

COMMUNITY ACTION PARTNERSHIP of KERN
BOARD OF DIRECTORS
AUDIT & PENSION COMMITTEE MEETING
5005 Business Park North
April 12, 2018
12:00 p.m.

AGENDA

1. **Call to Order**

2. **Roll Call**

Craig Henderson Mike Maggard Yolanda Ochoa Ana Vigil

3. **Approval of Agenda**

4. **Public Forum:** *(The public may address the Committee on items not on the agenda. Speakers are limited to 3 minutes. If more than one person wishes to address the same topic, the total group time for the topic will be 10 minutes. Please state your name before making your presentation.)*

5. **New Business**

- a. Brown Armstrong's Plan for the 2018 Audits – Christine Anami, Chief Financial Officer and Brooke Baird and Andrew Paulden from Brown Armstrong – ***Info Item (p. 3-12)***
- b. Renewal of Audit Services Agreement (Brown Armstrong) – Christine Anami, Chief Financial Officer – ***Action Item (p. 13-19)***
- c. State Controller's Office Letter regarding February 28, 2017 Audit – Christine Anami, Chief Financial Officer – ***Info Item (p. 20-21)***
- d. CACFP Triannual Review Outcome – Jerry Meade, PDM Administrator – ***Info Item (p. 22-26)***
- e. CSD Letter Regarding Expenditure Performance for the 2016 LIHEAP Allocation – Margaret Palmer, Energy Program Administrator – ***Info Item (p. 27)***
- f. CSD Letter Regarding Contract Performance for the 2015 LIWP Contract 15K-6006 – Margaret Palmer, Energy Program Administrator – ***Info Item (p. 28-29)***
- g. First 5 Kern Letter Regarding the Annual Administrative Review of East Kern Family Resource Center on March 13, 2018– Carmen Segovia, Director of Health & Nutrition – ***Info Item (p. 30-31)***

Community Action Partnership of Kern
Audit & Pension Committee Meeting Agenda
April 12, 2018
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6. **Committee Member Comments**

7. **Next Scheduled Meeting**

Audit Committee Meeting
Thursday, August 2, 2018
12:00 p.m.
5005 Business Park North
Bakersfield, California 93309

8. **Adjournment**

This is to certify that this Agenda notice was posted in the lobby of the CAPK Administrative Office at 5005 Business Park North, Bakersfield, and online at www.capk.org by 5:00pm on April 9, 2018. Paula Daoutis, Administrative Coordinator



Brown Armstrong
Accountancy Corporation

4200 Truxtun Avenue, Suite 300 | Bakersfield, CA 93309 | 661.324.4971 | Fax 661.324.4997

Contacts: Andrew Paulden, CPA
Brooke Baird, CPA

BROWN ARMSTRONG
Certified Public Accountants

April 12, 2018

We are pleased to have the opportunity to present to you our plan for the audit of the Community Action Partnership of Kern (CAPK) for the year ending February 28, 2018.

This presentation has been prepared to discuss the scope of the audit.

We look forward to presenting this information, addressing your questions and discussing any other matters of interest to the Audit Committee and Management of CAPK.

Best Regards,

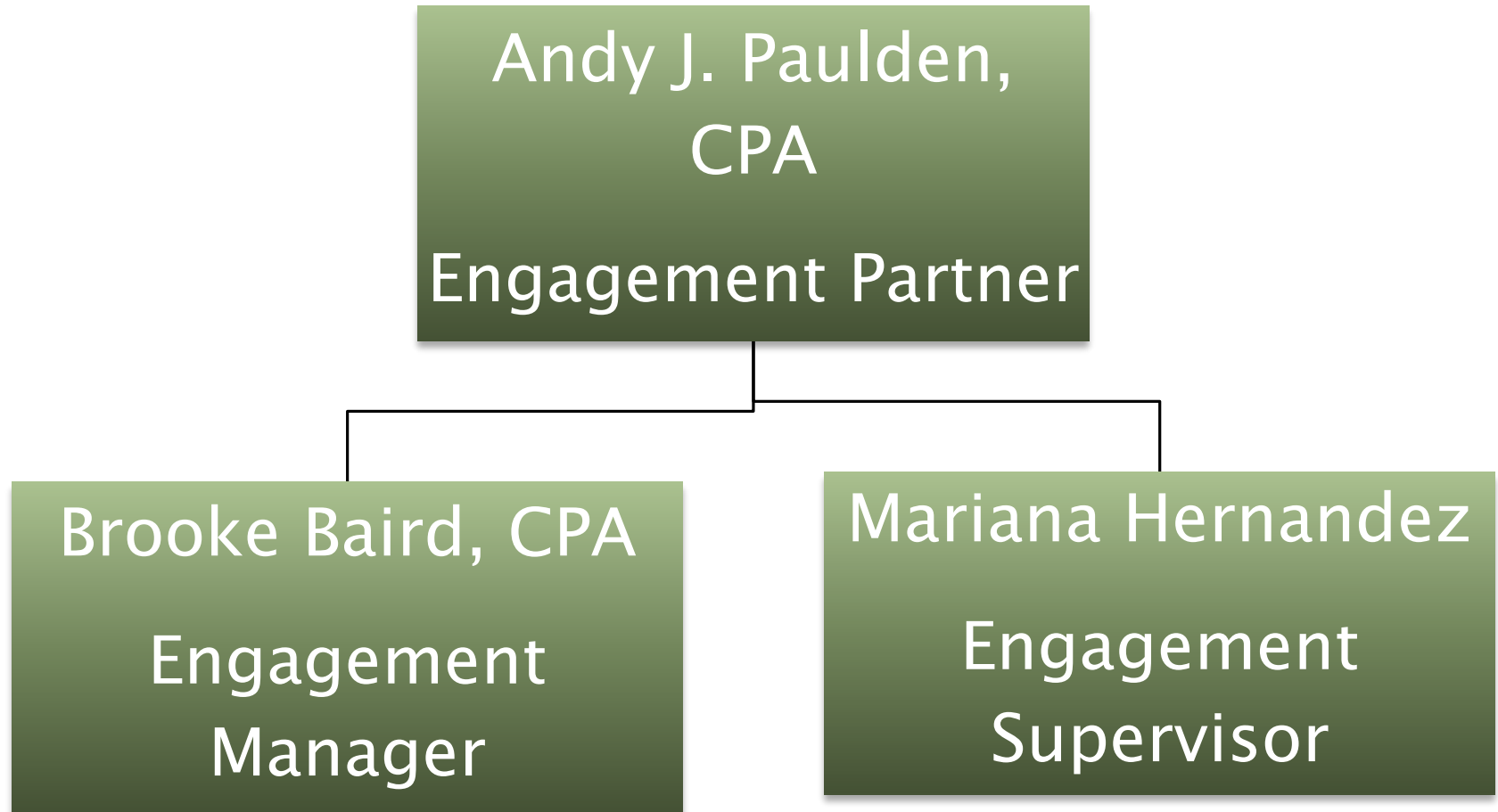
Andrew Paulden, Partner
Brooke Baird, Manager
Brown Armstrong Accountancy Corporation

