



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, October 15, 2015

10:30 AM

AUDIO FOR THE ENTIRE MEETING. (15-4992)

Attachments: [AUDIO](#)

Present: Vice Chair James Blunt, Dorinne Jordan, Kieu-Anh King and Allen Gomez

Absent: Lori Glasgow, Carl Gallucci, Michelle Vega, Genie Chough, Roberto Viramontes, Emily Williams, Judeana Burke and Genethia Hudley-Hayes

I. ADMINISTRATIVE MATTERS

1. Call to Order. (15-4584)

The meeting was called to order by Vice Chair James Blunt at 10:42 a.m.

2. Approval of September 17, 2015 meeting minutes. (15-4585)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

3. Recommendation to extend sunset review date for Board Policy No. 3.090 - County Aircraft Policy, to December 19, 2015 (9/25/15). (15-4705)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to approve revision to Board Policy No. 3.110 - Department Responsibilities Under the County's Lobbyist Ordinance and to extend the sunset review date to December 14, 2019 (9/24/15). (15-4687)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. SUNSET REVIEW

5. Sunset Review for the Los Angeles County Beach Commission (9/28/15). (15-4704)

On motion of Allen Gomez, seconded by Dorinne Jordan, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

IV. OLD BUSINESS

6. Recommendation to review substantive changes to Board Policy No. 5.030 - Low-Cost Labor Resource Program, extend sunset review date to October 3, 2019, and direct the Department to submit the policy to the Board of Supervisors for final approval (8/3/15)(Continued from the meeting of 8/20/15). (15-3746)

Dorinne Jordan, Second District, proposed to amend the sunset review date to October 2016. Yolanda Young, Internal Services Department (ISD), confirmed that there is no problem with the proposed date.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, the Audit Committee approved ISD to move forward with submitting a Board letter for final approval by the Board of Supervisors.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to review changes to Board Policy No. 9.100 - Volunteer Program Policy and extend the sunset review date to October 2, 2020 (8/12/15)(Continued from the meeting of 8/20/15). (15-3899)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

8. Probation Department - Cellular Telephones and Other Wireless Data Devices Review (2/3/15)(Continued from the meetings of 2/19/15, 3/19/15 and 4/16/15). (15-0732)

Dorinne Jordan, Second District, asked for an update on corrected action and feedback from Probation Department (PD). Kym Renner, PD, explained that they are currently understaffed in the wireless area and has put in a request for new items, which many has been filled.

In response to questions posed by Ms. Jordan, Shenaud Morgan, PD, explained the device assignment and procurement process and mentioned that they have three additional staff dealing with communications, issuance, reviewing bills, salvaging, and reviewing overages on a monthly basis. Additionally, PD received special funding that was used to purchase extra devices and due to the process, the devices took longer to distribute. Mr. Morgan added that all devices were issued before the audit ended and only keeping 20 devices in their emergency inventory.

Ms. Renner provided a brief overview on an electronic asset management system that PD has partnered up with Microsoft to implement. The system will track access and assets assigned to employees and will be linked to the County's eHR system. This will take about 10 months to get going and PD will be the first department to utilize this system.

In response to Ms. Jordan's questions, Ms. Renner confirmed that the system is still in the development phase and that this is not a brand new concept. PD has also consulted with the County's Chief Information Officer.

On motion of Dorinne Jordan, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

9. Phoenix Houses of Los Angeles, Inc. - A Department of Mental Health and Department of Children and Family Services Provider - Fiscal Compliance Review (6/12/15)(Continued from the meetings of 7/16/15 and 8/20/15). (15-2887)

In response to questions posed by Kieu-Anh King, Third District, and Dorinne Jordan, Second District, Aggie Alonso, Auditor-Controller (A-C), confirmed that not all related party transactions are resolved, but the

agency is attempting comply. The agency has not provided adequate documentation to support their analysis and A-C cannot evaluate how much is owed to the County. Mr. Alonso also confirmed that the agency's inability to provide documentation does not pose larger issues in terms of accountability. Furthermore, the agency can only charge actual costs and is unable to justify and compute factual costs. Mr. Alonso will email the Committee if results are received before the next Audit Committee meeting.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

