



**AUDIT OF THE
SAN ANDREAS REGIONAL CENTER
FOR FISCAL YEARS 2013-14 AND 2014-15**

Department of Developmental Services

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) conducted a fiscal compliance audit of San Andreas Regional Center (SARC) to ensure that SARC is compliant with the requirements set forth in the Lanterman Developmental Disabilities Services Act and Related Laws/Welfare and Institutions (W&I) Code; the Home and Community-Based Services (HCBS) Waiver for the Developmentally Disabled; California Code of Regulations (CCR), Title 17; Federal Office of Management and Budget (OMB) Circulars A-122 and A-133; and the contract with DDS. Overall, the audit indicated that SARC maintains accounting records and supporting documentation for transactions in an organized manner.

The audit period was July 1, 2013, through June 30, 2015, with follow-up, as needed, into prior and subsequent periods. This report identifies some areas where SARC's administrative and operational controls could be strengthened, but none of the findings were of a nature that would indicate systemic issues or constitute major concerns regarding SARC's operations. A follow-up review was performed to ensure SARC has taken corrective action to resolve the findings identified in the prior DDS audit report.

Findings that need to be addressed.

Finding 1: Negotiated Rate Above the Median Rate (Repeat)

The review of the prior DDS audit report revealed that SARC continues to reimburse Stepping Stones Center for Autistic Spectrum, Vendor Number HS0620, Service Code 115, above the median rate. SARC continued to reimburse Stepping Stones Center for Autistic Spectrum at a rate of \$95.00 per hour, when the median rate was \$47.50. This occurred because SARC did not amend its rate to comply with the median rate, as it stated in its response to the prior audit report, which resulted in overpayments of \$26,148.75 for the current audit period. This is not in compliance with W&I Code, Section 4691.9(a)(2).

In addition, the current review revealed that Helping Hands Residential, Vendor Number HS0668, Service Code 109, Sub Code DAY was reimbursed at a rate of \$71.80 per day, when the median rate ranged from \$54.53 per day to \$56.95 per day. This resulted in an overpayment of \$56,943.92 from July 2009 through June 2015. This is not in compliance with W&I Code, Section 4691.9(a)(2).

The total overpayment for the two vendors amounts to \$83,092.67.

Finding 2: Overstated Claims

The review of 130 sampled Purchase of Service (POS) vendor files and the Uniform Fiscal Systems (UFS) Indicator Reports revealed SARC over-claimed expenses to the State. Two vendors had duplicate payments and overlapping authorizations totaling \$7,134.21. This is not in compliance with CCR, Title 17, Section 54326(a)(10) and (12).

SARC has taken corrective action to resolve this issue by collecting overpayments totaling \$7,134.21 from the two vendors.

Finding 3: Unsupported Credit Card Expenditures (Repeat)

The review of the credit card statements revealed that SARC's credit card purchases continue to have either missing receipts or insufficient documentation to detail the items purchased. This resulted in 52 unsupported credit card expenditures totaling \$5,452.82.

This issue was identified in the prior audit report. SARC has since resolved the overpayment totaling \$7,645.51 identified during the prior audit by reimbursing DDS. Although SARC updated its credit card policy to require detailed receipts to be submitted timely, its credit card holders continue to have missing or insufficient documentation detailing the items purchased. This is not in compliance with the State Contract, Article IV, Section 3(a) and (b) and SARC's Company Credit Card Use Policy.

Finding 4: Client Trust Disbursements Not Supported (Repeat)

The review of SARC's money management disbursements revealed that SARC has not retained receipts for money management disbursement checks issued to consumers. This issue was identified in the two prior DDS audit reports. The current review revealed three disbursements totaling \$1,039.40 and 28 disbursements from the prior audit reports, totaling \$14,273.04, that remain outstanding. The total unsupported money management disbursements from the two prior audits and current audit totaled \$15,312.44. This is not in compliance with SARC Procedures for List of Disbursements Waiting for Receipt (D) and the Social Security Handbook, Chapter 16, Section 1616(d).

SARC provided documentation to support \$15,312.44 in money management disbursements.

Finding 5: Improper Allocation of Community Placement Plan Funds (Repeat)

The review of SARC's Community Placement Plan (CPP) expenditures revealed that SARC continues to improperly allocate CPP expenditures. This issue was identified in the prior DDS audit report. SARC did not take corrective action to reallocate the \$97,914.41 in expenses identified in the prior audit report. The current review revealed expenses totaling \$6,249.66 for Unique Consumer Identification (UCI) Number [REDACTED] were allocated to CPP after the end of the initial fiscal year of placement. In addition, the current review had revealed that expenses totaling \$104,022.57 for eight consumers were improperly allocated to CPP. The total dollar amount from the improper allocation of CPP funds, from both prior and current audits, is \$208,186.64. This is not in compliance with the Guidelines for Regional Center's (RC) CPP (III)(A) and State Contract, Exhibit E.

SARC has taken corrective action by reallocating the expenses totaling \$101,317.79 to the correct funding sources, but did not reallocate the remaining \$106,868.85 since it is from closed fiscal years.

Finding 6: Family Cost Participation Program (FCPP) - Late Assessments

The sampled review of the 23 FCPP consumer assessments revealed SARC did not assess one family's share of cost at the maximum amount when the parents failed to provide income documentation within 10 working days from the date of the parents' signatures on the Individual Placement Program (IPP). As a result, SARC overpaid its share of cost for consumer UCI Number [REDACTED] by \$4,834.78 because the assessment was completed more than a year after the signing of the IPP. This is not in compliance with W&I Code, Section 4783(g)(1) and (4) and CCR, Title 17, Section 50261.

Finding 7: Equipment Inventory

A. Missing Equipment (Repeat)

The review of 50 sampled items from the Equipment Inventory listing showed three items that could not be located. This issue was identified in the prior audit report. This is not in compliance with the State Contract, Article IV, Section 4(a).

B. Equipment Not State Tagged

The review of 50 sampled items from the Equipment Inventory listing showed that SARC tagged four pieces of sensitive equipment with its own tags, instead of using State-issued tags. This is not in compliance with

SARC's Inventory Control Procedures, State Contract, Article IV, Section 4(a) and the State's Equipment Management System Guidelines, Section III(c).

C. Equipment Acquired Under Contract Forms (DS 2130) Not Used

The review of 50 sampled items from the Equipment Inventory listing revealed that SARC has not been completing the required Equipment Acquired Contract Form (DS 2130) for newly acquired equipment. This is not in compliance with the State's Equipment Management System Guidelines, Section III(B).

Finding 8: Segregation of Duties

The review of SARC's internal control procedures for payroll revealed a lack of segregation of duties over the payroll and personnel functions. The Human Resources Director indicated the Payroll Coordinator is responsible for personnel functions by entering pay rate changes in the payroll system and also performing payroll functions by processing payroll. The payroll and personnel functions should be performed by different individuals to ensure adequate segregation between the two areas. By implementing this separation of duties, SARC strengthens the controls for accurate payroll and decreases the risk of the Payroll Coordinator to perpetuate fraudulent activity.

Finding 9: Documentation Not Retained

A. Service Coordinator Caseload Ratio

SARC did not maintain documentation to support its service coordinator caseload ratios reported to DDS. This is not in compliance with the State Contract, Article IV, Section 3(a) and the DDS Service Coordinator Caseload Survey Instructions, Paragraph 5.

B. Administrative Cost Cap

SARC did not maintain documentation indicating that a review of its administrative expenses was completed to ensure it did not exceed the 15 percent administrative cost cap. This is not in compliance with W&I Code, Section 4629.7(b), State Contract, Article III, Section 2(i) and Article IV, Section 3(a).

Finding 10: Lack of Annual Notification of the Whistleblower Policy

A review of the consumer files and discussions with SARC staff revealed consumers/families and the vendor community are not notified of the

Whistleblower policies annually. This is not in compliance with State Contract, Article I, Sections 18(b)(6) and (c).

Finding 11: Policies and Procedures for Vendor Audits and Reviews

SARC has no procedures in place to follow up with vendors who are required to, but have not, submitted an audit report or review. The review of SARC's list of 186 vendors who were required to contract with an independent accounting firm for an audit or review of its financial statements revealed that 149 vendors did not submit an audit or review within 30 days after completion. This is not in compliance with W&I Code Section 4652.5(a)(1)(A)(B) and (b).

Finding 12: Lack of Medi-Cal Reimbursement Procedures

During a vendor audit of CHI, Vendor Number HH0937, Service Code 700, it was identified that a total of \$87,780 was approved for Medi-Cal reimbursement after the Treatment of Authorization Request (TAR) was approved for a SARC consumer. SARC was reimbursed, but a follow-up review at SARC found that it does not have procedures in place to determine whether vendors have billed for Medi-Cal reimbursements for consumers who are Medi-Cal eligible. SARC has no knowledge of insurance and Medi-Cal approvals or denials, unless notified by the vendors. In addition, SARC is not aware of the amounts that should be reimbursed by the vendor through insurance or Medi-Cal and has DDS pay the full amount to the vendor. This is not in compliance with W&I Code, Section 4659(a)(1) and (2).

Finding 13: Home and Community-Based Services Provider Agreement Forms

The sampled review of 123 POS vendor files revealed six HCBS Provider Agreement Forms were missing or not properly completed. This is not in compliance with CCR, Title 17, Sections 54326(a)(16) and 54332(a)(8).

SARC has taken corrective action to resolve this issue by providing the HCBS Provider Agreement forms for five vendors. SARC remains with one missing form.

Finding 14: Missing Vendor Applications and Applicant/Vendor Disclosure Statements

The sampled review of 123 POS vendor files revealed SARC did not have the Vendor Applications (DS 1890) and Applicant/Vendor Disclosure Statement (DS 1891) forms on file. Five vendor files were missing the DS 1890 and 49 vendor files were missing the DS 1891 forms. This is not

in compliance with CCR, Title 17, Sections 54310(a), 54332(a)(1) and 54311(b) and (c).

SARC has taken corrective action to resolve this issue by providing four DS 1890s and 44 DS 1891s. SARC remains with one DS 1890 and five DS 1891s missing.

Findings that have been addressed and corrected.

Finding 15: Deceased Consumers

A. Services Claimed for Deceased Consumers

The sampled review of payments for 24 deceased consumers revealed four consumers had payments for services after the consumer's date of death. The total overpayment amount was \$1,095.49. This is not in compliance with Title 17, Section 54326(a)(10) and SARC's policies and procedures.

SARC has taken corrective action to resolve this issue by collecting the funds from the vendors.

B. Multiple Dates of Death

The review of the UFS Death Report identified that five of the 24 sampled consumers had multiple dates of death recorded. In addition, there were three consumers with dates of deaths recorded in UFS that did not agree with the death certificate. This is not in compliance with State Contract, Article IV, Section 1(c)(1)(a).

SARC has taken corrective action to resolve this issue by researching the correct date of death for each consumer and updating the consumers' actual date of death in UFS.

BACKGROUND

DDS is responsible, under the Lanterman Developmental Disabilities Services Act (Lanterman Act), for ensuring that persons with developmental disabilities (DD) receive the services and supports they need to lead more independent, productive, and integrated lives. To ensure that these services and supports are available, DDS contracts with 21 private, nonprofit community agencies/corporations that provide fixed points of contact in the community for serving eligible individuals with DD and their families in California. These fixed points of contact are referred to as regional centers (RCs). The RCs are responsible under State law to help ensure that such persons receive access to the programs and services that are best suited to them throughout their lifetime.

DDS is also responsible for providing assurance to the Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), that services billed under California's HCBS Waiver program are provided and that criteria set forth for receiving funds have been met. As part of DDS' program for providing this assurance, the Audit Section conducts fiscal compliance audits of each RC no less than every two years, and completes follow-up reviews in alternate years. Also, DDS requires RCs to contract with independent Certified Public Accountants (CPAs) to conduct an annual financial statement audit. The DDS audit is designed to wrap around the independent CPA's audit to ensure comprehensive financial accountability.

In addition to the fiscal compliance audit, each RC will also be monitored by the DDS Federal Programs Operations Section to assess overall programmatic compliance with HCBS Waiver requirements. The HCBS Waiver compliance monitoring review has its own criteria and processes. These audits and program reviews are an essential part of an overall DDS monitoring system that provides information on RCs' fiscal, administrative, and program operations.

DDS and San Andreas Regional Center Inc., entered into State Contract HD099016, effective July 1, 2009, through June 30, 2016. This contract specifies that San Andreas Regional Center, Inc. will operate an agency known as the SARC to provide services to individuals with DD and their families in Monterey, San Benito, Santa Clara and Santa Cruz Counties. The contract is funded by State and federal funds that are dependent upon SARC performing certain tasks, providing services to eligible consumers and submitting billings to DDS.

This audit was conducted at SARC from August 17, 2015, through September 18, 2015, by the Audit Section of DDS.

AUTHORITY

The audit was conducted under the authority of California's W&I Code, Section 4780.5 and Article IV, Section 3 of the State Contract.

CRITERIA

The following criteria were used for this audit:

- W&I Code,
- "Approved Application for the HCBS Waiver for the Developmentally Disabled,"
- CCR, Title 17,
- OMB Circulars A-122 and A-133, and
- The State Contract between DDS and SARC, effective July 1, 2009.

AUDIT PERIOD

The audit period was July 1, 2013, through June 30, 2015, with follow-up, as needed, into prior and subsequent periods.

OBJECTIVES, SCOPE, AND METHODOLOGY

This audit was conducted as part of the overall DDS monitoring system that provides information on RCs' fiscal, administrative, and program operations. The objectives of this audit were:

- To determine compliance with the W&I Code,
- To determine compliance with CCR, Title 17 regulations,
- To determine compliance with the provisions of the HCBS Waiver Program for the Developmentally Disabled,
- To determine compliance with OMB Circulars A-122 and A-133, and
- To determine that costs claimed were in compliance with the provisions of the State Contract between DDS and SARC.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of SARC's financial statements. DDS limited the scope to planning and performing audit procedures necessary to obtain reasonable assurance that SARC was in compliance with the objectives identified above. Accordingly, DDS examined transactions on a test basis to determine whether SARC was in compliance with the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17; OMB Circulars A-122 and A-133; and the State Contract between DDS and SARC.

DDS' review of SARC's internal control structure was conducted to gain an understanding of the transaction flow and the policies and procedures, as necessary, to develop appropriate auditing procedures.

DDS reviewed the annual audit report that was conducted by an independent CPA firm for FY 2013-14, issued on December 15, 2014. It was noted that a management letter was issued for SARC. This review was performed to determine the impact, if any, upon the DDS audit and, as necessary, develop appropriate audit procedures.