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The Engagement Team



Scheduled Dates of Fieldwork

- Interim
 - Fieldwork at Client's Office– Weeks of May 14th and May 21st
- CAPK DC Plan– Week of June 4th
- Final
 - Set-up from Brown Armstrong Office: Week of September 17th
 - Fieldwork at Client's Office– Weeks of September 24th and October 1st

Our Audit Objectives

We are responsible for auditing the statements of financial position of CAPK as of February 29, 2016, and related statements of operations and cash flows for the period then ended. Additionally, following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements:

- Schedule of expenditures of federal and state awards;
- California Department of Community Services and Development– Supplemental schedules of revenue and expenditures;
- Grant/Contract closeout schedules; and
- Statements of functional expenses

We will perform the additional services as specified by our audit agreement for fiscal year ended February 28, 2018:

- Single Audit in accordance with Uniform Guidance for federal grants;
- Financial and compliance audit of special purpose financial statement to comply with the reporting requirement specified in the agreement with the CDE for the year ended June 30, 2018.
- Compliance and financial audit for the First 5 programs;
- Limited scope audit of CAPK's Defined Contribution Plan; and
- Preparation of the organization's federal and state information returns.

In accordance with the engagement letter our primary objective is the expression of an opinion on CAPK's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, which includes:

- Obtaining reasonable assurance as to whether the financial statements are prepared in accordance with U.S. generally accepted accounting principles and are free of material misstatements, whether caused by error or fraud; and
- Obtaining reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Audit Strategy

Phase I	Phase II	Phase III	Phase IV
Audit Planning	Interim Field Work	Final Field Work	Completion
Familiarize ourselves with any changes in CAPK's operating environment	Assess Internal control environment through client interview and test of controls	Plan and perform substantive audit procedures on financial statement balances	Perform completion procedures
Perform risk assessment procedures	Perform SAS 99 (Fraud evaluation) procedures	Complete any outstanding procedures from interim	Draft internal control management letter comments
Determine planning materiality for financial statements audits and individual federal grants	Identify internal control strengths and weaknesses	Audit of pension	Draft Reports
Perform preliminary analytical review	Evaluate design and implementation of selected controls	Conduct final analytical review	Draft management representation letter and have signed
Develop audit plan	Test controls over financial reporting and administration	Consider Audit Evidence Sufficiency	Issue auditor's reports and management letter
Identify significant audit areas	Understand accounting and reporting activities	Conclude on critical accounting matters	
Determine nature and extent of audit procedures for each of the significant audit areas	Perform federal and CDE compliance audits and the First 5 program audit.		
Reevaluate the progress of the audit and make any changes on audit approach and procedures, if necessary			
Confirmation of account balances, using client prepared confirmations			

BROWN ARMSTRONG
Certified Public Accountants

Significant Audit Areas

Based on the results of prior year's audit, we have identified the following as our most significant audit areas:

- ▶ Expenses for Program and Supporting Services, Accounts Payable and Accrued Liabilities
- ▶ Program Revenue, Receivables and Deferred Revenue
- ▶ Property and Equipment
- ▶ Inventory
- ▶ Long Term Debt

Reports to be Issued

- ▶ Consolidated financial statements and the related consolidated statements of operations and cash flows for the year than ended February 28, 2018
 - Independent Auditor's Report;
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performance in Accordance with Government Auditing Standards;
 - Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance;
 - Report on Compliance with Requirements Applicable to First 5 programs in Accordance with the Program Specific Audit Option Under the Uniform Guidance; and
 - Consolidated schedule of findings and questioned costs
- ▶ Defined Contribution Plan
 - Independent Auditor's Report
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performance in Accordance with Government Auditing Standards;
- ▶ Special Purpose Financial Statements
 - Independent Auditor's Report
 - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performance in Accordance with Government Auditing Standards; and
 - Consolidated schedule of findings and questioned costs

Questions

We are looking forward to working with the CAPK team to complete the audit.

Thank you!

