



# Los Angeles County AUDIT COMMITTEE

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

MINUTES  
JULY 17, 2008

Chair Gerardo Pinedo called the meeting to order at 1:37 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

### Excused Absence

Louisa Ollague, First District

### Others in Attendance

Maria Oms, Auditor-Controller  
Jim Schneiderman, Auditor-Controller  
Don Chadwick, Auditor-Controller  
Lee Millen, Board of Supervisors  
Andrew Sevrin, Board of Supervisors  
Joel Sappell, Third District  
Luther Evans, Department of Social Services  
Deondria Barajas, Department of Social Services  
Michelle Aguilar, CSUN Student Intern

### **APPROVAL OF JUNE 19, 2008 MINUTES**

On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the minutes of June 19, 2008, were approved as submitted.

### **OTHER BUSINESS**

DPSS County Issuance Approval Process (Discussion Item): Jim Schneiderman reported that in 2003 the Auditor-Controller discovered Refugee/Immigrant Training and Employment (RITE) agency providers attempted issuing fraudulent payments, in that contractors, and not County personnel were reviewing and approving them. Consequently, the Auditor-Controller made three recommendations to the Board of Supervisors:

1. DPSS will have supervisor-level employees review and approve all payments.
2. Limit access to closed cases to County users with the highest security level.
3. Implementation of a system of edits to capture user identification data and his/her input and/or approval of payment transactions.

Luther Evans and Deondria Barajas, GAIN Program Division, Department of Public Social Services (DPSS), reported on the transportation assistance program provided by DPSS to assist

welfare recipients with the means to get to work. The GAIN program provides employment assistance services to CalWORKs participants in an effort to keep them employed and assist in their transition to better compensated jobs that can lead to self-sufficiency and independence.

There are 40,000 welfare-to-work cases in Los Angeles County, with seven regional offices to apply for the GAIN program. The GAIN requirements include that each participant maintain 32 hours of employment a week. Also, the program covers career education in the absence of employment, and issues bus passes or mileage reimbursement.

In response to Ms. Chough regarding MTA bus passes, Ms. Barajas noted there are multiple public transit agencies available. Chair Pinedo requested a study of the transportation providers utilized by participants as compared to MTA's service.

In addition, DPSS is attempting to provide expedited GAIN payments by eliminating one layer of supervisory approval at the GAIN Services Worker (GSW) level. There is also a DPSS proposal to retain full control of mileage and ancillary payments at supervisory and management levels.

Chair Pinedo thanked Mr. Evans and Ms. Barajas for their informative presentation.

## **OLD BUSINESS**

Fiscal Review of the Sherman Group, Incorporated – A Group Home Foster Care Contractor (03/25/08): Genie Chough questioned the SOQ controversy mentioned in the report, and Maria Oms advised that it was in reference to the 38 Group Homes who did not renew their contracts with DCFS.

**On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its August 21, 2008, Audit Committee meeting.**

Fiscal Review of B & I Group Home, Inc. – A Group Home Foster Care Contractor (4/7/08): **On motion of Carl Gallucci, 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 (04/24/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Status Report on Hillside Home For Children (05/13/08): Don Chadwick reported that he met twice with Mr. Hitchcock, the Director of Hillside Home, to issue and explain the Auditor-Controller's final report, its findings and the Department of Mental Health's concurrence.

Mr. Hitchcock noted that the Auditor-Controller should not challenge the diagnosis of their clinicians. However, audit findings do not question the diagnosis, but rather the lack of corresponding documentation.

Also, more than \$115,000 in expenditures on staff meals was questioned in that in accordance to Department of Mental Health rules staff are instructed to eat outside the home, and this claim is not an allowable expense to the County. **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

A.C. Contract Accounting and Administration Handbook (Discussion): **On motion of Lori Glasgow, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Status of Group Home/Foster Family Agency Joint Monitoring Reviews: **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its August 21, 2008, Audit Committee meeting.**

Sheriff's Department Law Enforcement Services Contract Reviews Policy (9/1/11): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee approved continuing this item to its August 21, 2008, Audit Committee meeting.**

### **REPORTS TO BE RECEIVED AND FILED**

UAW – Labor Employment and Training Corporation Contract – A Community and Senior Services Workforce Investment Act Program Provider (05/20/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Fiscal Review of Murrell's Farm and Boy's Home – A Group Home Foster Care Contractor (04/08/08): Jim Schneiderman advised that he received the DCFS report the day before this meeting, and can provide it to the Committee. Ms. Oms will continue fiscal reviews and report back next month. **On motion of Lori Glasgow, seconded by Carl Gallucci and unanimously carried, the Committee received and filed this report.**

Fiscal Review of Moore's Cottage Group Home – A Group Home Foster Care Contractor (05/22/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Fiscal Review of Bourne, Incorporated – A Group Home Foster Care Contractor (05/22/08): **On motion of Genie Chough, seconded by Lori Glasgow and unanimously carried, the Committee approved continuing this item to its August 21, 2008, Audit Committee meeting.**

Fiscal Review of T&T Home for Boys, Incorporated, - A Group Home Foster Care Contractor (05/27/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Auditor-Controller's Review of Worker's Compensation Trust Fund (06/10/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Treasurer's Cash Count as of 3-11-08 (6/24/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

HIV-AIDS Legal Services Alliance, Inc. – A Department of Public Health HIV/AIDS Legal and Permanency Planning Service provider (06/25/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Asian American Drug Abuse Program, Inc. – A Department of Social Services Community Services Block Grant Program Provider (06/30/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Auditor-Controller Reviews of Proposition A Contract Cost Analyses – Revised Policy (06/30/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

Children’s Bureau of Southern California Contract Review – A Department of Children and Family Services Foster Family Agency Service Provider (06/30/08): **On motion of Carl Gallucci, seconded by Genie Chough and unanimously carried, the Committee received and filed this report.**

### **PUBLIC COMMENT**

There was none.

### **OTHER BUSINESS (Continued)**

LA County Commission, Committee and Board/Authority Review (Discussion Item): Jim Schneiderman reported that the second draft of the Commission study/review has been submitted to the Auditor-Controller by the consultants, and he and his staff are conducting the reviews. A total of 89 Commissions, Committees and Advisory Boards were studied, and due to the scope of work Commissions were contacted directly with the CEO’s assistance. It is anticipated that the consultant will meet with the Audit Committee next month to discuss their Review/Audit findings.

### **MATTERS NOT ON THE POSTED AGENDA (TO BE PRESENTED AND PLACED ON THE AGENDA OF A FUTURE MEETING)**

In response to Louisa Ollague, Chair Pinedo proposed that the Audit Committee meet at 10 a.m. on August 21, 2008.

### **ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 2:32 p.m.