



**County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

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Director

BRANDON NICHOLS  
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September 28, 2016

To: Supervisor Hilda L. Solis, Chair  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Philip L. Browning  
Director

**HAYNES FAMILY OF PROGRAMS FISCAL COMPLIANCE ASSESSMENT REVIEW**

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of the Haynes Family of Programs (the Group Home) in February 2016. The Group Home has one licensed site located in San Bernardino County and provides services to the County of Los Angeles DCFS placed children, Probation foster youth, and children from other counties. According to the Group Home's Program Statement, its stated mission is, "to strengthen the Mind and Spirit of special needs children affected by emotional challenges, abuse, neglect, and developmental disabilities by providing specialized programs in a nurturing, caring, and therapeutic environment."

At the time of the review, the Group Home served 35 DCFS placed children and 21 Probation placed children. The placed children's overall average length of placement was four months and their average age was 14.

**SUMMARY**

CAD conducted a Fiscal Compliance Assessment which included an agency-wide review of the Group Home's financial records such as, financial statements, bank statements, check register, and personnel files to determine their compliance with the terms, conditions, and requirements of the Group Home Contract with DCFS and the Probation Department, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook), and other applicable federal, State, and County regulations and guidelines.

Each Supervisor  
September 28, 2016  
Page 2

The Group Home was in full compliance with all areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influences; Cash/Expenditures; and Payroll and Personnel.

Attached are the details of CAD's review.

### **REVIEW OF REPORT**

On March 22, 2016, Joe Jimenez Jr., DCFS CAD Fiscal Unit, held an exit conference with Tony Williams, Chief Financial Officer. There were no findings.

A copy of this compliance report has been sent to the Auditor-Controller and Community Care Licensing.

If you have any questions, your staff may contact me or Aldo Marin, Board Relations Manager at (213) 351-5530.

PLB:KR  
LTI:jj

#### **Attachments**

c: Sachi A. Hamai, Chief Executive Officer  
Calvin C. Remington, Interim Chief Probation Officer  
John Naimo, Auditor-Controller  
Public Information Office  
Audit Committee  
Sybil Brand Commission  
Daniel S. Maydeck, Executive Director, Haynes Family of Programs  
Lenora Scott, Regional Manager, Community Care Licensing Division  
Lajuannah Hills, Regional Manager, Community Care Licensing Division

**HAYNES FAMILY OF PROGRAMS  
FISCAL COMPLIANCE ASSESSMENT REVIEW  
FISCAL YEAR 2015 - 2016**

**SCOPE OF REVIEW**

The Fiscal Compliance Assessment included a review of the Haynes Family of Programs (the Group Home's) financial records for the period of July 1, 2014 through December 31, 2015. CAD reviewed the financial statements, bank statements, check register, and personnel files to determine the Group Home's compliance with the terms, conditions, and requirements of the Group Home contract, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook), and other applicable federal, State, and County regulations and guidelines.

The on-site Fiscal Compliance Assessment review focused on five key areas of internal controls:

- Financial Overview,
- Loans, Advances and Investments,
- Board of Directors and Business Influence,
- Cash/Expenditures, and
- Payroll and Personnel.

The Group Home was in full compliance with all areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Board of Directors and Business Influence; Cash/Expenditures, and Payroll and Personnel.

During the review, it was noted that the Group Home's Audited Financial Statements for its fiscal year ending June 30, 2015, showed an operating loss of \$352,632. The loss was due to the lower census average which reduced revenue by \$305,000. Management informed us that revenue is expected to increase by \$1,255,000 next year, providing relief to the organization's overall performance.

**FISCAL COMPLIANCE**

No deficiencies noted.

**PRIOR YEAR FISCAL COMPLIANCE ASSESSMENT FOLLOW-UP**

CAD conducted a Fiscal Compliance Assessment of the Group Home in County Fiscal Year (FY) 2014-2015. There were no findings.

**NEXT FISCAL COMPLIANCE ASSESSMENT**

The next Fiscal Compliance Assessment of the Group Home will be conducted in County FY 2016-2017.