The audit procedures performed included the following:

I. Purchase of Service

DDS selected a sample of Purchase of Service (POS) claims billed to DDS. The sample included consumer services and vendor rates. The sample also included consumers who were eligible for the HCBS Waiver Program. For POS claims, the following procedures were performed:

- DDS tested the sample items to determine if the payments made to service providers were properly claimed and could be supported by appropriate documentation.
- DDS selected a sample of invoices for service providers with daily and hourly rates, standard monthly rates, and mileage rates to determine if supporting attendance documentation was maintained by SARC. The rates charged for the services provided to individual consumers were reviewed to ensure compliance with the provision of the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17, OMB Circulars A-122 and A-133; and the State Contract between DDS and SARC.
- DDS selected a sample of individual Consumer Trust Accounts to determine if there were any unusual activities and whether any account balances exceeded \$2,000, as prohibited by the Social Security Administration. In addition, DDS determined if any retroactive Social Security benefit payments received exceeded the \$2,000 resource limit for longer than nine months. DDS also reviewed these accounts to ensure that the interest earnings were distributed quarterly, personal and incidental funds were paid before the 10th of each month, and proper documentation for expenditures was maintained.
- The Client Trust Holding Account, an account used to hold unidentified consumer trust funds, was tested to determine whether funds received were properly identified to a consumer or returned to the Social Security Administration in a timely manner. An interview with SARC staff revealed that SARC has procedures in place to determine the correct recipient of unidentified consumer trust funds. If the correct recipient cannot be determined, the funds are returned to the Social Security Administration, or other sources, in a timely manner.
- DDS selected a sample of Uniform Fiscal Systems (UFS) reconciliations to determine if any accounts were out of balance or if there were any outstanding items that were not reconciled.
- DDS analyzed all of SARC's bank accounts to determine whether DDS had signatory authority, as required by the State contract with DDS.

- DDS selected a sample of bank reconciliations for Operations (OPS) accounts and Consumer Trust bank accounts to determine if the reconciliations were properly completed on a monthly basis.

II. Regional Center Operations

DDS selected a sample of OPS claims billed to DDS to determine compliance with the State Contract. The sample included various expenditures claimed for administration that were reviewed to ensure SARC's accounting staff properly input data, transactions were recorded on a timely basis, and expenditures charged to various operating areas were valid and reasonable. The following procedures were performed:

- A sample of the personnel files, timesheets, payroll ledgers, and other support documents were selected to determine if there were any overpayments or errors in the payroll or the payroll deductions.
- A sample of OPS expenses, including, but not limited to, purchases of office supplies, consultant contracts, insurance expenses, and lease agreements were tested to determine compliance with CCR, Title 17, and the State Contract.
- A sample of equipment was selected and physically inspected to determine compliance with requirements of the State Contract.
- DDS reviewed SARC's policies and procedures for compliance with the DDS Conflict of Interest regulations, and DDS selected a sample of personnel files to determine if the policies and procedures were followed.

III. Targeted Case Management (TCM) and Regional Center Rate Study

The TCM Rate Study determines the DDS rate of reimbursement from the federal government. The following procedure was performed upon the study:

- Reviewed applicable TCM records and SARC's Rate Studies. DDS examined the months of May 2014 and May 2015, and traced the reported information to source documents.

The last Case Management Time Study, performed in May 2013, was reviewed in the prior DDS audit that included FY 2012-13. As a result, there was no Case Management Time Study to review for this audit period.

IV. Service Coordinator Caseload Survey

Under W&I Code, Section 4640.6(e), RCs are required to provide service coordinator caseload data to DDS. The following average service coordinator-to-consumer ratios apply per W&I Code Section 4640.6(c):

“(c) Contracts between the department and regional centers shall require regional centers to have service coordinator-to-consumer ratios, as follows:

- (1) An average service coordinator-to-consumer ratio of 1 to 62 for all consumers who have not moved from the developmental centers to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 79 consumers for more than 60 days.
- (2) An average service coordinator-to-consumer ratio of 1 to 45 for all consumers who have moved from a developmental center to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 59 consumers for more than 60 days.
- (3) Commencing January 1, 2004, the following coordinator-to-consumer ratios shall apply:
 - (A) All consumers three years of age and younger and for consumers enrolled in the Home and Community-based Services Waiver program for persons with developmental disabilities, an average service coordinator-to-consumer ratio of 1 to 62.
 - (B) All consumers who have moved from a developmental center to the community since April 14, 1993, and have lived continuously in the community for at least 12 months, an average service coordinator-to-consumer ratio of 1 to 62.
 - (C) All consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not described in sub-paragraph (A), an average service coordinator-to-consumer ratio of 1 to 66.”

DDS also reviewed the Service Coordinator Caseload Survey methodology used in calculating the caseload ratios to determine reasonableness and that supporting documentation is maintained to support the survey and the ratios as required by W&I Code, Section 4640.6(e).

V. Early Intervention Program (Part C Funding)

For the Early Intervention Program, there are several sections contained in the Early Start Plan. However, only the Part C section was applicable for this review.

For this program, DDS reviewed the Early Intervention Program, including the Early Start Plan and Federal Part C funding to determine if the funds were properly accounted for in SARC's accounting records.

VI. Family Cost Participation Program (FCPP)

The FCPP was created for the purpose of assessing consumer costs to parents based on income level and dependents. The family cost participation assessments are only applied to respite, day care, and camping services that are included in the child's Individual Program Plan (IPP)/Individualized Family Services Plan (IFSP). To determine whether SARC was in compliance with CCR, Title 17, and the W&I Code, DDS performed the following procedures during the audit review:

- Reviewed the list of consumers who received respite, day care, and camping services, for ages 0 through 17 years who live with their parents and are not Medi-Cal eligible, to determine their contribution for the FCPP.
- Reviewed the parents' income documentation to verify their level of participation based on the FCPP Schedule.
- Reviewed copies of the notification letters to verify that the parents were notified of their assessed cost participation within 10 working days of receipt of the parents' income documentation.
- Reviewed vendor payments to verify that SARC was paying for only its assessed share of cost.

VII. Annual Family Program Fee (AFPF)

The AFPF was created for the purpose of assessing an annual fee of up to \$200 based on income level of families with children between the ages of 0 through 17 years receiving qualifying services through the RC. The AFPF fee shall not be assessed or collected if the child receives only respite, day care, or camping services from the RC and a cost for participation was assessed to the parents under FCPP. To determine whether SARC was in compliance with the W&I Code, DDS requested a list of AFPF assessments and verified the following:

- The adjusted gross family income is at or above 400 percent of the Federal poverty level based upon family size.
- The child has a DD or is eligible for services under the California Early Intervention Services Act.
- The child is less than 18 years of age and lives with his or her parent.

- The child or family receives services beyond eligibility determination, needs assessment, and service coordination.
- The child does not receive services through the Medi-Cal program.
- Documentation was maintained by the RC center to support reduced assessments.

VIII. Parental Fee Program (PFP)

The PFP was created for the purpose of prescribing financial responsibility to parents of children under the age of 18 years who are receiving 24-hour out-of-home care services through a RC or who are residents of a state hospital or on leave from a state hospital. Parents shall be required to pay a fee depending upon their ability to pay, but not to exceed (1) the cost of caring for a child without a DD at home, as determined by the Director of DDS, or (2) the cost of services provided, whichever is less. To determine whether SARC is in compliance with the W&I Code, DDS requested a list of PFP assessments and verified the following:

- Identified all children with DD who are receiving the following services:
 - (a) All 24-hour out-of-home community care received through an RC for children under the age of 18 years;
 - (b) 24-hour care for such minor children in state hospitals. Provided, however, that no ability to pay determination shall be made for services required by state or federal law, or both, to be provided to children without charge to their parents.
- Provided DDS with a listing of new placements, terminated cases, and client deaths for those clients. Such listings shall be provided not later than the 20th day of the month following the month of such occurrence.
- Informed parents of children who will be receiving services that DDS is required to determine parents' ability to pay and to assess, bill, and collect parental fees.
- Within 10 working days after placement of a minor child, provide the parents a package containing an informational letter, a Family Financial Statement (FFS), and a return envelope.
- A copy of each informational letter given or sent to parents, indicating the addressee and the date given or mailed, shall be submitted to DDS.

IX. Procurement

The Request for Proposal (RFP) process was implemented to ensure RCs outline the vendor selection process when using the RFP process to address consumer service needs. As of January 1, 2011, DDS requires RCs to document their contracting practices, as well as how particular vendors are selected to provide consumer services. By implementing a procurement process, RCs will ensure that the most cost-effective service providers, amongst comparable service providers, are selected, as required by the Lanterman Act and the State Contract, as amended. To determine whether SARC implemented the required RFP process, DDS performed the following procedures during the audit review:

- Reviewed the SARC contracting process to ensure the existence of a Board-approved procurement policy and to verify that the RFP process ensures competitive bidding, as required by Article II of the State Contract, as amended.
- Reviewed the RFP contracting policy to determine whether the protocols in place included applicable dollar thresholds and comply with Article II of the State Contract, as amended.
- Reviewed the RFP notification process to verify that it is open to the public and clearly communicated to all vendors. All submitted proposals are evaluated by a team of individuals to determine whether proposals are properly documented, recorded, and authorized by appropriate officials at SARC. The process was reviewed to ensure that the vendor selection process is transparent and impartial and avoids the appearance of favoritism. Additionally, DDS verified that supporting documentation is retained for the selection process and, in instances where a vendor with a higher bid is selected, there is written documentation retained as justification for such a selection.

DDS performed the following procedures to determine compliance with Article II of the State Contract for contracts in place as of January 1, 2011.

- Selected a sample of Operations, Community Placement Plan (CPP), and negotiated POS contracts subject to competitive bidding to ensure SARC notified the vendor community and the public of contracting opportunities available.
- Reviewed the contracts to ensure that SARC has adequate and detailed documentation for the selection and evaluation process of vendor proposals and written justification for final vendor selection decisions and that those contracts were properly signed and executed by both parties to the contract.

In addition, DDS performed the following procedures:

- To determine compliance with the W&I Code, Section 4625.5 for contracts in place as of March 24, 2011: Reviewed to ensure SARC has a written policy requiring the Board to review and approve any of its contracts of two hundred fifty thousand dollars (\$250,000) or more before entering into a contract with the vendor.
- Reviewed SARC Board-approved Operations, Start-Up, and POS vendor contracts of \$250,000 or more, to ensure the inclusion of a provision for fair and equitable recoupment of funds for vendors that cease to provide services to consumers; verified that the funds provided were specifically used to establish new or additional services to consumers, the usage of funds is of direct benefit to consumers, and the contracts are supported with sufficiently detailed and measurable performance expectations and results.

The process above was conducted in order to assess SARC's current RFP process and Board approval of contracts over \$250,000 or more, as well as to determine whether the process in place satisfies the W&I Code and SARC's State Contract requirements, as amended.

X. Statewide/Regional Center Median Rates

The Statewide and RC Median Rates were implemented on July 1, 2008, and amended on December 15, 2011, to ensure that RCs are not negotiating rates higher than the set median rates for services. Despite the median rate requirement, rate increases could be obtained from DDS under health and safety exemptions where RCs demonstrate the exemption is necessary for the health and safety of the consumers.

To determine whether SARC was in compliance with the Lanterman Act, DDS performed the following procedures during the audit review:

- Reviewed sample vendor files to determine whether SARC is using appropriately vendorized service providers and correct service codes, and that SARC is paying authorized contract rates and complying with the median rate requirements of W&I Code, Section 4691.9.
- Reviewed vendor contracts to ensure that SARC is reimbursing vendors using authorized contract median rates and verified that rates paid represented the lower of the statewide or RC median rate set after June 30, 2008. Additionally, DDS verified that providers vendorized before June 30, 2008, did not receive any unauthorized rate increases, except in situations where required by regulation, or health and safety exemptions were granted by DDS.

- Reviewed vendor contracts to ensure that SARC did not negotiate rates with new service providers for services, which are higher than the RC's median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower. DDS also ensured units of service designations conformed with existing RC designations or, if none exists, ensured that units of service conformed to a designation used to calculate the statewide median rate for the same service code.

XI. Other Sources of Funding from DDS

RCs may receive other sources of funding from DDS. DDS performed sample tests on identified sources of funds from DDS to ensure SARC's accounting staff were inputting data properly, and that transactions were properly recorded and claimed. In addition, tests were performed to determine if the expenditures were reasonable and supported by documentation. The sources of funding from DDS identified in this audit are:

- Start-Up Funds.
- CPP.
- Denti-Cal.
- Part C – Early Start Program.
- First Five.
- Foster Grandparent (FGP).
- Senior Companion (SC).

XII. Follow-up Review on Prior DDS Audit Findings

As an essential part of the overall DDS monitoring system, a follow-up review of the prior DDS audit findings was conducted. DDS identified prior audit findings that were reported to SARC and reviewed supporting documentation to determine the degree of completeness of SARC's implementation of corrective actions.

CONCLUSIONS

Based upon the audit procedures performed, DDS has determined that except for the items identified in the Findings and Recommendations section, SARC was in compliance with applicable sections of the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17; OMB Circulars A-122 and A-133; and the State Contract between DDS for the audit period, July 1, 2013, through June 30, 2015.

The costs claimed during the audit period were for program purposes and adequately supported.

From the review of prior audit issues, it has been determined that SARC has taken appropriate corrective action to resolve five out of 10 prior audit issues.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on June 23, 2017. The findings in the draft audit report were discussed at a formal exit conference with SARC on July 10, 2017. The views of the responsible officials are included in this audit report.

RESTRICTED USE

This audit report is solely for the information and use of DDS, HHS, Department of Health Care Services, CMS, and SARC. This restriction does not limit distribution of this audit report, which is a matter of public record.

FINDINGS AND RECOMMENDATIONS

Findings that need to be addressed.

Finding 1: Negotiated Rate Above the Median Rate (Repeat)

The review of 123 sampled POS vendor files and the prior audit report revealed that SARC reimbursed two vendors, Stepping Stones Center for Autistic Spectrum, Vendor Number HS0620, Service Code 115, and Helping Hands Residential, Vendor Number HS0668, Service Code 109, Sub Code Day, above the median rate implemented July 1, 2008.

The review of the prior audit report revealed SARC continued to reimburse Stepping Stones Center for Autistic Spectrum at a rate of \$95 per hour, when the median rate is \$47.50 per hour. Although SARC resolved the overpayment of \$169,080.91 identified in the prior audit report, it did not adjust Stepping Stones Center for Autistic Spectrum's rate to the median rate. This resulted in overpayments totaling \$26,148.75 from July 2013 through April 2014, when SARC ceased utilizing the vendor. (See Attachment A1-A3)

In addition, the current review revealed Helping Hands Residential was reimbursed at a rate of \$71.80 per day, when the median rate ranged from \$54.53 per day to \$56.95 per day. This resulted in an overpayment of \$56,943.92 from July 2009 through June 2015. (See Attachment A3-A8)

W&I Code, Section 4691.9(a)(2) states in part:

- (a) "Notwithstanding any other provision of the law or regulation, commencing July 1, 2008:
 - (2) A regional center shall not negotiate a rate with a new service provider, for services where rates are determined through a negotiation between the regional center and the provider, that is higher than the regional center's median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower."

Recommendation:

SARC must reimburse DDS the overpayment totaling \$83,092.67. In addition, SARC must comply with W&I Code, Section 4691.9 and ensure

that all rates negotiated after June 30, 2008, are either equal to, or below the median rate.

Finding 2: Overstated Claims

The review of 130 sampled POS vendor files and the UFS Indicator Reports revealed SARC over-claimed expenses to the State. Two vendors, Apollo Adult Behavior, Vendor Number HS0135, Service Code 880, and Social Vocational Services, Vendor Number HS0915, Service Codes 880 and 110, had duplicate payments and overlapping authorizations. This resulted in overpayments totaling \$7,134.21. (See Attachment B)

CCR, Title 17, Section 54326(a)(10) and (12) states:

“All vendors shall . . .

