



# COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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**OSCAR VALDEZ**  
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**CONNIE YEE**  
CHIEF DEPUTY AUDITOR-CONTROLLER

April 28, 2025

TO: Each Supervisor

FROM: Oscar Valdez  
Auditor-Controller

Robert G. Campbell  
Assistant Auditor-Controller / Chief Audit Executive

SUBJECT: **AGING AND DISABILITIES DEPARTMENT – GRANTS REVIEW**

With the support and active participation of the Aging and Disabilities Department (AD or Department) management, we evaluated the design of AD's grant management processes and controls to determine whether they provide reasonable assurance to management that operational objectives are being met. This includes identifying and applying for new grants, maximizing funding utilization, claiming reimbursements in a timely manner, measuring performance against desired outcomes, and ensuring timely reporting to both internal and external stakeholders (e.g., closeout reports to grantors). Additionally, we evaluated whether these processes and controls are functioning in accordance with County/departmental requirements.

We noted opportunities to improve AD's processes and controls, which management has agreed to strengthen. For example:

- AD will develop Key Performance Indicators to track and evaluate the effectiveness of grant processes within the Department.
- AD will develop written standards and procedures to guide staff in performing grant management duties such as identifying and applying for grant opportunities, and tracking, utilizing, and monitoring grant funds.

These enhancements will improve the Department's processes and controls to minimize grant-related risk and provide greater assurance to AD management that grants are identified, accepted, tracked, and monitored in compliance with County and departmental requirements.

NUMBER OF RECOMMENDATIONS
<b>PRIORITY 1</b> <b>0</b> CORRECTIVE ACTION REQUIRED WITHIN 90 DAYS
<b>PRIORITY 2</b> <b>3</b> CORRECTIVE ACTION REQUIRED WITHIN 120 DAYS
<b>PRIORITY 3</b> <b>0</b> CORRECTIVE ACTION REQUIRED WITHIN 180 DAYS

## FAST FACTS

As of June 2024,  
AD had 31 grants,  
totaling  
approximately  
\$239 million in  
awarded funds.

AD's grant-funded  
programs provide  
various services  
(e.g., providing  
transportation and  
mobility,  
advocating  
nutrition and  
wellness, and  
locating lost  
individuals) to  
aging and disabled  
adults throughout  
the County.

Each Supervisor  
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For details of our review, see Attachment I. The Department's response, Attachment II, indicates general agreement with our findings and recommendations.

We thank AD management and staff for their cooperation and assistance during our review. If you have any questions please call us, or your staff may contact Zoran Penich at [zpenich@auditor.lacounty.gov](mailto:zpenich@auditor.lacounty.gov).

OV:CY:RGC:ZP:YK:jl

#### Attachments

c: Fesia A. Davenport, Chief Executive Officer  
Edward Yen, Executive Officer, Board of Supervisors  
Dr. Laura Trejo, Director, Aging and Disabilities Department

# LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment I  
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**Robert G. Campbell**  
ASSISTANT AUDITOR-CONTROLLER

**Zoran Penich**  
DIVISION CHIEF

## AUDIT DIVISION

*Report #K24EA*

### AGING AND DISABILITIES DEPARTMENT GRANTS REVIEW

#### BACKGROUND AND SCOPE

The Aging and Disabilities Department (AD or Department) provides a range of services to support aging and disabled adults throughout the County, including assistance in locating lost individuals, crisis intervention, meal distribution, and transportation services. AD's grant processes are centralized in their Finance Management Division (FMD) which is responsible for identifying grant opportunities, applying for grants, tracking and monitoring eligible expenditures, and accounting for all grant revenues. AD's FMD works with each of the Department's programs (e.g., the Adult Protective Service program) throughout the grant term to ensure grant funds are used appropriately, reimbursements are submitted timely, and grants are finalized and closed in accordance with regulatory requirements. As of June 2024, AD had 31 active grants with awards totaling approximately \$239 million.

We evaluated the design of AD's grant management processes and controls to determine whether they provide reasonable assurance to management that operational objectives are being met. This includes identifying and applying for new grants, maximizing funding utilization, claiming reimbursements in a timely manner, measuring performance against desired outcomes, and ensuring timely reporting to both internal and external stakeholders (e.g., closeout reports to grantors). Additionally, we evaluated whether these processes and controls are functioning in accordance with County/departmental requirements. Our review did not evaluate the Department's controls related to subrecipient monitoring and risk assessment of subrecipients. We noted AD has a sufficient system of processes and controls over most grant-related areas. For example, AD:

- Monitors and reviews new and revised State and federal regulations for potential impacts to the Department, including any that could prevent the Department from carrying out its mission or implementing federal or State programs, or result in the need to return significant funding.
- Maintains a process to promptly notify the Board of Supervisors (Board) and Chief Executive Officer of any regulatory changes that may have a significant impact to the organization.
- Tracks and monitors monthly expenditures and conducts midpoint reviews, as required by Board Policy 4.070, to ensure full utilization of funds.
- Processes reimbursement claims timely and accurately.

