



County of Los Angeles CIVIL GRAND JURY

CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER
210 WEST TEMPLE STREET • ELEVENTH FLOOR • ROOM 11-506 • LOS ANGELES, CALIFORNIA 90012
TELEPHONE (213) 628-7914 • FAX (213) 229-2595
<http://www.grandjury.co.la.ca.us/>

April 4, 2016

Pursuant to California Penal Code sections 933 and 933.05 all agencies and elected officials were required to respond to the recommendations documented in the 2011-2012 Los Angeles County Civil Grand Jury Final Report published on June 30, 2012. The 2015-2016 Los Angeles County Civil Grand Jury captured these responses and they are provided herein.

Los Angeles County Civil Grand Jury

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Rene Childress, Chairperson, Continuity Committee
2015-2016 Los Angeles County Civil Grand Jury

A handwritten signature in blue ink that reads "Bart Benjamins". The signature is very stylized and cursive.

Bart Benjamins, Foreperson
2015-2016 Los Angeles County Civil Grand Jury



CITY OF CERRITOSSM

CIVIC CENTER • 18125 BLOOMFIELD AVENUE
P.O. BOX 3130 • CERRITOS, CALIFORNIA 90703-3130
PHONE: (562) 916-1301 • FAX: (562) 468-1095
WWW.CERRITOS.US



January 6, 2016

OFFICE OF THE CITY MANAGER
ART GALLUCCI

County of Los Angeles Civil Grand Jury
210 West Temple Street 11th Floor – Room 11-506
Los Angeles, CA 90012

Attn: Mr. Bart Benjamins, Foreperson
Ms. Rene Childress, Continuity Committee

Dear Mr. Benjamins and Ms. Childress:

This correspondence is provided in response to your request for follow-up to a 2011-2012 Los Angeles County Civil Grand Jury recommendation that the City of Cerritos (among other Charter Cities) should formally establish an audit committee that is directly responsible for the work of the City's independent audit contractor.

The City has taken the opportunity to review its existing audit process to insure transparency in all aspects of the process, compliance with all applicable government accounting standards and the sufficiency of existing internal control practices. Further, the City's review included an evaluation of the role of the independent auditor contracted to complete the annual audit of the City's financial statements.

The review, which was completed by City staff, was a tremendously useful exercise which allowed for a comprehensive evaluation of our existing processes. The overriding finding of this review is that our existing audit process provides a rigorous and robust evaluation of the City's financial statements.

Staff began the evaluation process by reviewing the procedures the City has in place for the award of a contract for independent auditing services. The current protocol involves the City's issuance of an RFP for auditing services every 3-5 years. Following an internal review of the responding auditing firms, staff presents its recommendations to the City Council for consideration. The City Council conducts a public hearing and ultimately awards a contract for auditing services based on its comprehensive evaluation of the information that is presented.

Upon award of contract, the audit firm independently establishes and develops the parameters of the audit process, including the identification of the items which are to be subject to review. Following the review, the audit firm renders its professional opinion on the sufficiency of existing internal controls, compliance with applicable government

accounting standards and the fairness with which the City's financial statements are represented and presents those findings to the City Council at a public hearing.

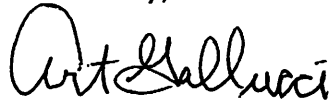
We are pleased to report that the City has consistently received unqualified opinions on the sufficiency of its internal controls and the fairness and accuracy with which the information within the financial statements is provided. Further, the City's annual audits have consistently been recognized by the Government Finance Officers Association (G.F.O.A.) with an award for excellence in audit reporting.

Given the City's continuing history of transparency – both within the audit contract award process and in the audit process itself – coupled with the continued unqualified opinions of the City's independent auditor and the award winning recognition of the rigorous testing and quality of the City's annual audit, the City is not recommending any changes to the existing manner in which our annual audit is completed.

I thank you for your diligence in following up on this item and am happy to have had the opportunity to review the City of Cerritos' audit review process. The City Council, staff and our independent auditing firm will continue to evaluate and review the manner in which our annual audit is completed to insure that Cerritos remains compliant, at the highest level, with all components of governmental accounting and reporting.

Should you have any questions, please contact me at (562) 916-1301.

Sincerely,

A handwritten signature in black ink that reads "Art Gallucci". The signature is written in a cursive style with a large, prominent initial "A".

Art Gallucci
CITY MANAGER



City of Compton

OFFICE OF CITY MANAGER

November 4, 2015

County of Los Angeles
Civil Grand Jury
210 West Temple Street
Eleventh Floor Room 11-506
Los Angeles, CA 90012
ATTN: Rene Childress

ROGER L. HALEY II
City Manager

Office (310) 605-5585
Fax. (310) 761-1455
email: rhaley@comptoncity.org

Subject: Letter Dated October 13, 2015

Dear Ms. Childress:

We have received your letter dated October 13, 2015 with recommendations from fiscal year 2011-2012. I'm glad to say that we have taken each of the recommendations into account and have made the following actions. Your letter addresses concerns of the City not having a reserve policy. The City Council on July 22, 2014 adopted Resolution No. 23,999 which sets a reserve policy for the City of Compton. I have enclosed a copy of the resolution for your records.

The next question that you addressed is related to the City establishing an audit committee. When the City originally responded to the Grand Jury's concerns we shared with staff in our response that the City Charter addresses this issue. We believe that the charter is very specific in who is responsible for handling any and all audits that the City Council directs based on the charter requirements or as they deem necessary. I have enclosed Section 707, which address the Powers and Duties of the City Controller, along with Section 1419 Independent Audit.

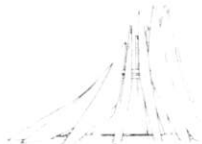
I hope this address any and all your concerns. Please feel free to contract me at (310) 605-5585.

Sincerely,

A handwritten signature in black ink, appearing to read "RHaley", written over a circular stamp or seal.

