PHILIP L. BROWNING
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

Board of Supervisors
HILDA L. SOLIS
First District
MARK RIDLEY-THOMAS
Second District
SHEILA KUEHL
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

March 14, 2016

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

From: Philip L. Browning
Director

ORANGE COUNTY CHILDREN'S FOUNDATION FISCAL COMPLIANCE ASSESSMENT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) completed a Fiscal Compliance Assessment of Orange County Children's Foundation (the Group Home) on March 25, 2015. The Group Home has three sites; one located in the Second Supervisorial District; one located in the Fourth Supervisorial District and one located in Orange County. All sites provide services to the County of Los Angeles DCFS placed children and children from other counties. According to the Group Home's Program Statement, its stated purpose is, "to increase the likelihood that those residents who remain in the program until their 18th birthday will demonstrate a measurable increase in academic and social adaptive skills and decrease in maladaptive behaviors to enable them to adjust successfully as adults."

The Group Home is licensed to serve a capacity of six male children, ages 13 through 18. At the time of the review, the Group Home served six DCFS placed children. The placed children's overall average length of placement was five months and their average age was 14.

SUMMARY

CAD conducted a Fiscal Compliance Assessment which included an agency-wide review of the Group Home's financial records such as financial statements, bank statements, check register and personnel files to determine their compliance with the terms, conditions and requirements of the Group Home contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State and County regulations and guidelines.

The Group Home was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influences; and Cash/Expenditures.

CAD identified one deficiency in the area of Payroll and Personnel, related to a timecard missing the supervisor's signature.

Attached are the details of CAD's review.

REVIEW OF REPORT

On June 8, 2015, Omnaya Zaklama, CAD-Fiscal, held an Exit Conference with the Group Home representatives: Irene Yohn, Assistant Executive Director and Rene Juano, the Bookkeeper.

The Group Home representatives agreed with the review finding and recommendation, were receptive to implementing systemic changes to improve compliance with regulatory standards and were in agreement with addressing the noted deficiency in a Fiscal Corrective Action Plan (FCAP).

A copy of this compliance report has been sent to the A-C and Community Care Licensing.

The Group Home provided the attached approved FCAP addressing the recommendation noted in this report. CAD verified the Group Home implemented the FCAP in September 2015.

If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 351-5530.

PLB:EM:LTI:oz

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Calvin Remington, Interim Chief Probation Officer
John Naimo, Auditor-Controller
Pamela Cutchlow, Executive Director, Orange County Children's Foundation.
Public Information Office
Audit Committee
Sybil Brand Commission
Leonora Scott, Regional Manager, Community Care Licensing Division
Lajuannah Hills, Regional Manager, Community Care Licensing Division

ORANGE COUNTY CHILDREN'S FOUNDATION
FISCAL COMPLIANCE ASSESSMENT REVIEW
FISCAL YEAR 2014 - 2015

SCOPE OF REVIEW

The Fiscal Compliance Assessment included a review of the Orange County Children's Foundation's (the Group Home's) financial records for the period of January 1, 2012 through September 30, 2014. Contracts Administration Division (CAD) reviewed the financial statements, bank statements, check register and personnel files to determine the Group Home's compliance with the terms, conditions and requirements of the Group Home contract with the Department of Children and Family Services (DCFS) and the Probation Department, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State and County regulations and guidelines.

The on-site Fiscal Compliance Assessment review focused on five key areas of internal controls:

- Financial Overview,
- Loans, Advances and Investments,
- Board of Directors and Business Influence,
- Cash/Expenditures, and
- Payroll and Personnel.

The Group Home was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influences; and Cash/Expenditures.

FISCAL COMPLIANCE

CAD found the following area out of compliance:

Payroll and Personnel

- One timecard was missing the supervisor's signature.

At the Exit Conference, the Group Home representatives stated they will ensure that all timecards are reviewed and signed by the supervisor.

Recommendation:

The Group Home's management shall ensure that:

1. All timecards are reviewed and approved by the employee's supervisor.

MOST RECENT FISCAL REVIEW CONDUCTED BY THE AUDITOR-CONTROLLER

A fiscal review of the Group Home has not been posted by the Auditor-Controller.

NEXT FISCAL COMPLIANCE ASSESSMENT

The next Fiscal Compliance Assessment of the Group Home will be conducted in County Fiscal Year 2015-2016.

Orange County Children's Foundation, Inc.
Placentia Torrance Harbor City

July 9, 2015

County of Los Angeles
Dept. of Children & Family Services
Fiscal Compliance Division

Attn: Omnaya Zaklame

Subject: Fiscal Corrective Action Plan for Orange County Children's Foundation, Inc.

In response to the Fiscal Compliance Assessment Review findings, our agency's Fiscal Corrective Action Plan (FCAP) is as follows:

FCAT Section V- Payroll and Personnel

Question No. 29
Finding:

***Of the three timecards reviewed one was missing supervisor signature.**

1. **FCAP**: Orange County Children's Foundation, Inc. has implemented Easy Clocking: A biometric based employee time clock which allows employees to sign in and out of shifts using their fingerprints. This has eliminated time cards. Instead, at the end of the work week employees review and approve the hours they worked and electronically sign off. Next the supervisors collect, review the employees time and sign off. Payroll CANNOT be processed unless the signatures have been recorded in the database. Thus, eliminating missed signatures.

PO Box 6803
Fullerton, CA 92834
Tel 714-986-9451 occf@msn.com Fax 714-961-7451

If you have any questions please don't hesitate to contact me directly.

Respectfully Submitted,

Irene Yohn
Asst. Executive Director/Administrator
Orange County Children's Foundation, Inc.
714-213-1428

cc: Rene Tuano, Bookkeeper
Pamela Cutchlow, Executive Director