10. Department of Children and Family Services - Overtime Review (7/2/15)(Continued from the meeting of 8/20/15). (15-3298)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

11. Mental Health Diversion Programs Review Stage 1 - Pre-Arrest Law Enforcement Diversion (8/14/15). (15-4111)

Zoran Penich, A-C, provided an overview on the pre-arrest diversion program. A-C's review primary focus is on identifying the different planned diversion programs and evaluating potential cost and benefits of those programs. Sheriffs are the primary point for the pre-arrest phase and plan to provide Crisis Intervention Training (CIT) to all field personnel. They also plan to deploy Mental Evaluation Teams (MET) which pairs special trained deputies with Department of Mental Health (DMH) mental health clinicians.

Mr. Penich reported that A-C found it difficult to identify average cost per diversions due to the lack of data available and the uncertainties over the demand for these certain types of services.

In response to questions posed by Dorinne Jordan, Second District, Mr. Penich confirmed that there is less likely to see cost saving in the pre-arrest diversion due to the cost of materials. Additionally, there is no data readily available on the population of mental illness in the jails. Mr. Penich also confirmed that DMH makes the determination of an individual's mental capacity. Individual arrested with absent diversion will be released. In the pre-arrest phase, the Sheriff's is used as a funnel

to get the individuals the treatment they need.

Ms. Jordan asked if this item have been discussed at the Public Safety Cluster and the Health Cluster. Glen Dragovich, Director, Administrative and Training Division, LASD, confirmed that it was discussed at the Public Safety Cluster, but not at the Health Cluster. Mr. Penich also clarified that the CIT expense is a one-time expense for Sheriff's personnel and the MET expense is ongoing.

On motion of Dorinne Jordan, there being no objection, this item was reconsidered to be received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 12.** Sheriff's Department - Review of Transactions between Los Angeles County and Palantir Technologies, Inc. (Board Agenda Item 7, April 14, 2015)(8/28/15). (15-4177)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

- 13.** Voyager Fuel Credit Cards Automated Controls Review (Board Agenda Item 7, August 4, 2015)(9/8/15). (15-4277)

On motion of James Blunt, seconded by Allen Gomez, this item was continued to the next meeting to allow Lori Glasgow to attend.

Attachments: [SUPPORTING DOCUMENT](#)

V. REPORTS

- 14.** Sheriff's Department - Cellular Telephone and Other Wireless Devices Review (9/16/15). (15-4590)

Dorinne Jordan, Second District, asked to hear from the Sheriff's Department (LASD) regarding their response to the audit report Recommendation No. 2. Nancy Ohara, Lieutenant, Communications and Fleet Management Bureau, LASD, reported that cellular phones are issued to locations rather than to individuals for tactical purposes. The phones are on standby and emergency vehicles needs access to them in case of an emergency since they would not know who the on-call person would be. The phones are assigned to a particular location; however, there is someone within that location that is responsible for monitoring the use of the phones.

Chuck Porter, LASD, reported that locations are identified and that they know where the phones are located at. Phones are accessible in the event a situation occurs; assigning phones to individuals is not a practical solution for LASD.

In response to Ms. Jordan's question, Mr. Porter stated that the Communication and Fleet Management Bureau (CFMB) conducts annual audits which provides him with locations and verifies assigned devices at all levels of units and bureau. Mr. Porter also reported that the CFMB auditors are currently following up on inventory from a 2013 report which almost all devices have been located.

Ms. Jordan asked A-C if annual audits would suffice. Arlene Barrera, A-C, advised that they would like to see sign in/out logs for accountability as logs were not maintained. Ms. Ohara stated that they rely on units to report retirees or transfers. LASD have revised their manual to include the requirements of such reporting and will implement audits twice a year.