- (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center...
- (12) Agree to accept the rate established, revised or adjusted by the Department as payment in full for all authorized services provided to consumers.”

SARC has taken corrective action and collected the overpayments totaling \$7,134.21 from the two vendors.

Recommendation:

SARC must issue a check to DDS for the overpayments totaling \$7,134.21 that are from closed fiscal years. In addition, SARC must ensure that staff monitor the UFS Indicator Reports to efficiently detect duplicate payments and correct any payment errors that may have occurred in the course of doing business with the vendors.

Finding 3: Unsupported Credit Card Expenditures (Repeat)

The review of the credit card statements revealed SARC's credit card purchases continue to have either missing receipts or insufficient documentation to detail the items purchased. This resulted in 52 unsupported credit card expenditures totaling \$5,452.82. (See Attachment C)

This issue was identified in the prior audit report. SARC resolved the overpayments totaling \$7,645.51 identified in the prior audit report and

developed a new credit card policy. However, SARC has not consistently implemented their new credit card procedures to ensure receipts are not missing and that detailed receipts are present to support all credit card purchases as stated in their prior response.

State Contract, Article IV, Section 3(a) and (b) states:

“Contractor shall keep records, as follows:

- (a) The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract . . .
- (b) The Contractor shall make available at the office of the Contractor at any time during the terms of this agreement during normal working hours, and for a period of three years after final payment under this annual contract, any of its records (personnel records excepted) for the inspection, audit, examination or reproduction by an authorized representative of the State, federal auditor, the State Auditor of the State of California, or any other appropriate State agency, which shall be conducted with the minimum amount of disruption to Contractor’s program.”

SARC’s Company Credit Card Use Policy states:

“Policy Statements

- Detailed receipts must be submitted in a timely manner for all charges made on the card.”

Recommendation:

SARC must reimburse DDS \$5,452.82 of unsupported credit card expenditures. In addition, SARC must enforce the State Contract, Article IV, Section 3(a) and (b) and its credit card policy and require employees to submit detailed receipts for items purchased.

Finding 4: Client Trust Disbursements Not Supported (Repeat)

The review of SARC’s money management disbursements revealed that SARC has not retained receipts for money management disbursement checks. This issue was identified in the last two DDS audit reports. SARC did not follow through with DDS’ recommendation to reimburse the \$14,273.04, stating that by reimbursing the consumers’ trust account it

could put the consumers over the \$2,000 resource limit and at risk of losing their benefits. SARC has been sending follow-up letters requesting money from those vendors that fail to submit receipts, but has been unsuccessful in the recovery of those funds.

The current review found that SARC did not retain receipts for money management disbursement checks for three disbursements totaling \$1,039.40. The unsupported money management disbursements from the two prior audits and current audit totaled \$15,312.44. (See Attachment D)

SARC Procedures for List of Disbursements Waiting for Receipt (D) states:

“If receipts are not submitted by the payee after the deadline specified on the second request, the Fiscal Supervisor in consultation with the SC shall send a final notice. This notice may include a request for a refund for purchases that are not supported by receipts.”

Social Security Handbook, Chapter 16, Section 1616(d) states:

“The responsibilities of a representative payee are to:

- (d) Keep written records of all payments received from SSA along with receipts to show how funds were spent and/or saved on behalf of the beneficiary.”

SARC provided documentation to support \$15,312.44 in money management disbursements.

Recommendation:

SARC must follow its newly revised Check Disbursement Policy for Client Trust to ensure money management disbursements are supported. As the representative payee, SARC must ensure all its vendors are aware that receipts to support the client trust money management disbursements must be submitted to SARC, and request reimbursement from vendors who do not comply. This will ensure all money management checks disbursed to the vendors are reviewed and that the expenditures were spent for the consumers' benefit.

Finding 5: Improper Allocation of Community Placement Plan Funds (Repeat)

The review of SARC's CPP expenditures revealed that SARC continues to improperly allocate CPP expenditures. In its response to the prior DDS audit report, SARC stated that it made revisions to the CPP claims and

instructed CPP staff to use sub-codes when submitting POS requests to ensure that claims are allocated to the appropriate funding source and FY. However, documentation was not provided to verify revisions were made for improperly allocating \$14,620.06 in expenses for UCI Number [REDACTED] to CPP, and for claiming \$83,294.35 of CPP expenditures for UCI Numbers [REDACTED] and [REDACTED] to non-CPP POS funds.

The current review revealed expenses totaling \$6,249.66 for UCI Number [REDACTED] were allocated to CPP after the end of the initial fiscal year of placement, and that expenses for eight consumers totaling \$104,022.57 were incorrectly allocated to CPP, for consumers not moving out of a developmental center. This occurred because SARC did not review the claims and was not following its newly developed procedures to ensure that claims are allocated to the appropriate funding source and FY. The total improper allocation of CPP funds from both prior and current audits totaled \$208,186.64. (See Attachment E)

Guidelines for Regional Center Community Placement Plan (III)(A) states in part:

“Placement funding will be allocated based on claims associated with reconciled CPP placements that occur during each FY. As part of the POS claims review process, the Department may periodically request verification of consumers who have transitioned to the community and their associated costs.”

State Contract, Exhibit E states, in relevant part:

“Contractor shall use funds allocated for the regional center’s approved Community Placement Plan only for the purposes allocated and in compliance with the State’s Community Placement Plan and Housing Guidelines.”

SARC has taken corrective action by reallocating the expenses totaling \$101,317.79 to the correct funding sources, but did not reallocate the remaining \$106,868.85 since it is from closed fiscal years.

Recommendation:

SARC must review the CPP claims to ensure consumers’ expenditures are allocated to proper funding sources before claims are made to DDS.

Finding 6: Family Cost Participation Program - Late Assessments

The sampled review of the 23 FCPP consumer assessments revealed SARC did not assess one family’s share of cost at the maximum amount

when the parents failed to provide income documentation within 10 working days from the date of the parents' signatures on the IPP. The assessment was completed more than a year after the signing of the IPP due to SARC delaying the assessment until it received the families' income documentation. As a result, SARC overpaid its share of cost for consumer UCI Number [REDACTED] by \$4,834.78. (See Attachment F)

W&I Code, Section 4783(g)(1) and (4) states in relevant part:

“(g) Family cost participation assessments or reassessments shall be conducted as follows:

(1)(A) A regional center shall assess the cost participation for all parents of current consumers who meet the criteria specified in this section. A regional center shall use the most recent individual program plan or individualized family service plan for this purpose.

(B) A regional center shall assess the cost participation for parents of newly identified consumers at the time of the initial individual program plan or the individualized family service plan.

(C) Reassessments for cost participation shall be conducted as part of the individual program plan or individual family service plan review....

(4) Parents who have not provided copies of income documentation pursuant to paragraph (2) shall be assessed the maximum cost participation based on the highest income level adjusted for family size until such time as the appropriate income documentation is provided.”

CCR, Title 17, Section 50261(a) states in relevant part:

“(a) Each parent shall provide the regional center with his or her proof of gross annual income pursuant to Section 4783(g)(2) and (i) of the Welfare and Institutions Code, within ten (10) working days from the date of the parents' signatures on the Individual Program Plan. The regional center may grant a ten (10) working day extension to provide documentation, if parents have acted in good faith. In no event shall more than one ten (10) working day extension be granted. Failure to provide the information will result in the regional center setting the cost participation at the maximum amount,

pursuant to section 4783(g)(4) of the Welfare and Institutions Code.”

Recommendation:

SARC must reimburse DDS the share of cost, totaling \$4,834.78 overpaid to the vendor, that was the responsibility of the parents.

Finding 7: Equipment Inventory

A. Missing Equipment (Repeat)

The review of 50 sampled items from the Equipment Inventory listing showed three items could not be located. SARC stated that the items may have been surveyed and the Equipment Inventory listing was not updated. (See Attachment G)

Article IV, Section 4(a) of the contract between DDS and SARC states in part:

“Contractor shall maintain and administer, in accordance with sound business practice, a program for the utilization, care, maintenance, protection and preservation of State of California property so as to assure its full availability and usefulness for the performance of this contract. Contractor shall comply with the State's Equipment Management System Guidelines for regional center equipment and appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of State of California property.”

Recommendation:

SARC must follow the State's Equipment Management System Guidelines for the safeguarding of State property. This would ensure missing items are reported in a timely manner and, if the items cannot be located, a survey form should be completed to remove the items from the Equipment Inventory listing.

B. Equipment Not State Tagged

The review of 50 sampled items from the Equipment Inventory listing showed that SARC tagged four pieces of sensitive equipment with its own tags, instead of using State-issued tags. SARC staff stated this was due to an oversight. (See Attachment H)

SARC's Inventory Control Procedures states:

"Policy Statements

Property purchased by SARC that has a unit value of \$5,000 or above and an expected life of more than one year will be classified as 'Non-Expendable Property.'

All 'Non-Expendable' property will be tagged with state ID bar code and records maintained."

Article IV, Section 4(a) of the Contract between DDS and SARC states in part:

"Contractor shall comply with the State's Equipment Management System Guidelines for regional center equipment and appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of State of California property."

State's Equipment Management System Guidelines, Section III(c) states in part:

"All State-owned equipment must be promptly and clearly tagged as State of California, DDS' property. The RC Property Custodian will order supplies of appropriate tags as described below by the Customer Support Section (CSS)."

Recommendation:

SARC must follow the State Equipment Management Systems Guidelines, Section III(c) to ensure that all State-owned equipment is tagged as property of the State of California and properly recorded to its inventory listing prior to the distribution for use.

C. Equipment Acquired Under Contract Forms (DS 2130) Not Used

The review of 50 sampled items from the Equipment Inventory listing found that SARC has not been completing the required Equipment Acquired Contract Form (DS 2130) for newly acquired equipment. SARC staff stated that this occurred when SARC updated its "Inventory Control Procedures," in 2014. The procedures did not include the requirement for the DS 2130 form to be completed.

Section III(B), of the State's Equipment Management Systems Guidelines, dated February 1, 2003, states in part:

“RC will provide the Department of Developmental Services’ (DDS) Customer Support Section (CSS) with a list of all state-owned, nonexpendable and sensitive equipment received during each calendar quarter. This information is to be provided to CSS quarterly, utilizing the Equipment Acquired Under Contract form (DS 2130), or a suitable electronic alternative.”

Recommendation:

SARC must update its inventory control procedures to address the need for the DS 2130 to be completed to ensure compliance with the State Equipment Management Systems Guidelines, Section III(B).

Finding 8: Segregation of Duties

The review of SARC’s internal control procedures for payroll revealed a lack of segregation of duties over the payroll and personnel functions. The Human Resources Director indicated the Payroll Coordinator is responsible for personnel functions by entering pay rate changes in the payroll system and also performing payroll functions by processing payroll. The payroll and personnel functions should be performed by different individuals to ensure adequate segregation between the two areas. By implementing the separation of duties, SARC strengthens the controls for accurate payroll and decreases the risk for the Payroll Coordinator to perpetuate fraudulent activity. SARC stated this occurred due to lack of oversight on its part.

Good business practice requires adequate internal controls over the payroll and personnel functions. Policies and procedures should be in place to ensure payroll and personnel functions are performed by different individuals to ensure adequate separation of duties between the two areas. For good internal controls, the Payroll Coordinator should not be able to access and make changes to employee profiles and salary adjustments.

Recommendation:

SARC must cease the practice of having the Payroll Coordinator be responsible for entering pay rate changes in the system and also processing payroll. In addition, SARC should update its policies and procedures to ensure proper separation of duties exists between the payroll and personnel functions.

Finding 9: Documentation Not Retained

A. Service Coordinator Caseload Ratio

The review of the service coordinator caseload ratios revealed SARC did not retain documentation to support its service coordinator caseload ratios reported to DDS. SARC stated that this was due to a training issue. The person responsible for maintaining the records retired and did not communicate that the records must be maintained.

State Contract, Article IV, Section 3(a) states:

“Contractor shall keep records, as follows:

- a. The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract.”

DDS Service Coordinator Caseload Survey Instructions, Paragraph 5 states:

“For audit purposes, the center must maintain supporting documentation for a minimum of three years. The law requires the Department, as part of its routine auditing responsibility, to review and verify documentation used to respond to this survey.”

Recommendation:

SARC should ensure all supporting documents are maintained for the reported caseload ratios.

B. Administrative Cost Cap

The review of SARC’s Operational expenses revealed that SARC did not maintain documentation indicating that a review of their administrative expenses was completed to ensure it did not exceed the 15 percent administrative cost cap. SARC stated that the former Chief Financial Officer (CFO) was responsible for monitoring and retaining the administrative expense reports. However, when the CFO separated from SARC, these reports could not be found.

W&I Code, Section 4629.7(b) states in relevant part:

“Notwithstanding any other provision of law, all contracts between the department and the regional centers shall require that not more

than 15 percent of all funds appropriated through the regional center's operations budget shall be spent on administrative costs.”

State Contract, Article III, Section 2(i) states:

“Not more than 15 percent of all funds appropriated through Contractor’s operations budget shall be spent on administrative costs.”

State Contract, Article IV, Section 3(a) states:

“Contractor shall keep records, as follows:

The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract.”

Recommendation:

SARC should ensure all supporting documents are maintained to verify that a review of the administrative expenses is completed.

Finding 10: Lack of Annual Notification of the Whistleblower Policy

A review of the consumer files and discussions with SARC staff revealed consumers/families and the vendor community are not notified of the Whistleblower policies annually. This occurred because SARC does not have a process in place to document its annual notifications of the Whistleblower policies for the consumers/families and the vendor community.

The State Contract, Article I, Sections 18(b)(6) and (c) states:

“(b)(6) Include a process for ensuring notification of employees, board members, consumers/families, and vendor community of both the regional center and the State’s Whistleblower policy within 30 days of the effective date of the regional center’s policy and annually thereafter.

(c) In addition, Contractor shall ensure that the regional center’s and the State’s Whistleblower Policies are posted on the regional center’s website by January 15, 2011.”

Recommendation:

SARC must develop a process to ensure that consumers/families and the vendor community are notified annually about the Whistleblower policies.

Finding 11: Policies and Procedures for Vendor Audits and Reviews

The review of the list of SARC vendors required to contract with an independent accounting firm for an audit or review of its financial statements revealed 149 out of 186 vendors did not submit an audit or review as required. It was found that SARC has no procedures in place to follow up with the vendors who are required to, but have not, submitted an audit report or review.

W&I Code Section 4652.5(a)(1)(A)(B) and (b) states in part:

- “(a)(1) An entity receiving payments from one or more regional centers shall contract with an independent accounting firm for an audit or review of its financial statements subject to all of the following:
 - (A) When the amount received from the regional center or regional centers during the entity's fiscal year is more than or equal to two hundred fifty thousand dollars (\$250,000) but less than five hundred thousand dollars (\$500,000), the entity shall obtain an independent audit or independent review report of its financial statements for the period.
 - (B) When the amount received from the regional center or regional centers during the entity's fiscal year is equal to or more than five hundred thousand dollars (\$500,000), the entity shall obtain an independent audit of its financial statements for the period.
- (b) An entity subject to subdivision (a) shall provide copies of the independent audit or independent review report required by subdivision (a), and accompanying management letters, to the vendoring regional center within 30 days after completion of the audit or review.”

