J. TYLER McCAULEY
AUDITOR-CONTROLLER

COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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May 14, 2007

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **ALMA FAMILY SERVICES CONTRACT REVIEW – WRAPAROUND APPROACH SERVICES PROGRAM**

We have conducted a fiscal review of ALMA Family Services (ALMA or Agency), a Wraparound Approach Services (Wraparound) Program provider.

Background

The Department of Children and Family Services (DCFS) contracts with ALMA, a private non-profit community-based organization, to provide and operate the Wraparound program. The Wraparound program is a family-centered and needs-driven program providing individualized services to children and their families such as, therapy, housing, educational and social assistance. The target population for the Wraparound program includes children who are currently or at risk of being placed in a Rate Classification Level of 12 to 14 group home, Metropolitan State Hospital, etc. ALMA is located in the First District.

DCFS paid ALMA on a fee-for-service basis $4,184 per child, per month. DCFS paid ALMA approximately $36,000 for the first four months of Fiscal Year 2006-2007. This is the first year that ALMA is providing Wraparound services.

Purpose/Methodology

The purpose of the review was to determine whether ALMA complied with its contract terms and appropriately accounted for and spent Wraparound funds in providing

services to children and their families. We also evaluated the adequacy of the Agency's accounting records, internal controls and compliance with federal, State and County guidelines.

Results of Review

Overall, ALMA provided the services in accordance with the County contract. ALMA's program expenditures were allowable, properly documented and accurately billed to the Wraparound program as required. In addition, ALMA generally maintained appropriate internal controls over its business operations. We noted minor areas for improving internal controls.

The details of our review along with recommendations for corrective action are attached.

Review of Report

On April 3, 2007, we discussed our report with ALMA who agreed with the findings. In their attached response, ALMA management indicates that the Agency will incorporate the recommendations into their procedures. We also notified DCFS of the results of our review.

We thank ALMA for their cooperation and assistance during this review. Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Patricia S. Ploehn, Director, Department of Children and Family Services
Jean G. Champommier, Ph.D., CEO, ALMA Family Services
Public Information Office
Audit Committee

WRAPAROUND APPROACH SERVICES
ALMA FAMILY SERVICES
FISCAL YEAR 2006-07

CASH/REVENUE

Objective

Determine whether cash receipts and revenues are properly recorded in ALMA Family Services' (ALMA or Agency) records and deposited timely in the Agency's bank account. In addition, determine whether the Agency maintained adequate controls over cash, petty cash and other liquid assets.

Verification

We interviewed Agency personnel and reviewed financial records. We also reviewed the Agency's bank reconciliation for November 2006.

Results

ALMA properly recorded and deposited cash receipts timely. However, ALMA's November 2006 bank reconciliation contained 10 outstanding checks totaling $783 over 90 days old.

Recommendation

1. **ALMA management resolve reconciling items in a timely manner.**

EXPENDITURES/PROCUREMENT

Objective

Determine whether program related expenditures are allowable under the County contract, properly documented and accurately billed.

Verification

We interviewed Agency personnel, reviewed financial records and reviewed documentation for 14 non-personnel expenditure transactions billed by the Agency from July to December 2006, totaling $3,768.

Results

ALMA's program expenditures were allowable, properly documented and accurately billed to the Wraparound program as required.

Recommendation

There are no recommendations in this section.

INTERNAL CONTROLS

Objective

Determine whether the contractor maintained sufficient internal controls over its business operations.

Verification

We interviewed Agency personnel, reviewed their policies and procedures manuals and tested transactions in various areas such as cash, expenditures, payroll and personnel.

Results

ALMA maintained sufficient internal controls over its business operations. However, the mileage reimbursement form did not contain the addresses of the locations that staff visited.

Recommendation

2. **ALMA management ensure that mileage reimbursement forms are complete.**

FIXED ASSETS AND EQUIPMENT

Objective

Determine whether ALMA's fixed assets purchased with Wraparound funds are used for the Wraparound program and that the assets are safeguarded.

Verification

We interviewed Agency personnel and reviewed the Agency's fixed assets and equipments listing. In addition, we performed a physical inventory count and reviewed the usage of the 28 (100%) items purchased with Wraparound funds, in the amount of $11,138.

Results

ALMA used the fixed assets and equipment purchased with Wraparound funds for the Wraparound program. In addition, the assets were appropriately safeguarded.

Recommendation

There are no recommendations in this section.

PAYROLL AND PERSONNEL

Objective

Determine whether payroll is appropriately charged to the Wraparound program. In addition, determine whether personnel files are maintained as required.

Verification

We reviewed payroll expenditures for all seven employees, totaling $7,985, for November 2006. We also reviewed the personnel files of staff assigned to the Wraparound program.

Results

ALMA's salaries were properly supported and appropriately charged to the Wraparound program. The Agency also maintained personnel files as required by the County contract.

Recommendation

There are no recommendations for this section.

COST ALLOCATION PLAN

Objective

Determine whether ALMA's Cost Allocation Plan was prepared in compliance with the County contract and applied to program costs.

Verification

We reviewed the Agency's Cost Allocation Plan and selected a sample of expenditures incurred.

Results

ALMA's Cost Allocation Plan complied with the County contract requirements.

Recommendation

There are no recommendations in this section.

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Celebrating Thirty Years of Service

April 17, 2007

Mr. J. Tyler McCauley
Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 525
Los Angeles, CA 90012-2766

RE: Wraparound Contract Fiscal Review FY 2006-2007

Dear Mr. McCauley:

ALMA Family Services has reviewed and concurred with the findings on the above referenced report. We will certainly review and incorporate the recommendations as listed into our procedures.

We, at ALMA, thank your staff for their conscientious work during this fiscal review. If you should have any questions, please feel free to contact me at (323) 526-4016 Ext. 206.

Sincerely,

Joan G. Champommier, Ph.D.
Chief Executive Officer

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