Roger L. Haley
City Manager
City of Compton

.cc Attachments Resolution 23,999 & Charter Section 707 & 1419



COMPTON CITY HALL

205 South Willowbrook Avenue Compton, California 90220

the rejection in whole or in part of claims, shall be governed by the California Tort Claims Act as set forth in the California Government Code. The City Council may, by ordinance, require the presentation of claims for demands otherwise exempted from the claims presentation requirements.

Section 1419. Independent Audit. The City Council shall employ, at the beginning of each fiscal year, a qualified accountant who, at such time or times as may be specified by the City Council, shall examine the books, records, inventories and reports of all officers and employees who receive, handle or disburse public funds and of such other officers, employees or departments as the City Council may direct. At the end of the year, a final audit and report shall be submitted by such accountant to the City Council, one copy thereof to be distributed to each member, one to the City Manager, City Controller, City Treasurer, and City Attorney, respectively, and three additional copies to be placed on file in the office of the City Clerk where they shall be available for inspection by the general public.

ARTICLE XV

PUBLIC UTILITIES. FRANCHISES.

Section 1500. City-owned Public Utility. No public utility owned by the City shall be sold, leased or otherwise transferred unless authorized by the affirmative votes of two-thirds of the electors voting on such proposition at a general or special election at which such proposition is submitted.

Section 1501. Granting of Franchises. Any person, firm or corporation furnishing the City or its inhabitants with transportation, communication, terminal facilities, water, light, heat, power, refrigeration, storage or any other public utility or service, or using the public streets, ways, alleys, or places for the operation of plants, works, or equipment for the furnishing thereof or traversing any portion of the City for the transmitting or conveying of any such service elsewhere may be required by ordinance to have a valid and existing franchise. The City Council is empowered to grant such franchise to any such person, firm or corporation, whether operating under an existing franchise or not. The City Council may prescribe the terms and conditions of any such grant. It may also provide, by procedural ordinance, the method of procedure and additional terms and conditions for making such grants, subject to the provisions of this Charter.

Section 1502. Resolution of Intention. Notice and Public Hearing. Before granting any franchise, the City Council shall pass a resolution declaring its intention to grant the same, stating the name of the proposed grantee, the character of the franchise and the terms and conditions upon which it is proposed to be granted. Such resolution shall fix and set forth the day, hour and place when and where any persons having any interest therein or any objection to the granting thereof may appear before the City Council and be heard thereon. It shall direct the City Clerk to publish said resolution at

(b) Prepare the budget annually and submit it to the City Council and be responsible for its administration after adoption;

(c) Prepare and submit to the City Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding year;

(d) Keep the City Council advised of the financial condition and future needs of the City and make such recommendations as may seem to him desirable; and

(e) Perform such other duties as may be prescribed by this Charter or required of him by the City Council, not inconsistent with this Charter.

Section 707. City Manager. Council Table. The City Manager shall be accorded a seat at the City Council table and shall be entitled to participate in the deliberations of the City Council, but shall not have a vote.

Section 708. City Controller. Powers and Duties. The City Controller shall have power and be required to:

(a) Compile the budget expense and capital estimates for the City Manager;

(b) Supervise and be responsible for the disbursement of all monies and have control over all expenditures to insure that budget appropriations are not exceeded;

(c) Maintain a general accounting system for the City government and each of its offices, departments and agencies;

(d) Require, and supervise the keeping of, current inventories of all property, real and personal, by the respective officers in charge thereof and periodically to audit the same;

(e) Submit to the City Council through the City Manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the City; and, as of the end of each fiscal year, submit a complete financial statement and report; and

(f) Audit and approve before payment all bills, invoices, payrolls, demands or charges against the City Government and, with the advice of the City Attorney, determine the regularity, legality and correctness of such claims, demands or charges.

RESOLUTION NO. 23,999

1 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON ADOPTING
2 A GENERAL FUND CONTINGENCY RESERVE POLICY.

3 WHEREAS, Most municipal finance experts agree that a city should maintain
4 financial reserves to protect against unforeseen economic events: economic downturns,
unanticipated expenditures, natural disasters, and other financial occurrences, and;

5 WHEREAS, Because it is the City Council's responsibility to provide for the
6 continuation of essential services in the event of a fiscal or natural disaster, it is prudent
7 for the City of Compton to establish a Financial Reserve Policy for the General Fund,
which is the most unrestricted fund, and funds most City operations, and;

8 WHEREAS, For nearly two years, the City Manager has included in all budget
9 messages to the City Council a discussion of benchmark definitions used to measure the
financial well being of the City's budget, and;

10 WHEREAS, At the budget hearings held prior to the adoption of the FY 2014-
11 15 budget, the City Council indicated an intent to adopt a budget reserve policy, and
12 directed staff to return with such a policy, and;

13 WHEREAS, Historically, as a result of stagnant revenues and deficit spending,
14 the City's budget has often been insolvent, far below the desired level of a healthy
government, and;

15 WHEREAS, The past two fiscal years have seen the City conclude the budget
16 cycles with positive fund balances, and the current year is projected to conclude with a
balanced budget, and;

17 WHEREAS, Implementation of this policy would require that City to develop
18 and maintain a reserve balance of approximately \$5M in the upcoming years, and;

19 WHEREAS, The reserve fund would be funded through the budget process, just
20 as would any aspect of the City government, and;

21 WHEREAS, Adoption of a written Fund Balance Policy also serves to enhance
22 somewhat the City's standing with bond rating agencies and, in concert with other critical
23 management components could yield improved ratings and more favorable debt terms,
and;

24 NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON
25 DOES HEREBY RESOLVE AS FOLLOWS:

26 SECTION 1. That a contingency reserve fund is established for the purpose of
27 covering unanticipated revenue shortfalls and paying non-recurring and unanticipated
28 expenditures of the City.

