

**DEPARTMENT**  
**OF**  
**DEVELOPMENTAL SERVICES**  
**AUDIT**  
**OF**  
**ARC OF STANISLAUS COUNTY**

**Day Programs:**

Adult Development Center – H15542  
Behavior Management Program – H15542  
Adult Day Care – HV0157  
Adult Development Center- H29188

**Habilitation Programs:**

Supported Employment Program, Individual – HV0204  
Supported Employment Program, Group – HV0203  
Work Activity Programs – HV0205, HV0206

**Transportation Program:**

Transportation Additional Component – H29428

**Family Home Agency:**

Family Home Agency – H29489

**Miscellaneous Program:**

Supplemental Service – P75546

(Audit Period: July 1, 2006 through June 30, 2007)

**Audit Branch**

**Auditors:** Michael Masui, Chief of Vendor Audits  
Alton Kitay, Supervisor  
Wilfredo Golez, Lead Auditor  
Kenneth Rading, Auditor

**Assignment # 08-VN-1-005**

# ARC OF STANISLAUS COUNTY

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited ARC of Stanislaus County. The audit was performed upon the following programs: Day, Habilitation, Transportation, Family Home Agency, and Miscellaneous Programs for the period of July 1, 2006 through June 30, 2007.

The last day of fieldwork was April 24, 2008.

The results of the audit disclosed the following issues of noncompliance:

**Finding 1: Day Programs - Unsupported Staffing Ratio**

The review of ARC of Stanislaus County's Day Programs staffing ratios for the Vendor Numbers H15542, HV0157, and H29188 revealed a lack of supporting documentation for its required direct care staffing hours. This resulted in a shortage of direct care staffing of 339.83 hours for a total of \$3,172.23 due back to DDS.

**Finding 2: Habilitation Supported Employment Program -Unsupported Billing**

The review of ARC of Stanislaus County's Habilitation Supported Employment Program, for the Vendor Number HV0204 revealed that ARC of Stanislaus County had unsupported billings for services that it billed the Valley Mountain Regional Center (VMRC). As a result, ARC of Stanislaus County had a total of \$376.64 of unsupported billings which is due back to DDS.

**Finding 3: Day Programs - Failure to Bill**

The review of ARC of Stanislaus County's Day Programs, for the Vendor Numbers HV0157 and H29188 revealed that ARC of Stanislaus County had appropriate supporting documentation for services that it failed to bill the Valley Mountain Regional Center (VMRC). As a result, ARC of Stanislaus County had a total of \$639.98 for which it failed to bill.

The total of the unsupported billing discrepancies identified in this audit amounts to \$3,548.87 due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations section of this report.

## **BACKGROUND**

The Department of Developmental Services (DDS) is responsible, under the Lanterman Developmental Disabilities Services Act, for ensuring that persons with developmental disabilities receive the services and supports they need to lead more independent, productive, and normal lives. DDS contracts with 21 private, nonprofit regional centers that provide fixed points of contact in the community for serving eligible individuals with developmental disabilities and their families in California. In order for regional centers to fulfill their objectives, they secure services and supports from qualified service vendors and/or contractors. Per Welfare and Institutions Code, Section 4648.1, the DDS has the authority to audit those service providers and/or contractors that provide services and supports to the developmentally disabled.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

This audit was conducted to determine whether ARC of Stanislaus County's Day, Habilitation, Transportation, Family Home Agency, and Miscellaneous Programs were compliant with the Welfare and Institutions Code (W&I), California Code of Regulations (Title 17), and the Valley Mountain Regional Center's (VMRC) contracts with ARC of Stanislaus County for the period of July 1, 2006 through June 30, 2007.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. The auditors did not review the financial statements of ARC of Stanislaus County, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of ARC of Stanislaus County's internal controls to gaining an understanding of the transaction flow and invoice preparation process as necessary to develop appropriate auditing procedures. The audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that ARC of Stanislaus County complied with Title 17.

### **Day Programs**

During the audit period, ARC of Stanislaus County operated four Day programs. The audit included the review of all of ARC of Stanislaus County's Day programs. The programs audited are listed below:

- Adult Development Center (Skills), Vendor Number H15542, Service Code 510
- Behavior Management Program (PSA), Vendor Number H15542, Service Code 515
- Adult Day Care (Golden Opportunities), Vendor Number HV0157, Service Code 855
- Adult Development Center (CIP), Vendor Number H29188, Service Code 510

The procedures performed at VMRC, the vendoring regional center, and ARC of Stanislaus County included, but were not limited to, the following:

- Reviewed VMRC’s vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondences pertinent to the review.
- Interviewed VMRC staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed ARC of Stanislaus County staff and management to gain an understanding of its accounting procedures and processes for VMRC billings.
- Reviewed ARC of Stanislaus County service/attendance records to determine if ARC of Stanislaus County had sufficient and appropriate, evidence to support the direct care services billed to VMRC.
- Performed an analysis of ARC of Stanislaus County payroll and attendance/service records to determine if ARC of Stanislaus County provided the level of staffing required.