In response to a question posed by James Blunt, First District, Ms. Ohara stated that there is form in place that requires signatures from both supervisor and employees which acknowledges the requirements. In the event that the employee leaves, the supervisor will be responsible for the device.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 15. Amanecer Community Counseling Services - A Department of Mental Health Service Provider - Program Review (9/17/15). (15-4591)**

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

- 16. Children's Hospital Los Angeles - A Department of Mental Health Service Provider - Program Review (9/17/15). (15-4592)**

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

17. Semi-Annual Fraud Hotline Status Report - January 1, 2015 through June 30, 2015 (9/21/15). (15-4594)

In response to questions posed by Kieu-Anh King, Third District, Robert Campbell, A-C, provided an overview of the Fraud Hotline administered by A-C's Office of County Investigations (OCI) and confirmed that many of cases are non-investigative due to the lack of sufficient information.

Mr. King asked if there is a reason why Department of Public and Senior Services (DPSS) have a larger number of not substantiated complaints, relative to other departments. Maria Santana, OCI, explained that DPSS is a large department and that in recent year, the investigative unit has tied down the audit as far as making sure there is sufficient information for them to continue investigations and occasionally reach out to OCI for assistance which many times result in closing cases rather than wasting resources.

Mr. Campbell noted that any investigations done by departments, a final report will be submitted to OCI. Before A-C can allow a case to close on the hotline, it will be evaluated to ensure there is sufficient evidence that the case was followed up.

Ms. Santana stated that it is difficult for departments to conduct more thorough investigations since most of the informants and cases are anonymous.

Mr. Campbell clarified "certified time" for Mr. King. Arlene Barrera, A-C, added that unscheduled absences and medical leave with no documentations are considered unauthorized on the timecard.

Mr. King requested OCI to extract the District Attorney referred cases that are not closed and forward to the Committee for review.

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

18. Office of the Assessor - Third Status Report on Management Audit Recommendations (Board Agenda Item 47, January 8, 2013)(9/23/15). (15-4595)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

19. VITAS Healthcare Corporation of California - A Department of Health Services Hospice Services Contract Service Provider - Contract Compliance Review (9/28/15). (15-4647)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

20. June 30, 2015 Fund Balances (9/28/15). (15-4703)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

21. Human Services Association - A Community and Senior Services Area Agency on Aging Program Service Provider - Contract Compliance Review (9/30/15). (15-4750)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

22. St. Frances Medical Center - A Department of Mental Health Service Provider - Program Review (9/30/15). (15-4752)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

23. Legal Aid Society of Orange County DBA Community Legal Services - A Department of Public Social Services Domestic Violence Supportive Services Program Provider - Contract Compliance Review (9/30/15). (15-4753)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

24. HIPAA and HITECH Act Privacy Compliance Review - Wilmington Health Center(10/5/15). (15-4854)

On motion of Kieu-Anh King, seconded by Allen Gomez, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

25. Contractor Alert Reporting Database Status Report - October 2015 (10/8/15). (15-4883)

Dorinne Jordan, Second District, asked for a status on the Living Advantage. Paul Goldman, Community and Senior Services (CSS), reported that the agency did meet the criteria for the placement of Contractor Alert Reporting Database (CARD); however, in the current comment, the agency has resolved all their issues and is waiting to see if there are any future funding before hiring the accountant that they have recruited. CSS is pending management's decision whether or not to place the agency on CARD based on previous occurrences.

In response to Ms. Jordan's question, Aggie Alonzo, A-C, confirmed that once the agency has taken all corrective actions, the agency will be removed from the recommended for CARD section of the report.

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. Hillsides - A Department of Mental Health Service Provider - Contract Compliance Review (10/8/15). (15-4729)

In response to questions posed by Kieu-Anh King, Third District, Elaine Boyd, A-C, reported that the agency has a cost allocation plan in place. They have revised cost allocation, resolved and reduced expenditures at allowable costs and resolved all findings after the exit of the audit. Additionally, the agency will need to update their county records. Ms. Boyd also added that the Department of Children and Family Services (DCFS) and the DMH contracts were reviewed together.

