



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

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

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Director

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November 14, 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

*Philip L. Browning  
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**PROJECT SIX AND THE HELP GROUP CHILD AND FAMILY CENTER DBA THE HELP GROUP FISCAL COMPLIANCE ASSESSMENT**

The Department of Children and Family Services (DCFS) Contracts Administration Division (CAD) conducted a Fiscal Compliance Assessment of the Project Six and the Help Group Child and Family Center dba The Help Group (the Contractor) in March 2016. The Contractor has one Group Home site located in the Third Supervisorial District and provides services to the County of Los Angeles DCFS placed children and children placed by other counties.

According to the Contractor's Program Statement, its stated purpose is "to decrease residents' maladaptive behaviors and improve their social, emotional, and academic/occupational functioning."

At the time of the review, the Contractor provided Group Home Foster Care services to DCFS placed children and to children placed by other Counties.

**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, the Auditor-Controller Contract Accounting and Administration Handbook (A-C Handbook) and other applicable federal, State, and County regulations and guidelines.

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The Contractor was in full compliance with 4 of 5 applicable areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Cash/Expenditures; and Payroll and Personnel.

CAD noted one potential internal control weakness, in the area of Board of Directors and Business Influence, related to the four months between two Board meetings instead of the Board of Directors having a meeting each quarter.

Attached are the details of CAD's review.

### **REVIEW OF REPORT**

On May 5, 2016, Helga Kiaian, DCFS CAD held an exit conference with the Contractor's representatives: Edna Ramos, Controller and Oscar Valadez, Assistant Controller. The Contractor's representatives agreed with the review findings and recommendation; were receptive to implementing systemic changes to improve compliance with its DCFS contract and agreed to address the noted deficiency in a Fiscal Corrective Action Plan (FCAP).

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

The Contractor provided the attached approved FCAP addressing the recommendation noted in this report.

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

PLB:KR:LTI:hk

#### **Attachments**

c: Sachi A. Hamai, Chief Executive Officer  
John Naimo, Auditor-Controller  
Calvin C. Remington, Interim Chief Probation Officer  
Public Information Office  
Audit Committee  
Sybil Brand Commission  
Barbara Firestone, PH.D. President and Chief Executive Officer, The Help Group  
Lenora Scott, Regional Manager, Community Care Licensing Division  
Lajuannah Hills, Regional Manager, Community Care Licensing Division

**PROJECT SIX AND THE HELP GROUP CHILD AND FAMILY CENTER  
DBA THE HELP GROUP  
FISCAL COMPLIANCE ASSESSMENT REVIEW  
FISCAL YEAR 2015 – 2016**

**SCOPE OF REVIEW**

The Fiscal Compliance Assessment included a review of the Project Six and The Help Group Child and Family Center dba The Help Group's (the Contractor's) financial records for the period of July 2014 through January 2016. CAD reviewed the financial statements, bank statements, check register, and personnel files to determine the Contractor's compliance with the terms, conditions, and requirements of the Group Home and Wraparound Contracts, 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 Contractor was in full compliance with 4 of 5 applicable areas of the Fiscal Compliance Assessment: Financial Overview; Loans, Advances and Investments; Cash/Expenditures; and Payroll and Personnel.

**FISCAL COMPLIANCE**

CAD found the following area out of compliance:

**Board of Directors and Business Influence**

- One Board meeting was held more than three months from the previous meeting.  
(June 25, 2015 to October 6, 2015)

As of Fiscal Year (FY) 2016-17 the agency's Senior Risk Management will be responsible for scheduling the quarterly Board of Directors Meetings.

**Recommendation:**

The Contractor's Board of Directors shall ensure that:

1. All Board meetings are conducted on a quarterly basis.

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

CAD conducted a Fiscal Compliance Assessment of the Contractor in County FY 2014-15. The assessment resulted in one recommendation, CAD verified that the recommendation was implemented.

**NEXT FISCAL COMPLIANCE ASSESSMENT**

The next Fiscal Compliance Assessment of the Contractor will be conducted in County FY 2016-17.

June 6, 2016

Helga Kiaian  
Fiscal Compliance Administrator  
County of Los Angeles,  
Department of Children and Family Services  
Contracts Administration Division-Fiscal Compliance Unit  
3530 Wilshire Blvd., 5<sup>th</sup> Floor  
Los Angeles, CA 90010

Dear Ms. Kiaian,

Project Six and The Help Group Child and Family Center acknowledge that Board of Director Meeting were not held on a quarterly basis for the period July 1 to September 30, 2015. The meetings were held on June 25 and October 6, 2015. As of Fiscal year 2016-2017, the agencies will consistently hold meetings on a quarterly basis as required by the California Health and Safety Code-1520.1 (f). The agencies Senior Risk Management will be responsible for scheduling the quarterly Board of Director Meetings.

Sincerely,



Barbara Firestone, PhD  
President & CEO