We also identified opportunities for improvement as noted in the table below.

#### TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

ISSUE		RECOMMENDATION
1	<b>Key Performance Indicators</b> - Key Performance Indicators (KPIs) are quantifiable performance measurements that are used to evaluate the success of an organization or a particular activity in which it engages. Departments and units/divisions within departments should establish KPIs and periodically review them against the applicable activity to evaluate the efficiency and effectiveness of the activity, identify weaknesses and areas for improvement, etc. Departments should also	<b>Priority 2 - AD management establish documented processes/controls to ensure the Department:</b>  a) <b>Develop KPIs to track and evaluate the effectiveness of their grant processes within the Department.</b> b) <b>Periodically evaluate grant processes against established KPIs and takes corrective action, as needed.</b>

**Priority Ranking:** Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>periodically review the KPI thresholds to ensure that they remain the best measure of performance as the operations and environment change.</p> <p>During our review, we noted that the Department has general operational requirements for each grant and/or grant-funded program (e.g., number of clients served). However, we noted that the Department has not established KPIs over their grant processes to monitor and evaluate the Department's ongoing efforts in meeting their goals and objectives.</p> <p>The Department should establish KPIs relevant to their grant processes and develop a process to periodically evaluate their current grant processes with established KPIs to make improvements as needed. Examples of KPIs the Department could develop include the percentage of grant reports submitted on time, the average number of days to close out a grant, etc.</p> <p><b>Impact:</b> This weakness reduces management's ability to measure and evaluate the level of success for their grant-related processes and take any needed corrective actions.</p>	<p><b>c) Periodically review the KPI thresholds to ensure the KPIs remain the best measure of performance.</b></p> <p><b>Department Response: Agree</b> Implementation Date: December 31, 2025</p>
<p><b>2</b> <b>Management Monitoring of Controls</b> - AD needs to develop ongoing self-monitoring processes to regularly evaluate and document that controls are working as intended, as required by County Fiscal Manual Section 1.0.2. Some areas that should be monitored include:</p> <ul style="list-style-type: none"> <li>• Staff identify grant funding opportunities to maximize available grant funds and apply for them timely.</li> <li>• Grant funds are utilized, tracked, and monitored to ensure all funds are accounted for and used in accordance with grant requirements.</li> </ul> <p>Effective self-monitoring processes may include tests or observations examining an adequate number of transactions on a regular basis (e.g., 5 - 10 weekly, quarterly, semi-annually) to ensure adherence to County and departmental rules and documenting and retaining evidence of this review in a manner that an independent party can subsequently validate.</p>	<p><b>Priority 2</b> - AD management develop ongoing self-monitoring processes that include:</p> <ul style="list-style-type: none"> <li><b>a) Examining process/control activities, such as reviewing transactions on a regular basis to ensure adherence to established procedures and internal controls, County rules, and best practices.</b></li> <li><b>b) Documenting the monitoring activity and retaining evidence so it can be validated.</b></li> <li><b>c) Elevating material exceptions timely so management is aware of control risks and can take appropriate corrective actions.</b></li> </ul> <p><b>Department Response: Agree</b> Implementation Date: December 31, 2025</p>

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<p>The monitoring process should also ensure material exceptions are elevated timely so management is informed of control risks and can take appropriate corrective actions.</p> <p><b>Impact:</b> This weakness prevents management from having reasonable assurance that hiring and/or termination objectives are being achieved. In addition, it increases the risk of not promptly identifying and correcting process/control weaknesses or instances of non-compliance with County payroll requirements.</p>	
<p><b>3</b> <b>Standards and Procedures</b> - AD management needs to develop detailed written standards and procedures to adequately guide supervisors and staff in duties related to managing grants. Specifically, written standards and procedures need to be developed for the following processes:</p> <ul style="list-style-type: none"> <li>Identifying and applying for grant opportunities (e.g., completing grant applications, obtaining approvals, identifying resources and researching legislature that may affect grant funding).</li> <li>Tracking grant funds (e.g., maintaining grant records, ledgers, and supporting documents).</li> <li>Utilizing and monitoring grant funds (e.g., using grant funds appropriately and timely, monitoring grant fund usage to identify potential issues and resolve them promptly).</li> <li>Establishing, monitoring, and reviewing grant-related KPIs (Issue No. 1).</li> <li>Management monitoring (Issue No. 2).</li> </ul> <p>Standards and procedures should provide detailed guidance to staff and supervisors in the performance of their day-to-day duties and describe how processes are performed. They must also require staff and supervisors to maintain documentation of their processes and require an audit trail of key events where practical.</p> <p><b>Impact:</b> Increases the risk of deviations from processes designed by management to accomplish departmental objectives and/or enable compliance with County policies, and increased effort required to train new staff to perform these processes. Prevents management from effectively evaluating processing/control environments.</p>	<p><b>Priority 2</b> - AD management develop and/or update written standards and procedures to guide supervisors and staff in performing their grant management duties, including those areas noted in our review.</p> <p><b>Department Response: Agree</b> Implementation Date: December 31, 2025</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management's responsibility for internal controls, visit [auditor.lacounty.gov/audit-process-information](https://auditor.lacounty.gov/audit-process-information).



