PHILIP L. BROWNING
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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

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February 26, 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

FLORENCE CRITTENTON SERVICES OF ORANGE COUNTY FISCAL COMPLIANCE ASSESSMENT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of Florence Crittenton Services of Orange County (The Agency) in May 2015. The Agency operates both a Foster Family Agency (FFA) and a Group Home in addition to a Family Preservation Program, Transitional Housing Program Plus and Wraparound Approach Services Programs. At the time of the review, the Agency's FFA supervised one DCFS placed child and three Non-Minor Dependents. The placed children's overall average length of placement was 15 months and their average age was 14.

SUMMARY

CAD conducted a Fiscal Compliance Assessment, which included an agency-wide review of the Agency'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 Agency was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

CAD noted a deficiency in the area of Financial Overview, related to a non-timely submittal of semi-annual expenditure reports.

Attached are the details of CAD's review.

REVIEW OF REPORT

On May 28, 2015, Omnaya Zaklama, CAD Fiscal, held an Exit Conference with the following Agency staff: Joyce Capelle, Chief Executive Officer, Fritz Czypull, Chief Financial Officer, Lynn Thorley, Controller and Theresa Menn, Cost Analyst.

The Agency's representatives agreed with the review finding and recommendation, were receptive to implementing changes to improve compliance with its DCFS and Probation Department contracts and agreed to address the noted deficiency in a Fiscal Corrective Action Plan (FCAP).

A copy of this report has been sent to the A-C.

The Agency provided the attached approved FCAP addressing the recommendation noted in this report.

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 Acting Chief Probation Officer
John Naimo, Auditor-Controller
Joyce Capelle, Executive Director, Florence Crittenton Services of Orange County
Public Information Office
Audit Committee
Sybil Brand Commission
Leonora Scott, Regional Manager, Community Care Licensing Division
Lajuannah Hills, Regional Manager, Community Care Licensing Division

FLORENCE CRITTENTON SERVICES OF ORANGE COUNTY
FISCAL COMPLIANCE ASSESSMENT REVIEW
FISCAL YEAR 2014 - 2015

SCOPE OF REVIEW

The Fiscal Compliance Assessment included review of Florence Crittenton Services of Orange County's (the Agency's) financial records for the period of January 1, 2013 through September 30, 2014. Contracts Administration Division (CAD) reviewed the financial statements, bank statements, check register and personnel files to determine the Agency's compliance with the terms, conditions and requirements of the Group Home contracts 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 Agency was in full compliance with 4 of 5 areas of the Fiscal Compliance Assessment: Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

FISCAL COMPLIANCE

CAD found the following area out of compliance:

Financial Overview

- The semi-annual expenditure report that was due on March 1, 2014 was not submitted until March 20, 2014.

The Contractor plans to use Google's calendar appointments to schedule the expenditure report due dates as an automatic reminder to prepare and submit.

Recommendation:

The Group Home's management shall ensure that:

1. Semi –annual expenditure reports are timely submitted.

MOST RECENT FISCAL REVIEW CONDUCTED BY THE AUDITOR-CONTROLLER

A recent fiscal review report has not been posted by the Auditor-Controller (A-C).

NEXT FISCAL COMPLIANCE ASSESSMENT

The next Fiscal Compliance Assessment of the Group Home will be conducted in County Fiscal Year 2016-2017.

Los Angeles Regional Office:
4800 Long Beach Blvd., 5750
Long Beach, CA 90807

Corporate Office:
801 E. Chapman Ave.
Fullerton, CA 92831
714.680.9000 fax 714.680.8267

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Mailing Address
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Crittenton
services for children and families

Los Angeles County
Department of Children & Family Services
425 Shatto Place
Los Angeles, CA 90020
Bus: 213.351.0275

28 May, 2015

Subject: Fiscal Compliance Review, Group Home & Foster Family Agency Contract # 07-023-029 & 07-021-27

Written Response to Findings per Exit Interview held on 28 May, 2015

Dear Ms. Omnaya Zaklama,
Fiscal Compliance Administrator

Pursuant to your request the purpose of this letter is to provide a written response to the following audit finding:

FCAT Section I – Financial Overview Question #6 – Finding

> *The Semi-Annual Expenditure Report for the period of July 1, 2014 through December 31, 2014 was submitted to DCFS after the due date.*

Response

> We have incorporated Google Calendar appointments to schedule an event as an automatic reminder to prepare and submit the Semi-Annual reports in a timely manner. The reminder will activate two weeks prior to the report due date.

I greatly appreciate your professionalism in conducting the compliance review. If you have any questions or require additional information please don't hesitate to contact the undersigned at your convenience.

Sincerely,

Fritz Czypull
Chief Financial Officer
714.680.9000 x8257
FCzypull@CrittentonSoCal.org.org

CC: Joyce Capelle