### **Habilitation Programs**

#### **Supported Employment Program (SEP) – Individual**

During the audit period, ARC of Stanislaus County operated two SEP programs. The audit included both of these programs. The programs audited are listed below:

- Community Employment Group, Vendor Number HV0203, Service Code 950
- Community Employment Individual, Vendor Number HV0204, Service Code 952

The procedures performed at VMRC, the vendoring regional center, and ARC of Stanislaus County included, but were not limited to, the following:

- Reviewed VMRC’s vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondences pertinent to the review.
- Interviewed VMRC staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed ARC of Stanislaus County staff and management to gain an understanding of its accounting procedures and processes for VMRC billings.
- Reviewed ARC of Stanislaus County service/attendance records to determine if ARC of Stanislaus County had sufficient and appropriate evidence to support the direct care services billed to VMRC.

### **Work Activity Program (WAP)**

During the audit period, ARC of Stanislaus County operated two WAP programs. The audit included both of the ARC of Stanislaus County's WAP programs. The programs audited are listed below:

- Production Unlimited (PU), Vendor Number HV0205, Service Code 954
- Culinary Services (CS), Vendor Number HV0206, Service Code 954

The procedures performed at VMRC, the vendoring regional center, and ARC of Stanislaus County included, but were not limited to, the following:

- Reviewed VMRC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondences pertinent to the review.
- Interviewed VMRC staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed ARC of Stanislaus County staff and management to gain an understanding of its accounting procedures and processes for VMRC billings.
- Reviewed ARC of Stanislaus County service/attendance records to determine if ARC of Stanislaus County had sufficient and appropriate evidence to support the direct care services billed to VMRC.

### **Transportation Program**

During the audit period, ARC of Stanislaus County operated one Transportation Program. The program audited was Transportation Additional Component, Vendor Number H29428, Service Code 880.

The procedures performed at VMRC, the vendoring regional center, and ARC of Stanislaus County included, but were not limited to, the following:

- Reviewed VMRC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondences pertinent to the review.
- Interviewed VMRC staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed ARC of Stanislaus County staff and management to gain an understanding of its accounting procedures and processes for VMRC billings.
- Reviewed ARC of Stanislaus County service/attendance records to determine if ARC of Stanislaus County had sufficient and appropriate evidence to support the direct care services billed to VMRC.

### **Family Home Agency**

During the audit period, ARC of Stanislaus County operated one Family Home Agency program. The program audited was Home At Last (HAL), Vendor Number H29489, Service Code 904.

The procedures performed at VMRC, the vendoring regional center, and ARC of Stanislaus County included, but were not limited to, the following:

- Reviewed VMRC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondences pertinent to the review.
- Interviewed VMRC staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed ARC of Stanislaus County staff and management to gain an understanding of its accounting procedures and processes for VMRC billings.
- Reviewed ARC of Stanislaus County service/attendance records to determine if ARC of Stanislaus County had sufficient and appropriate evidence to support the direct care services billed to VMRC.

### **Miscellaneous Program**

During the audit period, ARC of Stanislaus County operated one Miscellaneous Program. The audit included ARC of Stanislaus County's Supplemental Support Program. The program audited was ARC of Stanislaus County Supplemental Program Support, Vendor Number P75546, Service Code 110.

The procedures performed at VMRC, the vendoring regional center, and ARC of Stanislaus County included, but were not limited to, the following:

- Reviewed VMRC's vendor files for contracts, rate letters, program designs, purchase of service authorizations, and correspondences pertinent to the review.
- Interviewed VMRC staff for vendor background information and to obtain prior vendor audit reports.
- Interviewed ARC of Stanislaus County staff and management to gain an understanding of its accounting procedures and processes for VMRC billings.
- Reviewed ARC of Stanislaus County service/attendance records to determine if ARC of Stanislaus County had sufficient and appropriate evidence to support the direct care services billed to VMRC.