COMMUNITY ACTION PARTNERSHIP OF KERN (CAPK)

MEMORANDUM

To: Audit and Pension Committee
Christine Anami
From: Christine Anami, Chief Financial Officer
Date: April 12, 2018
Subject: *Agenda Item 5b:* Renewal of Audit Services Agreement (Brown Armstrong) - **Action Item**

CAPK entered into an agreement with Brown Armstrong Accountancy Corporation for audit services beginning with the fiscal year ended February 29, 2016. The agreement (see attachment) is for three years at a maximum fee of \$81,000 with an option to renew in one (1) year increments for two (2) years by mutual agreement. CAPK's fiscal year that recently ended on February 28, 2018 is the third year of the agreement.

The agreement was amended on March 15, 2018 (see attachment) to include an additional \$6,000 for the audit of the employee 403(b) tax deferred annuity plan that was converted to an ERISA plan effective January 1, 2018. Since it is now an ERISA plan, it is required to have an audit similar to the audit of the employer 401(a) defined contribution pension plan. The \$6,000 audit fee for the 403(b) plan is the same amount as the audit fee for the 401(a) plan that is included in the \$81,000. The first audit of the 403(b) plan would be included in the option to renew timeframe.

Staff is very satisfied with the audit services rendered by Brown Armstrong for the prior two years under the current agreement as well as during the previous five years under the agreement dated February 24, 2011. Brown Armstrong's audit staff is professional and knowledgeable of auditing standards and reporting requirements. They have a good understanding of CAPK's programs and accounting processes.

Taking into consideration Brown Armstrong's performance for the past seven years and their \$87,000 audit fee which includes the additional \$6,000 for the 403(b) audit, staff recommends extending the agreement for audit services for two additional years.

Recommendation

Staff recommends that the Audit and Pension Committee authorizes Jeremy T. Tobias, Chief Executive Officer and/or Christine Anami, Chief Financial Officer to proceed with renewing the agreement with Brown Armstrong Accountancy Corporation for two additional years at a maximum fee of \$87,000 each year.

Attachments: 1. Professional Services Agreement with Brown Armstrong Accountancy Corporation dated February 23, 2016 without attachments
2. Amendment to Professional Services Agreement with Brown Armstrong Accountancy Corporation dated March 15, 2018

Community Action Partnership of Kern
5005 Business Park North • Bakersfield, CA 93309
(661) 336-5236 Fax: (661) 336-5228

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement, ("Agreement"), is made and entered into as of this 23rd day of February, 2016, by and between Brown Armstrong Accountancy Corporation ("Vendor") and the Community Action Partnership of Kern ("CAPK").

1. DESCRIPTION OF SERVICES. The Audit Services Vendor will conduct the following services, including, but not limited to:

- a. Financial and compliance audits of CAPK for the years ending February 29, 2016, February 28, 2017, and February 28, 2018;
- b. Financial and compliance audits of special purpose financial statements for the years ending June 30, 2016, 2017 and 2018 to comply with reporting requirements specified in agreements with the California Department of Education;
- c. An Audit of CAPK's Defined Contribution Pension Plan for the years ending February 29, 2016, February 28, 2017, and February 28, 2018;
- d. A financial and compliance audit of the First 5 Kern Programs for the years ending February 29, 2016, February 28, 2017, and February 28, 2018;
- e. The preparation of Federal and State annual information tax returns.

Audits shall be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, also in accordance with the Program-Specific Audit Option standards under OMB's 2 CFR Part 200 and all other applicable standards.

Performance: The Vendor is required to prepare audit reports in accordance with auditing standards as set forth by the American Institute of Certified Public Accountants; the standards for financial audits contained in *Government Auditing Standards*; issued by the Comptroller General of the United States; in conformity with the CDE Audit Guide (Rev. June 2010) issued by the California Department of Education and any other regulations, publications or audit guides relevant to CAPK's grants and/or agreements.

Audit Assistance: The staff of CAPK's Finance Division and responsible management personnel will be available during the audit to assist the Vendor by providing information, documentation and explanations. Finance Division staff will prepare reasonably required statements and schedules to support the audit.

CAPK will provide the Vendor with reasonable work space. The Vendor will also be provided with the use of photocopiers, fax, e-mail and access to computer internet and phones to accomplish the audit.

Delivery Schedule: Vendor shall have draft(s) of the audit report(s) for review by the Executive Director and Director of Finance at least three weeks prior to delivering the final audit report(s) to CAPK's Board of Directors. The due dates of the final audit report(s) are as follows:

- Organization-wide audit including compliance audit of First 5 Kern Programs for year(s) ending:
 - February 29, 2016: Due no later than November 30, 2016
 - February 28, 2017: Due no later than November 30, 2017
 - February 28, 2018: Due no later than November 30, 2018
- Special purpose financial statement audit for year(s) ending
 - June 30, 2016: Due no later than November 15, 2016
 - June 30, 2017: Due no later than November 15, 2017
 - June 30, 2018: Due no later than November 15, 2018
- Defined Contribution Pension Plan audit for year(s) ending
 - February 29, 2016: Due no later than December 15, 2016
 - February 28, 2017: Due no later than December 15, 2017
 - February 28, 2018: Due no later than December 17, 2018
- Federal and State annual tax returns for year(s) ending
 - February 29, 2016: Due no later than January 17, 2017
 - February 28, 2017: Due no later than January 16, 2018
 - February 28, 2018: Due no later than January 15, 2019

Exit Conference: An exit conference with CAPK's representatives and the Vendor's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with CAPK. It should, at a minimum, include discussion of internal control and program compliance observations and recommendations.

Workpapers: Upon request, the Vendor will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the issue(s) identified.

- All audit workpapers shall be retained for at least three years from the end of the audit period.
- All audit workpapers shall be available for examination by authorized representatives of CAPK, its cognizant federal or state audit agency, the General Accounting Office, and other entities authorized by CAPK.