29 SECTION 2. That the City Council will set a contingency reserve goal of ten
percent (10%) of the General Fund budget, and;

30 SECTION 3. That the City Manager is directed to include in the FY 2015-16
31 budget a reserve allocation intended to bring the reserve to the 10% level, and;

32 SECTION 4. That in each budget year hereafter, the City Manager shall make
recommendations, as part of the annual budget, to allocate funds to the reserve as needed
to assure the funds are maintained at the appropriate level, and;

SECTION 5. That the Council shall review this reserve policy annually, as part
of the budget review and adoption process, and;

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SECTION 6. That nothing in this policy shall preclude the Council from allocating funds to the reserve in excess of the 10% goal, and;

SECTION 7. That a certified copy of this Resolution shall be filed in the offices of the City Clerk, City Manager, City Attorney, City Controller, and;

SECTION 8. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

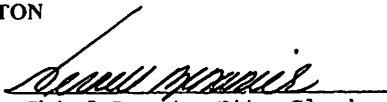
ADOPTED this 22nd day of July, 2014.


MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

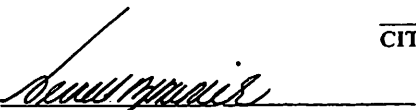
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON:


Chief Deputy City Clerk

I, Alita Godwin, City Clerk of the City of Compton, hereby certify that the foregoing resolution was adopted by the City Council, signed by the Mayor, and attested by the City Clerk at the regular meeting thereof held on the 22nd day of July, 2014.

That said resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS -Zurita, Galvan, Arceneaux, Jones, Brown
NOES: COUNCIL MEMBERS -None
ABSENT: COUNCIL MEMBERS -None


Chief Deputy City Clerk

CITY CLERK OF THE CITY OF COMPTON



City of Downey

October 23, 2015

VIA U.S. MAIL

Los Angeles County Civil Grand Jury
ATTN: Bart Benjamins, Foreperson
Rene Childress, Chairperson Continuity Committee
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 W. Temple Street
Eleventh Floor, Room 11-506
Los Angeles, CA 90012

Re: City of Downey Response to 2011-12 County Civil Grand Jury Report re
L.A. County Cities Fiscal Health, Governance and Management Practices

Dear Foreperson Benjamins and Chairperson Childress:

The City of Downey is in receipt of your letter dated October 13, 2015 regarding the recommendations contained in the as reviewed the 2011-12 County Civil Grand Jury's Report re L.A. County Cities Fiscal Health, Governance and Management Practices. As requested in the report, below please find the City of Downey's response to the recommendations made by the Grand Jury as they apply to the City of Downey:

10. All charter cities reviewed in this report should continue requiring compliance with standards of independence for external auditors. Cities that do not currently select the auditor through a competitive process should do so. Cities that allow the auditor to provide non-audit services should ensure appropriate review and approval of those services.

We agree with this recommendation and have complied. On April 22, 2014, the City of Downey retained a new auditing firm after conducting a competitive process. The auditing firm's contract is for a 5-year period.

Future Unlimited

CIVIC CENTER
11111 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-869-7331
www.downeyca.org

LIBRARY
11121 BROOKSHIRE AVE.
DOWNEY, CALIFORNIA
90241-7016
562-904-7360
www.downeylibrary.org

POLICE DEPARTMENT
10911 BROOKSHIRE AVE.
PO BOX 7016
DOWNEY, CALIFORNIA
90241-7016
562-861-0771

PARKS & RECREATION
7850 QUILL DR.
DOWNEY, CALIFORNIA
90242
562-904-7238

UTILITIES DIVISION
9252 STEWART & GRAY RD.
DOWNEY, CALIFORNIA
90241-7016
562-904-7202

MAINTENANCE SERVICES
12324 BELLFLOWER BLVD.
DOWNEY, CALIFORNIA
90242
562-904-7194

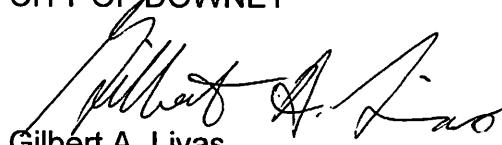
14. Charter cities that have not adopted a policy requiring an unrestricted fund balance of no less than two months of regular general fund operating revenues or regular general fund operating expenditures should develop such policies.

We agree with this recommendation and have complied. The City Council approved the attached policy consistent with this recommendation.

If you have any questions, feel free to contact me at (562) 904-7284.

Sincerely,

CITY OF DOWNEY

A handwritten signature in black ink, appearing to read "Gilbert A. Livas". The signature is written in a cursive style with a large initial "G".

Gilbert A. Livas
City Manager

c: Anil Gandhi, Director of Finance & Information Technology
Yvette M. Abich Garcia, City Attorney

AGENDA MEMO

**APPROVED BY
CITY MANAGER**

DATE: April 22, 2014

TO: Mayor and Members of the City Council

FROM: Office of the City Manager
By: Anil Gandhi, Director of Finance and Information Technology *Anil Gandhi*

SUBJECT: **Approve Professional Services Agreement with Lance, Soll & Lunghard, LLP to Perform Financial Audit Services**

RECOMMENDATION

It is recommended that the City Council approve a professional agreement with Lance, Soll & Lunghard, LLP to perform financial audit service and preparation of required reports for the fiscal year ending June 30, 2014, 2015, and 2016 with options to renew for fiscal year ending June 30, 2017, 2018, and 2019.

DISCUSSION

The City of Downey is required by charter to have an independent audit each year of its financial statements. This contract is for a financial audit of all funds of the City's reporting entity, a Single Audit Report of the City's federal grant programs, and a component unit audit for Public Facilities Financing Corporation. The City Council will also receive a management letter that will detail recommendations to improve the City's control and financial management. The audit is to be performed in accordance with auditing standards generally accepted in the United States and Government Auditing Standards issued by the Comptroller of the United States.