## **CONCLUSION**

Based upon the procedures we have performed, we have determined that except for the items identified in the Findings and Recommendations section, ARC of Stanislaus County complied with requirements of Title 17.

## **VIEWS OF RESPONSIBLE OFFICIALS**

The DDS issued the draft audit report on March 4, 2010. In ARC of Stanislaus County's response dated April 5, 2010, Claudia Miller, the Executive Director, questioned Finding 1 – Day Programs: Unsupported Staffing Ratio. For Finding 2 – Habilitation, Supported Employment Program: Unsupported Billing and Finding 3 – Day Programs: Failure to Bill, ARC of Stanislaus County concurred with the findings.

## **RESTRICTED USE**

This report is solely for the information and use of the Department of Developmental Services, Department of Health Care Services, Valley Mountain Regional Center, and ARC of Stanislaus County. This report is not intended and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.



## FINDINGS AND RECOMMENDATIONS

### **Finding 1: Day Programs - Unsupported Staffing Ratio**

The review of ARC of Stanislaus County's Day Programs, for the sample months of July and August 2006, revealed that ARC of Stanislaus County did not meet the required staffing ratio for the four of its Day Programs.

For Adult Development Center (Skills), Vendor Number H15542, Service Code 510 with a 1:4 Staffing Ratio, the total direct care hours required for the months of July and August 2006 were 1,375.50 and 1,513.75 hours, respectively. The hours ARC of Stanislaus County actually provided were 1,355.25 hours for July 2006 and 1,536.50 hours for August 2006. This resulted in 20.25 hours of unsupported direct care staffing for July 2006.

The total unsupported direct care staffing hours of 20.25 multiplied by the average salary of \$9.43 amounts to \$190.96 due back to DDS.

For Behavior Management Program (Personal Achievement/PSA), Vendor Number H15542, Service Code 515 with a 1:3 Staffing Ratio, the total direct care hours required for the months of July and August 2006 were 714 and 814.33 hours, respectively. The hours ARC of Stanislaus County actually provided were 717.00 hours for July 2006 and 812.75 hours for August 2006. This resulted in 1.58 hours of unsupported direct care staffing for August 2006.

The total unsupported direct care staffing hours of 1.58 multiplied by the average salary of \$9.43 amounts to \$14.90 due back to DDS.

For Adult Day Care (Golden Opportunities), Vendor Number HV0157, Service Code 855 with a 1:4 Staffing Ratio, the total direct care hours required for the months of July and August 2006 were 702.25 and 832.00 hours, respectively. The hours ARC of Stanislaus County actually provided were 626.50 hours for July 2006 and 659.25 hours for August 2006. This resulted in 78.75 hours of unsupported direct care staffing hours for July 2006 and 172.75 hours for August 2006.

The total unsupported direct care staffing hours of 251.50 multiplied by the average salary of \$9.37 amounts to \$2,356.56 due back to DDS.

For Adult Development Center (CIP), Vendor Number H29188, Service Code 510 with a 1:3 Staffing Ratio, the total direct care hours required for the months of July and August 2006 were 1,150.00 and 1,314.00 hours, respectively. The hours ARC of Stanislaus County actually provided were 1,083.50 hours for July 2006 and 1,408.25 hours for August 2006. This resulted in 66.50 of unsupported direct care staffing hours July 2006.

The total unsupported direct care staffing hours of 66.50 multiplied by the average salary of \$9.17 amounts to \$609.81 due back to DDS.

The grand total of the four Day Programs' unsupported direct care staffing hours amounted to \$3,172.23 due back to DDS. (See Attachment A.)

Title 17, Section 50606 (b) (4) (A) states:

“Verification that the required staff-to-consumer ratios are being met shall be determined as follows:

1. For activity centers, adult development centers, and behavior management programs:

a. For each month of the audit period multiply the number of actual consumer days of attendance by the number of direct service hours operated per day;

b. Divide the total computed in a. by the approved staffing ratio to compute the number of direct care staff hours required during the approved program hours each month to maintain the approved staffing ratio; and ....”

Also, Title 17, Section 50606 (b) (4) (B) states:

“If a determination is made that the approved staff-to-consumer ratio has not been met, the amount of any overpayments shall be determined as follows:

1. Subtract the number of direct care staff hours actually provided during the audit period from the number of direct care staff hours required, pursuant to (A)1. or (A)2.;

2. Multiply the amount computed in 1. by the average hourly salary and wage and fringe benefit costs reported pursuant to Sections 57434 (a) (1) (A) and (a) (2) and which were utilized to calculate the vendor's rate of reimbursement received during the audit period.”

