



Los Angeles County AUDIT COMMITTEE

Gerardo Pinedo, Chair
2nd District
Carl Gallucci, Vice-Chair
4th District
Louisa Ollague
1st District
Genie Chough
3rd District
Lori Glasgow
5th District

MINUTES
MAY 15, 2008

Chair Gerardo Pinedo called the meeting to order at 1:39 p.m. in Conference Room 525, Kenneth Hahn Hall of Administration.

Committee Members Present

Gerardo Pinedo, Second District
Genie Chough, Third District
Carl Gallucci, Fourth District
Lori Glasgow, Fifth District

Committee Members Absent

Louisa Ollague, First District

Others in Attendance

Maria Oms, Auditor Controller
Jim Schneiderman, Auditor Controller
Juanita Smith, Board of Supervisors
George Britton, Board of Supervisors

Approval of Minutes

On motion of Genie Chough, seconded by Lori Glasgow and unanimously carried, the minutes of April 17, 2008, were approved with the following corrections:

Page 1 under Committee Members Present ~~Lisa Mandell, Mandel~~

Page 7 under Other Business ~~Helen Bavarian, Berberian~~

Old Business

DHS Sole Source (Discussion): Loreto Maldonado, Assistant Administrative Officer, Chief Executive Office (CEO), reported that her office recognizes the Audit Committee's concern regarding the Department of Health Services (DHS) Sole Source processing. She noted that DHS has been very responsive to address this issue and has developed an aggressive plan.

Fred Leaf, Director, Capital Projects and Facilities, DHS, advised that DHS will occasionally have more Sole Source Contracts than other Departments due to the volume of pressing clinical issues. However, the due diligence that is required from the Program office needs to be significantly improved. Staff needs to actually look in advance of their needs and assess whether or not it qualifies as a Sole Source Contract.

Kathy Hanks, Director, Contract Administration and Monitoring, DHS, reported that in January their office developed a critical 2 hour Contract training curriculum which was conducted by her and Elizabeth Friedman, County Counsel. To date, they have conducted 2 sessions with 35 of DHS' Executive Staff members and managers.

The training focused on Sole Source Contracts and due diligence when going forward with a Sole Source Contract. Ms. Hanks advised that another training class is scheduled in two weeks.

In addition, meetings are scheduled with DHS Executive staff at their program offices to inform them on the required due diligence and how to mitigate particular cases on Sole Source Contracts. Further, in order to ensure due diligence, Sole Source Contracts will now be reviewed by her office prior to submittal to the Chief Executive Office for approval. In order to ensure due diligence.

In response to Chair Pinedo, Fred Leaf reported that although the program offices have the subject matter expertise relative to their requested programs that require contracts, contracts are centrally reviewed and monitored.

Ms. Hanks noted that for Calendar Year 2007, DHS had 7 Sole Source contracts.

Ms. Hanks agreed to provide Chair Pinedo with the dollar amount of the 7 Sole Source contracts year to date, and the number of contracts that DHS processes.

In response to Genie Chough regarding non-compliance on Sole Source Contracts, Mr. Leaf noted that non-compliance it is reflected in the employee's performance evaluation and can be included in their County MAPP rating form.

Mr. Leaf agreed to provide Chair Pinedo a copy of the MAPP form that includes the consequence for not following the Sole Source protocol.

Review of Board Policy Number 5.045 – Sunset Review Date (07/17/07): On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.

Internal Control Certification Program for Fiscal Year 2007-2008 (03/04/08): On motion of Genie Chough, seconded by Lori Glasgow and unanimously carried, the Committee received and filed this report.

Fiscal Review of the Sherman Group, Incorporated – A Group Home Foster Care Contractor (03/25/08): On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.

Department of Community and Senior Services – Fiscal Monitoring of Area Agency on Aging Program Services for Fiscal Year 2005-06 (03/25/08): On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.

Constitutional Rights Foundation – A Department of Public Social Services Community Services Block Grant Program Provider (04/02/08): On motion of Genie Chough, seconded by Lori Glasgow and unanimously carried, the Committee received and filed this report.