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**GET IN TOUCH**

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[ad.lacounty.gov](http://ad.lacounty.gov)

[info@ad.lacounty.gov](mailto:info@ad.lacounty.gov)

**Aging & Adult Information & Assistance Line:**

(800) 510-2020

**Report Elder Abuse:**

(877) 477-3646

**Community & Senior Centers:**

(800) 689-8514

**Disability Information &**

**Access Line:**

(888) 677-1199



April 16, 2025

**TO:** Oscar Valdez  
Auditor-Controller

**FROM:** Laura Trejo  
Laura Trejo (Apr 16, 2025 14:20 PDT)  
Dr. Laura Trejo, Director  
Aging & Disabilities

**RE:** Aging and Disabilities Department – Grants  
Review Draft Report

Attached is the Aging & Disabilities Department's (AD) response to the Auditor-Controller's (A-C) AD Grants Review Draft Report.

As noted in the document, AD agrees with the three (3) presented findings and the recommendations provided by the A-C. AD has established an implementation date of December 31, 2025. We look forward to working with the Auditor-Controller to resolve these findings and enhance our existing processes.

If you have any questions or need additional information, please contact Dawnna Lawrence, Executive Support at [DLawrence@ad.lacounty.gov](mailto:DLawrence@ad.lacounty.gov).

LT:LCS:DL:SO:rl

Attachment

c: Jennifer Larson, Principal Accountant-Auditor  
Dawnna Lawrence, Executive Support  
Susana Ortega, Compliance Program Manager

**AGING AND DISABILITIES DEPARTMENT – GRANTS REVIEW  
DEPARTMENT ACTION PLAN/RESPONSE**

<b>ISSUE 1: Key Performance Indicators</b>	
<b>A/C Recommendation</b>	AD management establish documented processes/controls to ensure the Department: a) Develop KPIs to track and evaluate the effectiveness of their grant processes within the Department. b) Periodically evaluate grant processes against established KPIs and takes corrective action, as needed. c) Periodically review the KPI thresholds to ensure the KPIs remain the best measure of performance.
<b>Priority</b>	<b>PRIORITY 2</b>
<b>Agree/Disagree</b>	<b>Agree</b>
<b>Department Action Plan<sup>1</sup></b>	AD management will establish documented processes/controls to ensure the Department develops KPI's to track and evaluate the effectiveness of their grant processes within the Department and periodically evaluate grant processes against established KPIs and take corrective action as needed.
<b>Planned Implementation Date</b>	December 31, 2025
<b>Additional Information (optional)<sup>2</sup></b>	

<b>ISSUE 2: Management Monitoring of Controls</b>	
<b>A/C Recommendation</b>	AD management develop ongoing self-monitoring processes that include: a) Examining process/control activities, such as reviewing transactions on a regular basis to ensure adherence to established procedures and internal controls, County rules, and best practices. b) Documenting the monitoring activity and retaining evidence so it can be validated. c) Elevating material exceptions timely so management is aware of control risks and can take appropriate corrective actions.
<b>Priority</b>	<b>PRIORITY 2</b>
<b>Agree/Disagree</b>	<b>Agree</b>
<b>Department Action Plan<sup>1</sup></b>	AD management will develop ongoing self-monitoring processes that include the criteria from a, b and c listed within the A-C Recommendation.
<b>Planned Implementation Date</b>	December 31, 2025
<b>Additional Information (optional)<sup>2</sup></b>	

<sup>1</sup> In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

<sup>2</sup> In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 3: Standards and Procedures	
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan <sup>1</sup>	AD management will develop and/or update written standards and procedures to guide supervisors and staff in performing their grant management duties, including those areas noted in our review.
Planned Implementation Date	December 31, 2025
Additional Information (optional) <sup>2</sup>	

<sup>1</sup> In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

<sup>2</sup> In this section the Department can provide any background or clarifying information they believe is necessary.