

**Los Angeles County – Department Of Public Health**  
**SUBSTANCE ABUSE PREVENTION AND CONTROL BUREAU**  
**Finance Services Division**

**Fiscal Compliance Reviews – Attachment A**  
**List of Relevant Documentation**

**ACCOUNTING AND FINANCIAL RECORDS**

<b>DOCUMENTATION</b>		<b>DESCRIPTION</b>
<b>1.</b>	Cost Allocation Plan	Cost allocation plans are used to ensure that organizations have an adequate method to fairly and equitably divide costs among programs. This information can be used to determine the actual cost of programs which can be helpful in making strategic investment decisions, by both the county and providers. In addition, plans should include schedules that are used in allocating costs to programs for each fiscal year to help facilitate audits and/or reviews.
<b>2.</b>	General Ledger Detail Reports	Reports should include all revenue, expenditure, asset, and liability accounts for each program, including Non-SAPC data. Reports are used to identify expenditures and are sampled to verify internal controls, including supporting documentations. Reports must be run for each program, as applicable.
<b>3.</b>	Income Statements separated by programs, including SAPC and Non-SAPC	A financial statement that details provider's revenue, expenses (both direct and indirect), gains, and losses. The financial statement should be separated by SAPC and Non-SAPC programs. This statement is important in determining the cost of running SAPC programs, allocation of expenses, development of reimbursement rates, and cost/fiscal report preparations.
<b>4.</b>	Balance Sheet	A financial statement that provides a snapshot of a provider's assets, liabilities and owner's equity at a point in time (typically 12-month periods). This statement is essential to determining a provider's financial health for a specific period.
<b>5.</b>	Agency-wide Organizational Chart for the Agency with names and titles	Organizational Chart is a visual representation of a provider's management structure, hierarchy, and roles & responsibilities. Organizational charts assist with identifying any potential risk and assess internal controls, such as separation of duties.
<b>6.</b>	List of Agency-wide Cost Centers	Listing of programs and/or activities that provider performs and can produce an individual income statement of activities as described in Item #3.
<b>7.</b>	Chart of Accounts	A comprehensive list of all accounts a provider uses in its general ledger. Chart of Accounts are essential to categorizing financial accounts related to assets, liabilities, equities, revenues, and expenses. This document is useful in identifying revenues, expenses account related to

		programs and assist auditors in identifying accounts under review.
8.	Audited Financial Statements and Single Audit Reports	Audited Financial Statements are balance sheets, income and cashflow statements that have been reviewed by an independent auditing firm and audit conducted by a certified public accountant (CPA) to ensure accuracy and reliability. A Single Audit Report is a comprehensive and compliance audit of non-federal entities that expends \$1 Million or more in federal funding during a fiscal year. Both audited financial statements and single audit reports provides an independent auditor's opinion on financial statements' presentation, likelihood of material misstatements, and assurance to management of federal funding compliance with relevant regulations.
9.	Federal Approval for Fixed Indirect Cost Rate (if applicable)	A fixed indirect cost rate that is negotiated with a cognizant federal agency. The rate/percentage is used to distribute indirect costs to all cost centers benefiting from those costs.

**REVENUE AND DISBURSEMENT RECORDS**

DOCUMENTATION		DESCRIPTION
13.	List of all Agency revenue sources and amounts	The list should have all sources of the funding to the agency including private contributions, nature of the funding, services to be provided, total dollar amount, and period of such funding(s). Revenue must be utilized on allowable expenditures in accordance with the funding's requirements and guidelines.
14.	List of authorized check signers and copy of official signature card(s) on file for all bank accounts	All checks must be signed by authorized persons and complied with all requirements of separation of duties. This list will expedite the review of proof payment by auditors.
15.	Bank reconciliations and bank statements for <u>all</u> Agency bank accounts	Bank reconciliation compares your bank statement's listed transactions with your business's internal accounting records to ensure they are accurate. Providers are required to perform monthly bank reconciliations within 30 calendar days of the bank statement's date. It is an essential way to prevent and detect fraud as well as helping manage cash flow.
16.	List of all petty cash funds, the amounts, and the name of the custodian	A petty cash log shall be maintained for each petty cash account to ensure they are tracked and being used for their intended purposes. The petty cash fund custodian is responsible for maintaining, disbursing, reconciling of the petty cash funds, and requesting replenishment of the fund up to its imprest amount when necessary.
17.	List of all subcontractors, and/or independent contractors/consultants used for the SAPC Programs.	Please provide person name(s), business full legal name, contact information(s), scope of work, payment terms, and insurance details. This will assist in verifying the validity of