Staff sent out formal Request for Proposals (RFPs) for audit services to twenty-two (22) prospective independent auditors who had requested to be on a bidders' list or were listed on the California Society of Municipal Finance Officers' website. In addition, the RFP was posted on the City's website. The auditing firms were asked to submit cost proposals for fiscal years ending June 30, 2014, 2015, and 2016 with options to renew for fiscal year ending June 30, 2017, 2018, and 2019. Six proposals were received. Two firms indicated that they did not have the capacity to add additional cities.

The City has been utilizing White, Nelson, Diehl, Evans, LLP as the City's auditor for twenty six (26) years. Government Financial Officer Association (GFOA) recommends that the City solicits proposals for audit services every six years. Additionally, some cities require mandatory rotation of auditors, while other cities require a rotation of the senior or partner assigned to the City. The 2012-13 County Civil Grand Jury's Report regarding Charter Cities Fiscal Health, Governance and Management Practices also recommend that Cities undertake a full-scale competitive process every 5 years for the selection of an independent external auditor.

Staff analyzed all six proposals based on a variety of factors including firm's responsiveness to the RFP, technical experience, professional qualification, references, and costs, though not a primary factor, is selector of audit firms. Although Lance, Soll, & Lunghard, LLP (LSL) was not the lowest bidder, after careful consideration, the recommendation by the committee is to award a contract to them.

Lance, Soll and Lunghard, LLP is one of the oldest and largest regional CPA firms and currently provides audit services to 48 cities throughout the State, including the cities of Simi Valley, Malibu, Irvine, Yorba Linda, Palm Springs, and Ontario. LSL has four offices in California and the City will be served by the Brea Office. The engagement partner that will be assigned to oversee the City's audit is Richard Kikuchi and he is a Certified Public Accountant with over 20 years of experience auditing public agencies. This firm's year round concentration is on governmental and municipal accounting providing a great resource to City staff.

FISCAL IMPACT

Funds are budgeted annually for citywide audit services in the Finance Department. Total cost for all citywide audit services for the initial three (3) years contract term is not to exceed \$157,320.

- Attachment A: Professional Services Agreement
- Attachment B: Proposal to Provide Professional Auditing Services
- Attachment C: City of Downey Request for Proposal

Appendix E

Fiscal Policies

III. WE WILL REQUIRE THAT ALL PROPRIETARY FUNDS BE SELF-SUPPORTING.

Enterprise Funds

The Enterprise Funds or City districts should be supported by their own rates and not subsidized by the General Fund other than special benefit zones designed to enhance public/private partnerships. We will assess charges against those funds at a reasonable rate for services provided by General Government. The annual budget shall include a reserve for replacement costs.

Internal Service Funds

The City will continue its current policy of funding the Internal Service Fund.

IV. WE WILL MAINTAIN AN APPROPRIATED GENERAL FUND WORKING RESERVE EQUIVALENT TO 20% OF THE GENERAL FUND BUDGET AND AN APPROPRIATED EMERGENCY RESERVE EQUIVALENT TO 5% OF THE GENERAL FUND BUDGET.

General Fund

Unforeseen developments and crises may occur in any given budget year. Monies in this reserve can be used for myriad situations, including:

- Revenue shortfall;
- Increase in demand for a specific service;
- Legislative or judicial mandate to provide a new or expanded service or program;
- One-time Council approved expenditure;
- Unexpected increase in inflation (CPI);
- Favorable markets for capital expenditures.

In an effort to ensure the continuance of sound financial management of public resources, we recommend a General Fund unappropriated balance of 20%. This reserve will cover a large number of situations. For example, such a reserve will allow the City to maintain a high level of quality service in times of a depressed economy.

Additionally, the reserve allows the Council to have the fiscal latitude to finance a one-time expenditure or the ability to maintain our commitment to social programs while we develop a plan to reduce expenses.

Appendix E

Fiscal Policies

The 20% reserve figure is recommended specifically because we believe that this is the minimal level necessary to provide a measure of protection in the event that the General Fund experiences a major loss of revenue, or an unexpected major increase in expenditures. It is important to remember that such reserves would be available only as a temporary revenue source to be used while an orderly financial plan for cost reduction or revenue enhancement is developed. Generally speaking, a 20% reserve should ensure that there are enough funds to keep the City operating for at least three months.

General Fund Emergency Contingency

In addition to the 20% unappropriated General Fund reserve, we recommend maintaining a 5% designated emergency contingency reserve. This reserve will cover such major disasters as fires, floods, and earthquakes.

Our proposed policies set specific target levels at percentages of General Fund budget levels. For example, if the General Fund budget for a year were \$30,000,000 (salaries and benefits, material, service and supplies, and capital outlay), we would have a target percentage of that amount (20% and 5%), or \$7,500,000 to be set aside and maintained. Reserves, if drawn down, will be replenished first out of operating surpluses, if any, and second out of unappropriated balances as an interim measure until expenditure levels versus reserves are brought into balance.

Special Revenue Funds

We recommend the continuation of reserve levels at 5% of the operating budget for these funds as long as they do not interfere with legal or grantor requirements. The following special revenue funds would be exempted from this due to grantor requirements: CDBG (Federal Funds) and the Air Quality Fund.

Debt Service Reserve Funds

We recommend that reserve levels be established as prescribed by the bond covenants adopted at the time of issuance of debt.

Enterprise Funds

We recommend the continuation of reserve levels at 5% of the operating budget for these funds. This working capital reserve would provide sufficient time to allow the City to react and adopt a plan to deal with adverse economic circumstances. Additionally, a Capital Improvement and Replacement Reserve will be evaluated for each Operation and Enterprise.

