



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 374-A
LOS ANGELES, CALIFORNIA 90012**

Wednesday, February 19, 2014

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (14-0891)

Attachments: [AUDIO](#)

Present: Chair Carl Gallucci, Member Louisa Ollague, Member Dorinne Jordan and Member Kieu-Anh King. Vice Chair Lori Glasgow arrived after roll call.

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-0662)

The meeting was called to order by Kieu-Anh King at 10:45 a.m.

2. Approval of the January 15, 2014 meeting minutes. (14-0663)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

3. Discuss and take appropriate action on the Committee's schedule of future meetings (Continued from meeting of 1/15/14). (14-0266)

On motion of Kieu-Anh King, seconded by Carl Gallucci, the Audit Committee approved changing the Audit Committee meeting schedule to the 3rd Wednesday of every month at 2:00 p.m.

II. BOARD POLICIES

4. Recommendation to extend the sunset review date of Board Policy No. 2.010 - Policy That No Items Be Placed On The Board Agenda Until Related Documents Are On File, to April 12, 2018 (1/29/14). (14-0652)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to extend the sunset review date of Board Policy No. 5.130 - Contracting with Community Business Enterprise Firms, to April 29, 2018 (2/3/14). (14-0640)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to extend the sunset review date five months to July 31, 2014 for the following Board Policies:

6.100 - Information Technology and Security Policy
6.101 - Use of County Information Technology Resources
6.102 - Countywide Antivirus Security Policy
6.103 - Countywide Computer Security Threat Responses
6.104 - Use of Electronic Mail (e-mail) by County Employees
6.105 - Internet Usage Policy
6.106 - Physical Security
6.107 - Information Technology Risk Assessment
6.108 - Auditing and Compliance (14-0668)

On motion of Dorinne Jordan, seconded by Louisa Ollague, the policies were approved as amended by the Audit Committee to extend the sunset review date to March 31, 2014.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

7. Recommendation to approve amendments to Board Policy No. 5.053 - Evaluation of Vendors/Contractors Engaged in Mergers or Acquisitions and extend the sunset review date to December 13, 2017 (Continued from meetings of 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4768)

Frank Cheng, Chief Executive Office, provided an overview of the changes that were incorporated to the policy and the Contractor Alert

Reporting Database (CARD) manual, as requested by the Audit Committee.

Dorinne Jordan questioned who is responsible for responding to inquires, Don Chadwick and Aggie Alonso, Auditor-Controller, reported that their department is the point of contact for questions with regard to CARD, and if a legal issue arises, County Counsel is contacted for guidance.

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT - OCT. 2013](#)
[SUPPORTING DOCUMENT - JAN. 2014](#)

8. Recommendation to approve amendments to Board Policy No. 4.030 - Budget Policies and Priorities and extend the sunset review date to July 1, 2017 (12/17/13) (Continued from meeting of 1/15/14). (14-0075)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

9. Recommendation to approve amendments to Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments and extend the sunset review date to March 18, 2018 (12/31/13) (Continued from meeting 1/15/14). (14-0216)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

10. Sunset Review for the Los Angeles County Labor-Management Advisory Committee on Productivity Enhancement (9/30/13) (Continued from meetings of 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4766)

On motion of Louisa Ollague, seconded by Kieu-Ahn King, this item was continued to the next meeting.

Later in the meeting this item was reconsidered.

On motion of Lori Glasgow, seconded by Dorinne Jordan, this item was approved as amended to extend the sunset review date to a month prior to the expiration date of the current MOU.

Attachments: [SUPPORTING DOCUMENT](#)

11. Department of Mental Health - Pharmacy Operations (9/25/13) (Continued from meetings 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4653)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

12. Los Angeles Urban League - Pomona - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from meetings 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4654)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

13. Los Angeles Urban League - South Central - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2012-13 (9/26/13) (Continued from meetings of 10/16/13, 11/20/13, 12/18/13 and 1/15/14). (13-4655)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

14. Department of Public Health - Drug Medi-Cal Program Audit (Board Agenda Item 5, August 13, 2013) (10/18/13) (Continued from meetings 11/20/13, 12/18/13 and 1/15/14). (13-5068)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

15. Department of Health Services - Contract Management Review and Contract Monitoring Assistance (11/4/13) (Continued from meetings 11/20/13, 12/18/13 and 1/15/14). (13-5236)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

16. Sheriff's Department - Billing and Collections Review (12/12/13) (Continued from meeting of 1/15/14). (13-5902)

At the request of Dorinne Jordan, Robert Smythe, Auditor-Controller, will verify if this item has been presented to the Public Safety Cluster. Staff was asked to invite Sheriff's Department representatives to the next meeting.