Recommendation:

SARC must develop policies and procedures to ensure it is properly tracking and following up with vendors who are required to, but have not, submitted an audit report or review. Failure to receive these reports limits SARC's ability to detect vendor issues that may adversely affect services.

Finding 12: Lack of Medi-Cal Reimbursement Procedures

During a vendor audit of CHI, Vendor Number HH0937, Service Code 700, it was identified that a total of \$87,780 was approved for Medi-Cal reimbursement for consumer UCI Number [REDACTED] for services provided from March 14, 2012, through June 28, 2013. This amount was reimbursed to SARC, however, a follow-up review revealed that SARC does not have procedures in place to determine whether vendors have billed Medi-Cal once a TAR has been approved. Since SARC does not have procedures in place, it was unaware of amounts that should have been reimbursed by the vendor from Medi-Cal, and it had no knowledge of Medi-Cal approvals or denials unless it was notified by the vendors. Lack of procedures to track if vendors have billed and Medi-Cal received reimbursements, increases the risk of duplicate payments to vendors and the RC failure to maximize the use of general services.

W&I Code, Section 4659 (a)(1)(2) states in part:

“(a) Except as otherwise provided in subdivision (b) or (e), the regional center shall identify and pursue all possible sources of funding for consumers receiving regional center services. These sources shall include, but are not to be limited to, both of the following:

- (1) Governmental or other entities or programs required to provide or pay the cost of providing services, including Medi-Cal, Medicare, the Civilian Health and Medical Program for Uniform Services, school districts, and federal supplemental security income and the state supplementary program.
- (2) Private entities, to the maximum extent they are liable for the cost of services, aid, insurance, or medical assistance to the consumer.”

Good internal controls and sound business practices dictate that RCs have written policies and procedures in place to follow up with vendors who provide services to Medi-Cal eligible consumers. The procedures must ensure RCs are receiving copies of Medi-Cal approvals or denial letters to assist in the monitoring of reimbursements, and any Medi-Cal payments received by the vendor are returned to the RC and used to offset the claim.

Recommendation:

SARC must develop procedures to ensure that all vendors who have consumers eligible for Medi-Cal are billing for reimbursements appropriately. The procedures must also include a detailed follow-up process to ensure that SARC receives a copy of the Medi-Cal approval or denial letter to assist it in the monitoring of reimbursements.

Finding 13: Home and Community-Based Services Provider Agreement Forms

The review of 123 sampled POS vendor files revealed six HCBS Provider Agreement forms were missing or not properly completed. Two HCBS Provider Agreement forms were missing and four HCBS Provider Agreement forms were not properly completed due to either missing the service code or having an incorrect vendor number/service code. This occurred because SARC does not review the vendor files to ensure required documents are maintained. (See Attachment I)

CCR, Title 17, Section 54326(a)(16), states in part:

- “(a) All vendors shall . . .
 - (16) Sign the Home and Community-Based Services Provider Agreement (6/99), if applicable pursuant to section 54310(a)(10)(l), (d) and (e).”

CCR, Title 17, Section 54332(a)(8), states in part:

- “(a) The vendoring regional center shall maintain a file for each vendor which includes copies of:
 - (8) The signed Home and Community Based Services Provider Agreement, (6/99) if applicable.”

SARC has taken corrective action to resolve this issue by providing the HCBS Provider Agreement forms for five vendors. SARC remains with one missing form.

Recommendation:

SARC must provide the one missing HCBS Provider Agreement form. In addition, SARC must review the vendor files to ensure the HCBS Provider Agreement forms are on file.

Finding 14: Missing Vendor Applications and Applicant/Vendor Disclosure Statements

The review of 123 sampled POS vendor files revealed SARC did not have the DS 1890 and DS 1891 forms on file. Five vendor files were missing the DS 1890 and 49 vendor files were missing the DS 1891 form. This occurred because SARC does not review the vendor files to ensure required documents are maintained. (See Attachments J and K)

CCR, Title 17, Section 54310(a), states:

“(a) An applicant who desires to be vendored shall submit Form DS 1890 (7/2011), entitled Vendor Application, and the information specified in (1) through (10) below, to the vendoring regional center.”

CCR, Title 17, Section 54332(a)(1), states in part:

“(a) The vendoring regional center shall maintain a file for each vendor which includes copies of:

(1) The vendor application as described in Section 54310(a) of these regulations;”

CCR, Title 17, Section 54311(b) and (c), states:

“(b) Each applicant or vendor shall submit a new signed and dated DS 1891 (7/2011) to the regional center within 30 days of any change in the information previously submitted pursuant to this section or upon a written request by the regional center for such information.

(c) All current vendors shall submit a signed and dated DS 1891 (7/2011) to the vendoring regional center within 120 days of the effective date of these regulations for review by regional center by June 30, 2012.”

SARC has taken corrective action to resolve this issue by providing four DS 1890s and 44 DS 1891s. SARC remains with one DS 1890 and five DS 1891s missing.

Recommendation:

SARC must locate the missing DS 1890 and DS 1891 forms or obtain new, completed forms from the vendors. In addition, SARC must review the vendor files to ensure the vendors have submitted the completed DS 1890 and DS 1891 forms.

Findings that have been addressed and corrected.

Finding 15: Deceased Consumers

A. Services Claimed for Deceased Consumers

The sampled review of payments for 24 deceased consumers revealed four consumers had payments for services after the consumer's date of death. The total overpayment amount was \$1,095.49. This occurred because SARC did not follow its procedure to cancel the authorizations and close the case status upon death of the consumer.

SARC has taken corrective action to resolve this issue by collecting the funds from the vendors.

Title 17, Section 54326(a) states:

“All vendors shall...

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

SARC's policies and procedures state in part:

“Additionally, the SC shall terminate all SARC Purchase of Services (POS) effective the last day service was used, or date of death, whichever came first.”

Recommendation:

SARC must follow its procedures to ensure authorizations are cancelled and cases are closed to prevent payments from occurring after the consumer's date of death.

B. Multiple Dates of Death

The review of the UFS Death Report identified that five of the 24 sampled consumers had multiple dates of death recorded. In addition, there were four consumers with a date of death recorded in UFS that did not agree with the death certificate. This issue was due to SARC entering both the date indicated on the Special Incident Report (SIR) and the date on the death certificate into UFS.

SARC has taken corrective action to resolve this issue by researching the correct date of death for each consumer and updating the consumers' actual date of death in UFS.

State Contract, Article IV, Section 1(c)(1) states in part:

“(c) Contractor shall make available accurate and complete UFS and/or SANDIS information to the State. Accordingly, Contractor shall:

(1) Update changes to all mandatory items of the Client Master File at least annually except for the following elements, which must be updated within thirty (30) days of Contractor being aware of any of the following events:

(a) The death of a consumer;”

For good internal controls and accounting practices, SARC should ensure the actual date of death is accurately recorded in UFS to avoid any potential payments after the date of death.

Recommendation:

SARC should reiterate the importance of recording the consumer's date of death in UFS correctly. In addition, SARC should review all current, deceased consumer records, to ensure that only one date of death is recorded in UFS.

EVALUATION OF RESPONSE

As part of the audit report process, SARC was provided with a draft audit report and requested to provide a response to the findings. SARC's response dated September 14, 2017, is provided as Appendix A.

DDS' Audit Section has evaluated SARC's response and will confirm the appropriate corrective actions have been taken during the next scheduled audit.

Finding 1: Negotiated Rate Above the Median Rate (Repeat)

SARC agreed to pay DDS \$26,148.75 for the overpayment to Stepping Stones.

SARC disputed that it should reimburse DDS the overpayment totaling \$56,943.92 paid to Helping Hands. SARC provided e-mail correspondence from DDS dated January 6, 2009, with its response indicating that for consumers that moved from the DC, it could retain the rate that had been agreed upon at the previous home even though the home and service provider had changed due to the needs of the consumers. However, a subsequent e-mail that was provided to DDS during the fieldwork dated February 27, 2009, indicated that SARC had been advised to submit a health and safety request for the consumers that moved to Helping Hands since the requested rate was above the median rate at the time it was vendored. SARC did not provide approved health and safety requests for the consumers, but did renegotiate the rate as recommended. Therefore, SARC must reimburse DDS the overpayment totaling \$56,943.92.

Finding 2: Overstated Claims

SARC collected the overpayments from the two vendors totaling \$7,134.21. Since the overpayments are from a closed FY, SARC must submit a check to DDS for the reimbursement. In addition, SARC stated it has developed a procedure to run the Operational Indicator reports quarterly to identify problems.

Finding 3: Unsupported Credit Card Expenditures (Repeat)

SARC agreed to pay DDS \$5,452.82 for the unsupported credit card expenses. In addition, SARC stated it has met with the credit card holders and stressed the importance of maintaining detailed receipts. SARC also stated that it is working with Concur, a web-based business travel and expense software, to assist with capturing credit card receipts. Furthermore, SARC stated that it will revise its credit card procedures to

explain the importance of maintaining the receipts and consequences of failure to do so.

Finding 4: Client Trust Disbursements Not Supported (Repeat)

SARC provided its revised Check Disbursement Policy for Client Trust and provided documents to support \$9,340.20 in money management disbursements. SARC indicated it did not require receipts for \$4,586.04 in money management disbursements based on its new policy, since the disbursements were made either directly to the consumer/conservator or were under \$300.

SARC also provided documentation indicating that efforts were made to obtain receipts from the parents for the remaining \$1,386.20 in money management disbursements, and stated that it disputes DDS' requirement to reimburse the remaining funds to the clients' accounts. DDS agrees with SARC, since the remaining disbursements were made to the parents. Therefore, there is minimal risk that the parents used the funds inappropriately.

Furthermore, SARC stated it has added a procedure to garnish funds from POS vendor payments if receipts are not provided.

Finding 5: Improper Allocation of Community Placement Plan Funds (Repeat)

SARC provided documentation relating to the prior and current audit indicating \$60,414.71 and \$40,903.08, respectively, were adjusted when the FYs were open. The remaining misallocated costs are \$37,499.70 and \$69,369.15, respectively, totaling \$106,868.85. SARC stated that the remaining \$106,868.85 in expenses cannot be reallocated since the amounts are from closed FYs.

SARC stated it has developed procedures to prevent the misallocation of funds from reoccurring. SARC will have the Fiscal Assistants validate that the services can be allocated to CPP by referring to a spreadsheet containing consumer, vendor, and placement date information prior to being paid.

SARC must follow the new procedures to ensure that it does not continue to misallocate funds.

Finding 6: Family Cost Participation Program - Late Assessments

SARC agreed to reimburse DDS \$4,834.78 for the overpayment. In addition, SARC stated that it will continue to train the managers and service coordinators to ensure assessments are timely to prevent overpayments from reoccurring.

Finding 7: Equipment Inventory

A. Missing Equipment (Repeat)

SARC provided revised inventory control procedures and stated it will survey the missing equipment, remove the items from the Fixed Asset Ledger, and send the appropriate paperwork to DGS and DDS.

B. Equipment Not State Tagged

SARC provided revised inventory control procedures and stated it has state tagged all state owned equipment.

C. Equipment Acquired Under Contract Forms (DS 2130) Not Used

SARC provided revised inventory control procedures and stated that it will submit the DS 2130 quarterly to DDS' Customer Support Section.

Finding 8: Segregation of Duties

SARC agreed with the finding and has developed new procedures for processing pay rate changes to ensure there is a separation of duties over the payroll.

Finding 9: Documentation Not Retained

A. Service Coordinator Caseload Ratio

SARC agreed with the finding and stated it has revised its procedures and trained staff responsible for the service coordinator caseload ratios to retain the caseload ratio files.

B. Administrative Cost Cap

SARC agreed with the finding and stated it has tightened its procedures to ensure documents related to the 15 percent administrative cost cap calculations are retained.

Finding 10: Lack of Annual Notification of the Whistleblower Policy

SARC stated it has developed a variety of ways to communicate the whistleblower policy to its stakeholders through email, website, social media, and meetings.

Finding 11: Policies and Procedures for Vendor Audits and Reviews

SARC has developed new procedures and stated it is utilizing a spreadsheet to track the vendors and has been sending out letters to the vendors informing them of the requirements to submit the audit/reviews.

Finding 12: Lack of Medi-Cal Reimbursement Procedures

SARC provided the guidelines used to train service coordinators and parents on how to instruct them to check if services will be approved through the consumer's insurance coverage. However, these guidelines do not have procedures to ensure that all vendors who have consumers eligible for Medi-Cal are billing for reimbursements appropriately. In addition, the guidelines do not address how SARC will follow up and monitor reimbursements.

Finding 13: Home and Community-Based Services Provider Agreement Forms

SARC provided the HCBS Provider Agreement forms for five vendors, but it has been unsuccessful in obtaining one HCBS Provider Agreement form. SARC stated that it implemented new procedures to withhold reimbursements to the vendor until it receives the requested document.

Finding 14: Missing Vendor Applications and Applicant/Vendor Disclosure Statements

SARC provided four DS 1890s and 44 DS 1891s, but has been unsuccessful in obtaining one DS 1890 and five DS 1891s. SARC stated that it implemented new procedures to withhold reimbursements to the vendors until it receives the requested document.