**Recommendation:**

ARC of Stanislaus County should reimburse to DDS the \$3,172.23 for unsupported direct care staffing hours. In addition, ARC of Stanislaus County should develop policies and procedures to ensure it has sufficient staffing to meet the direct care staffing ratio.

**Auditee's Response:**

In response to this finding, ARC of Stanislaus County disagreed with the number of provided hours for BMP, Skills, Golden Opportunities, and CIP. Included in ARC of Stanislaus County's response are additional documents to support the direct care staff hours provided.

See Attachment C for the full text of ARC of Stanislaus County's response and Attachment D for DDS's Evaluation of ARC of Stanislaus County's response.

**Finding 2: Habilitation Supported Employment Program – Unsupported Billing**

The review of ARC of Stanislaus County’s Habilitation Supported Employment Program, Vendor Number HV0204, for the sample period of July and August 2006, revealed that ARC of Stanislaus County had unsupported billings for services that it billed VMRC.

Unsupported billings occurred due to a lack of appropriate documentation to support the units billed to VMRC. ARC of Stanislaus County was not able to provide supporting documentation for 11 hours of services billed for the months of July and August 2006. The lack of documentation resulted in unsupported billings to VMRC in the amount of \$376.64. This is based on the 11 hours of unsupported billings at a rate of \$34.24 per hour. (See Attachment B.)

Title 17, Section 54326 (a) states:

“All vendors shall:

(3) Maintain records of services provided to consumers in sufficient detail to verify delivery of units of service billed.

(10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

Also, Title 17, Section 50604 states:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to....”

(e) All service providers’ records shall be supported by source documentation.”

**Recommendation:**

ARC of Stanislaus County should reimburse DDS the \$376.64 for the unsupported billings. In addition, the ARC of Stanislaus County should develop and implement policies and procedures to ensure that proper documentation are maintained to support the amounts billed to VMRC.

**Auditee’s Response:**

For this finding, ARC of Stanislaus County provided no response.

**Finding 3: Day Programs – Failure to Bill**

The review of ARC of Stanislaus County’s Day Programs, for the sample period of July and August 2006, revealed that ARC of Stanislaus County failed to bill for the authorized units of services it provided. For Vendor Numbers HV0157 and H29188, the failure to bill occurred when ARC of Stanislaus County had appropriate supporting documentation, but it did not bill VMRC. This resulted in an unbilled amount of \$639.98. (See Attachment B.)

Title 17, Section 54326 (a) states:

“All vendors shall:

(3) Maintain records of services provided to consumers in sufficient detail to verify delivery of units of service billed.

(10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

Also, Title 17, Section 50604 states:

“(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program. Service records used to support service providers’ billing/invoicing shall include, but not be limited to ....”

(e) All service providers’ records shall be supported by source documentation.”

**Recommendation:**

ARC of Stanislaus County should contact VMRC to discuss the unbilled amount. In addition, ARC of Stanislaus County should develop and implement policies and procedures to ensure all authorized services provided are properly recorded and documented before payment invoicing.

**Auditee’s Response:**

For this finding, ARC of Stanislaus County provided no response.

**ARC of Stanislaus County**  
**Unsupported Staffing Ratio and Overpayment Amount**  
**Audit Period: July 1, 2006 through June 30, 2007**

Attachment A

Findings #		July 2006	August 2006	A	B	C = A * B
				Unsupported Direct Care Service Hours	Average Salary per Cost Statement	Overpayment Amount
1	<b>H15542, SC 510 Adult Development Center (Skills)</b>					
	Required Direct Hours	1,375.50	Met			
	Less: Provided Direct Hours	<u>1,355.25</u>	Staffing			
	Unsupported Hours	<u><u>20.25</u></u>	Ratio	20.25	\$ 9.43	\$ 190.96
	<b>H15542, SC 515 Behavior Management Program (BMP/PSA)</b>					
	Required Direct Hours	Met	814.33			
	Less: Provided Direct Hours	Staffing	<u>812.75</u>			
	Unsupported Hours	Ratio	<u><u>1.58</u></u>	1.58	9.43	14.90
	<b>HV0157, SC 855 Adult Day Care (Golden Opportunities)</b>					
	Required Direct Hours	705.25	832.00			
	Less: Provided Direct Hours	<u>626.50</u>	<u>659.25</u>			
	Unsupported Hours	<u><u>78.75</u></u>	<u><u>172.75</u></u>	251.50	9.37	2,356.56
	<b>H29188, SC 510 Adult Development Center (CIP)</b>					
	Required Direct Hours	1,150.00	Met			
	Less: Provided Direct Hours	<u>1,083.50</u>	Staffing			
	Unsupported Hours	<u><u>66.50</u></u>	Ratio	<u>66.50</u>	9.17	<u>609.81</u>
	<b>COMBINED TOTAL DAY PROGRAMS</b>			<u><u>339.83</u></u>		<u><u>\$ 3,172.23</u></u>

