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DEPARTMENT OF AUDITOR-CONTROLLER

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September 25, 2013

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

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **COMMUNITY AND SENIOR SERVICES – FISCAL MONITORING OF AREA AGENCY ON AGING PROGRAM SERVICES FOR FISCAL YEAR 2010-11**

Community and Senior Services (CSS) contracts with 47 cities and community based non-profit organizations (service providers) to provide Area Agency on Aging (AAA) program services. AAA program services include meals, legal assistance, health insurance counseling, housekeeping, and personal care for older and functionally impaired adults.

CSS' AAA contracts are either fee-for-service agreements under which providers are paid a set fee for each unit of service provided, or cost reimbursement agreements, which reimburse contractors for actual expenses. At the request of CSS, we contracted with a Certified Public Accounting firm, Moss, Levy & Hartzheim LLP (monitor), to conduct fiscal monitoring of 47 service providers that had contracts with CSS during Fiscal Year (FY) 2010-11. CSS awarded approximately $19.4 million to the AAA service providers during the year.

Review Summary

As indicated on the attached schedule, the monitor identified a total of $7,320 in questioned costs for six service providers, primarily related to improperly allocated costs and a lack of documentation for certain expenses.

Review of Report

The monitor provided and discussed each report with CSS and each service provider. CSS indicates that they have resolved all of the outstanding findings, except for one, which will be included for resolution in FY 2012-13 fiscal monitoring. In addition, CSS and four of the service providers came to a settlement agreement covering $7,240 of the questioned costs, and CSS recovered $80 from the remaining service providers.

Due to the number of service providers, copies of individual reports are not enclosed, but are available for your review. Please call me if you have any questions, or have your staff call Robert Smythe at (213) 253-0101 if you wish to review any reports.

WLW:RS:MP

Attachment

c: William T Fujioka, Chief Executive Officer
Cynthia D. Banks, Director, Department of Community and Senior Services
Public Information Office
Audit Committee

Community and Senior Services
Fiscal Monitoring of Area Agency on Aging Service Providers
Fiscal Year 2010-11

	Service Provider	Contract Amount [1]	Questioned Costs	
1	Alhambra, City of	$62,651		
2	Altamed	$194,788		
3	Alzheimer's Association	$80,297	$500	(2)
4	Antelope Valley COA	$781,400	$10	(2)
5	Armenian Relief Society	$64,031		
6	Azusa, City of	$101,008		
7	Behavior Health Services	$199,737		
8	Bet Tzedek (Legal Services)	$382,317		
9	Burbank, City of	$395,867		
10	Casa Maravilla, Inc.	$726,363		
11	Center for Health Care Rights (HICAP)	$865,939		
12	Chinatown ESCAPA	$524,899		
13	Claremont, City of	$94,160		
14	Consulting Nutritional Services	$396,168		
15	Culver, City of	$206,225		
16	Dickison Community Lighted Schools	$434,824		
17	El Monte, City of (Not South)	$191,251		
18	Food and Nutrition Management Services (FNMS)	$510,270		
19	Gardena, City of	$347,717		
20	Glendale, City of	$220,457		
21	Grandparents as parents	$67,780		

Community and Senior Services
Fiscal Monitoring of Area Agency on Aging Service Providers
Fiscal Year 2010-11

	Service Provider	Contract Amount [1]	Questioned Costs	
22	Heritage Clinic/ Center for Aging Resources	$58,511		
23	Human Services Association	$2,329,719		
24	Inglewood, City of	$662,723		
25	Jewish Family Services	$324,487		
26	Just Rite Community Programs, Inc	$265,412		
27	Life Steps Foundation	$40,450		
28	Little Tokyo	$30,000		
29	Los Amigos Research & Education Institute	$58,511	$2,887	(3)
30	Norwalk, City of	$61,130		
31	Office of Samoan Affairs	$65,411		
32	Oldtimers Foundation	$1,553,697	$70	(4)
33	Pomona, City of	$177,255		
34	San Fernando, City of	$91,074		
35	San Gabriel Valley YWCA	$1,782,641		
36	Santa Anita Family Services	$936,541		
37	Santa Clarita Valley COA	$834,057		
38	Senior Care Action Network (SCAN)	$174,463		

Community and Senior Services
Fiscal Monitoring of Area Agency on Aging Service Providers
Fiscal Year 2010-11

	Service Provider	Contract Amount (1)	Questioned Costs	
39	Single Room Occupancy (SRO) Housing	$71,760		
40	South El Monte, City of	$182,734		
41	Southeast Area Social Services Funding Authority	$865,567		
42	Special Services for Groups	$217,571		
43	Torrance/So. Bay YMCA	$223,142		
44	USC/L.A. Caregiver Resource Center	$232,862		
45	West Covina, City of	$242,047	$2,831	(2)
46	WISE Healthy & Aging (Santa Monica)	$994,208	$1,022	(2)
47	WLCAC	$50,000		
	TOTAL	**$19,374,122**	**$7,320**	

Footnotes

(1) These amounts represent total funding awarded to the service provider.
(2) Expenditures charged to program or units billed are not supported with documentation.
(3) No documentation to support the cost allocation method, or expenses were improperly allocated to the programs.
(4) Program expenditures or revenues are not recorded or are inappropriately recorded on service provider's accounting records.