Don Chadwich, A-C, provided a brief overview of the State's reimbursement process on DMH contracts.

Mr. King requested that A-C work with DMH to create a table that separates resolved and reallocated funds by department to better understand how fiscal findings were resolved.

On motion of James Blunt, there being no objection, this item was reconsidered to be continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

VI. DISCUSSIONS

27. AB109 Expenditure Reviews (Continued from the meeting of 8/20/15). (15-3626)

Robert Smythe, A-C, provided a brief over view of Assembly Bill 109 (AB 109). Mr. Smythe indicated that at the direction of the Board of Supervisor's, A-C must review AB 109 claims, three audits are currently in progress; no real material findings were reported.

In response to questions posed by Kieu-Anh King, Third District, Mr. Smythe clarified that AB 109 claims go to the Chief Executive Office (CEO) and A-C will maintain the trust fund for AB 109. John Naimo, A-C, added that the CEO provides AB 109 financial reports on a quarterly basis to the Board of Supervisors; expressed the importance of keeping informed on AB 109 trends and costs that exceed allocated funds, of which both Probation and Sheriff's Department have experienced. Mr. Smythe indicated that California Proposition 47(Prop 47) has assisted in reducing the costs; however, costs still exceed the allocated funds.

28. Sheriff request to CEO for Delegated Authority Agreements with KPMG for forensic accounting services, and to conduct an organizational assessment of the Sheriff's Department. (15-4833)

Thomas Angel, LASD, provided a brief overview of the departments request to conduct an organizational assessment with KPMG for forensic accounting services. Mr. Angel added that the assessment will provide an outline of the departments financial viability.

In response to questions posed by Dorinne Jordan, Second District, Georgia Mattera, LASD, explained that the Delegated Authority Agreement (DDA) will be executed by LASD after approval from the CEO; she added that funding for the assessment was previously reserved.

James Blunt, First District, asked if the funds were reserved specifically for LASD unforeseen matters. Ms. Mattera and Glen Dragovich, LASD,

confirmed that funds were specifically reserved for the assessment. Mr. Angel added that the CEO is in support of the approval process.

Ms. Jordan asked LASD staff to provide the fiscal year the funds were obtained. Ms. Mattera did not have the information and will provide it soon.

Ms. Jordan asked if previous audits will be incorporated into the new assessment. Ms. Mattera confirmed that previous audits will be utilized. Ms. Mattera also explained that loaned positions will be reviewed to improve operations.

Ms. Jordan asked if a formal approval was required to obtain funds. Ms. Mattera indicated that a formal approval is not required, however, LASD wanted the Committee to be informed of the operation.

Kieu-Anh King, Third District, asked LASD staff to report back after the assessment.

29. Monitoring Probation Camps/Halls. (15-4884)

Don Chadwick, A-C, indicated that in 2010 at the Board of Supervisors requested that A-C monitor the implementation of the Department of Justice settlement agreement; the monitoring has concluded and A-C staff will be reassigned to other areas for fiscal audits. Aggie Alonso, A-C, added that Probation Department staff will continue to monitor the provisions.

30. Pending Audit/Monitoring Reports. (15-4586)

Arlene Barrera, A-C, reported that the motion review for the Probation Department is currently in progress; a final report will be available at the end of November 2015. Ms. Barrera indicated that the Court requires that all youth be advised by their attorney about the interviews, the Court has also identified the set of questions that can be asked during the interview; however, there is an issue with panel attorneys who are reluctant to travel outside of their timeframe to inform the youth, A-C is focusing on the youth with Public Defenders and Alternate Public Defender representation.

John Naimo, Auditor-Controller, reported that a summary of the Music Center audit report was sent out to the Committee, L.A. Times has been tracking the timeline for the report and may get press attention.

VII. MISCELLANEOUS

31. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-4587)

There were no matters presented.

32. Public Comment. (15-4588)

No members of the public addressed the Committee.

33. Adjournment. (15-4589)

There being no further business to discuss, the meeting was adjourned at 12:00 p.m.