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QUA
DGE

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OFFICE OF THE MAYOR

October 27, 2015

Bart Benjamins, Foreperson
2015-2016 Los Angeles County Civil Grand Jury
210 West Temple St., 11th Fl., Rm. 11-506
Los Angeles, CA 90012

SUBJECT: 2011-2012 Los Angeles County Civil Grand Jury Response Update

Dear Mr. Benjamins:

The City of Pasadena has received the request to provide an update on two items from the 2011-2012 Los Angeles County Civil Grand Jury request. The City has continued to take the comments and recommendations seriously and has thoroughly evaluated both of the items in question.

Grand Jury Recommendation 4 – All charter cities reviewed in this report should adopt multi-year budgets for better planning to ensure the delivery of basic services before funding projects of lower priority.

Response: The Director of Finance and the Budget Administrator considered the value and impact of performing multi-year budgets and concluded that the City's current robust public budget process more than fulfills the desired benefits of the recommended change. Specifically, the City begins the annual budget process in November and devotes considerable time and effort to the budget process, which includes multiple City Council workshops open to and promoted to the public. This last year the Capital and Operating budget review and adoption occurred over five City Council meetings. Five-year forecasting of revenues along with the City's capital and operating needs ensures decisions today will allow for a continued balanced budget in future years.

Grand Jury Recommendation 11 – Charter cities should review and update accounting policies and procedures to ensure they are appropriately detailed and define the specific authority and responsibilities of employees. Cities should also establish a policy requiring policies and procedures to be reviewed annually and updated at least once every three years. Pasadena was listed as one of the cities that should review and update accounting policies and procedures at least once every three years.

Response: The City of Pasadena has developed and updated its accounting policies and procedures on a regular and routine basis. For example, the City's Purchasing Manual was updated in September 2014, January 2015, March 2015, and October 2015. In order to improve the clarity of policy documents for the City as a whole, a comprehensive policy manual that includes administrative, personnel, and accounting policies and procedures was developed and approved on October 9, 2015. To support the policies, the City added the position of Fiscal Services Administrator in 2015 for the purpose of preparing regular policy reviews and recommendations along with routine checks to ensure that policies and procedures are being followed. Additionally, in 2014 the City Council approved the position of Internal Auditor for the City. The Internal Auditor will also regularly audit accounting policies along with other city-wide policies and procedures to ensure that best practices are continually implemented.

I am hopeful the responses above demonstrate the commitment of the City Council and staff to ensure strong fiscal management and discipline. The City continues to end each fiscal year with modest surpluses while continuing to invest in improving our programs, services, and infrastructure. The also City maintains an AAA bond rating.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Tornek", written in a cursive style.

TERRY TORNEK
Mayor



www.redondo.org

415 Diamond Street, P.O. Box 270
Redondo Beach, California 90277-0270

tel 310 372-1171
fax 310 379-9268

November 18, 2015

Rene Childress
Chairperson, Continuity Committee
2015-2016 Los Angeles County Civil Grand Jury

Bart Benjamins
Foreperson
2015-2016 Los Angeles County Civil Grand Jury

Re: County of Los Angeles Civil Grand Jury – Follow-up to “Further Analysis Required”

Dear Ms. Childress and Mr. Benjamins,

The City of Redondo Beach received your letter dated October 13, 2015 in connection with providing “Further Analysis Required” for certain recommendations as referenced in the 2011-2012 Los Angeles County Civil Grand Jury Report. The City has conducted and completed the required additional analysis requested. This analysis mainly consisted of a review of the City’s existing Charter and Financial Policies, and reference to specific sections of each as it pertains to the cited recommendations. Listed below, are the responses to the cited recommendations, along with a summary of the implemented action for each recommendation.

Recommendation 1

All charter cities reviewed in this report should adopt financial planning, revenue and expenditure policies to guide cities’ officials to develop sustainable, balanced budgets.

City Response: Each fiscal year as part of the adopted budget, the City publishes General Information, which includes its adopted Statements of Financial Principles. These statements and guiding principles include 12 sections, and specifically cover policies for financial planning (Section 1), revenue (Section 3) and expenditures (Section 4). This recommendation has been implemented with the City’s policy of Statements of Financial Principles previously adopted on November 17, 1998.

Recommendation 2

All charter cities reviewed in this report should develop a balanced budget and commit to operate within budget constraints.

City Response: Per Section 17.9 of the Redondo Beach City Charter, the City Manager is required to provide a balanced budget to City Council each year on or before June 30. In addition, the City of Redondo Beach actively monitors the budget with proactive oversight.

Per Section 11(f) of the City's Statements of Financial Policies, a mid-year budget review is submitted to the Mayor and Council by the second meeting in February of each year. This proactive oversight can also be evidenced by other programs, including the implementation of ongoing performance audits to be conducted by an internal auditing firm to assess the City's internal controls and review and update policies and procedures based on a risk assessment. This recommendation has been implemented, and is in use, as governed by Section 17.9 of the Redondo Beach City Charter and the City's Statements of Financial Principles.

Recommendation 3

All charter cities reviewed in this report should commit to not using one-time revenues to fund recurring or on-going expenditures.

City Response: The City's adopted Statements of Financial Principles, Section 3(e) Revenue Policies, and Section 4(a) Expenditure/Budget Policies, state that one-time revenues shall be used for one-time expenditures, and current year operating expenditures shall be funded by current year operating revenues, therefore a commitment to not using one-time revenues to fund recurring or on-going expenditures. This recommendation has been implemented with the City's policy of Statements of Financial Principles.

Recommendation 5

All charter cities reviewed in this report should adopt a method and practice of saving a reserve or "rainy day" fund to be supplement operating revenue in years of a short fall.

City Response: As defined in Section 12(a), Fund Balance Reporting Policies, of the City's adopted Statements of Financial Principles, the City shall maintain a committed fund balance for contingencies (a "rainy day" fund) equivalent to 8.33% (or one month) of the General Fund's current fiscal year's operating expense budget. While the City of Redondo Beach maintains an unrestricted fund balance slightly lower than the GFOA recommendation of two months, the City has adopted policies that systematically allocates a portion of the unrestricted general fund balance to six additional areas: PERS Reserve Fund, workers compensation, post-retirement health benefits, vehicle & equipment replacement, liability insurance and capital projects. These combined unrestricted/unassigned fund balances are in excess of the GFOA's recommended two months reserves. This recommendation has been implemented with the City's policy of Statements of Financial Principles.

