



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Clinton Tatum
2nd District
Genie Chough
3rd District
Carl Gallucci
4th District
Lori Glasgow
5th District

MEETING MINUTES February 16, 2006

Chairperson Louisa Ollague called the meeting to order at 1:35 p.m. in Conference Room, 525, at the Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Clinton Tatum, Second District
Genie Chough, Third District
Carl Gallucci, Fourth District
Lori Glasgow, Fifth District

Others in Attendance

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|---|---------------------------------------|
| Maria Oms, Auditor-Controller | Peter Papadakis, Board of Supervisors |
| Jim Schneiderman, Auditor-Controller | Garen Khachian, Board of Supervisors |
| Carla Carr, Auditor-Controller | |
| Candace Rhue, Auditor-Controller | |
| Daniel Medrano, Internal Services Department | |
| Jonathan Williams, Chief Information Office | |
| Lesley Blacher, Chief Administrative Office | |
| Tiffany Williams, Chief Administrative Office | |
| Randy Martin, Internal Services Department | |

Approval of Minutes

The approval of minutes was continued to the March 16, 2006 meeting.

Old Business

Community Development Commission – Fiscal Review:

The Committee unanimously approved continuing this item to the June 15, 2006 meeting.

Group Home Program Monitoring Report – Living Advantage, Incorporated – Advantage

Living and Second Change Group Homes: Due to the significant material findings discovered, Ms. Oms reported all children were transferred and the Group Homes have been permanently closed. **On motion of Brence Culp, seconded by Carl Gallucci, the Committee unanimously approved receiving and filing this report.**

Vendor Business at the Hall of Administration: Auditor-Controller is working with the CAO Real Estate Division to ensure compliance with vendor signage by the end of February 2006.

The Committee unanimously approved continuing this item to the March 16, 2006 meeting and requested Building Manager Jesse Rodriguez to report back with the effectiveness of the new vendor forms and to contact the County CAO regarding the responsibility for ingress/egress safety concerns among the various County facilities.

Child and Family Center Contract Review: As of October 2005, the Department of Mental Health (DMH) billing system reported the Child and Family Center provided \$4.8 million in services for FY 2004-05. However, the Agency's internal billing system reported billings of \$6.2 million, which was the correct amount actually billed. Ms. Oms reported DMH's billing system is new and errors in the billing may occur until implementation is fully achieved. Lastly, Auditor-Controller will provide a follow up report on this item at the March 16, 2006 Audit Committee meeting. **The Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

Group Home Program Monitoring Report – Florence Crittenton Centers Group Home: Mr. Schneiderman reported the Florence Crittenton Centers Group Home has been closed. **The Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

Refugio Para Niños Foster Family Agency Contract Review: Ms. Oms advised the recently appointed Director for the Agency was released by DCFS. **The Committee unanimously approved continuing this item to the May 18, 2006 meeting.**

Group Home Corrective Action Plan Follow-Up Report – Boys Republic-Chino Group Home, Incorporated: Ms. Oms reported 9 out of 15 Auditor-Controller recommendations have been implemented. In response to Louisa Ollague, Ms. Carr reported the Auditor-Controller will return to the Group Home for a follow-up visit in 2007. **The Committee unanimously approved receiving and filing this report.**

Group Home Corrective Action Plan Follow-Up Report – Turmont Home for Boys/Girls: Turmont Home for Girls Group Home: 6 out of the 9 Auditor-Controller recommendations have been implemented and the Agency will continue to address the 3 outstanding recommendations until their completed. **The Committee unanimously approved receiving and filing this report.**

Group Home Corrective Action Plan Follow-Up Report – Los Angeles Youth Network, Beachwood House Group Home and Taft House Group Home: Ms. Oms reported 33 out of 40 Auditor-Controller recommendations have been implemented. Ms. Carr advised the remaining 7 recommendations should be completed by the end of March 2006. **The Committee unanimously approved receiving and filing this report.**

Group Home Corrective Action Plan Follow-Up Report – Westside Children's Group Homes, Incorporated – Westside Group Homes Sites 1, 2, 3, and 4: Ms. Oms advised 91 out of 124 recommendations have been implemented and significant improvements to the Homes have been made. Genie Chough questioned as to why the NSPs are not being completed timely. Louisa Ollague concurred and added the A/C should research the problems of incomplete NSPs throughout all Group Homes visited. **The Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

