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December 2, 2011

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **NEIGHBORHOOD LEGAL SERVICES OF LOS ANGELES COUNTY – A DEPARTMENT OF PUBLIC SOCIAL SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a review of Neighborhood Legal Services of Los Angeles County (NLSLA or Agency), a Department of Public Social Services' (DPSS) Domestic Violence Supportive Services (DVSS) Program provider. Our review covered a sample of transactions from Fiscal Year (FY) 2010-11. DPSS contracts with NLSLA, a non-profit organization, to provide services to eligible participants who have been victims of domestic violence. DVSS Program services include performing assessments, facilitating shelter assistance, and providing legal assistance to the victims.

The purpose of our review was to determine whether NLSLA appropriately accounted for and spent DVSS Program funds to provide the services outlined in their County contract. We also evaluated the Agency's accounting records, internal controls, and compliance with their contract and other applicable guidelines.

DPSS paid the Agency approximately $502,000 on a cost-reimbursement basis during FY 2010-11. NLSLA provides services to residents of the First, Third, and Fifth Supervisorial Districts.

Results of Review

NLSLA maintained adequate financial controls, and appropriately charged expenditures to the DVSS Program. In addition, NLSLA's staff had the required qualifications, and the Agency's Cost Allocation Plan was prepared in compliance with the County contract, and was used to allocate shared costs appropriately. The Agency did not have any unspent DVSS Program funds. We have no findings or recommendations for the Agency.

Review of Report

We discussed our report with NLSLA and DPSS in October 2011. NLSLA is not required to submit a response to this report, because there are no findings or recommendations.

We thank NLSLA management for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC:AA

Attachment

c: William T Fujioka, Chief Executive Officer
Sheryl L. Spiller, Acting Director, Department of Public Social Services
Tiffany Tai, Esq., Board President, NLSLA
Neil S. Dudovitz, Executive Director, NLSLA
Public Information Office
Audit Committee

NEIGHBORHOOD LEGAL SERVICES OF LOS ANGELES COUNTY
DOMESTIC VIOLENCE SUPPORTIVE SERVICES PROGRAM
CONTRACT COMPLIANCE REVIEW
FISCAL YEAR 2010-11

ELIGIBILITY

Objective

Determine whether Neighborhood Legal Services of Los Angeles County (NLSLA or Agency) provided services to individuals who met the Domestic Violence Supportive Services (DVSS) Program eligibility requirements.

Verification

We reviewed the case files for 15 (14%) of the 109 participants who received services from NLSLA during May and June 2011 for documentation to confirm their eligibility for DVSS Program services.

Results

NLSLA had documentation to support the 15 participants' eligibility for DVSS Program services.

Recommendation

None.

PROGRAM SERVICES

Objective

Determine whether NLSLA provided the services required by their County contract and DVSS Program guidelines. In addition, determine whether the Program participants received the billed services.

Verification

We visited two (25%) of the eight NLSLA service sites, and reviewed the case files for 15 (14%) of the 109 participants who received services during May and June 2011.

Results

NLSLA provided services in accordance with the County contract.

Recommendation

None.

STAFFING QUALIFICATIONS

Objective

Determine whether NLSLA staff had the qualifications required by the County contract.

Verification

We reviewed the personnel files for six (14%) of the 44 NLSLA employees who worked on the DVSS Program.

Results

NLSLA's staff had the required qualifications.

Recommendation

None.

CASH/REVENUE

Objective

Determine whether NLSLA's cash receipts and revenue were recorded properly in the Agency's financial records, and that cash receipts were deposited in the Agency's bank accounts timely.

Verification

We interviewed NLSLA management, and reviewed the Agency's financial records and July 2011 bank reconciliations.

Results

NLSLA recorded cash receipts and revenue properly, and deposited cash receipts timely.

Recommendation

None.

EXPENDITURES/PROCUREMENT

Objective

Determine whether expenditures charged to the DVSS Program were allowable under the County contract, properly documented, and accurately billed.

Verification

We interviewed NLSLA's personnel, and reviewed financial records and documentation for $2,322 in non-payroll expenditures, that the Agency charged to the DVSS Program from January through June 2011.

Results

NLSLA's DVSS Program non-payroll expenditures were allowable, properly documented, and accurately billed.

Recommendation

None.

PAYROLL AND PERSONNEL

Objective

Determine whether NLSLA charged payroll costs to the DVSS Program appropriately, and obtained required criminal background clearances and employment eligibility for the Agency's DVSS Program staff.

Verification

We traced the payroll costs for six employees, totaling $19,953, for June 2011 to the Agency's payroll records and time reports. We also interviewed staff, and reviewed personnel files for six NLSLA DVSS Program staff.

Results

NLSLA appropriately charged payroll costs to the DVSS Program, and obtained required background clearances and employment eligibility for their DVSS Program staff.

Recommendation

None.

COST ALLOCATION PLAN

Objective

Determine whether NLSLA's Cost Allocation Plan was prepared in compliance with their County contract, and was used to allocate shared costs appropriately.

Verification

We reviewed the Agency's Cost Allocation Plan, and a sample of expenditures from January through June 2011.

Results

NLSLA's Cost Allocation Plan was prepared in compliance with the County contract, and the Agency allocated their shared costs appropriately.

Recommendation

None.

CLOSE-OUT REVIEW

Objective

Determine whether NLSLA had any unspent revenue for the DVSS Program for Fiscal Year (FY) 2010-11.

Verification

We traced the total revenues and expenditures from NLSLA's FY 2010-11 close-out report to the Agency's accounting records, and to DPSS' payment records.

Results

NLSLA did not have any unspent revenue for the DVSS Program for FY 2010-11.

Recommendation

None.