**San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
1		HS0620	Stepping Stones		115		Jul-13	\$807.50	\$95.00	8.50	\$47.50	\$403.75
2		HS0620	Stepping Stones		115		Jul-13	\$950.00	\$95.00	10.00	\$47.50	\$475.00
3		HS0620	Stepping Stones		115		Jul-13	\$190.00	\$95.00	2.00	\$47.50	\$95.00
4		HS0620	Stepping Stones		115		Jul-13	\$855.00	\$95.00	9.00	\$47.50	\$427.50
5		HS0620	Stepping Stones		115		Jul-13	\$950.00	\$95.00	10.00	\$47.50	\$475.00
6		HS0620	Stepping Stones		115		Jul-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
7		HS0620	Stepping Stones		115		Jul-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
8		HS0620	Stepping Stones		115		Jul-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
9		HS0620	Stepping Stones		115		Jul-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
10		HS0620	Stepping Stones		115		Jul-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
11		HS0620	Stepping Stones		115		Jul-13	\$95.00	\$95.00	1.00	\$47.50	\$47.50
12		HS0620	Stepping Stones		115		Aug-13	\$950.00	\$95.00	10.00	\$47.50	\$475.00
13		HS0620	Stepping Stones		115		Aug-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
14		HS0620	Stepping Stones		115		Aug-13	\$831.25	\$95.00	8.75	\$47.50	\$415.63
15		HS0620	Stepping Stones		115		Aug-13	\$332.50	\$95.00	3.50	\$47.50	\$166.25
16		HS0620	Stepping Stones		115		Aug-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
17		HS0620	Stepping Stones		115		Aug-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
18		HS0620	Stepping Stones		115		Aug-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
19		HS0620	Stepping Stones		115		Aug-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
20		HS0620	Stepping Stones		115		Aug-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
21		HS0620	Stepping Stones		115		Sep-13	\$380.00	\$95.00	4.00	\$47.50	\$190.00
22		HS0620	Stepping Stones		115		Sep-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
23		HS0620	Stepping Stones		115		Sep-13	\$570.00	\$95.00	6.00	\$47.50	\$285.00
24		HS0620	Stepping Stones		115		Sep-13	\$332.50	\$95.00	3.50	\$47.50	\$166.25
25		HS0620	Stepping Stones		115		Sep-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
26		HS0620	Stepping Stones		115		Sep-13	\$285.00	\$95.00	3.00	\$47.50	\$142.50
27		HS0620	Stepping Stones		115		Sep-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
28		HS0620	Stepping Stones		115		Sep-13	\$190.00	\$95.00	2.00	\$47.50	\$95.00
29		HS0620	Stepping Stones		115		Sep-13	\$950.00	\$95.00	10.00	\$47.50	\$475.00
30		HS0620	Stepping Stones		115		Oct-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
31		HS0620	Stepping Stones		115		Oct-13	\$902.50	\$95.00	9.50	\$47.50	\$451.25
32		HS0620	Stepping Stones		115		Oct-13	\$213.75	\$95.00	2.25	\$47.50	\$106.88
33		HS0620	Stepping Stones		115		Oct-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00

**San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
34		HS0620	Stepping Stones		115		Oct-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
35		HS0620	Stepping Stones		115		Oct-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
36		HS0620	Stepping Stones		115		Oct-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
37		HS0620	Stepping Stones		115		Oct-13	\$1,615.00	\$95.00	17.00	\$47.50	\$807.50
38		HS0620	Stepping Stones		115		Nov-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
39		HS0620	Stepping Stones		115		Nov-13	\$190.00	\$95.00	2.00	\$47.50	\$95.00
40		HS0620	Stepping Stones		115		Nov-13	\$760.00	\$95.00	8.00	\$47.50	\$380.00
41		HS0620	Stepping Stones		115		Nov-13	\$118.75	\$95.00	1.25	\$47.50	\$59.38
42		HS0620	Stepping Stones		115		Nov-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
43		HS0620	Stepping Stones		115		Nov-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
44		HS0620	Stepping Stones		115		Nov-13	\$950.00	\$95.00	10.00	\$47.50	\$475.00
45		HS0620	Stepping Stones		115		Nov-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
46		HS0620	Stepping Stones		115		Nov-13	\$1,615.00	\$95.00	17.00	\$47.50	\$807.50
47		HS0620	Stepping Stones		115		Nov-13	\$190.00	\$95.00	2.00	\$47.50	\$95.00
48		HS0620	Stepping Stones		115		Dec-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
49		HS0620	Stepping Stones		115		Dec-13	\$142.50	\$95.00	1.50	\$47.50	\$71.25
50		HS0620	Stepping Stones		115		Dec-13	\$855.00	\$95.00	9.00	\$47.50	\$427.50
51		HS0620	Stepping Stones		115		Dec-13	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
52		HS0620	Stepping Stones		115		Dec-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
53		HS0620	Stepping Stones		115		Dec-13	\$950.00	\$95.00	10.00	\$47.50	\$475.00
54		HS0620	Stepping Stones		115		Dec-13	\$1,045.00	\$95.00	11.00	\$47.50	\$522.50
55		HS0620	Stepping Stones		115		Dec-13	\$475.00	\$95.00	5.00	\$47.50	\$237.50
56		HS0620	Stepping Stones		115		Jan-14	\$475.00	\$95.00	5.00	\$47.50	\$237.50
57		HS0620	Stepping Stones		115		Jan-14	\$522.50	\$95.00	5.50	\$47.50	\$261.25
58		HS0620	Stepping Stones		115		Jan-14	\$783.75	\$95.00	8.25	\$47.50	\$391.88
59		HS0620	Stepping Stones		115		Jan-14	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
60		HS0620	Stepping Stones		115		Jan-14	\$475.00	\$95.00	5.00	\$47.50	\$237.50
61		HS0620	Stepping Stones		115		Jan-14	\$807.50	\$95.00	8.50	\$47.50	\$403.75
62		HS0620	Stepping Stones		115		Jan-14	\$285.00	\$95.00	3.00	\$47.50	\$142.50
63		HS0620	Stepping Stones		115		Feb-14	\$475.00	\$95.00	5.00	\$47.50	\$237.50
64		HS0620	Stepping Stones		115		Feb-14	\$285.00	\$95.00	3.00	\$47.50	\$142.50
65		HS0620	Stepping Stones		115		Feb-14	\$855.00	\$95.00	9.00	\$47.50	\$427.50
66		HS0620	Stepping Stones		115		Feb-14	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00

San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
67		HS0620	Stepping Stones		115		Feb-14	\$475.00	\$95.00	5.00	\$47.50	\$237.50
68		HS0620	Stepping Stones		115		Feb-14	\$950.00	\$95.00	10.00	\$47.50	\$475.00
69		HS0620	Stepping Stones		115		Mar-14	\$475.00	\$95.00	5.00	\$47.50	\$237.50
70		HS0620	Stepping Stones		115		Mar-14	\$285.00	\$95.00	3.00	\$47.50	\$142.50
71		HS0620	Stepping Stones		115		Mar-14	\$950.00	\$95.00	10.00	\$47.50	\$475.00
72		HS0620	Stepping Stones		115		Mar-14	\$1,140.00	\$95.00	12.00	\$47.50	\$570.00
73		HS0620	Stepping Stones		115		Mar-14	\$950.00	\$95.00	10.00	\$47.50	\$475.00
74		HS0620	Stepping Stones		115		Mar-14	\$475.00	\$95.00	5.00	\$47.50	\$237.50
75		HS0620	Stepping Stones		115		Apr-14	\$380.00	\$95.00	4.00	\$47.50	\$190.00
76		HS0620	Stepping Stones		115		Apr-14	\$95.00	\$95.00	1.00	\$47.50	\$47.50
77		HS0620	Stepping Stones		115		Apr-14	\$522.50	\$95.00	5.50	\$47.50	\$261.25
78		HS0620	Stepping Stones		115		Apr-14	\$427.50	\$95.00	4.50	\$47.50	\$213.75
79		HS0620	Stepping Stones		115		Apr-14	\$237.50	\$95.00	2.50	\$47.50	\$118.75
Total Overpayment for Vendor Number HS0620												\$26,148.75
80		HS0668	Helping Hands		109	DAY	Jul-09	\$1,651.40	\$ 71.80	23.00	\$55.24	\$380.85
81		HS0668	Helping Hands		109	DAY	Jul-09	\$1,651.40	\$ 71.80	23.00	\$55.24	\$380.85
82		HS0668	Helping Hands		109	DAY	Aug-09	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
83		HS0668	Helping Hands		109	DAY	Aug-09	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
84		HS0668	Helping Hands		109	DAY	Sep-09	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
85		HS0668	Helping Hands		109	DAY	Sep-09	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
86		HS0668	Helping Hands		109	DAY	Oct-09	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
87		HS0668	Helping Hands		109	DAY	Oct-09	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
88		HS0668	Helping Hands		109	DAY	Nov-09	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
89		HS0668	Helping Hands		109	DAY	Nov-09	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
90		HS0668	Helping Hands		109	DAY	Dec-09	\$1,651.40	\$ 71.80	23.00	\$55.24	\$380.85
91		HS0668	Helping Hands		109	DAY	Dec-09	\$1,220.60	\$ 71.80	17.00	\$55.24	\$281.49
92		HS0668	Helping Hands		109	DAY	Jan-10	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
93		HS0668	Helping Hands		109	DAY	Jan-10	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
94		HS0668	Helping Hands		109	DAY	Feb-10	\$1,436.00	\$ 71.80	20.00	\$55.24	\$331.17
95		HS0668	Helping Hands		109	DAY	Feb-10	\$1,436.00	\$ 71.80	20.00	\$55.24	\$331.17
96		HS0668	Helping Hands		109	DAY	Mar-10	\$1,651.40	\$ 71.80	23.00	\$55.24	\$380.85
97		HS0668	Helping Hands		109	DAY	Mar-10	\$1,651.40	\$ 71.80	23.00	\$55.24	\$380.85
98		HS0668	Helping Hands		109	DAY	Apr-10	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29

**San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
99		HS0668	Helping Hands		109	DAY	Apr-10	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
100		HS0668	Helping Hands		109	DAY	May-10	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
101		HS0668	Helping Hands		109	DAY	May-10	\$1,507.80	\$ 71.80	21.00	\$55.24	\$347.73
102		HS0668	Helping Hands		109	DAY	Jun-10	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
103		HS0668	Helping Hands		109	DAY	Jun-10	\$1,579.60	\$ 71.80	22.00	\$55.24	\$364.29
104		HS0668	Helping Hands		109	DAY	Jul-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
105		HS0668	Helping Hands		109	DAY	Jul-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
106		HS0668	Helping Hands		109	DAY	Jul-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
107		HS0668	Helping Hands		109	DAY	Aug-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
108		HS0668	Helping Hands		109	DAY	Aug-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
109		HS0668	Helping Hands		109	DAY	Aug-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
110		HS0668	Helping Hands		109	DAY	Sep-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
111		HS0668	Helping Hands		109	DAY	Sep-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
112		HS0668	Helping Hands		109	DAY	Sep-10	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
113		HS0668	Helping Hands		109	DAY	Oct-10	\$1,436.00	\$ 71.80	20.00	\$54.53	\$345.41
114		HS0668	Helping Hands		109	DAY	Oct-10	\$1,436.00	\$ 71.80	20.00	\$54.53	\$345.41
115		HS0668	Helping Hands		109	DAY	Oct-10	\$1,436.00	\$ 71.80	20.00	\$54.53	\$345.41
116		HS0668	Helping Hands		109	DAY	Nov-10	\$1,364.20	\$ 71.80	19.00	\$54.53	\$328.14
117		HS0668	Helping Hands		109	DAY	Nov-10	\$1,364.20	\$ 71.80	19.00	\$54.53	\$328.14
118		HS0668	Helping Hands		109	DAY	Nov-10	\$1,364.20	\$ 71.80	19.00	\$54.53	\$328.14
119		HS0668	Helping Hands		109	DAY	Dec-10	\$1,364.20	\$ 71.80	19.00	\$54.53	\$328.14
120		HS0668	Helping Hands		109	DAY	Dec-10	\$1,364.20	\$ 71.80	19.00	\$54.53	\$328.14
121		HS0668	Helping Hands		109	DAY	Dec-10	\$1,364.20	\$ 71.80	19.00	\$54.53	\$328.14
122		HS0668	Helping Hands		109	DAY	Jan-11	\$1,436.00	\$ 71.80	20.00	\$54.53	\$345.41
123		HS0668	Helping Hands		109	DAY	Jan-11	\$1,436.00	\$ 71.80	20.00	\$54.53	\$345.41
124		HS0668	Helping Hands		109	DAY	Jan-11	\$1,436.00	\$ 71.80	20.00	\$54.53	\$345.41
125		HS0668	Helping Hands		109	DAY	Feb-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
126		HS0668	Helping Hands		109	DAY	Feb-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
127		HS0668	Helping Hands		109	DAY	Feb-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
128		HS0668	Helping Hands		109	DAY	Mar-11	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
129		HS0668	Helping Hands		109	DAY	Mar-11	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
130		HS0668	Helping Hands		109	DAY	Mar-11	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
131		HS0668	Helping Hands		109	DAY	Apr-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82

**San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
132		HS0668	Helping Hands		109	DAY	Apr-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
133		HS0668	Helping Hands		109	DAY	Apr-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
134		HS0668	Helping Hands		109	DAY	May-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
135		HS0668	Helping Hands		109	DAY	May-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
136		HS0668	Helping Hands		109	DAY	May-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
137		HS0668	Helping Hands		109	DAY	Jun-11	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
138		HS0668	Helping Hands		109	DAY	Jun-11	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
139		HS0668	Helping Hands		109	DAY	Jun-11	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
140		HS0668	Helping Hands		109	DAY	Jul-11	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
141		HS0668	Helping Hands		109	DAY	Jul-11	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
142		HS0668	Helping Hands		109	DAY	Jul-11	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
143		HS0668	Helping Hands		109	DAY	Aug-11	\$1,630.70	\$ 70.90	23.00	\$54.53	\$376.56
144		HS0668	Helping Hands		109	DAY	Aug-11	\$1,630.70	\$ 70.90	23.00	\$54.53	\$376.56
145		HS0668	Helping Hands		109	DAY	Aug-11	\$1,630.70	\$ 70.90	23.00	\$54.53	\$376.56
146		HS0668	Helping Hands		109	DAY	Sep-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
147		HS0668	Helping Hands		109	DAY	Sep-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
148		HS0668	Helping Hands		109	DAY	Sep-11	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
149		HS0668	Helping Hands		109	DAY	Oct-11	\$354.50	\$ 70.90	5.00	\$54.53	\$81.86
150		HS0668	Helping Hands		109	DAY	Oct-11	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
151		HS0668	Helping Hands		109	DAY	Oct-11	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
152		HS0668	Helping Hands		109	DAY	Nov-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
153		HS0668	Helping Hands		109	DAY	Nov-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
154		HS0668	Helping Hands		109	DAY	Dec-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
155		HS0668	Helping Hands		109	DAY	Dec-11	\$1,347.10	\$ 70.90	19.00	\$54.53	\$311.07
156		HS0668	Helping Hands		109	DAY	Jan-12	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
157		HS0668	Helping Hands		109	DAY	Jan-12	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
158		HS0668	Helping Hands		109	DAY	Feb-12	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
159		HS0668	Helping Hands		109	DAY	Feb-12	\$1,418.00	\$ 70.90	20.00	\$54.53	\$327.45
160		HS0668	Helping Hands		109	DAY	Mar-12	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
161		HS0668	Helping Hands		109	DAY	Mar-12	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
162		HS0668	Helping Hands		109	DAY	Apr-12	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
163		HS0668	Helping Hands		109	DAY	Apr-12	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
164		HS0668	Helping Hands		109	DAY	May-12	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19

