015 participant cases per month. The decrease is due to a reduction in the number of cases referred to the Agency by DPSS. Pomona did not reduce their actual staffing levels to reflect the changes with the services levels. The Agency maintained their actual staffing levels at their planned level of 24 FTEs. DPSS did not pay Pomona for the additional staffing.

Recommendation

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether Pomona's staff met the qualifications required by the County contract.

Verification

We reviewed the personnel files for 11 of 65 program staff for documentation to confirm staff qualifications.

Results

Pomona met the general staffing qualifications required by the County contract. However, seven (64%) of the 11 Pomona staff did not meet the education or work experience qualifications established by Pomona. Pomona requires that program staff working on the County contract possess a degree from an accredited college and have had work experience in a related field. Five staff did not have college degrees and two staff did not have the related work experience when they were hired. Pomona is currently reviewing existing staff's education levels to ensure that the staff is currently enrolled in accredited colleges to fulfill the job description requirements.

Recommendation

- 4. Pomona management hire staff that meet the required education and work experience.**



CHILD DEVELOPMENT DEPARTMENT

Pomona Unified School District

1460 E. Holt Avenue, Suite 130, Pomona, CA 91767
(909) 397-4740, Ext. 5221; Fax: (909) 623-5158
Ofelia Lariviere, Director

September 23, 2005

J. Tyler McCauley
Los Angeles County Auditor-Controller
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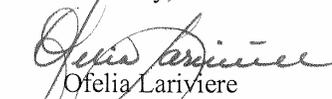
RE: Contract Review Response

Dear Mr. McCauley:

We have reviewed the report issued by your department and are in general agreement with the findings and recommendations. We will be submitting a corrective action plan to the Department of Public Social Services within 30 days that details our efforts to implement the recommendations contained in the report.

If you have any questions, please feel free to contact me at (909) 397-4740 x5221. Thank you for your assistance in this matter.

Sincerely,


Ofelia Lariviere
Director

OL:yac