ARC of Stanislaus County  
 Summary of Over and (Under) Billing  
 Audit Period: July 1, 2006 through June 30, 2007

Attachment B

Finding #	Vendor	Svc Code	Description	Unit Type	Unit Rate	<u>Unsupported Billings<sup>2</sup></u>		<u>Failed to Bill<sup>3</sup></u>	
						Units	Amount	Units	Amount
<b>2</b>	<b><u>Habilitation Program</u></b>								
	HV0204	952	Supported Employment Program	Hours	\$ 34.24	11.00	\$ 376.64	-	\$ -
						<b>TOTAL OVER BILLINGS:</b>			
<b>3</b>	<b><u>Day Program</u></b>								
	H29188	510	Adult Development Center (CIP)	Day	\$ 64.79	-	-	1.00	64.79
	HV0157	855	Adult Day Care	Day	\$ 52.29	-	-	11.00	575.19
			<b>Total Day Programs</b>			-	\$ -	<u>12.00</u>	<u>\$ 639.98</u>

**TOTAL FAILURE TO BILL:**

<sup>2</sup>These payments were authorized by the RC(s), were paid to the vendor but were not provided by the vendor.

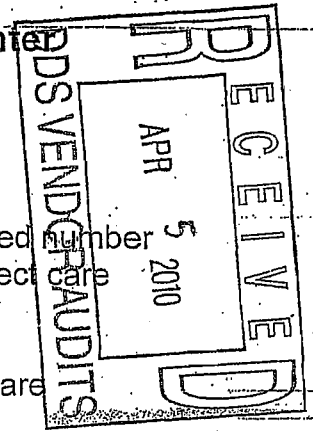
<sup>3</sup>These payments were authorized by the RC(s), were provided by the vendor but the vendor failed to bill.

## ARC of Stanislaus County Response to Draft Report

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Certain documents provided by ARC of Stanislaus County as attachments to their response are not included in this report due to the detailed and confidential nature of information.

**Response to DDS Audit**  
**Arc of Stanislaus County dba Howard Training Center**  
**Audit Period: July and August 2006**



*Finding 1: Unsupported Staffing Ratio in Day Programs*

The DDS audit found a lack of supporting documentation for the required number of direct care staffing hours. The audit claims a shortage of 657.58 direct care staffing hours, totaling \$6,167.53 due back to DDS.

The Arc of Stanislaus believes that the number of unsupported direct care staffing hours is much lower. This discrepancy can be attributed to a miscommunication regarding the "labeling" of specific rooms/groups on the ratio sheets, and corresponding timecards from staff.

For the Behavior Management Program, Personal Achievement (PSA), Vendor number H15542 with a 1:3 staffing ratio, the total direct care hours required for the month of July was 714. The audit revealed a total of 558.5 hours provided. According to our findings, 719 hours of direct care staffing were provided.

During July and August of 2006, two programs (Skills and Personal Achievement, or PSA) were conducted in two of the buildings at HTC's main site, 1424 Stonum Rd. The Skills program had a total of 34 clients enrolled, and the Behavior Management Program had a total of 17. The ratio sheets denote six separate classrooms, labeled: Skills 1, Skills 2, Skills 3, Skills 4, BMP I, and BMP A, for both programs. What is not clear from these titles is that the classroom labeled Skills 3 was in fact a room used by the Behavior Management Program, (PSA) and at times, combined with the Skills Program. The ratio sheets show a ratio in this room of 1:3, and beginning on July 12, two separate ratios, 1:3 and 1:4. There were two staff in the room, one with three PSA clients, and one with four Skills clients. This classroom continued to function as a combination room throughout August of 2006 (see attached ratio sheets).

Note: The Audit worksheets refer to the Personal Achievement program as BMP, therefore, the following paragraphs will also reference it this way for ease of understanding.

July 2006: BMP (Personal Achievement) and Skills

The two staff members who worked in the Skills 3 classroom during July and August 2006 were [REDACTED] and [REDACTED]. A review of case notes shows that [REDACTED] was the BMP instructor during this time frame. In July, the audit worksheet shows that all of these staff members' hours were credited to the Skills program.