Excel Family Intervention Foster Family Agency Contract Review – A Department of Children and Family Services Provider (04/03/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Communities in School of South Bay, Inc. Contract – A Community and Senior Services Workforce Investment Act Program Provider (04/07/08):

In response to Genie Chough, on what action can be taken against CIS on the unpaid balance (\$43,690.) owed to the Department, staff advised that they have requested CSS to attend all meetings, and on March 27, 2008, staff will conduct the 2007/08 review to determine if any payment on the outstanding amount has been made.

At the request of Genie Chough, the Auditor Controller agreed to inform CSS that this issue is a concern of the Audit Committee.

On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.

Fiscal Review of B & I Group Home, Inc. – A Group Home Foster Care Contractor (4/7/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

General Fund Department (Update): **On motion of Genie Chough, seconded by Lori Glasgow and unanimously carried, the Committee received and filed this report.**

A-C Contract Accounting and Administration Handbook (Discussion Item): Jim Schneiderman provided an update to the Committee addressing its concerns on compliance with the revised A-C Contract Accounting Administration Handbook. Mr. Schneiderman advised that the accounting and fiscal control requirements in the Handbook would apply to all contracts, regardless of the dollar amount. However, the governance provisions would only apply to social services contractors who have a County contract or multiple contracts equal to \$100,000 a year or more.

Chair Pinedo noted that the Committee can agree on the concept but not on the threshold amount for governance compliance.

He suggested that the Handbook include a rule specifying that contracts smaller than \$25,000 would be counted toward the aggregate of \$100,000 for governance compliance, and that he report back on further recommendations at the June 19th Audit Committee meeting. **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Implementation of the Management and Program Audit Recommendations – Seventh Quarterly Progress Report (03/12/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Los Angeles County Office of Education County Contract Review – A Department of Public Social Services CalWORKs Support Services Program Provider (4/7/08): Chair Pinedo informed the Committee that the above Agenda Item was removed from the agenda at the request of the Auditor Controller.

Asian American Drug Abuse Program Contract – A Community and Senior Services Workforce Investment Act Program Provider (4/9/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Group Home Program Monitoring Report – Eggleston Youth Center, Incorporated – Emancipation House, Main Site and Transitional House Group Homes (4/9/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

City of Compton – Compton Careerlink Contract – A Community and Senior Services Workforce Investment Act Program Provider (4/22/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Mexican American Opportunity Foundation Contract – A Community and Senior Services Workforce Investment Act Program Provider (4/23/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Children’s Group Home Ombudsman’s Hotline Status Report – January 1 Through March 31, 2008 (4/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Fiscal Review of M&R Group Home – A Group Home Foster Care Contractor (4/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Arbor Education and Training, LLC Contract – A Community and Senior Services Workforce Investment Act Program Provider (4/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

San Gabriel Children’s Center, Inc. Contract Compliance Review – A Wraparound Program and Mental Health Services Provider (4/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Walden Family Services Contract Review – A Department of Children and Family Services Foster Family Agency Service Provider (4/29/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Proposition A Contract – Department of Public Social Services Supplemental Security Income Appeals (Board Agenda May 6, 2008 Item 36) (5/1/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Review of Sheriff's Contract Psychologist Exams (5/6/08): At the request of Chair Pinedo, Jim Schneiderman, Auditor Controller's Office agreed to forward this Agenda item to all 5 Justice Deputies. **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

The Resources Company's Evidence-Based Practices Training Quarterly Status Report (5/6/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Inner Circle Foster Care and Adoption Services Contract Review – A Department of Children and Family Services Foster Family Agency Service Provider (5/6/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Aviva Family and Children's Services – A Community and Senior Services Workforce Investment Act Program Provider (5/6/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its June 19, 2008, Audit Committee meeting.**

Group Home Program Monitoring Report – Moore's Cottage – Moore's Cottage Altadena Group Home (3/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Los Angeles Urban League Inc., South Central Contract – A Community and Senior Services Workforce Investment Act Program Provider (3/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Youth Beacon, Inc., Youth Beacon I Group Home (3/24/08): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Public Comment

There was none.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:46 p.m.