

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

**Fiscal Compliance Reviews – Information Notice 26-05, Attachment A  
List of Relevant Documentation**

**ACCOUNTING AND FINANCIAL RECORDS**

DOCUMENTATION		DESCRIPTION
1.	Cost Allocation Plan	Plans used to ensure that provider agencies have an adequate method to fairly and equitably divide shared 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 provider agencies. In addition, plans include schedules that are used in allocating costs to programs for each fiscal year to help facilitate audits and/or reviews.
2.	General Ledger Detail Reports	Reports include all revenue, expenditure, asset, and liability accounts for each program, including non-SAPC data. Reports are used to identify and sample expenditures to verify internal controls, including supporting documentations. Reports must be run for each program, as applicable.
3.	Income Statements separated by programs, including SAPC and Non-SAPC	A financial statement that details provider agency'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.
4.	Balance Sheet	A financial statement that is a snapshot of a provider agency's assets, liabilities and equity at a point in time (typically 12-month periods). This statement is essential to determining a provider agency's financial health for a specific period.
5.	Agency-wide Organizational Chart for the Agency with names and titles	Organizational Chart is a visual representation of a provider agency's management structure, hierarchy, and roles and responsibilities. Organizational charts assist with identifying any potential risk and assess internal controls such as separation of duties.
6.	List of Agency-wide Cost Centers	Listing of programs and/or activities that provider agency performs and can produce an individual income statement of activities as described in Item #3.
7.	Chart of Accounts	A comprehensive list of all accounts a provider agency 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	Balance sheets, income/profit & loss, 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 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 provide 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)	Rate that is negotiated with a cognizant federal agency where the rate/percentage is used to distribute indirect costs to all cost centers benefiting from those costs.

**REVENUE AND DISBURSEMENT RECORDS**

DOCUMENTATION		DESCRIPTION
10.	List of all Agency revenue sources and amounts	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.
11.	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 person(s) and comply with all requirements of separation of duties. This list will expedite the review of proof payment by auditors.
12.	Bank reconciliations and bank statements for <u>all</u> Agency bank accounts	Bank reconciliation compares bank statement's listed transactions with the business' internal accounting records to ensure accuracy. Provider agencies 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, ensure accuracy in financial records, identify timing differences and effective cash flow.
13.	List of all petty cash funds, the amounts, and the name of the custodian	A log maintained for each petty cash account to ensure proper tracking and use for intended purposes. The petty cash fund custodian is responsible for maintaining, disbursing, and reconciling of the petty cash funds, and requesting replenishment of the fund up to its imprest amount when necessary.
14.	List of all subcontractors, and/or independent contractors/consultants used for the SAPC Programs	Person name(s), business full legal name, contact information(s), scope of work, payment terms, and insurance details to assist in verifying the validity of expenses, compliance with regulations, and to ensure that the scope of work and contract payment terms are being followed.

**PAYROLL AND PERSONNEL RECORDS**

<b>DOCUMENTATION</b>		<b>DESCRIPTION</b>
<b>15.</b>	List of all Program and Administrative employees working who are funded under a SAPC contract	A list of all employees' names, titles, assigned programs, assigned departments, salary amount, and job status (i.e., full-time/part-time, exempt/non-exempt, active/inactive), and a separate list with applicable information 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.
<b>16.</b>	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. This is essential for managing payroll across an organization, ensuring accuracy, timeliness, and compliance.
<b>17.</b>	Labor Distribution report(s) to support ALL payroll expenditures billed	Detailed record for 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.
<b>18.</b>	Federal quarterly payroll tax returns (Form 941) and payroll tax reports for the most recently completed quarter	Report of federal income, Social Security, and/or Medicare taxes withheld from employee paychecks. This is essential to ensure that employers are fulfilling their legal tax obligations related to employee compensations.
<b>19.</b>	State quarterly payroll tax returns (DE-9) and payroll tax reports for the most recently completed quarter	Report of state income taxes, unemployment insurance contributions, state disability insurance, and other programs. Reports are used to verify employee eligibility for state-funded programs when needed and to help auditors ensure that employers have complied with state tax laws and have not misclassified workers or underpaid taxes.
<b>20.</b>	Original Timecards/Timesheets	Unaltered record of an employee's work hours that includes, but is not limited to, 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.
<b>21.</b>	Personnel Files	Files that include job applications, resumes, employment contract, licenses/certification, background checks, references, training records, performance evaluation, any disciplinary notes, etc. These files verify that staff meet required standards and qualify for the position.

**OTHER**

<b>DOCUMENTATION</b>		<b>DESCRIPTION</b>
<b>22.</b>	Any audit reports issued within the last three (3) years related to the provider agency's operations	Reports that include a single audit and financial statement audits by independent auditing firm and/or fiscal compliance reviews by Auditor-Controller. These reports evaluate the provider agency's accountability and compliance with regulatory and funding requirements.
<b>23.</b>	List of all related party transactions (rent/lease, mortgage transactions, expenditures, etc.)	All rent/lease agreement(s), mortgage transactions, loans, and expenditures involving individuals or entities with a personal and/or financial connection to the provider agency. These ensure transparency and identifies potential conflicts of interest.
<b>24.</b>	List of any related employees (i.e., employees related by blood, marriage, or through a legal organization)	Any employee who is related by blood, marriage and/or legal arrangement (e.g. adoption or guardianship). This helps identify potential conflicts of interest and ensures proper oversight in hiring and supervision.
<b>25.</b>	Provider agency's policies & procedures for accounting, procurement, personnel/employees, and other relevant areas	Documents to ensure compliance, transparency, and consistency across the provider agency. It serves as a guide for staff and management to maintain effective internal controls and accountable operations.