2. **PAYMENT FOR SERVICES.** Payment for services shall be paid as detailed in Vendor's Fee Proposal dated October 29, 2015, which is attached hereto and incorporated into this agreement by reference, for the above described services. Vendor will submit an original monthly progress invoice detailing all work performed by the 10TH day of the following month. Terms are Net 30 from the date the original invoice is received at CAPK's Finance Office. This Agreement supersedes any other agreements/contracts in effect, written, implied or otherwise.

Note: The Vendor shall mail all invoices to CAPK, Attn: Finance Division, 5005 Business Park North, Bakersfield, CA 93309. (Include Tax I.D. Number on all Invoices.)

3. **TERM.** The period of performance for this Agreement shall be from February 1, 2016 through January 31, 2019.
4. **TERMINATION.** CAPK may terminate this Agreement at any time for any reason by giving at least thirty (30) days' notice in writing to the Vendor. If the Agreement is terminated by CAPK as provided herein, the Vendor will be paid a fair payment as negotiated with CAPK for the work completed as of the date of termination. CAPK shall terminate by delivering to the Vendor a Notice of Termination specifying the extent of termination and the effective date.
5. **OPTION TO RENEW.** The period of performance for this Agreement may be renewed in one (1) year increments for up to two (2) years by mutual agreement of the parties.

6. **RELATIONSHIP OF PARTIES.** It is understood by the parties that the Vendor is an independent vendor with respect to this Agreement and is not an employee of CAPK and will not be provided fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit.
7. **WORK PRODUCT.** Any copyrightable works, ideas, discoveries, inventions, patents, products, or other information (collectively, the "Work Product") developed in whole or in part by the Vendor in the connection with the services provided shall be the exclusive property of CAPK.
8. **CONFIDENTIALITY.** Vendor will not at any time, or in any manner, either directly or indirectly, use for his/her personal benefit, or divulge, disclose, or communicate in any manner any information that is proprietary to CAPK. Vendor will protect such information and treat it as strictly confidential. This provision shall continue to be effective even after the termination of this Agreement and any extensions for a period of three (3) years. Upon termination of this Agreement, Vendor will return to CAPK all records, notes, documentation and other items that were used, created, or controlled by the Vendor on behalf of CAPK during the term of this Agreement.
9. **INJURIES.** Vendor acknowledges his obligation to obtain appropriate insurance coverage, if applicable, and to name CAPK as additional insured. Also, Vendor waives any rights to recovery for any injuries that he/she may sustain while performing services under this Agreement and that compensation for such injuries shall be covered by his/her own insurance.
10. **INDEMNIFICATION.** The Vendor shall hold harmless and indemnify the CAPK, its board members, officers, employees and volunteers, from every claim or demand which may be made by reason of any injury to person or property sustained by the Vendor or by any person, or corporation, employed directly or indirectly by Vendor upon or in connection with his/her performance of the work described herein, however caused.
11. **INSURANCE.** All policies required of the Vendor shall be primary insurance as to CAPK, its board, officers, agents employees and volunteers and any insurance or self-insurance maintained by CAPK, its board, officers, agents employees and designated volunteers shall be in excess of the Vendors insurance and shall not contribute with it. Additional insured endorsement shall use ISO form CG20 10 11 85 (in no event with an edition date later than 1990).

The insurance required hereunder shall be maintained until all work required to be performed by this Agreement is satisfactorily completed. Vendor shall furnish CAPK with a certificate of insurance and required endorsements evidencing the insurance required.

 - a. Professional Liability Professional Liability (Errors and Omissions) Insurance, for liability arising out of, or in connection with, the performance of all required services under this Agreement, with limits of not less than: \$1,000,000.00 per occurrence; \$2,000,000.00 Aggregate, and the policy shall contain an additional endorsement in favor of the CAPK, its board members, officers, employees and volunteers.
 - b. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence; and the policy shall contain a waiver of subrogation endorsement in favor of CAPK, its board, officers, agents employees and volunteers.
 - c. Automobile Liability Insurance, providing coverage on an occurrence basis for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than One Million Dollars (\$1,000,000) per occurrence; and the policy shall:
 - i. Provide coverage for owned, non-owned and hired autos.
12. **GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. If either party initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that the venue thereof shall be the County of Kern, State of California.

13. **WAIVER.** The parties hereto agree that failure of either party to enforce any term and/or provision hereof shall not be deemed to constitute a waiver of other provisions of this Agreement.
14. **ADDITIONAL TERMS AND CONDITIONS, FEDERAL ASSURANCES, AND CONTRACT ADDENDA.** The attached Additional Terms and Conditions, Federal Assurances and Contract Addenda A through H, as applicable in CAPK's sole determination, are hereby incorporated by reference and are a part of
15. **C – CERTIFICATIONS.** The attached Appendix C – Certifications, is hereby incorporated by reference this agreement.
16. **APPENDIX** and is a part of this agreement, once executed by the Vendor.
17. **ENTIRE AGREEMENT.** The foregoing constitutes the entire agreement between the parties and may not be modified, unless done in writing and signed by both parties.

The parties hereto have executed this Agreement at the place and on the dates specified above their respective signatures.