San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
165		HS0668	Helping Hands		109	DAY	May-12	\$1,559.80	\$ 70.90	22.00	\$54.53	\$360.19
166		HS0668	Helping Hands		109	DAY	Jun-12	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
167		HS0668	Helping Hands		109	DAY	Jun-12	\$1,488.90	\$ 70.90	21.00	\$54.53	\$343.82
168		HS0668	Helping Hands		109	DAY	Jul-12	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
169		HS0668	Helping Hands		109	DAY	Jul-12	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
170		HS0668	Helping Hands		109	DAY	Aug-12	\$1,630.70	\$ 70.90	23.00	\$56.24	\$337.27
171		HS0668	Helping Hands		109	DAY	Aug-12	\$1,630.70	\$ 70.90	23.00	\$56.24	\$337.27
172		HS0668	Helping Hands		109	DAY	Sep-12	\$1,347.10	\$ 70.90	19.00	\$56.24	\$278.61
173		HS0668	Helping Hands		109	DAY	Sep-12	\$1,347.10	\$ 70.90	19.00	\$56.24	\$278.61
174		HS0668	Helping Hands		109	DAY	Oct-12	\$1,559.80	\$ 70.90	22.00	\$56.24	\$322.60
175		HS0668	Helping Hands		109	DAY	Oct-12	\$1,559.80	\$ 70.90	22.00	\$56.24	\$322.60
176		HS0668	Helping Hands		109	DAY	Nov-12	\$1,347.10	\$ 70.90	19.00	\$56.24	\$278.61
177		HS0668	Helping Hands		109	DAY	Nov-12	\$1,347.10	\$ 70.90	19.00	\$56.24	\$278.61
178		HS0668	Helping Hands		109	DAY	Dec-12	\$1,276.20	\$ 70.90	18.00	\$56.24	\$263.95
179		HS0668	Helping Hands		109	DAY	Dec-12	\$1,276.20	\$ 70.90	18.00	\$56.24	\$263.95
180		HS0668	Helping Hands		109	DAY	Jan-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
181		HS0668	Helping Hands		109	DAY	Jan-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
182		HS0668	Helping Hands		109	DAY	Feb-13	\$1,347.10	\$ 70.90	19.00	\$56.24	\$278.61
183		HS0668	Helping Hands		109	DAY	Feb-13	\$1,347.10	\$ 70.90	19.00	\$56.24	\$278.61
184		HS0668	Helping Hands		109	DAY	Mar-13	\$992.60	\$ 70.90	14.00	\$56.24	\$205.29
185		HS0668	Helping Hands		109	DAY	Mar-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
186		HS0668	Helping Hands		109	DAY	Mar-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
187		HS0668	Helping Hands		109	DAY	Apr-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
188		HS0668	Helping Hands		109	DAY	Apr-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
189		HS0668	Helping Hands		109	DAY	Apr-13	\$1,488.90	\$ 70.90	21.00	\$56.24	\$307.94
190		HS0668	Helping Hands		109	DAY	May-13	\$1,559.80	\$ 70.90	22.00	\$56.24	\$322.60
191		HS0668	Helping Hands		109	DAY	May-13	\$1,559.80	\$ 70.90	22.00	\$56.24	\$322.60
192		HS0668	Helping Hands		109	DAY	May-13	\$1,559.80	\$ 70.90	22.00	\$56.24	\$322.60
193		HS0668	Helping Hands		109	DAY	Jun-13	\$1,418.00	\$ 70.90	20.00	\$56.24	\$293.28
194		HS0668	Helping Hands		109	DAY	Jun-13	\$1,418.00	\$ 70.90	20.00	\$56.24	\$293.28
195		HS0668	Helping Hands		109	DAY	Jun-13	\$1,418.00	\$ 70.90	20.00	\$56.24	\$293.28
196		HS0668	Helping Hands		109	DAY	Jul-13	\$1,579.60	\$ 70.90	22.28	\$56.95	\$310.84
197		HS0668	Helping Hands		109	DAY	Jul-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70

San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
198		HS0668	Helping Hands		109	DAY	Jul-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
199		HS0668	Helping Hands		109	DAY	Aug-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
200		HS0668	Helping Hands		109	DAY	Aug-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
201		HS0668	Helping Hands		109	DAY	Aug-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
202		HS0668	Helping Hands		109	DAY	Sep-13	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
203		HS0668	Helping Hands		109	DAY	Sep-13	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
204		HS0668	Helping Hands		109	DAY	Sep-13	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
205		HS0668	Helping Hands		109	DAY	Oct-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
206		HS0668	Helping Hands		109	DAY	Oct-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
207		HS0668	Helping Hands		109	DAY	Oct-13	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
208		HS0668	Helping Hands		109	DAY	Nov-13	\$1,292.40	\$ 71.80	18.00	\$56.95	\$267.30
209		HS0668	Helping Hands		109	DAY	Nov-13	\$1,292.40	\$ 71.80	18.00	\$56.95	\$267.30
210		HS0668	Helping Hands		109	DAY	Nov-13	\$1,292.40	\$ 71.80	18.00	\$56.95	\$267.30
211		HS0668	Helping Hands		109	DAY	Dec-13	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
212		HS0668	Helping Hands		109	DAY	Dec-13	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
213		HS0668	Helping Hands		109	DAY	Dec-13	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
214		HS0668	Helping Hands		109	DAY	Jan-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
215		HS0668	Helping Hands		109	DAY	Jan-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
216		HS0668	Helping Hands		109	DAY	Jan-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
217		HS0668	Helping Hands		109	DAY	Feb-14	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
218		HS0668	Helping Hands		109	DAY	Feb-14	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
219		HS0668	Helping Hands		109	DAY	Feb-14	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
220		HS0668	Helping Hands		109	DAY	Mar-14	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
221		HS0668	Helping Hands		109	DAY	Mar-14	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
222		HS0668	Helping Hands		109	DAY	Mar-14	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
223		HS0668	Helping Hands		109	DAY	Apr-14	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
224		HS0668	Helping Hands		109	DAY	Apr-14	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
225		HS0668	Helping Hands		109	DAY	Apr-14	\$215.40	\$ 71.80	3.00	\$56.95	\$44.55
226		HS0668	Helping Hands		109	DAY	May-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
227		HS0668	Helping Hands		109	DAY	May-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
228		HS0668	Helping Hands		109	DAY	Jun-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
229		HS0668	Helping Hands		109	DAY	Jun-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
230		HS0668	Helping Hands		109	DAY	Jul-14	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70

**San Andreas Regional Center
Negotiated Rate Above the Statewide Median Rate (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Authorization	Service Code	Sub Code	Payment Period	POS Amount	Payment Rate Paid	Units	Statewide Median Rate	Over-Payments
231		HS0668	Helping Hands		109	DAY	Jul-14	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
232		HS0668	Helping Hands		109	DAY	Aug-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
233		HS0668	Helping Hands		109	DAY	Aug-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
234		HS0668	Helping Hands		109	DAY	Sep-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
235		HS0668	Helping Hands		109	DAY	Sep-14	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
236		HS0668	Helping Hands		109	DAY	Oct-14	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
237		HS0668	Helping Hands		109	DAY	Oct-14	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
238		HS0668	Helping Hands		109	DAY	Nov-14	\$1,292.40	\$ 71.80	18.00	\$56.95	\$267.30
239		HS0668	Helping Hands		109	DAY	Nov-14	\$1,292.40	\$ 71.80	18.00	\$56.95	\$267.30
240		HS0668	Helping Hands		109	DAY	Dec-14	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
241		HS0668	Helping Hands		109	DAY	Dec-14	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
242		HS0668	Helping Hands		109	DAY	Jan-15	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
243		HS0668	Helping Hands		109	DAY	Jan-15	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
244		HS0668	Helping Hands		109	DAY	Feb-15	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
245		HS0668	Helping Hands		109	DAY	Feb-15	\$1,364.20	\$ 71.80	19.00	\$56.95	\$282.15
246		HS0668	Helping Hands		109	DAY	Mar-15	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
247		HS0668	Helping Hands		109	DAY	Mar-15	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
248		HS0668	Helping Hands		109	DAY	Apr-15	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
249		HS0668	Helping Hands		109	DAY	Apr-15	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
250		HS0668	Helping Hands		109	DAY	Apr-15	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
251		HS0668	Helping Hands		109	DAY	May-15	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
252		HS0668	Helping Hands		109	DAY	May-15	\$1,436.00	\$ 71.80	20.00	\$56.95	\$297.00
253		HS0668	Helping Hands		109	DAY	May-15	\$1,507.80	\$ 71.80	21.00	\$56.95	\$311.85
254		HS0668	Helping Hands		109	DAY	Jun-15	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
255		HS0668	Helping Hands		109	DAY	Jun-15	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
256		HS0668	Helping Hands		109	DAY	Jun-15	\$1,579.60	\$ 71.80	22.00	\$56.95	\$326.70
Total Overpayment for Vendor Number HS0668												\$56,943.92
Total Overpayment Due to Negotiated Rate Set Above the San Andreas Median Rate												\$83,092.67

**San Andreas Regional Center
Overstated Claims
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Service Month	Over-Payments	Amount Recoved	Balance
Overpayments Due to Duplicate Payments and Overlapping Authorizations									
1		HS0135	Apollo Adult Behavior	880		Jun-14	\$5,633.04	\$5,633.04	\$0.00
2		HS0915	Social Vocational Services	880		Apr-14	\$247.17	\$247.17	\$0.00
3		HS0915	Social Vocational Services	110		Feb-14	\$1,254.00	\$1,254.00	\$0.00
Total Overpayment							\$7,134.21	\$7,134.21	\$0.00

**San Andreas Regional Center
Unsupported Credit Card Expenditures (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Merchant	Transaction Month	Transaction Amount
Missing Detailed Receipts			
1	Effies Resturant	Jun-13	\$122.08
2	Blue Sky	Jun-13	\$94.46
3	Victorias Mexican Resturant	Jun-13	\$27.52
4	Famous Daves	Jul-13	\$32.91
5	Red Robin	Aug-13	\$80.69
6	Blue Sky	Aug-13	\$227.60
7	Miguel's Cocina	Aug-13	\$63.68
8	Red Robin	Sep-13	\$47.82
9	Blue Sky	Sep-13	\$190.85
10	Mama Mia	Sep-13	\$82.10
11	Boston Market	Nov-13	\$793.77
12	Mountain Mike's	Aug-14	\$97.49
13	Pho Cali	Aug-14	\$30.90
14	Dragon Chinese Cuisine	Aug-14	\$19.31
15	Cheesecake Factory	Aug-14	\$30.94
16	Craft Brews	Sep-14	\$20.06
17	CA Great America	Sep-14	\$79.33
18	Carnitas Michoacan	May-15	\$70.88
19	El Pollo Loco	May-15	\$551.60
Sub Total			\$2,663.99
Missing Receipts			
20	Walmart	Jun-13	\$25.39
21	Star Indian Cuisine	Feb-14	\$22.73
22	Hyatt Place	Mar-14	\$12.00
23	Walmart	Jul-14	\$12.58
24	Gulf Oil	Aug-14	\$75.00
25	Shoppers Food	Aug-14	\$173.77
26	Gulf Oil	Aug-14	\$75.00
27	Le Boulanger	Aug-14	\$11.51
28	Giant Food	Aug-14	\$166.38
29	Food Lion	Aug-14	\$175.47
30	Giant Food	Aug-14	\$178.64
31	Walmart	Aug-14	\$24.34
32	Gulf Oil	Aug-14	\$75.00
33	Food Lion	Aug-14	\$170.08
34	Giant Food	Aug-14	\$174.78
35	Giant Food	Aug-14	\$174.44

**San Andreas Regional Center
Unsupported Credit Card Expenditures (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Merchant	Transaction Month	Transaction Amount
36	Giant Food	Aug-14	\$173.00
37	Food Max	Aug-14	\$12.39
38	SQ Employment	Sep-14	\$20.00
39	67 City Park	Sep-14	\$10.00
40	SF 49ers	Sep-14	\$75.00
41	Lionsgate Hotel	Oct-14	\$14.58
42	Lionsgate Hotel	Oct-14	\$19.17
43	Frys	Oct-14	\$308.68
44	Sarter Bros	Feb-15	\$11.07
45	Safeway	Feb-15	\$30.79
46	Thomas West	May-15	\$170.90
47	Amazon	May-15	\$47.70
48	Amazon	May-15	\$49.86
49	Haleh Pastry Shop	May-15	\$46.55
50	Safeway	May-15	\$99.91
51	Target	May-15	\$135.79
52	Safeway	May-15	\$16.33
Sub Total			\$2,788.83
Total			\$5,452.82

**San Andreas Regional Center
Client Trust Disbursements Not Supported (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Check Number	Money Management Disbursement Amount	Supported Amount	Balance
Unsupported Disbursements for FY 2013-14 and 2014-15					
1		6013425	\$300.00	\$300.00	\$0.00
2		5456391	\$95.00	\$95.00	\$0.00
3		5459049	\$644.40	\$644.40	\$0.00
Total			\$1,039.40	\$1,039.40	\$0.00
Unsupported Disbursements for FY 2011-12 and 2012-13					
1		5440003	\$300.00	\$300.00	\$0.00
2		5418000	\$250.00	\$250.00	\$0.00
3		5423831	\$250.00	\$250.00	\$0.00
4		5442199	\$350.00	\$350.00	\$0.00
5		5420554	\$510.50	\$510.50	\$0.00
6		5421672	\$300.00	\$300.00	\$0.00
7		5422043	\$355.00	\$355.00	\$0.00
8		5422569	\$510.50	\$510.50	\$0.00
9		5422570	\$565.50	\$565.50	\$0.00
10		5424349	\$1,050.00	\$1,050.00	\$0.00
11		5424565	\$565.50	\$565.50	\$0.00
12		5426570	\$565.50	\$565.50	\$0.00
13		5428023	\$300.00	\$300.00	\$0.00
14		5440242	\$225.00	\$225.00	\$0.00
15		5446386	\$768.54	\$768.54	\$0.00
16		5452338	\$310.00	\$310.00	\$0.00
17		5454331	\$310.00	\$310.00	\$0.00
Total			\$7,486.04	\$7,486.04	\$0.00
Unsupported Disbursements for FY 2009-10 and 2010-11					
1		5364279	\$500.00	\$500.00	\$0.00
2		5376244	\$300.00	\$300.00	\$0.00
3		5378169	\$329.00	\$329.00	\$0.00
4		5380093	\$329.00	\$329.00	\$0.00
5		5381910	\$329.00	\$329.00	\$0.00
6		5405108	\$1,000.00	\$1,000.00	\$0.00
7		5366469	\$1,000.00	\$1,000.00	\$0.00
8		5380695	\$500.00	\$500.00	\$0.00
9		5380696	\$500.00	\$500.00	\$0.00
10		5383570	\$1,500.00	\$1,500.00	\$0.00
11		5384259	\$500.00	\$500.00	\$0.00
Total			\$6,787.00	\$6,787.00	\$0.00
Total Unsupported Disbursements			\$15,312.44	\$15,312.44	\$0.00

**San Andreas Regional Center
Improper Allocation of Community Placement Plan Funds (Repeat)
Fiscal Years 2013-14 and 2014-15**

