County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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June 7, 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

LUVLEE'S RESIDENTIAL CARE FISCAL COMPLIANCE ASSESSMENT

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of Luvlee's Residential Care (the Group Home) in February 2016. The Group Home has two sites, one located in the First Supervisorial District and one located in San Bernardino County, and provides services to the County of Los Angeles DCFS placed children.

At the time of the review, the Group Home was licensed for a capacity of 12 beds and served 12 DCFS placed children. The placed children's overall average length of placement was six months and the average age was 16.

SUMMARY

CAD conducted a Fiscal Compliance Assessment which included an agency-wide review of the Group Home's financial records: such as financial statements; bank statements; check registers; and personnel files to determine the Group Home's 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 Group Home was in full compliance with all areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

REVIEW OF REPORT

On February 12, 2016, Molly Sun, DCFS CAD, held an exit conference with the Group Home representative: Latasha Hardge, Assistant Executive Director. There were no findings.

A copy of this report has been sent to the Auditor-Controller and Community Care Licensing.

If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager, at (213) 351-5530.

PLB:KR
LTI:dlf

Attachments

c: Sachi A. Hamai, Chief Executive Officer
John Naimo, Auditor-Controller
Calvin C. Remington, Interim Chief Probation Officer
Sean Hardge, Executive Director, Luvlee's Residential Care
Audit Committee
Public Information Office
Sybil Brand Commission
Lenora Scott, Regional Manager, Community Care Licensing Division
Lajuannah Hills, Regional Manager, Community Care Licensing Division

LUVLEE'S RESIDENTIAL CARE
FISCAL COMPLIANCE ASSESSMENT REVIEW
REVIEW PERIOD 2015 - 2016

SCOPE OF REVIEW

The Fiscal Compliance Assessment included a review of Luvlee's Residential Care (the Group Home's) financial records for the period of January 1, 2014 through December 31, 2014 and October 1, 2015 through December 31, 2015. Contracts Administration Division (CAD) reviewed financial records such as financial statements, bank statements, check registers, and personnel files to determine the Group Home's 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 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 Group Home was in full compliance with all areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures; and Payroll and Personnel.

PRIOR YEAR FISCAL COMPLIANCE ASSESSMENT FOLLOW-UP

CAD conducted a Fiscal Compliance Assessment of the Group Home in County Fiscal Year (FY) 2014-2015. The assessment indicated three recommendations. CAD verified that the Group Home implemented the recommendations.

NEXT FISCAL COMPLIANCE ASSESSMENT

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