Reports to be Received and Filed

Proposition A Contract – Public Library Transportation Delivery Services (Board Meeting 1/17/06 Agenda Item # 25): Review determined the contract is cost effective and the hourly wages to be paid meet the County's Living Wage Ordinance requirements. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Status Report – Department of Mental Health's Office of the Public Guardian Recommendation Follow Up (Board Meeting 11/22/05 Agenda Item #19 and # 20C): Auditor-Controller continues to monitor DMH's implementation timeline and will report back to the Board of Supervisors on the status of the recommendations in September 2006. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Michelle-Travis Group Home, Sites 1, 2, & 3: Work Order No. 7-11 Due Date Extension No. 1 2004-05 BOS – LAC-CAL Financial Audit: Review determined all three Group Homes need to include the children's placement workers and the child in the development and update of the NSPs. Group Home Site 1 and 2 need to ensure children are provided the minimum weekly allowance. Auditor-Controller has received and approved the agency's corrective action plan (CAP). **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Department of Public Works Security Services Contract – (Board Meeting 1/17/06 Agenda Item # 28): Auditor-Controller review of the claim brought forth by California Security, Incorporated (CSI) against the Department of Public Works (DPW) was proved to be invalid. CSI did not provide the required RFP bid guaranty as requested by DPW. To ensure consistency in County requirements, Auditor-Controller recommends the County contract managers network review the use of bid/performance guarantees. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Probation Department Management Audit Technical Support (Board Meeting 12/6/05 Agenda Item # 62 A): On December 6, 2005, Thompson, Cobb, Bazillio and Associates (TCBA) and the Child Welfare League of America (CWLA) issued audit reports which contained 100 recommendations to the Probation Department (Probation). Based on discussions with Probation and the CAO, the hiring of a project manager with experience in assisting public entities to resolve management and programmatic issues was decided. Auditor-Controller staff will begin to solicit work plans through numerous consulting firms and individuals that possess the required qualifications. The selection of a project manager should be completed by the end of March 2006. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Allegation Against Penny Lane Centers: Allegations of diverting foster care funds to relatives and failure to maintain proper employee records were unsubstantiated. However, the allegation regarding the Agency's failure to use competitive bidding to obtain an architect was substantiated. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Board Policy No. 6.010 – Department E-Mail Constituent Assistance Form: Mr. Williams reported the policy is without revisions and requested consideration for extension to March 10, 2010. After a brief question and answer period, the Committee requested Mr. Williams research the efficiency of e-mail monitoring among County Departments and report back to the Committee in March 2006. **On motion of Carl Gallucci, seconded Lori Glasgow, the Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

Sunset Review of Board Policy No. 5.135 – County Contractor Notification to Contract Employees Regarding the Newborn Abandonment Law (SB 1368) (The Safely Surrendered Law): Mr. Medrano reported the following revision to the policy: ~~SD~~ CAO will now be the lead Department concerning this policy. **On motion of Carl Gallucci, seconded Lori Glasgow, the Committee unanimously approved extending the Sunset Review Date to March 20, 2009.**