For the month of July, 126 hours should be credited to the BMP for [REDACTED] (see attached timecard). During the July 17<sup>th</sup> through 30<sup>th</sup> timeframe, the audit worksheet credits [REDACTED] with 70 hours. In fact, [REDACTED] only worked for 9 days in the BMP (9x7=63). The additional days on her time card were on weekends for another department. On July 24, ratio sheets confirm that staff member [REDACTED]



██████████ worked in Skills 3 for ██████████ who was on vacation. ██████████ hours on that day (7) should be moved from Skills to the BMP (see attached timecard).

The audit report also fails to properly credit the BMP program when staff member ██████████ worked during the July 17<sup>th</sup> through July 30<sup>th</sup> timeframe. During this period, ██████████ time card shows that she worked a total of 27.5 hours for the BMP (noted as PSA on her timecard). The audit worksheet shows that all 41.5 hours of her time for this period were credited to the Skills program. In fact, only 14.5 hours should be credited to Skills (see attached timecard).

The number of hours that were credited to Skills instead of the Personal Achievement program in July totaled 160.5. This brings the total number of direct care staffing hours for July to 719 for Personal Achievement, and 1,360.25 for Skills. The total number of required hours for Personal Achievement was 714, resulting in an overage of five hours. The total number of required direct care staffing hours for Skills was 1,375.50, resulting in a shortage of 15.25 hours. At an average salary of \$9.43, this results in \$143.80 due back to DDS.

August 2006: BMP (Personal Achievement) and Skills

For the month of August, 156 hours should be removed from Skills and credited to the BMP for staff member ██████████. An additional 21 hours of direct care staffing was provided by the exempt program manager, ██████████ on August 15<sup>th</sup>, 16<sup>th</sup> and 18<sup>th</sup>. This is evidenced by the ratio sheets and payroll records.

These changes leave the Skills program with a staffing overage of 23.25 hours, and the BMP (Personal Achievement) with an overage of 10.92 hours.

July 2006: Golden Opportunities

In July, the Golden Opportunities Program, vendor # HV0157, had 705.25 hours of required direct care staffing. The audit report shows that only 608.5 hours were provided. Our information shows that 639.5 hours of direct care staffing were provided.

During the July 3<sup>rd</sup> through 16<sup>th</sup> time period, staff member ██████████ was credited with 26 hours in GOP, however, her timecard shows that she worked a total of 31 hours in GOP July 10<sup>th</sup> through the 14<sup>th</sup>.

The staff who held positions such as Team Leader and Case Coordinator also filled in for instructors in July. ██████████ (Case Coordinator) traveled out to the site on July 7<sup>th</sup> (6.5 hours) to fill in at GOP as evidenced by the ratio sheet. ██████████ worked in GOP on July 25<sup>th</sup> (6.5 hours) as evidenced by the ratio sheet (attached). ██████████ worked on both July 19<sup>th</sup> and 24<sup>th</sup> for a total of 13 hours in GOP as shown on the ratio sheet (attached).

~~These corrections constitute an additional 31 hours of direct care staffing in the Golden Opportunities Program, reducing the shortage of hours to 65.75. The average salary was \$9.37/hr, equaling a total of \$616.07 due back to DDS.~~

July 2006: Community Integration Program

In July, the Community Integration Program (CIP) vendor # H29881, was required to provide a total of 1,150 hours of direct care staffing. The audit report found that only 1,083.5 hours were provided, creating a shortage of 66.5 hours. The audit worksheet referred to exempt staff member [REDACTED] working 11 hours for CIP during the July 3<sup>rd</sup> through 16<sup>th</sup> timeframe. Ratio sheets place [REDACTED] working in CIP for a total of three days, July 5<sup>th</sup>, 6<sup>th</sup>, and 7<sup>th</sup>, for a total of 18 hours (see attached ratio sheet). This brings the total direct care staffing hours to 1089.5, reducing the shortage to 60.5 hours. At an average wage of \$9.17 per hour, this equates to \$554.79 due back to DDS.

August 2006: Golden Opportunities Program

There are no discrepancies found in the August 2006 audit report or worksheet.