No	Unique Client Identification Number	Vendor Number	Service Code	Sub Code	Payment Period	Overstatements	Corrected Amount	Balance
CPP Payments After End of Fiscal Year								
1		HS0805	113	CPP	May-15	\$6,249.66	\$6,249.66	\$0.00
Total CPP Payments After End of FY 2014-15						\$6,249.66	\$6,249.66	\$0.00
Misallocated Costs Charged to CPP								
1		ZS0566	117	2SCP	Feb-14	\$500.00	\$0.00	\$500.00
2		ZS0566	117	2SCP	Feb-14	\$500.00	\$0.00	\$500.00
3		ZS0490	896	CPAHA	Jun-14	\$2,271.20	\$0.00	\$2,271.20
4		HS0615	935	VACCN	Jul-14	\$11,948.02	\$11,948.02	\$0.00
5					Aug-14	\$11,948.02	\$11,948.02	\$0.00
6					Sep-14	\$770.84	\$770.84	\$0.00
7		HS0848	510	04CPP	Nov-14	\$861.76	\$861.76	\$0.00
8					Dec-14	\$969.48	\$969.48	\$0.00
9					Jan-15	\$969.48	\$969.48	\$0.00
10					Feb-15	\$915.62	\$915.62	\$0.00
11					Mar-15	\$1,184.92	\$1,184.92	\$0.00
12					Apr-15	\$1,077.20	\$1,077.20	\$0.00
13					May-15	\$969.48	\$969.48	\$0.00
14					Jun-15	\$538.60	\$538.60	\$0.00
15		ZS0457	896	ESCPP	Mar-15	\$328.00	\$0.00	\$328.00
16					Mar-15	\$248.00	\$0.00	\$248.00
17					Apr-15	\$245.83	\$0.00	\$245.83
18				MICPP	May-15	\$231.26	\$0.00	\$231.26
19					Jun-15	\$248.00	\$0.00	\$248.00
20					SLPCP	Mar-15	\$3,189.28	\$0.00
21				Apr-15		\$3,086.40	\$0.00	\$3,086.40
22				May-15		\$3,189.28	\$0.00	\$3,189.28
23				Jun-15		\$3,086.40	\$0.00	\$3,086.40

**San Andreas Regional Center
Improper Allocation of Community Placement Plan Funds (Repeat)
Fiscal Years 2013-14 and 2014-15**

No	Unique Client Identification Number	Vendor Number	Service Code	Sub Code	Payment Period	Overstatements	Corrected Amount	Balance		
24	[REDACTED]	ZS0457	894	CPMAP	Mar-15	\$2,600.00	\$0.00	\$2,600.00		
25					Apr-15	\$2,600.00	\$0.00	\$2,600.00		
26					May-15	\$2,600.00	\$0.00	\$2,600.00		
27					Jun-15	\$2,600.00	\$0.00	\$2,600.00		
28				NRAPC	Mar-15	\$328.00	\$0.00	\$328.00		
29					Apr-15	\$246.00	\$0.00	\$246.00		
30				896	PHAPC	Mar-15	\$10,391.20	\$0.00	\$10,391.20	
31						Apr-15	\$10,349.30	\$0.00	\$10,349.30	
32			May-15			\$10,433.10	\$0.00	\$10,433.10		
33			Jun-15			\$10,097.90	\$0.00	\$10,097.90		
34			[REDACTED]	ZS0566	117	ISCP	Aug-14	\$2,000.00	\$2,000.00	\$0.00
35			[REDACTED]	ZS0566	117	2SCP	Jul-14	\$500.00	\$500.00	\$0.00
Total Misallocated Costs Charged to CPP for FYs 2013-14 and 2014-15						\$104,022.57	\$34,653.42	\$69,369.15		
Total Misallocated Costs for FYs 2013-14 and 2014-15						\$110,272.23	\$40,903.08	\$69,369.15		

**San Andreas Regional Center
Improper Allocation of Community Placement Plan Funds (Repeat)
Fiscal Years 2013-14 and 2014-15**

No	Unique Client Identification Number	Vendor Number	Service Code	Sub Code	Payment Period	Overstatements	Corrected Amount	Balance
CPP Payments After End of Fiscal Year								
1	[REDACTED]	HS0277	515	03CPP	Jul-11	\$1,440.40	\$0.00	\$1,440.40
2					Aug-11	\$1,656.46	\$0.00	\$1,656.46
3					Sep-11	\$1,512.42	\$0.00	\$1,512.42
4					Oct-11	\$1,440.40	\$0.00	\$1,440.40
5					Nov-11	\$1,368.38	\$0.00	\$1,368.38
6					Dec-11	\$1,368.38	\$0.00	\$1,368.38
7					Jan-12	\$1,440.40	\$0.00	\$1,440.40
8					Feb-12	\$1,440.40	\$0.00	\$1,440.40
9					Mar-12	\$1,512.42	\$0.00	\$1,512.42
10					Apr-12	\$1,440.40	\$0.00	\$1,440.40
Total CPP Payments After End of FY 2011-12						\$14,620.06	\$0.00	\$14,620.06
Misallocated Costs Charged to the General Fund								
1	[REDACTED]	HS0380	780	90801	Oct-12	\$289.48	\$0.00	\$289.48
2					Oct-12	\$35.15	\$0.00	\$35.15
3					Nov-12	\$35.15	\$0.00	\$35.15
4					Dec-12	\$35.15	\$0.00	\$35.15
5					Feb-13	\$35.15	\$0.00	\$35.15
6					Mar-13	\$35.15	\$0.00	\$35.15
7					Apr-13	\$105.45	\$0.00	\$105.45
8					May-13	\$35.15	\$0.00	\$35.15
9					Jun-13	\$35.15	\$0.00	\$35.15
10					Oct-12	\$39.72	\$0.00	\$39.72
11					Nov-12	\$39.72	\$0.00	\$39.72
12					Dec-12	\$39.72	\$0.00	\$39.72
13					Feb-13	\$39.72	\$0.00	\$39.72
14					Mar-13	\$39.72	\$0.00	\$39.72

**San Andreas Regional Center
Improper Allocation of Community Placement Plan Funds (Repeat)
Fiscal Years 2013-14 and 2014-15**

No	Unique Client Identification Number	Vendor Number	Service Code	Sub Code	Payment Period	Overstatements	Corrected Amount	Balance		
15	[REDACTED]	HS0380	780	90801	Apr-13	\$119.16	\$0.00	\$119.16		
16					May-13	\$39.72	\$0.00	\$39.72		
17					Jun-13	\$39.72	\$0.00	\$39.72		
18		HS0805	113		Oct-12	\$6,597.92	\$6,597.92	\$0.00		
19					Nov-12	\$7,172.86	\$7,172.86	\$0.00		
20					Dec-12	\$7,172.86	\$7,172.86	\$0.00		
21					Jan-13	\$7,172.86	\$7,172.86	\$0.00		
22					Feb-13	\$7,172.86	\$7,172.86	\$0.00		
23					Mar-13	\$7,172.86	\$7,172.86	\$0.00		
24					Apr-13	\$7,172.86	\$7,172.86	\$0.00		
25					May-13	\$7,172.86	\$7,172.86	\$0.00		
26					Jun-13	\$7,172.86	\$574.94	\$6,597.92		
27					HS0750	515	03	Oct-12	\$858.12	\$0.00
28		Nov-12	\$1,287.18	\$0.00				\$1,287.18		
29		Dec-12	\$1,287.18	\$0.00				\$1,287.18		
30		Jan-13	\$1,430.20	\$0.00				\$1,430.20		
31		Feb-13	\$1,358.69	\$0.00				\$1,358.69		
32		Mar-13	\$1,501.71	\$0.00				\$1,501.71		
33		Apr-13	\$1,501.71	\$0.00				\$1,501.71		
34		May-13	\$1,287.18	\$0.00				\$1,287.18		
35		Jun-13	\$1,430.20	\$0.00				\$1,430.20		
36		880		Oct-12				\$146.76	\$0.00	\$146.76
37				Nov-12				\$220.14	\$0.00	\$220.14
38				Dec-12				\$220.14	\$0.00	\$220.14
39				Jan-13				\$244.60	\$0.00	\$244.60
40				Feb-13	\$232.37	\$0.00	\$232.37			

**San Andreas Regional Center
Improper Allocation of Community Placement Plan Funds (Repeat)
Fiscal Years 2013-14 and 2014-15**

No	Unique Client Identification Number	Vendor Number	Service Code	Sub Code	Payment Period	Overstatements	Corrected Amount	Balance
41	[REDACTED]	HS0750	880		Mar-13	\$256.83	\$0.00	\$256.83
42					Apr-13	\$256.83	\$0.00	\$256.83
43					May-13	\$220.14	\$0.00	\$220.14
44					Jun-13	\$244.60	\$0.00	\$244.60
45		HS0753	765		Nov-12	\$51.08	\$0.00	\$51.08
46					Dec-12	\$50.76	\$0.00	\$50.76
47					Jan-13	\$99.96	\$0.00	\$99.96
48					Feb-13	\$64.96	\$0.00	\$64.96
49					Mar-13	\$75.35	\$0.00	\$75.35
50					Apr-13	\$75.96	\$0.00	\$75.96
51					May-13	\$83.96	\$0.00	\$83.96
52					Jun-13	\$84.28	\$0.00	\$84.28
53	[REDACTED]	HS0848	510	04	Apr-13	\$904.23	\$904.23	\$0.00
54					May-13	\$1,063.80	\$1,063.80	\$0.00
55					Jun-13	\$1,063.80	\$1,063.80	\$0.00
56		880	Apr-13		\$183.45	\$0.00	\$183.45	
57			May-13		\$244.60	\$0.00	\$244.60	
58			Jun-13		\$244.60	\$0.00	\$244.60	
Total Misallocated Costs Charged to General Fund for FYs 2011-12 and 2012-13						\$83,294.35	\$60,414.71	\$22,879.64
Total Misallocated Costs for FYs 2011-12 and 2012-13						\$97,914.41	\$60,414.71	\$37,499.70
Total Misallocated Costs for FYs 2013-14 and 2014-15						\$110,272.23	\$40,903.08	\$69,369.15
Total Misallocated Costs						\$208,186.64	\$101,317.79	\$106,868.85

**San Andreas Regional Center
Family Cost Participation Program - Late Assessments
Fiscal Years 2013-14 and 2014-15**

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization	Payment Period	Over-Payment
1		H10761	Special Home Needs, Inc.	862		Aug-13	\$461.04
2		H10761	Special Home Needs, Inc.	862		Sep-13	\$461.04
3		H10761	Special Home Needs, Inc.	862		Oct-13	\$461.04
4		H10761	Special Home Needs, Inc.	862		Nov-13	\$384.20
5		H10761	Special Home Needs, Inc.	862		Dec-13	\$393.81
6		H10761	Special Home Needs, Inc.	862		Jan-14	\$441.83
7		H10761	Special Home Needs, Inc.	862		Feb-14	\$461.04
8		H10761	Special Home Needs, Inc.	862		Mar-14	\$278.55
9		H10761	Special Home Needs, Inc.	862		Apr-14	\$316.97
10		H10761	Special Home Needs, Inc.	862		May-14	\$461.04
11		H10761	Special Home Needs, Inc.	862		Jun-14	\$240.13
12		H10761	Special Home Needs, Inc.	862		Jul-14	\$211.57
13		H10761	Special Home Needs, Inc.	862		Aug-14	\$262.52
Total Overstated Share of Cost							\$4,834.78

**San Andreas Regional Center
Missing Equipment (Repeat)
Fiscal Years 2013-14 and 2014-15**

No.	Item Description	Serial Number	State Tag Number
1	Epson Powerlite 750c	GX5G5X0115F	00346075
2	Computer, Personal	BA8CE290	00329337
3	Lenovo Thinkpad Laptop	L3-CM996	00353755

**San Andreas Regional Center
Equipment Not State Tagged
Fiscal Years 2013-14 and 2014-15**

No.	Item Description	SARC Tag Number
1	Apple MacBook 13.3"	00C00040
2	Lenovo ThinkCentre	00C00026
3	LenovoThinkCentre	00C00005
4	Lenovo Think Center	00C00019

**San Andreas Regional Center
Home and Community Based Services Waiver Forms
Fiscal Years 2013-14 and 2014-15**

No.	Vendor Number	Vendor Name	Service Code	Comment
1	HS0176	Cypress Independent Living Services	520	X
2	HS0224	Gentiva Health Services	915	
3	HS0254	Glen Elm Care Home, Inc	915	X
4	HS0066	McLaughlin Manor	915	X
5	HS0237	Monterey Bay Residential	915	X
6	H36738	Twelve Acres	915	X

Legend:

X = Resolved

**San Andreas Regional Center
Vendor Application (DS 1890)
Fiscal Years 2013-14 and 2014-15**

No.	Vendor Number	Vendor Name	Service Code	Comment
1	HS0851	Corpuz Transportation Services	875	X
2	HS0224	Gentiva Health Services	915	
3	HN0331	Kavere at Green Mtn	113	X
4	H18007	R&D Transportation	883	X
5	H10920	Santa Clara Adult Education	510	X

Legend:

X = Resolved

**San Andreas Regional Center
Applicant/Vendor Disclosure Statements (DS 1891)
Fiscal Years 2013-14 and 2014-15**

No.	Vendor Number	Vendor Name	Service Code	Comment
1	HS0534	A Is For Apple	707	X
2	HS0543	A Is For Apple	773	X
3	HS0623	A Is For Apple	805	X
4	HS0772	Aim Higher Inc.	510	X
5	HS0236	Allied Therapy Services	805	X
6	HS0211	Allied Therapy Srvcs	707	X
7	PS0014		707	X
8	P13781		715	X
9	HS0555	Bayside Behavioral/Mike Carlone	515	X
10	H18269	Bayview Care Home	915	X
11	HS0550	Castlewood Villa, Inc	113	X
12	HH0937	College Hospital	700	X
13	HS0176	Cypress Independent Living Srv	520	X
14	ZS0490	Excel Behavioral Services	894	
15	HS0581	Exceptional People Facility	905	
16	Z16052	Fiesta Educativa	102	X
17	H84751	Fred Finch Youth Center	920	X
18	HS0224	Gentiva Health Services	915	
19	HS0785	Good Fellow Occupational	773	X
20	HS0785	Goodfellow Ocupational Services	773	X
21	HS0201	Great Endeavors Adult	702	X
22	HS0201	Great Endeavors Adult Day	110	X
23	Z18461	Greater Opportunities	896	X
24	H10929	Greater Opportunities	520	X
25	HS0330	Greater Tomorrow Inc	113	X
26	HS0244	Hope Services	520	X
27	HS0345	Hope Services	954	X
28	HS0358	Hope Services- Whittier	952	X
29	H75344	Mainstream Services, Inc	520	X
30	HS0630	Monarch Indep Living Services	520	X
31	HS0237	Monterey Bay Residential	915	X
32	HS0153	Multiple Intelligence Tra	880	X
33	HS0153	Multiple Intelligence Training Ctr	515	X
34	HS0063	Nikko's Res Care Home	915	
35	HS0684		915	X
36	H10677	Oceanview	915	X
37	HS0404	Partnership for Active Learning Services	520	X
38	HS0618	Piedmont Adult Day Program	515	X
39	PS0104	Pros in Rehab	772	X
40	H18007	R&D Transportation	883	X

**San Andreas Regional Center
Applicant/Vendor Disclosure Statements (DS 1891)
Fiscal Years 2013-14 and 2014-15**

No.	Vendor Number	Vendor Name	Service Code	Comment
41	H10920	Santa Clara Adult Education	510	X
42	ZS0629	Smiles by Diana	117	X
43	H10740	Social Vocational Services	880	X
44	ZS0027	SSCOE Acctg- Chandler Trip	56	X
45	HS0251	Tucci Learning Solutions, Inc	612	X
46	HS0615	Tupaz Home #14	935	X
47	H36738	Twelve Acres	915	
48	P17644	██████████	785	X
49	HS0291	West Valley Mission	510	X

Legend:

X = Resolved

APPENDIX A

SAN ANDREAS REGIONAL CENTER

RESPONSE TO AUDIT FINDINGS

(Certain documents provided by the San Andreas Regional Center as attachments to its response are not included in this report due to the detailed and sometimes confidential nature of the information).



