

Alta California Regional Center
Finance Committee Meeting
Monday, July 11, 2022
Minutes

Present:

Yang Sun, Chair
Johnny Deng
Dan Lake
Kelly Pennington
Michelle Rewerts

Facilitators:

Amy Fulk

Visitors:

Maureen Fitzgerald

Absent: (* excused)

Retha Seabron*

Staff:

Lori Banales, Executive Director
Iqbal Ahmad, Chief Financial Officer
Camelia Houston, Director of Intake
& Clinical Services
Mechelle Johnson, Director of Client
Services
Lisa West, Executive Secretary

Board Members:

Jackie Armstrong
Amy Lampe
Michelle Ramirez
Anwar Safvi
Patty Wallace

The Finance Committee met on Monday, July 11, 2022, at 4:10 p.m. by Webex/ teleconference to discuss: 1) Monthly Financial Report; and 2) Overview of California State Auditor Report.

Without objection, Kelly Pennington made the motion to adopt the Finance Committee meeting minutes of June 13, 2022 as submitted.

1. Monthly Financial Report

Issue: The monthly financial report is reviewed by the Finance Committee prior to presentation to the Board.

Discussion and Action: The June 30, 2022 financial report indicates that ACRC has expended 80.9% of Purchase of Services (POS) and 93.5% of Operations (OPS) for the 2021-22 fiscal year (FY).

Mr. Ahmad noted that ACRC closed out the year on July 1st but is still in the process of reconciling and filing the proper claims. The financial report considers all of the provider rate increases that have been granted. We have a small surplus projected in POS, and have some expenses that have not been submitted yet or incurred based on encumbered contracts, which will use up the remaining OPS funding.

The 2021-22 FY will be discussed again in January 2023, after the Independent Certified Public Accountants completes their audit, which will begin in the next few months.

ACRC has not yet received our advance from the department for the 2022-23 FY. If it is not received within the next several days, we will have to exercise our line of credit with U.S. Bank.

Without objection, Johnny Deng made the motion to recommend to the full Board the acceptance of the monthly financial statement as submitted.

2. Overview of California State Auditor Report

- Ms. Banales noted that this audit was an audit of DDS' oversight. ACRC was one of the three regional centers selected; North Bay Regional Center (NBRC) and North Los Angeles County Regional Center (NLACRC) were also audited.
- Close to a year ago, a small team from the state auditor's office came to ACRC and reviewed our service system, as a whole. During the process, we discovered that they were looking at the quality of services that are being provided to clients. As the audit evolved, it became similar to a compliance audit.
- The main finding showed that regional centers do not have sufficient staff or funding. The report has some graphics that support the needed enhancement to the Core Staffing Formula (CSF).
- ACRC was found to have not conducted the required monthly nursing reviews for clients residing in Adult Residential Facilities for People with Special Health Needs (ARFPSHNs) and Biennial Vendor Evaluations.
 - During the pandemic, DDS nurses assisted with monitoring homes, but the auditors reported a finding since regional center staff were not present on a consistent basis. This has since improved as ACRC has hired more qualified nurse staff that complete this function.
 - ACRC staff have evidence of evaluations that were conducted on service provider qualifications, but the auditors noted it was not on a consistently documented basis. ACRC informed the auditors of the regular methods ACRC staff are involved with vendor services in which some of the purpose of such evaluations are met.
- Some subjectivity is involved in this audit. The auditors noted ACRC staff sometimes did not meet intake assessment timelines based on inquiry date. However, centers must have all of the documentation needed in order to complete the assessment properly and this can sometimes take time to gather.
- The audit also suggests that DDS has not monitored client's access to services based on distance of service and options available, which can be challenging in a remote area
- Throughout the audit, ACRC did provide various activities and client outcomes, family accounts and testimonies of services rendered, and even items that have ensured the health and safety of clients, along with positive results through the broad scope of the regional center's mandate.

- Ms. Banales had her Executive Management Team review the audit report and each department has put forward procedures and processes to make sure these areas are easily tracked.
- This audit was an opportunity for someone from the outside to take a deep dive into our service system. The audit covered all aspects of the regional center operations and mandate, in which the main root finding was being underfunded. The State will need to rise up to the occasion to address the auditor's concerns.
 - The link to access the full report was sent out to Board members.

The next Finance Committee meeting is scheduled for **Monday, September 12, 2022**. The meeting adjourned at 4:38 p.m.

Lisa West
Executive Secretary

cc: ACRC Board of Directors
Lori Banales