### Summary

#### July 2006

Program	Vendor #	Ratio	Over/(Under)	Amount Due
Personal Achievement	H15542 (515)	1:3	5.0 hours	0
Skills	H15542 (510)	1:4	(15.25) hours	\$143.80 <sup>02</sup>
Golden Opportunity	HV0157	1:4	(65.75) hours	\$616.07
Community Integration	H29188	1:3	(60.5) hours	\$554.79

#### August 2006

Program	Vendor #	Ratio	Over/(Under)	Amount Due
Personal Achievement	H15542 (515)	1:3	10.92 hours	0
Skills	H15542 (510)	1:4	23.25 hours	0
Golden Opportunity	HV0157	1:4	(172.75) hrs	\$1,618.67
Community Integration	H29188	1:3	94.25 hours	0

Finding 1: Total Due: \$2,933.33

There are no responses to Findings 2 & 3.

**THE DEPARTMENT OF DEVELOPMENTAL SERVICES' (DDS)  
EVALUATION OF  
ARC OF STANISLAUS COUNTY RESPONSE**

As part of the vendor audit report process, ARC of Stanislaus County (ARC) was afforded opportunity to respond to the draft audit report and provide a written response to each finding. Upon receipt of ARC of Stanislaus County's written response to the draft audit report, DDS evaluated the response and determined that ARC of Stanislaus County did not agree with Finding 1 but concurred with Findings 2 and 3.

**Finding 1:** Day Programs – Unsupported Staffing Ratio

In the response to the draft audit report, ARC believes that the number of unsupported direct care staffing hours is much lower due to miscommunications of the labeling of specific rooms/groups on the Ratio Sheets and on the time cards from the staff. ARC stated that the Skills 3 classroom, as shown in the Ratio Sheets, is not only for the Skills consumers but also for BMP consumers. As additional support for their contention, ARC Stanislaus submitted Case Notes and Scan Sheets as support.

DDS accepted the Ratio Sheets as a source document, because it showed the actual movements and count of consumers and direct care staff at the time direct care services were provided. The Ratio Sheets were further supported by Case Notes that showed the daily activities of the consumers and the names of the direct care staff who provided services to the consumers. Scan Sheets also had the signatures of the direct care staff assigned to those consumers that were also accepted as additional support.

Below is a detailed evaluation of the ARC's response to finding 1. Attachment E reflects the adjustments made based on DDS's evaluation of ARC's response and documentation provided.

July 2006: BMP (Personal Achievement) and Skills

ARC stated that the 126 direct care staffing hours of [REDACTED] the 7 hours of [REDACTED], and the 27.50 hours of [REDACTED] should be for Behavior Management Program (BMP/PSA) instead of Skills.

Based on the submitted documentations, DDS partially concurs with additional submissions of staff hours. For both [REDACTED] 126 hours and [REDACTED] s 7 hours, DDS concurs. However, only 25.50 hours instead of the 27.50 requested for [REDACTED] were allowed for BMP. This appears to be a miscount of hours by ARC.

The agreed upon changes increased the provided hours for BMP by 158.50 hours making the total provided hours to 717 and decreased the provided hours for Skills by 165.50 hours making the total provided hours to 1,355.25. Compared with the 714 required hours for BMP and 1,375.50 hours for Skills, it resulted in sufficient support for the BMP and an unsupported amount of 20.25 hours for the Skills program. At an average salary of \$9.43, this results in \$190.96 due back to DDS.

**THE DEPARTMENT OF DEVELOPMENTAL SERVICES' (DDS)  
EVALUATION OF  
ARC OF STANISLAUS COUNTY RESPONSE**

August 2006: BMP (Personal Achievement) and Skills

ARC stated that [REDACTED] 156.00 direct care staffing hours should be for Behavior Management Program (BMP/PSA), and an additional 21 hours for [REDACTED] should also be for BMP.

Based on the submitted documentations, DDS partially concurs with additional submissions of staff hours. For the 156.50 direct care hours of [REDACTED], DDS concurs. However, for the exempt staff [REDACTED], the Ratio Sheet shows only a total of 8 hours.

Consequently, this increased the provided hours for BMP by 164.50 hours making the total provided hours to 812.75 and decreased the provided hours for Skills by 156.50 hours making the total provided hours to 1,536.50. Compared with the 814.33 required hours for BMP and 1,513.75 hours for Skills, this resulted in under provided hours of 1.58 hours for BMP and sufficient hours for the Skills program. At an average salary of \$9.43, \$14.90 is due back DDS.

July 2006: Golden Opportunities Program

ARC stated that [REDACTED]'s direct care staffing hours for GOP should be 31, and the hours of Team Leaders and Case Coordinators should also be considered based on the Ratio Sheets submitted.