VENDOR:

Executed at: BAKERSFIELD, CA

Signature: [Signature]

Date: 2/18/16

Name/Title: ANDREW J. PAULSEN, PARTNER

COMMUNITY ACTION PARTNERSHIP OF KERN:

Executed at: Bakersfield, CA

Signed by: [Signature]
Jeremy T. Tobias, Executive Director

Date: 2/23/16

CAPK Staff INITIALS			
mep	SKW	a	



AMENDMENT I TO PROFESSIONAL SERVICES AGREEMENT

This is an Amendment to the Professional Services Agreement ("Agreement") dated February 23, 2016 by and between Brown Armstrong Accountancy Corporation ("Vendor") and Community Action Partnership of Kern ("CAPK"). The effective date for this Amendment will be March 15, 2018

Section 2 of the original Agreement reads as follows:

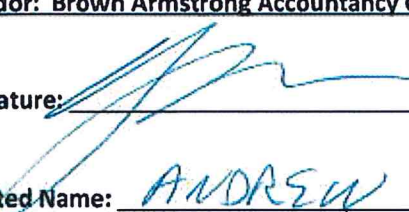
- 2. PAYMENT FOR SERVICES.** Payment for services shall be paid as detailed in Vendor's Fee Proposal dated October 29, 2015, which is attached hereto and incorporated into this agreement by reference, for the above described services. Vendor will submit an original monthly progress invoice detailing all work performed by the 10th day of the following month. Terms are Net 30 from the date the original invoice is received at CAPK's Finance Office. This agreement supersedes any other agreements/contracts in effect, written, implied or otherwise.
Note: The Vendor shall mail all invoices to CAPK, Attn: Finance Division, 5005 Business Park North, Bakersfield, CA 93309. (Include Tax I.D. Number on all invoices).

Section 2 of the original Agreement is revised to read as follows:

- 2. PAYMENT FOR SERVICES.** Payment for services shall be paid as detailed in Vendor's letter to CAPK, dated March 9, 2018, which is attached hereto and incorporated into this agreement by reference, for the services described in the original agreement. Vendor will submit an original monthly progress invoice detailing all work performed by the 10th day of the following month. Terms are Net 30 from the date the original invoice is received at CAPK's Finance Office. This agreement supersedes any other agreements/contracts in effect, written, implied or otherwise.
Note: The Vendor shall mail all invoices to CAPK, Attn: Finance Division, 5005 Business Park North, Bakersfield, CA 93309. (Include Tax I.D. Number on all invoices).

All other terms of the original Agreement remain binding except where they contradict this Amendment, which shall prevail.

Vendor: Brown Armstrong Accountancy Corporation

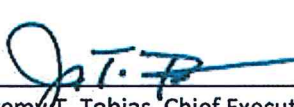
Signature: 

Date: 3-20-18

Printed Name: ANDREW J. PAULSEN

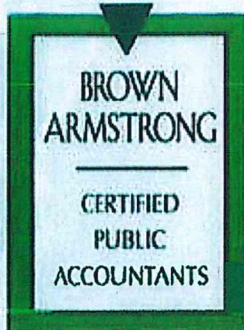
Title: PARTNER

OWNER: COMMUNITY ACTION PARTNERSHIP OF KERN

Signed by: 
Jeremy T. Tobias, Chief Executive Officer

Date: 3/19/18





BROWN ARMSTRONG

Certified Public Accountants

March 9, 2018

Jeremy T. Tobias, Executive Director
Community Action Partnership of Kern
5005 Business Park North
Bakersfield, California 93309

**BAKERSFIELD OFFICE
(MAIN OFFICE)**

4200 TRUXTON AVENUE
SUITE 300
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FAX 661.324.4997
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FRESNO OFFICE

10 RIVER PARK PLACE
EAST SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92653
TEL 949.652.5422

STOCKTON OFFICE

5250 CLAREMONT
AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

Dear Mr. Tobias:

As you know, we are entering the final year of our three-year contract for audit and tax services. We value your business. Retention of clients like you is very important to us. There is currently an option for a two-year extension.

Our original proposed fees for the February 28, 2019 and February 29, 2020 audits was \$81,000. We would like to propose an additional \$6,000 for the audit of the 403(b) retirement plan, for a total of \$87,000.

We have enjoyed our past relationship and look forward to continuing to serve your Agency. If you accept this proposal, please sign the enclosed copy and return it to us in the enclosed envelope.

Sincerely,

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

By: Andrew Paulden

AJP:bnb:mmj

Enclosure

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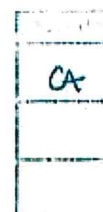
RESPONSE:

The Community Action Partnership of Kern accepts this proposal.

By: J.T. P.

Date: 3/19/18

Title: Chief Executive Officer





BETTY T. YEE
California State Controller

January 24, 2018

Christine Anami, Chief Financial Officer
Community Action Partnership of Kern
5005 Business Park North
Bakersfield, CA 93309

Re: Single Audit Report Review for Fiscal Year 2017

Dear Ms. Anami:

We completed a desk review of your Single Audit Report relative to the WIC program for the fiscal year ended 2017. We determined that the report meets the requirements for Single Audits as required by Title 2, *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Uniform Guidance prescribes the audit and reporting standards for private non-profit organizations that expend federal awards.

Your audit satisfies the financial and compliance audit requirements under the WIC program. This does not preclude state and federal agencies from conducting additional audits that are necessary to carry out their responsibilities under federal laws and regulations. State and federal agencies may contact you to arrange for additional audits.

If you have any questions regarding this letter, please contact Michael Sweeney, Audit Manager, by telephone at (916) 323-6970 or by email at msweeney@sco.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Hughes", is positioned above the typed name.