Recommendation 10

All charter cities reviewed should continue requiring compliance with standards of independence for the external auditor. Cities that do not currently select the auditor through a competitive process should do so. Cities that allow the auditor to provide non-audit services should ensure appropriate review and approval of those services.

City Response: Redondo Beach continues to require compliance with standards of independence for the external auditor, and awards of auditing contracts are done on a competitive basis, per Section 19.4 of the City's Charter. Per Section 11(d), of the City's Statements of Financial Principles, Accounting & Financial Reporting Policies, the City shall routinely bid for audit services, at a minimum, every five years. The external auditing contracts are for auditing services only and do not provide for any non-auditing services.

This recommendation has been implemented and is governed by the City's Charter, and the City's policy of Statements of Financial Principles.

Recommendation 21

All charter city councils, and citizens of the cities, reviewed in this report should annually review the actual compensation received by employees of their cities.

City Response: The City of Redondo Beach annually reports total compensation for all employees (by job title) to the California State Controller's Office, as required in Government Code section 53891. This recommendation has been implemented and is in compliance with Government Code section 53891, Article 9, Financial Reports.

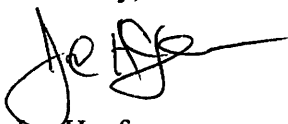
Recommendation 22

All city councils of the cities reviewed in this report should have access to prevailing municipal wage rates and/or salary ranges for comparable cities in order to identify and individual city position(s) whose salaries exceed the normal salary range for those positions. Approval of any exceptional salaries should be based on justifications of exceptional and unique job responsibilities.

City Response: The City of Redondo Beach makes available to the public and other cities reviewed in this report, a listing of all current Job Classification Specifications (Class Specs), with corresponding (minimum and maximum monthly) salary ranges. When exceptional salaries are approved, they are made on the basis of exceptional and unique job responsibilities above and beyond what is defined in the City's Class Specs for that particular position and adhere to the provisions set forth by each bargaining units adopted Memorandum of Understanding (MOU). This recommendation has been implemented by the City with use and reference to its published Job Classification Specifications.

The City of Redondo Beach thanks the Los Angeles Grand Jury Continuity Committee for its continued oversight. The City honors its ranking as #1 on benchmark financial policies, best practices and governance, as awarded by the Los Angeles Grand Jury, and attributes this to its strong financial policies and management oversight. Redondo Beach will continue to strive to maintain this high ranking and achievement among the other 88 cities in Los Angeles County. Please let me know if you have any questions or need further clarification.

Sincerely,



Joe Hoefgen
City Manager



Office of the City Manager
1685 Main Street, Suite 209
PO Box 2200
Santa Monica, CA 90407-2200

City of
Santa Monica[®]

November 5, 2015

Bart Benjamins, Foreperson
Rene Childress, Chairperson, Continuity Committee
County of Los Angeles Civil Grand Jury
210 West Temple Street, 11th Floor, Room 11-506
Los Angeles, California 90012

Dear Foreperson Benjamins and Chairperson Childress:

I have received your letter dated October 13, 2015, which was addressed to Rod Gould. I am now the City of Santa Monica's City Manager, serving as City Manager since the end of June. I am pleased to respond to your request concerning a status update on the City's efforts to establish an audit committee. I appreciate the chance to follow up with you on the progress that the City has made in this regard.

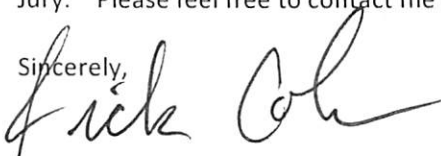
After considerable discussion, which included consultation with experts on current governmental best practices, the Santa Monica City Council approved a resolution establishing an Audit Subcommittee on July 28, 2015 (please see attached Council Resolution). The Audit Subcommittee consists of three members of the City Council with staggered terms. The Audit Subcommittee has already begun meeting.

As noted in the City's August 30, 2012 response to the Civil Grand Jury report, before the Audit Subcommittee was established, the City Council as a whole served in essence as the City's "Audit Committee". As was true then and as remains true today, annually the City Council and the public receive extensive financial reports and also annually for many years, an independent auditor conducts a comprehensive financial audit, which is publicly presented to the City Council. This audit is in addition to the several financial updates provided regularly to the City Council and to the public. These periodic reviews occur upon budget adoption, at mid-year and then again at the end of the fiscal year. Apart from these updates, each month the City Council is also provided a current cash and investments report.

As you can readily tell, the City is firmly committed not only to sound financial practices and public reviews, but also to full and timely transparency of its financial position. One measure of the City's success in this regard is the City's longstanding triple A bond rating, something that Santa Monica has enjoyed for many years and which is a rare achievement.

On behalf of the City Council, I appreciate the thoughtful comments and recommendations of the Civil Grand Jury. Please feel free to contact me if you need any further information.

Sincerely,



RICK COLE

cc: Gigi Decavalles-Hughes, Director of Finance
Marsha Moutrie, City Attorney
Joseph Lawrence, Assistant City Attorney



PHILIP L. BROWNING
Director

County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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

Board of Supervisors
HILDA L. SOLIS
First District
MARK RIDLEY-THOMAS
Second District
SHEILA KUEHL
Third District
DON KNABE
Fourth District
MICHAEL D. ANTONOVICH
Fifth District

November 12, 2015

Bart Benjamins, Foreperson
Rene Childress, Chairperson, Continuity Committee
2015-16 Los Angeles County Civil Grand Jury
210 West Temple Street, Room 11-506
Los Angeles, CA 90012

**RESPONSE TO THE 2011-2012 LOS ANGELES COUNTY
CIVIL GRAND JURY RECOMMENDATIONS**

Enclosed please find the Department of Children and Family Services' (DCFS) updates to each of the Civil Grand Jury's recommendations for year 2011-2012. The responses to the recommendations have been prepared for the following Civil Grand Jury report section topic: Child Death Mitigation Recommendations 2.9, 3.3, 3.5, 3.5.1, and 6.1.