		expenses, compliance with regulations, and ensure that the scope of work and contract payment terms are being followed.
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**PAYROLL AND PERSONNEL RECORDS**

DOCUMENTATION		DESCRIPTION
18.	List of all Program and Administrative employees working who are funded under a SAPC contract.	Please include all employees' names, titles, the programs they are working on, assigned departments, salary amount, and job status (i.e., full-time/part-time, exempt/non-exempt, active/inactive). Please include a separate list for volunteers. This is to document and track all payroll-related information for each employee, during an audit and/or review, to ensure accurate payments and compliance.
19.	Payroll Register(s)	Detailed record of employee payroll information for a specific pay period. It includes data such as employee names, hours worked, gross pay, deductions, and net pay. It is essential for managing payroll across an organization, ensuring accuracy, timeliness, and compliance.
20.	Labor Distribution report(s) to support ALL payroll expenditures billed.	Detailed record how labor costs are allocated within an organization, typically across different projects, departments, and/or cost centers. This is essential for demonstrating compliance with relevant regulations and for supporting audits and reviews by external parties.
21.	Federal quarterly payroll tax returns (Form 941) and payroll tax reports for the most recently completed quarter.	Report federal income, Social Security, and/or Medicare taxes withheld from employee's paychecks. To ensure that employers are fulfilling their legal tax obligations related to employee compensations.
22.	State quarterly payroll tax returns (DE-9) and payroll tax reports for the most recently completed quarter.	Report state income taxes, unemployment insurance contributions, state disability insurance, and other programs. Reports are used to verify employee's eligibility for state-funded programs when needed and to help auditors ensure that employers have complied with state tax laws and has not misclassified workers or underpaid taxes.
23.	Original Timecards/Timesheets	Unaltered record of an employee's work hours that includes, but not limited to, their full legal names, employee ID, start and end times of work period, time distribution by programs, daily and weekly totals, etc. Employers are required to retain records of wage computation, and it is crucial for ensuring fair compensation, compliance with labor laws and for supporting audits by external parties.
24.	Personnel Files	Personnel files should include job applications, resumes, employment contract, licenses/certification, background checks, references, training records, performance evaluation,

		any disciplinary notes, etc. These files verify that staffs meets required standard and qualify for their roles.
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**OTHER**

<b>DOCUMENTATION</b>		<b>DESCRIPTION</b>
<b>25.</b>	Any audit reports issued within the last three (3) years related to the Agency's operations.	These audit reports should include a single audit and financial statement audits by independent auditing firm and/or fiscal compliance reviews by auditor-Controller. These reports evaluate the Agency's accountability and compliance with regulatory and funding requirements.
<b>26.</b>	List of all related party transactions. (rent/lease, mortgage transactions, expenditures, etc.)	Please include all rent/lease agreement(s), mortgage transactions, loans, and expenditures involving individuals or entities with a personal and/or financial connection to the Agency. These ensures transparency and identifies potential conflicts of interest.
<b>27.</b>	List of any related employees. (i.e., employees related by blood, marriage, or through a legal organization)	Please include any employee who are related by blood, marriage and/or legal arrangement (e.g. adoption or guardianship). This helps identify potential conflicts of interest and ensure proper oversight in hiring and supervision.
<b>28.</b>	Agency's Policies & Procedures for Accounting, Procurement, Personnel/Employees, and other relevant areas.	These Policies & Procedures is to ensure compliance, transparency, and consistency across the organization. It provides as a guide for staffs and management to maintain an effective internal control and accountable operations.