LISA HUGHES, Chief
Community-Related Audits Bureau
Division of Audits

LH/jc

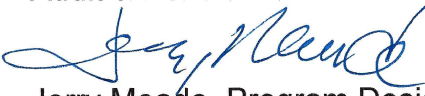
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Christine Anami, Chief Financial Officer
January 24, 2018
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cc: Cheryl Ungerman, Chief (via email)
Audit Review Unit
WIC Supplemental Nutrition Program
California Department of Public Health
Michael Sweeney, Audit Manager (via email)
Division of Audits, State Controller's Office

COMMUNITY ACTION PARTNERSHIP OF KERN

MEMORANDUM

To: Audit & Pension Committee

From: Jerry Meade, Program Design and Management Administrator
Date: April 12, 2018
Subject: *Agenda Item 5d* - CACFP Triannual Review Outcome – **Info Item**

During the week of January 16, 2018, the California Department of Education's Nutrition Services Division conducted a triannual review of our Child and Adult Care Food Program (CACFP). The review included a review of our Financial, Administrative, and Program accountability systems that required participation from CAPK multiple divisions.

The review team share many compliments to our systems and commitment to quality. They offered two areas of Training Assistance that were implemented while the reviewers were onsite. In the end, CAPK was found to be in compliance with all expectations. No action will be required moving forward and the review is closed. The summation report is attached for your review.

Attachment: CACFP Center Summation Report

**CACFP Centers
Summation Report**

Agency Name: Community Action Partnership of Kern	Vendor Number: Y32000	CNIPS ID: 04096-CACFP-15-NP-CS	Review ID: 19760
Address: 5005 Business Park North	City: Bakersfield	Zip: 93309	County: Kern
Contact Person: Carmen Segovia/Jerry Meade	Title: Director Health & Nutrition/Head Start	Telephone: (661) 336-5236 ext 1107	

Program Types: ☐ Adult Care ☐ At-risk ☐ Child Care ☐ Emergency Shelters ☒ Head Start ☐ School Age

Type of Review: ☒ First ☐ First Follow-up ☐ Second Follow-up ☐ Ninety-day ☐ Program Assistance

Areas Reviewed for Compliance

Performance Standard 1: Financial Viability ☐ 100 Financial Management Performance Standard 2: Administrative Capability ☐ 200 Procurement Procedures ☐ 220 Program Resources ☐ 240 Policies and Procedures ☐ 280 Pricing Program	Performance Standard 3: Program Accountability ☐ 300 Enrollment ☐ 500 Eligibility ☐ 600 Meal Counts ☐ 700 Licensing Requirements ☐ 800 Meal Requirements ☐ 900 Fiscal Accountability ☐ 1000 Training ☐ 1100 Facility Review ☐ 1200 Safety and Sanitation ☐ 1300 Civil Rights
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Place an (R) at the end of all repeat findings.

Summation Report

Summary of Review Findings

Review Month: November 2017

Review Dates: January 16-19, 2018

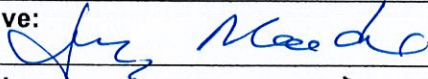
- ☒ All areas found to be in compliance. No action is required. This review is closed. Congratulations on an excellent administrative review (AR).
- ☐ One or more performance standards (PS) were not in compliance. The noncompliant areas are checked.
- ☐ A **follow-up review** may be conducted because of noncompliance in PS 1, PS 2, or PS 3.
- ☐ Serious deficiencies (SD) were found during your AR. If permanent, acceptable corrective action documentation (CAD) is not implemented, the California Department of Education (CDE) will propose to terminate your Child and Adult Care Food Program (CACFP) agreement. If the CACFP agreement is terminated, your organization and responsible parties will be placed on the National Disqualified List (NDL) and will remain on the NDL until such time as the CDE, in consultation with the U. S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) determines that the SDs have been corrected, or until seven years after their disqualification. However, if any debt relating to the SDs has not been repaid, your organization and responsible parties will remain on the NDL until the debt has been repaid. These actions are being taken pursuant to Title 7, *Code of Federal Regulations* (7 CFR), sections 226.6(c)(7)(v) and (vi).

Agency is required to submit CAD by: n/a

Submit CAD to:

Kati DeLaurier MS, RD, Child Nutrition Consultant
Nutrition Services Division
California Department of Education
1400 Easton Dr Bld F Ste 136
Bakersfield, CA 93309
Phone: [(661) 863-6646] FAX: [(661) 863-6647]
E-mail: kdelaunier@cde.ca.gov

The findings of this review are the results of an assessment of a sample of your program records for the current year. All program records must be retained for a period of three years plus the current year.

Signature of Agency Representative: 	Date: <u>1-19-18</u>
Signature of State Representative: <u>Kati DeLaurier MS, RD</u>	Date: <u>1.19.18</u>
(Agency signature does not designate agreement with reviewer comments)	

Summation Report

Agency Name: Community Action Partnership of Kern	Vendor Number: Y32000	CNIPS ID: 04096-CACFP-15-NP-CS	Review ID: 19760
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Comments:

The reviewer would like to thank Community Action Partnership of Kern and the staff for their courtesy and cooperation during the review. The reviewer appreciated the prompt response of the agency and staff for providing requested information for the review. The reviewer selected the month of November, 2017 as the review month, since this was the last claim for reimbursement entered into the Child Nutrition Information and Payment System (CNIPS) for the current program fiscal year 2017/2018.

The scope of the review is outlined on page one of this report. The underlined areas were found to be out of compliance at the time of the review. The review findings, comments, required corrective action, and timelines for correction are included in this report.

The reviewer visited the Community Action Partnership of Kern facility for unannounced Lunch/PM-Snack observations on 12/7/17; 12/15/17; 12/19/19; 12/20/17. Technical assistance was provided during the visit/review and a summary of the areas discussed and documentation provided is enclosed in this report. The sites visited (by date) were: Franklin, Alicante, San Diego, Lamont and Oildale.

Technical Assistance:

Technical assistance was provided to Community Action Partnership of Kern during the AR on the following topics:

800 Meal Requirements:

Citation: Meals claimed for reimbursement must contain meal components in specific quantities as required by regulations. References include but are not limited to 7 CFR, sections 226.15(e)(10), 226.17(b)(4), 226.20, and Appendix C to Part 226.