Please note in a memo dated October 13, 2015, the Los Angeles County Chief Executive Office has also been asked to provide updates on recommendations 3.3 and 3.5, and the attached updates to these two recommendations constitute the CEO's response as well.

If you have any questions, please call me or your staff may call Alan Weisbart, Children Services Administrator at (213) 351-5740.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Browning".

PHILIP L. BROWNING
Director

PB:aw

Enclosures

c: Acting Executive Officer, Board of Supervisors
Chief Executive Officer
Interim County Counsel

UPDATED RECOMMENDATIONS FROM THE 2011-2012 CIVIL GRAND JURY REPORT

| APPLICABLE SECTION | LEAD DEPARTMENT(S) | RECOMMENDATION NUMBER(S) | PAGE NUMBER(S) |
|---|---|--------------------------|----------------|
| Child Death Mitigation | Children and Family Services (DCFS) | 2.9 | 199 |
| Child Death Mitigation | Children and Family Services (DCFS) and Mental Health (DMH) | 3.3* | 201 |
| Child Death Mitigation | Children and Family Services (DCFS) and Mental Health (DMH) | 3.5* | 201 |
| Child Death Mitigation | Children and Family Services (DCFS) and Mental Health (DMH) | 3.5.1 | 201 |
| FY 2006-07 Recommendation: Crisis in Communication - Preventing Child Fatality & Maltreatment | Children and Family Services (DCFS) | 6.1 | 367 |

*Los Angeles County Chief Executive Office (CEO) received a memo dated October 13, 2015 from the Civil Grand Jury to provide an update regarding these recommendations. The updates included in this report back include the CEO response for these recommendations.

Child Death Mitigation

RESPONSE TO THE 2015-16 CIVIL GRAND JURY FINAL REPORT

COUNTY OF LOS ANGELES – Department of Children and Family Services

SUBJECT: 2011-2012 CIVIL GRAND JURY RECOMMENDATIONS FOR THE
CHILD DEATH MITIGATION SECTION

RECOMMENDATION NO. 2.9

Follow-up review when DCFS jurisdiction is terminated. The Director of DCFS should develop and implement a follow-up review after jurisdiction is terminated on a case, building on its efforts to date. A follow-up study would be a valuable learning opportunity analogous to an exit interview used by many organizations when an employee leaves the organization. Once jurisdiction is terminated, DCFS families are likely to be less reticent about telling DCFS what worked and what did not work for them. This type of research is a best practice employed by many public and private sector organizations that can lead to more efficient and effective practices. Family participation would be voluntary and follow-up reviews might occur at pre-designated intervals – 6-month, 1-year, and 2-year – to be most effective.

RESPONSE

Agreed – Implemented. The main purpose of the survey is to gather from DCFS clients what services and interventions were most effective during their case and their level of satisfaction with the services provided by DCFS and the contracted agencies. The survey includes four demographics questions and 15 questions regarding client satisfaction. Of those 15 questions, nine are about their perspectives of their Children's Social Worker (CSW), five are about the impact of the services they received during their case and one is regarding overall satisfaction.

The survey population consists of parents, caregivers, and/or foster parents of the children whose jurisdiction with DCFS was terminated. The method of sampling used currently is simple random sampling. The survey sample draws from a population of DCFS cases that were closed during the three month period prior to the start of the survey implementation date.

RECOMMENDATION NO. 3.3

Potential adaptation of the UCLA Focus program. The Director of Mental Health and the Director of DCFS should approach officials of the Focus program at UCLA to determine if it can be adapted to help reunified families. The Focus program has been successful in helping soldiers return home after service in a war zone. According to DCFS, children who are taken into the system remain in out-of-home placement for an average of 8.5 months. These situations are often gutwrenching experiences that are exacerbated by the amount of time the children are away from their families during critical development stages of their lives. While there is a world of difference between soldiers and children, the impact of the trauma they experience and their difficulty in reentering the now changed family situation can be a difficult ordeal. If successfully adapted to children, this programmatic approach could ease the transition and increase the probability of successful reunification.

RESPONSE

Agree – Implemented. Providing resources and supports to children and families experiencing trauma and training/coaching in trauma informed practice continue to be central to the implementation of the County's Shared Core Practice Model. DMH has a contract with UCLA FOCUS to provide FOCUS trainings to clinical staff of both DMH directly operated clinics and contracted Legal Entities. DCFS and DMH have implemented training for staff, partners and providers across both systems to address the trauma related needs of referred children, youth and families consistent with and building on the FOCUS Program's training efforts for DMH providers. Integrated Trauma-Informed Practice Training provides participants with an understanding of the overall approach to trauma-informed practice consistent with the Shared Core Practice Model; specifically enhancing critical thinking and sound decision-making through a trauma-informed lens. They are designed to integrate a trauma-informed approach, strengths-needs practice and parallel process model. Two providers have been trained in the FOCUS approach. Both of these providers offer mental health services to children and families involved in the child welfare system.

RECOMMENDATION NO. 3.5

Improved mental health services to families. The Director of Mental Health and the Director of DCFS should develop a more effective plan with needed funding to provide appropriate mental health services for high-risk children and their families.