DDS partially concurs that the hours of [REDACTED] and [REDACTED] (Case Coordinators) be included. However, for [REDACTED] (Team Leader), her hours were already counted in the Community Integration Program. For [REDACTED] the hours were computed, and her time card shows only 24.50 hours. The additional 6.5 hours requested on 7/10/06 were not allowed due to the absence of any label identifying where the hours were provided.

This resulted in an additional 18 hours provided for the Golden Opportunities Program and reducing the under provided hours to 78.75 hours. These hours multiplied by the average salary of \$9.37 result in \$739.89 is due back to DDS.

July 2006: Community Integration Program

ARC stated that exempt staff Kathy Roudebush worked for 18 hours.

DDS does not concur. The actual staff time cards of [REDACTED] indicate that she was paid a total of 11 hours. DDS considers the employee's time card the best indicator of an employee's hours. Therefore, no changes to the provided hours will be made.

**THE DEPARTMENT OF DEVELOPMENTAL SERVICES' (DDS)  
EVALUATION OF  
ARC OF STANISLAUS COUNTY RESPONSE**

August 2006: Golden Opportunities Program

ARC of Stanislaus County indicated they had no disagreement with the calculations for this month.

**Findings 2 & 3:**

ARC of Stanislaus County provided no response to these two findings.

ARC of Stanislaus County  
Summary of Findings  
Audit Period: July 1, 2006 through June 30, 2007

Attachment E

Finding 1	Draft Report		Adjustments		Final Report		Unsupported Direct Care Service Hours G	Average Salary per Cost Statement H	Total I = G * H	Overpayment Amount
	July 2006 A	August 2006 B	July 2006 C	August 2006 D	July 2006 (A+C) E	August 2006 (B+D) F				
<b>H15542, SC 510 Adult Development Center (Skills)</b>										
Required Direct Hours	1,375.50	1,513.75	-		1,375.50	1,513.75				
Less: Provided Direct Hours	1,520.75	1,693.00	(165.50)	(156.50)	1,355.25	1,536.50				
Unsupported Hours	<u>Met Ratio</u>	<u>Met Ratio</u>			<u>20.25</u>	<u>Met Ratio</u>	20.25	\$ 9.43	\$ 190.96	
<b>H15542, SC 515 Behavior Management Program (BMP/PSA)</b>										
Required Direct Hours	714.00	814.33	-		714.00	814.33				
Less: Provided Direct Hours	558.50	648.25	158.50	164.50	717.00	812.75				
Unsupported Hours	<u>155.50</u>	<u>166.08</u>			<u>Met Ratio</u>	<u>1.58</u>	1.58	9.43	14.90	
<b>HV0157, SC 855 Adult Day Care (Golden Opportunities)</b>										
Required Direct Hours	705.25	832.00	-	-	705.25	832.00				
Less: Provided Direct Hours	608.50	659.25	18.00	-	626.50	659.25				
Unsupported Hours	<u>96.75</u>	<u>172.75</u>			<u>78.75</u>	<u>172.75</u>	251.50	9.37	2,356.56	
<b>H29188, SC 510 Adult Development Center (CIP)</b>										
Required Direct Hours	1,150.00	1,314.00	-	-	1,150.00	1,314.00				
Less: Provided Direct Hours	1,083.50	1,408.25	-	-	1,083.50	1,408.25				
Unsupported Hours	<u>66.50</u>	<u>Met Ratio</u>			<u>66.50</u>	<u>Met Ratio</u>	66.50	9.17	\$ 609.81	\$ 3,172.23
<b>Total Unsupported Staffing</b>							<u>339.83</u>			
<b>Findings 2 &amp; 3</b>							<b>Totals</b>	<b>Hourly Rate</b>		
<b>2 HVO204, SC 952 Supported Employment Program - Individual</b>										
<b>Total Unsupported Billing</b>	<u>9.00</u>	<u>2.00</u>	-	-	<u>9.00</u>	<u>2.00</u>	<u>11.00</u>	\$ 34.24		\$ 376.64
<b>3 H29188, SC 510 Adult Development Center (CIP)</b>										
Failure to Bill	-	1.00	-	-	-	1.00	1.00	\$ 64.79	\$ 64.79	
<b>HV0157, SC 855 Adult Day Care</b>										
Failure to Bill	11.00	-	-	-	11.00	-	11.00	\$ 52.29	575.19	
<b>Total Failure to Bill</b>	<u>11.00</u>	<u>1.00</u>			<u>11.00</u>	<u>1.00</u>	<u>12.00</u>		<u>\$ 639.98</u>	
<b>Total Amount Due - Final Report</b>										<b>\$ 3,548.87</b>