Technical Assistance was provided when the CNC reviewed the nutrition label provided for Raisin Bread as it was listed on the menu as 'WW' or whole wheat. Upon review of the nutrition label, this product does not meet the guidelines for a whole-grain product. The agency agreed to remove 'WW' from the menu when raisin bread is served (at breakfast).

Technical Assistance was provided regarding a chart for the sugar limits on various product sizes of yogurt.

2 ounces no more than 7.67 grams of sugar

4 ounces no more than 15 grams of sugar

6 ounces no more than 23 grams of sugar

8 ounces no more than 31 grams of sugar

16 ounces no more than 61 grams of sugar

32 ounces no more than 123 grams of sugar

1200 Facility Review

Citation: Sponsoring organizations must conduct facility reviews for each facility to assess program compliance in accordance with the review elements and frequency set forth by the CACFP. Prior to sponsoring a new facility, institutions must conduct a preapproval visit to discuss the program benefits and assess the capability of the facility in operating the CACFP. References include but are not limited to 7 CFR, sections 226.15(d), 226.15(e)(11), and 226.16(d).

Technical Assistance was provided regarding completion of the facility review forms as the staff did not complete the five-day meal counts reconciliation section hence the CNC was unable to validate that the meal counts were reasonable. While the CNC was on site, the agency provided updated policy, procedure, training and one sample facility review from each staff that complete the facility review (a total of 4). Additionally, the staff provided electronic documentation regarding completion of the five-day meal count reconciliation hence the reviewer agreed to change this area from a finding to technical assistance.

Summation Report

Agency Name: Community Action Partnership of Kern	Vendor Number: Y32000	CNIPS ID: 04096-CACFP-15-NP-CS	Review ID: 19760
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Comments:

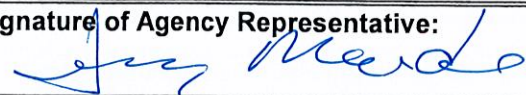
Compliance Area: all areas of compliance were validated; no findings

Additional Resources may also be found:

The USDA *Code of Federal Regulations (CFR)* references in this report can be found on the following USDA Web page:
<http://www.fns.usda.gov/cnd/Care/Regs-Policy/CFR226.pdf>

Additional guidance on the CACFP is available on the CDE Nutrition Services Division (NSD) CACFP Web page:
<http://www.cde.ca.gov/ls/nu/cc/>

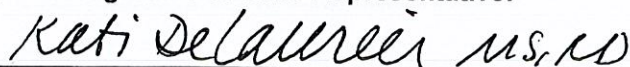
Signature of Agency Representative:



Date:

1-19-18

Approval Signature of State Representative:



Date:

1-19-18



LINNÉ K. STOUT
DIRECTOR

State of California-Health and Human Services Agency
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
2389 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833
Telephone: (916) 576-7109 | Fax: (916) 263-1406
www.csd.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

February 1, 2018

*Emilio W.
Margaret P.
Chris A.*

Jeremy Tobias, Executive Director
Community Action Partnership of Kern
5005 Business Park North
Bakersfield, CA 93309

Dear Mr. Tobias:

This letter is to provide information regarding your agency's current expenditure performance for the 2016 Low-Income Home Energy Assistance Program (LIHEAP) allocation. Based on the Department of Community Services and Development's (CSD's) expenditure analysis, as of January 1, 2018, your agency has a total of \$181,837.64 remaining in the 2016 LIHEAP contract.

CSD's analysis of your expenditure rate suggest that your agency is on pace to complete expenditure by March 31, 2018, the end of the contract term, based on the analysis, the Department will not grant any further time extension to the 2016 LIHEAP contract.

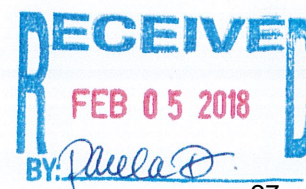
Previously, the Department has stressed the critical importance of ensuring timely expenditure of LIHEAP grant funds and managing down the number of open LIHEAP grants/contracts. Your organization's effort to expending your 2016 LIHEAP contract balance contributes significantly to this important goal. Please continue to maintain the current pace of contract expenditure and note that any unexpended contract funds at the conclusion of the contract period will revert to the U.S. Department of Health and Human Services.

It is important to remember our commitment to serving the low-income population in California and appreciate your attention to ensuring a successful closing of your 2016 LIHEAP contract. If you have any questions, please contact Kathy Andry, at 916-576-7132, or via email at: Kathy.Andry@csd.ca.gov.

Sincerely,

LINNÉ STOUT
Director

C: Garth Corrigan, Board Chair





LINNÉ K. STOUT
DIRECTOR

State of California-Health and Human Services Agency
DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
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EDMUND G. BROWN JR.
GOVERNOR

March 2, 2018

Mr. Jeremy Tobias, Executive Director
Community Action Partnership of Kern County
5005 Business Park North
Bakersfield, CA 93309

Dear Mr. Tobias:

The Department of Community Services and Development's (CSD) Energy Field Operations Unit, in conjunction with CSD's Financial Services Unit, has assessed and reviewed the contract performance for Community Action Partnership of Kern County's (CAPK) 2015 Low-Income Weatherization Program (LIWP) Contract 15K-6006. This letter serves as CAPK's 2015 LIWP Final Close-Out Letter.