RESPONSE

Agree – Implemented. In serving children and families with mental health needs, a DCFS and DMH data match identified potential subclass members based upon the definition established by the State's Settlement of the Katie A. lawsuit. Funded by \$3.1 million in Mental Health Services Act (MHSA) dollars, DMH will expand Intensive Care Coordinator (ICC) and Intensive Home Based Services (IHBS) and installation of the

Child and Family Team process to Contract Providers with existing Full Service Partnership (FSP) programs across the County. Beginning in approximately December 2015, Contract Providers will have capacity for 525 Katie A. clients. Children enrolled in FSP have access to Family Support Services (FSS) which offers parents and caregivers a full array of clinical services.

As part of its 2008 Katie A. Strategic Plan objectives, Los Angeles County developed the Shared Core Practice Model (CPM) for working with children and families jointly served by child welfare and mental health. Foundational to the Shared CPM is the Child and Family Team (CFT); which includes the children/youth, family, informal supports and service providers. The CFT remains at the core of all efforts to engage, team, assess, plan, intervene, track and adapt strategies, interventions and utilize home-based services to the extent possible and appropriate, with the goals of:

1. Preventing removals:
2. Placing children/youth with kin, if possible, or in the most home-like setting within the child's/youth's community of origin; and
3. Ensuring that the child's/youth's first placement is the last placement.

Through shared responsibility and accountability within a team environment, a culturally-relevant and trauma-informed system of supports and services is responsive to the child's/youth's and family's identified strengths and underlying needs including mental health. The assessment of underlying needs results in the tailoring of individualized services and supports that are tracked and adapted to changing circumstances in order to improve the child's/youth's safety, permanency, educational, mental health and overall well-being outcomes. These outcomes are intended to be successfully sustained post-permanency, following child welfare and mental health involvement.

Since the formation of this recommendation, extensive fiscal, technical and staffing resources have been dedicated to this effort for both DMH and DCFS specifically in the hiring of substantial numbers of caseworkers, increasing training and coaching for staff and providers around the mental health needs of children, in tracking outcomes and in measuring the fidelity of practice improvements.

RECOMMENDATION NO. 3.5.1

The Director of Mental Health and the Director of DCFS should better address the mental health needs of adults in high-risk families. The issue of providing mental health services to adults is complicated by the requirement that they willingly accept the service. DCFS front-line staff members need support in determining if an adult has a behavioral problem or a significant mental illness. Once the determination is made, an effective strategy needs to be developed to address any non-compliance by the adult.

RESPONSE

Agree – Implemented. Central to the County's implementation of the Shared CPM is the formation of a Child and Family Team (CFT), which includes all family members and parents. In conjunction with the teaming approach and supported by Mental Health clinicians and service providers, the Child and Family team serves as the means by which mental health needs of relevant adults in a child or youth's life can be identified and treated while placing the safety, wellbeing and permanency of children at the forefront of this process noting the requirement that accessing such services requires the consent of those needing treatment.

As of January 1, 2014, through the use of Medi-Cal Expansion (MCE) funds, children's mental health provider agencies became eligible to extend their service provision to include short-term mental health services to parents and caregivers. Specifically, these services are for parents and caregivers of children, age birth through 20 years, who are enrolled in their own mental health treatment and for whom collateral services are insufficient. Thus with MCE, providers can extend specialty mental health services to adult caregivers/foster parents. The provision of specialty mental health services to this population is meant to provide Prevention and Early Intervention (PEI) to help stabilize the family unit and serve to address the needs of adults in at risk families.

RESPONSE TO THE 2015-16 CIVIL GRAND JURY FINAL REPORT

COUNTY OF LOS ANGELES – Department of Children and Family Services

SUBJECT: 2006-2007 CIVIL GRAND JURY RECOMMENDATIONS FOR THE CRISIS IN COMMUNICATION -PREVENTING CHILD FATALITY AND MALTREATMENT SECTION

RECOMMENDATION NO. 6.1

DCFS should implement assessment centers in existing residential-based facilities that have the qualifications, capabilities, and capacity to provide such services.

RESPONSE

Disagree - The recommendation will not be implemented at this time. Replication of the Probation Assessment Center (PAC) was considered; however, it was determined that the process would duplicate assessments already completed through the Department's MAT (Multi-Disciplinary Assessment Team) protocol.

Re: City of Inglewood Response to Inquiry

CG Civil Grand Jury

Reply all |

To: Yakema Decatur <ydecatu@cityofinglewood.org>; Cc: Nata...

Tue 2/2/2016 10:04 AM

Hi Ms. Decatur:

Our official address is:
Los Angeles County Civil Grand Jury
Criminal Justice Center
210 W. Temple St., Rm. 11-506
Los Angeles, CA 90012-3210

From: Yakema Decatur <ydecatu@cityofinglewood.org>
Sent: Tuesday, February 2, 2016 9:44 AM
To: Civil Grand Jury
Subject: City of Inglewood Response to Inquiry

Good Morning Mr. Childress,

Please forward me the address to mail the response to the inquiry regarding the following recommendation by the Civil Grand Jury:

19. All charter cities reviewed in this report should provide policies and procedures or ensuring prices negotiated for substantial contract change orders are fair and reasonable, and establish internal controls over substantial contract change orders so that same contractors not repeatedly awarded contracts.

R19 (City's Response). The City is taking this recommendation under advisement, because it requires further analysis. Although we do not have a formal written policy as of yet, City staff routinely negotiates with Contractors for substantial contract change orders to ensure that they are fair and reasonable. We are considering establishing internal controls over substantial contract change orders so that the same contracts are not repeatedly awarded contracts.

It should be noted that a response was sent by the City of Inglewood to the Civil Grand Jury back in October 2015. As of now the response to the recommendation has been updated as follows:

R19 (updated): The City plans to implement a draft internal controls over substantial contract change orders. The City Attorney is currently working to draft policies and procedures to address this matter.

If you have any additional questions, please call me at the number listed below, or contact me via email.

YAKEMA DECATUR

Senior Administrative Analyst
City of Inglewood – Administration
1 West Manchester Blvd.
Inglewood, CA 90301
310-412-5282