Group Home Program Monitoring Report – Ferree’s Group Home, Incorporated: Ferree’s Group Home Site Three: Agency needs to facilitate minor repairs such as repair/replace several window screens; fix kitchen cabinet door and burner on stove; clean up backyard storage area; maintain current and comprehensive NSPs; and ensure children receive the required minimum weekly allowance. Auditor-Controller has received and approved the Agency’s CAP. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Revolving Funds and Revolving Cash Trust Funds as of June 30, 2004 and 2005: Review determined the Sheriff had transferred some Revolving Cash Trust Funds (RCTF) monies without notifying the Audit division. As a result, the transfer activities were not shown in the County’s accounting records. This issue was discussed with the Sheriff and an agreement to request approval for future changes in the RCTF was decided. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Audit of the Los Angeles County Regional Park and Open Space District for the Year Ended June 30, 2005: Conrad and Associates, L.L.P. Certified Public Accountants audited the financial statements for the Los Angeles County Regional Park and Open Space District for the year ending June 30, 2005. The audit revealed no material weaknesses in the financial statements. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Adjustment of Travel Expense Reimbursements Effective February 1, 2006: The percentage change in the National Consumer Price Index (CPI) between December 2004 and December 2005 was published as 3.4%. Thus, maximum reimbursable amounts for meals and lodging for travel occurring on or after February 1, 2006 through January 31, 2007 have changed accordingly. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Fiscal Monitoring of Department of Mental Health Contract Service Providers for Fiscal Year 2003-2004: M.R. Grant Certified Public Accounting Firm conducted a fiscal monitoring of the Department of Mental Health's (DMH) service providers for fiscal year 2003-2004. M.R. Grant identified \$370,569 in over billings by contract service providers and \$99,186 in over billings by DMH operated service providers. Also, undocumented patient financial information as well as cost reports and allocation plans were not filed with DMH. Currently, DMH has collected \$111,414 in overpayments from the providers and is in the process of collecting the remaining balance. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Washington Hancock Home for Girls: Agency needs to provide comprehensive NSPs that include short/long term goals; ensure children are aware of their right to refuse psychotropic medication; and provide all children the required minimum weekly allowance. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – B & I Group Home, Alvarado and San Francisco Sites: Both Group Homes need to clean/replace missing slats on the vertical blinds in children's bedrooms; include the treatment team in the implementation of NSPs; provide children with sufficient recreational activities; and provide children with the required minimum weekly allowance. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Jay Cee Dee Children's Homes, Incorporated, Bergen Way Group Home and Loma Alta Group Home: Bergen Way Group Home needs to repair the floor in bedroom number two. Loma Alta Group Home needs to inform children of their right to refuse psychotropic medication and ensure children receive the minimum weekly allowance. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Group Home Program Monitoring Report – Phoenix Houses of Los Angeles, Inc., Phoenix Academy Lakeview Terrace Group Home: Generally, the Agency is providing the treatment services as outlined in their Program Statement, however deficiencies are present in the Group Home. The Agency needs to create/maintain NSPs for all children; provide children sufficient on/off site recreational activities; develop and implement a fair discipline system; ensure children receive nutritious meals; receive the minimum weekly allowance; and encourage children to create and maintain life books/photo albums. Auditor-Controller has received and approved the Agency's CAP. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Sunset Review of Amendment to Board Policy No. 3.020 – Clean Fuels Program: **On motion of Carl Gallucci, seconded Lori Glasgow, the Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

DCFS Social Worker Group Home and Foster Family Agency Visits:

In order to prevent duplication of efforts, Auditor-Controller suggested conducting both on-site reviews for the 30 Foster Family Agency's (FFA's). This should allow both departments to better allocate limited resources. Louisa Ollague suggested that the Board of Supervisors Children's Deputies should be involved in this issue. **On motion of Carl Gallucci, seconded Lori Glasgow, the Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

Audit of the Los Angeles County Flood Control District for the Year Ended June 30, 2005:

Simpson & Simpson Certified Public Accountants identified no material weaknesses involving the District's internal controls over financial reporting requirements. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Follow-up of the Sheriff Department's Collections of Potential Overpayments to the

AMER-I-CAN Foundation: Auditor-Controller reported the Sheriff is currently working with County Counsel to evaluate whether collection efforts can be initiated for Amer-I-can's non-compliance with the contract terms. Auditor-Controller will provide another status report in March 2006. **On motion of Clinton Tatum, seconded by Lori Glasgow, the Committee unanimously approved receiving and filing this report.**

Reports Received

There were none.

Other Business

FFAs and Group Home Monitoring: **The Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

LAHSA Update: Ms. Oms reported there are 5 finalists qualified for the position of CFO. One finalist surfaced as the leading candidate for the position; however, an agreeable salary amount has not been reached. The interim CFO's contract has been extended to the end of March 2006. **The Committee unanimously approved continuing this item to the March 16, 2006 meeting.**

Public Comments

There were none.

Matters not on the Posted Agenda (to be Presented and Placed on the Agenda of a Future Meeting)

There were none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:14 p.m.