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

Attachments: [SUPPORTING DOCUMENT](#)

17. Sheriff's Department - Forensic Budget Audit (Board Agenda Item 14-C, January 22, 2013) (12/20/13) (Continued from meeting of 1/15/14). (14-0098)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

18. Department of Public Social Services - Review of Trust Funds, Revolving Funds, Commitments, and Accounts Payable (1/3/14) (Continued from meeting of 1/15/14). (14-0248)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

19. Audit Of The Los Angeles County Regional Park And Open Space District For The Year Ended June 30, 2013 (1/15/14). (14-0641)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Fiscal Year 2013-14 Cash Flow Projection (1/15/14). (14-0644)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Sheriff's Department - Special Funds, Trust Funds, and Accruals Review (1/16/14). (14-0647)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

22. Harriett Buhai Center for Family Law - A Department of Public Social Services Domestic Violence Supportive Services Program Provider - Contract Compliance Review (1/16/14). (14-0648)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Drew Child Development Corporation - A Department of Public Social Services CalWORKS Stage One Child Care Services Program Provider - Contract Compliance Review (1/21/14). (14-0649)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

24. Hillview Mental Health Center, Inc. - A Department of Mental Health Service Provider - Contract Compliance Review (1/21/14). (14-0650)

Dorinne Jordan expressed concern over the agency's disagreement with the Auditor-Controller's findings and asked what the next step is. Don Chadwick, Auditor-Controller, explained that the agency claimed operating costs as rent and the department used the federal standard to determine cost which caps the amount of rent charge off. Elaine Boyd, Auditor-Controller, stated that the Department of Mental Health issued a resolution letter to the agency on January 28, 2014.

Audit Committee requested an update at the next meeting.

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

Attachments: [SUPPORTING DOCUMENT](#)

25. AB109 Fiscal Audit Schedule (2/3/14). (14-0655)

Dorinne Jordan expressed interest in audit or financial review required by the State of California as a condition of the Assembly Bill (AB) 109 revenue.

Robert Smythe will report back next month with possible audit responsibilities for recipients of AB 109 revenue.

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

Attachments: [SUPPORTING DOCUMENT](#)

26. Department of Health Services - Central Pharmacy Procurement Review (2/3/14). (14-0656)

Kieu-Anh King questioned Department of Health Services' (DHS) response in which they claim that the issues will be resolved when they move to a new database. Mr. Smythe explained that DHS is currently under an agreement with a Pharmaceutical wholesaler and the current eCAPS procurement system does not provide the support the department needs; therefore, a new procurement system will be implemented soon.

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

Attachments: [SUPPORTING DOCUMENT](#)

27. Department of Parks and Recreation Revenue Agreement Financial and Compliance Audits - Fiscal Years 2007-08 through 2011-12 (2/3/14). (14-0657)

Kieu-Anh King expressed concern with vendors not being required to utilize cash registers and general ledgers when entering contracts.

Arlene Barrera, Auditor-Controller, reported that weaknesses have been found and her office has contacted the Department of Parks and Recreation to advise them that an audit of their contract monitoring efforts will be conducted.

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

Attachments: [SUPPORTING DOCUMENT](#)

28. Jenesse Center, Inc. - A Department of Public Social Services Domestic Violence Supportive Services Program Provider - Contract Compliance Review (2/7/14). (14-0756)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

29. Pathways LA - A Department of Public Social Services CalWORKs Stage One Child Care Services Program Provider - Contract Compliance Review (2/7/14). (14-0757)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

30. Department of Public Social Services - Contracts Review (2/11/14). (14-0774)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

31. Office of the Assessor - Review of Properties with a 20% or Greater Reduction in Value (Board Agenda Item 36-A, April 10, 2012) (2/11/14). (14-0778)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. Los Angeles Centers for Alcohol and Drug Abuse - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (2/13/14). (14-0796)

Kieu-Anh King expressed concern over the agency's lack of response to the final audit report. Elaine Boyd, Auditor-Controller, explained that the department did receive several requests for extensions, however, the agency was unable to meet any of the deadlines, and the Department of Public Health (DPH) has issued a 30 day notice to respond or pay the invoice amount owed.

On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSIONS

33. CARD - Status Report (Continue from meeting of 1/15/14). (14-0270)

Aggie Alonso, Auditor-Controller, provided an overview of the Contractor Alert Reporting Database (CARD) Schedule and answered related questions from the Committee. Auditor-Controller staff was asked to include a column in the schedule that will reflect the date when the contractor was placed on CARD.

Mr. Alonso reported that feedback from the Department with regard to CARD has been positive. Auditor Controller staff was asked to determine if Pride Health Services, a contractor with Department of Public Health, also has a contract with the Internal Services Department.

Attachments: [SUPPORTING DOCUMENT](#)

34. Discussion on Sheriff's Department Summary of Audits - Major Audit Findings. (14-0799)

On motion of Carl Gallucci, seconded by Louisa Ollague, this item was continued to the next meeting.

35. Pending Audits/Monitoring Reports. (14-0229)

Don Chadwick, Auditor-Controller, reported that the County won the summary judgment in Federal Court against AIDS Healthcare Foundation.

VI. MISCELLANEOUS

36. Matters not on the Posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-0664)

There were no matters presented.

37. Public Comment. (14-0665)

No members of the public addressed the Committee.

38. Adjournment. (14-0666)

There being no further business to discuss, the meeting adjourned at 11:34 a.m.