According to CAPK's final Expenditure Activity Reporting System's (EARS) report, CAPK has not met its expenditure goals; below is a breakdown of CAPK's overall performance with respect to the 2015 LIWP Contract:

<u>Contract Component</u>	<u>Amount Budgeted / Expenditure Projected</u>	<u>Actual Expenditures</u>	<u>Actual Dwellings/ Clients Served</u>
Weatherization	\$ 832,323.00	\$ 527,069.35	861
Single Family	\$ 558,123.00	\$476,953.03	
Small Multi-Family	\$ 258,000.00	\$ 41,954.21	
Solar Water Heater	\$ 16,200.00	\$ 8,162.11	
Total Contract Allocation: \$ 1,071,955.00			
Total Contract Expended: \$ 678,816.55			

With respect to Working Capital Advances for the 2015 Program Year, CAPK does not have an outstanding Working Capital Advance.

Based on the analysis of CAPK's expenditure under this contract, your agency did not fully expend all funds under this contract; however, no funds are owed to CSD.

Mr. Tobias
March 2, 2018
Page 2

The Energy Field Operations Unit considers this contract closed; however, this contract is subject to a final review by CSD's Audit Services Unit. If you have any questions regarding the programmatic or performance references made throughout this report, please contact me at (916) 576-4356 or via e-mail at darrell.scheidegger@csd.ca.gov.

Thank you for your dedication and commitment to serve low-income individuals and families in your community. I look forward to working in partnership with you to develop innovative and effective programs as well as strengthen our capacity to improve the lives of those living in poverty and ultimately reduce poverty in California.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrell Scheidegger", with a long horizontal flourish extending to the right.

DARRELL SCHEIDEGGER
Field Representative



2724 L Street
Bakersfield, California 93301

Telephone (661) 328-8888
Fax (661) 328-8880

March 30, 2018

Commissioners

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Supervisor Leticia Perez

Susan Lerude

Jennie Sill

Lucinda Wasson

Jeremy T. Tobias, Chief Executive Director
Community Action Partnership of Kern
5005 Business Park North
Bakersfield, CA 93309

Re: 2015.2.6 – East Kern Family Resource Center (Community Action Partnership of Kern)

Dear Mr. Tobias:

This letter addresses the results of our Annual Administrative Review conducted on March 13, 2018, of the East Kern Family Resource Center. The objective of the annual administrative review is to determine if the program has fulfilled the evaluation, fiscal and program contractual requirements outlined in the General Agreement. The visit was also an opportunity to discuss the program's accomplishments and challenges.

Program Summary

Quarterly reports were reviewed to verify progress of performance measures, timeliness, program activities and potential issues/challenges detailed in the executive summary.

Alternate Commissioners

Michelle Curioso

Supervisor Mick Gleason

Antanette Reed

Executive Director

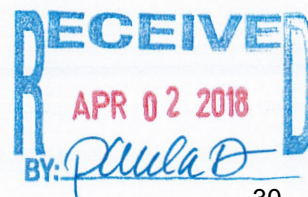
Roland Maier

Performance Measure Review:

- FY 2016-17:
 - Of the ten performance measures listed on the Scope of Work-Evaluation Plan, two annual targets were not met:
 - 3.1.3. Summer Bridge (40% – 9 short of annual target).
 - 4.3.3. Articulation Meetings (50% – 1 short of annual target).
- FY 2017-18: Performance measure progress is based on quarterly target projections set by the program coordinator.
 - Quarter 1: The following performance measure projections were not met:
 - 2.1.4. Case Management – Parents/Guardians (2 short of projection).
 - 3.1.3. Center-Based (8 short of projection).
 - Quarter 2: The following performance measure projections were not met:
 - 2.1.4. Case Management – Parents/Guardians (3 short of projection).
 - 2.2.1. Court-Mandated Parent Education (5 short of projection).

Timeliness:

- FY 2016-17:
 - Quarters 3-4: Quarterly progress reports and response to Program Officer's feedback were submitted timely.



- FY 2017-18:
 - Quarter 1: Quarterly progress report was submitted timely. The response to the Program Officer's feedback was seven days late.
 - Quarter 2: Quarterly progress report and response to Program Officer's feedback were submitted timely.

Fiscal Summary

From a fiscal perspective, the contractor has complied with contractual requirements. The financial reports and quarterly claims have been submitted timely, are reliable and accurate. All supporting documentation has been readily available and provides adequate detail to support transactions. The contractor has confirmed their inventory control practices, and the custody and use of resources are in accordance with requirements.

The program specific audit for the year ending February 28, 2017, was submitted timely within the approved extension due date and the payments were confirmed. The audit report was unmodified, with no findings or exceptions.

Sustainability records include funding from the County of Kern/Kern County Network for Children (Non-Prop 10 portion of Differential Response funding). Discussed with the Director, entering the minimal fees for parenting classes and verifying the total sustainability after the fiscal year-end. In addition, the contractor receives non-monetary donations. The contractor has been seeking additional funding opportunities. Sustainability efforts are reported in the quarterly Fiscal Executive Summary, which were submitted timely.

Accounting policies and procedures appear to be adequately in place and are being followed for contract transactions. Community Action Partnership of Kern has demonstrated the fiscal capacity to administer this program and a continued commitment to the children and families in Kern County.

Recommendations

2016-17:

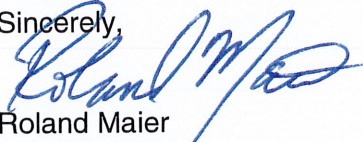
- No recommendations.

2017-18:

- No recommendations.

A copy of the full report is maintained on file with First 5 Kern and is available at your request. If you have any questions or comments regarding this correspondence, please feel free to contact your respective program or finance officer.

Sincerely,



Roland Maier
Executive Director

cc: Carmen Segovia, Director
Whitney Hughes, Supervisor