September 14th, 2017

Staci Yasui
Supervisor
Department of Developmental Services
1600 Ninth Street, MS 2-10
Sacramento, CA 95814

SANTA CLARA COUNTY
6203 San Ignacio Avenue
Suite 200
San Jose, CA. 95119

Dear Ms. Yasui

P.O. Box 50002
San Jose, CA
95150-0002
Tel: 1(408) 374-9960
Fax: 1(408) 620-7905

This letter is San Andreas Regional Center's (SARC) response to the draft audit for Fiscal Years 2013-14 and 2014-15 dated June 23, 2017. Included with this letter is a sheet showing SARC's responses and action plans that SARC believes will address DDS's recommendations. Also you will find attachments that support these statements.

MONTEREY COUNTY

344 Salinas Street
Suite 207
Salinas, CA 93901
Tel: 1(831) 900-3836
Fax: 1(831) 424-3007

SARC agrees to pay DDS \$26,148.75 for the overpayment to Stepping Stones in finding one, \$5,452.82 for the unsupported credit card expenses in Finding 3 and \$4,834.78 for the overpayment caused by the late assessment for share of cost in Finding 6.

SARC disputes the requirement to repay the \$56,943.93 for Helping Hands in Finding 1. SARC has documentation that DDS agreed to SARC using the increased rate when the facility accepted the clients (see attachment for finding 1).

SANTA CRUZ COUNTY

1110 Main Street
Suite 8
Watsonville, CA 95076
Tel: 1(831) 900-3737
Toll Free
Within Santa Cruz County
1(831) 688-7633
Fax: 1(831) 728-5514

SARC has collected the overpayments of \$7,134.21 listed in Finding 2 from the vendor. These were deposited in August 2017 and will be in the claim SARC submits in September.

SARC has acquired receipts where they are needed for some of the client trust disbursements listed in Finding 4. SARC believes that \$13,926.24 of the items listed in the draft audit are now supported. SARC disputes DDS's requirement that to reimburse the remaining funds to the client's accounts as this rewards non-compliance. SARC will actively pursue receipts and if they are not forthcoming will require receipts before issuing additional checks to that person.

www.sarc.org

Regarding the improper allocation of CPP and general funds detailed in Finding 5 SARC has reallocated what we can but unfortunately the fiscal years in question are closed and we cannot make further changes.

Member of the Association
of Regional Center Agencies

The findings regarding state equipment in Finding 7 have been addressed by SARC by revising its inventory policy and procedure to reflect the requirements in the State Equipment Management System Guidelines.

SARC agreed with Finding 8 and corrected the segregation of payroll duties.

SARC agrees with both sections of Finding 9 and have altered our procedures to ensure previous versions of files are retained.

SARC has established a variety of activities to address Finding 10 and inform all stakeholders of our Whistleblower policy.

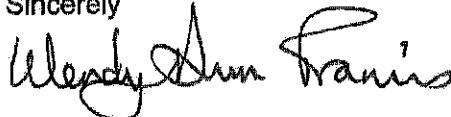
SARC understands the importance of ensuring that vendors have sufficient oversight of their financials. In response to Finding 11 SARC has worked on procedures to inform and remind vendors, and track compliance of their responsibility to comply with the provisions with WIC Section 4653.5 and Senate Bill No. 1226 regarding the need for an independent audit of review. SARC will continue to work on improvements on this as time and manpower permit.

For Finding 12, which talks about Medi-Cal reimbursement procedures, SARC has provided several documents that are used to train service coordinators and parents and clients about the requirement to ensure that SARC is not paying for costs that should be covered by insurance or Medi-Cal.

SARC has been working diligently to acquire the documents needed for Findings 13 and 14 and has implemented a policy that payments will be held for vendors who do not supply the needed documents until documents are provided.

If you have questions after reviewing the files provided in support of this response please do not hesitate to contact Wendy-Ann Francis (408-341-3807 wfrancis@sarc.org)

Sincerely

A handwritten signature in black ink that reads "Wendy Ann Francis". The signature is written in a cursive, flowing style.

Wendy-Ann Francis
SARC Controller

SAN ANDREAS REGIONAL CENTER
 DDS Audit for July 2013 - June 2015
 Response to Draft Audit Report issued by DDS

FINDING	SUBJECT	DDS RECOMMENDATION	RESPONSE
1	Negotiated rate above the statewide median rate	SARC must reimburse DDS the overpayment totaling \$83,092.67. SARC must immediately negotiate the rate for Helping Hands Residential for consistency with the median rate and provide DDS with written confirmation of the rate change. In addition, SARC must comply with W&I Code Section 4691.9 and ensure that all rates negotiated after June 30, 2008, are either equal to, or below the median rate.	SARC will pay the overpayment totaling \$26,143.75 for Stepping Stones to DDS. SARC is disputing the requirement to repay the \$56,948.92 for Helping Hands. Attached are emails between DDS and SARC from 2009 indicating that we could retain the rate that had been agreed upon for Agnews leavers even though the home and services provider had changed due to the needs of the client. SARC has renegotiated the rate with Helping Hands to bring it in compliance the median rate effective July 1, 2017.
2	Overstated Claims	SARC must reimburse DDS \$7,134.21. In addition SARC must ensure the staff is monitoring the Operational Indicator reports to efficiently detect duplicate payments and correct payment errors that may occur in the course of doing business with the vendors.	SARC has collected \$7,134.21 of the identified over payment from the vendors (check copies attached). These amount collected will included in the September claim.
3	Unsupported/unallowable credit card expenditures	SARC must reimburse DDS the \$5,452.82 of unsupported credit card expenditures. In addition, SARC must enforce the State Contract, Article IV, Section 3(a) and (b) and its credit card policy and require employees to submit detailed reports for items purchased	SARC has developed a procedure to run the Operational Indicator reports. The reports are run on a quarterly basis to identify problems and resolve them. SARC will pay DDS \$5,452.82 for the unsupported credit card expenditures.
4	Client Trust disbursements not supported (repeat)	SARC must reimburse to consumers a total of \$15,312.44 in unsupported management disbursements paid to the vendors. As the representative payee, SARC must ensure all its vendors are aware that receipts to support the client trust money management disbursements must be submitted to SARC, and request reimbursement from vendors who do not comply. This will ensure all money management checks disbursed to the vendors are reviewed and that the expenditures were spent for the consumers' benefit.	SARC has had training meetings with our credit card holders on why we must have detailed receipts. We have also outlined what a detailed receipt is in our policy. In order to keep our executive team informed of lost receipts, we have a Lost Receipt form that must be signed only by the person's manager. In addition as of July 2017, the Agency is working with Concur a web based business travel and expense software to aid in assisting SARC with capturing receipts from credit cards. We are in the process of constructing part of our credit card expense module to capture the receipt as soon as the expense is incurred. In addition, we will have the ability to track the employees who continue to not have receipt(s) in order to provide additional training or if necessary cancel their card. SARC will update the current credit card policy to include an extended portion explaining the importance of why we must have a receipt, what could happen if you don't have a receipt or if you continue to not provide receipts and to make employees aware that the Agency is at risk of not being compliance with the State Contract, Article IV, Section 3(a) and (b).
5	Improper allocation of CPP funds	SARC must reallocate \$104,022.57 incorrectly claimed under CPP, to non-CPP funds. SARC must provide documentation indicating that the \$54,520.06 improperly allocated to CPP and \$53,294.35 claimed under CPP identified in the prior DDS audit report, has been corrected. SARC must review CPP claims to ensure consumers' expenditures are allocated to proper funding sources before claims are made to DDS.	SARC dispises the appropriateness of paying \$15,312.44 to the consumers' accounts as it could act as a disincentive to provide receipts at all. After reviewing all the consumers we found \$3,396.28 as unsupported reimbursements and \$13,926.24 reimbursements with supported documentation. Please see the attached exhibits for a spreadsheet with explanations and copies of the receipts, bank statements and SARC policy. SARC has reviewed the current status of these claims. Of the \$124,897.94 that was incorrectly claimed as CPP \$40,903.08 has been transferred to regular POS. The remaining amounts were not transferred (see attached sheet for details). Of the \$83,294.35 that was charged to the general fund but should have been CPP \$60,414.71 has been corrected leaving \$22,879.64 still in the general fund. SARC is unable to transfer the remaining amounts because these fiscal years are now closed. SARC has developed procedures to stop this misallocation occurring. Any services being charged to CPP have to be validated by the Fiscal Assistants before being processed and paid. This is done by referring to a spreadsheet provided by case management that lists the placement date along with all relevant client and vendor information. If the client is not on the list the POS will be rejected.
6	Family Cost Participation Program - Base Assessments	SARC must reimburse DDS the share of cost, totaling \$4,834.78 overpaid to the vendor, that was the responsibility of the parents.	SARC will reimburse DDS the total cost of \$4,834.78. The agency will continue to train managers and service coordinators using the monthly trainings held for SARC employees. This training will also be given to all new employees during their orientation training. These sessions will stress the importance of turning in the assessment paperwork within 10 business days and not holding on to the paperwork because they want to turn it all in together.
7A	Missing equipment	SARC must follow the State's Equipment Management System Guidelines for the safeguarding of State property. This would ensure missing items are reported in a timely manner and, if the items cannot be located, a survey form should be completed to remove the items from the Equipment Inventory listing	SARC reviewed and revised its inventory policy to cover the requirements of the State Equipment Management Systems Guidelines. SARC will survey the missing equipment, remove them from our Fixed Asset Ledger and send the appropriate paperwork to DGS & DDS.
7B	Equipment Inventory - Equipment not State Tagged	SARC must follow the State's Equipment Management System Guidelines, Section III(c) to ensure that all State-owned equipment is tagged as property of the State of California and properly recorded to its inventory listing prior to the distribution of use	SARC reviewed and revised its inventory policy to cover the requirements of the State Equipment Management Systems Guidelines. All state owned equipment is now tagged with state ID tags. See the attachment listing the new numbers for the items found mis-tagged in the audit.
7C	Equipment Inventory - Equipment Acquired Under Contract Forms (DS2130) Not Used	SARC must update its inventory control procedure to address the need for the DS2130 to be completed to ensure compliance with the State Equipment Management Systems Guidelines, Section III(b)	SARC reviewed and revised its inventory policy to cover the requirements of the State Equipment Management Systems Guidelines. SARC will submit the DS2130 (or suitable electronic Equivalent) quarterly to the Department of Developmental Services (DDS) Customer Support Section (COS) informing them of the nonexpendable and sensitive equipment received each calendar quarter.
8	Segregation of Duties	SARC must cease the practice of having the payroll Coordinator be responsible for entering pay rate changes in the system and also processing payroll. In addition SARC should update its policies and procedures to ensure proper separation of duties exists between payroll and personnel functions	SARC corrected the segregation of duties issue as soon as it was pointed out. The procedures were changed to reflect this. Procedures for processing changes in pay rates: <ul style="list-style-type: none"> HR Administrator processes Personnel Action Form that requires five (5) levels of signatures. HR Administrator enters any payroll increases, adjustments, new hires in to payroll system HR Administrator provides copy of Personnel Action Form to Payroll Coordinator Copy of Personnel Action Form is entered in employees personnel file Payroll coordinator processes payroll.
9A	Documentation not Retained	SARC should ensure all supporting documents are maintained for the reported caseload ratios	SARC acknowledges that documentation was not retained. We have trained staff to ensure that prior versions of caseload ratios files are retained

SAN ANDREAS REGIONAL CENTER
 DDS Audit for July 2013 - June 2015
 Response to Draft Audit Report Issued by DDS

FINDING	SUBJECT	DDS RECOMMENDATION	RESPONSE
99	Documentation not Retained - Administrative Cost Cap	SARC should ensure all supporting documents are maintained to verify that a review of the administrative expenses are completed	SARC acknowledges that documentation was not retained. We have tightened up our procedures for filing documents to ensure that all documents related to our year end calculation are filed in a specific place using a consistent organization principle
10	Lack of Annual Notification of the Whistleblower Policy	SARC must develop a process to ensure that consumer's families and the vendor community are notified annually about the whistleblower policies	SARC has developed a variety of ways to inform all stakeholders about our whistleblower policies: <ul style="list-style-type: none"> Once a year an email will go out to vendors to inform them of our policy SARC also put the information about the policy on our social media outlets (Facebook, twitter) The policy has been posted on our website A link to the policy on our website has been added to the abiling site An email goes out annually to staff to inform them of the policy to allow them to keep our clients and families informed. We bring the policy to the Service Provider Advisory Committee annually SARC believes it is important to use multiple ways to reach out to stakeholders in hopes of reaching as many as possible
11	Policies and Procedures for Vendor Audits and Reviews	SARC must develop policies and procedures to ensure it is properly tracking and following up with vendors who are required to, but have not, submitted an audit report or review. Failure to receive these reports limits SARC's ability to detect vendor issues that may adversely affect services.	SARC has developed a tracking spreadsheet that allows us to understand who needs to provide an audit and who has submitted them. We have been sending out letters to vendors informing them of the need to submit audit/reviews. We have also prepared a document that informs them of the regulations and have presented this at the Service Provider Advisory Committee. It has also been included in the letters we sent out. We have also been calling vendors when time permits to inform them of the requirement. We intend to increase the activity on this task and tailor the response to more closely match each vendor's situation (fiscal year end, audit/review/level of non-compliance). We hope to implement this approach in the next few months (depending on available staff time)
12	Lack of Medi-Cal Reimbursement Procedures	SARC must develop procedures to ensure that all vendors who have consumers eligible for Medi-Cal are billing for reimbursements appropriately. The procedures must also include a detailed follow up process to ensure that SARC receives a copy of the Medi-Cal approval or denial letter to assist it in the monitoring of reimbursements	San Andreas has guidelines to ensure consumers eligible for insurance inquire with their insurance carrier to see if their services can be approved through their insurance coverage. San Andreas is aware that state law prohibits the regional center from duplicating services that should be provided by another source. SB946 Autism Health Insurance Mandate, 2012 Health and Safety Code 1374.73 require families to use private health insurance for behavioral services identified in the IFSP/IPP. Because of HIPAA, SARC cannot get information directly from vendors or insurance carriers to ensure they are billing for the services outlined in the IFSP/IPP. SARC works with their families in providing SARC with the written communication to verify if services from insurance will be accepted or denied. SARC has procedures in place with vendors who work with various insurance carriers to provide, Early Intervention (EI), Speech and Language (SLP), Occupational Therapy (OT), Physical Therapy (PT), Intensive Autism Services (behavior support), and Applied Behavioral Analysis (ABA). Families who are covered by Medi-Cal are excluded from this mandate for behavioral services but are referred for SLP, OT and PT only. In certain circumstances, SARC may fund co-pay/co-insurance/deductibles for services specified on the IFSP/IPP if family is low income (less than 400% of federal poverty level).
13	Home and Community Based Services Provider Agreement Forms	SARC must locate the two missing HCBS Provider Agreement forms or have the vendors complete new ones, and correct the remaining four HCBS Provider Agreement forms that were not completed. In addition, SARC must review the vendor files to ensure the HCBS Provider Agreement forms are on file.	SARC has requested vendors provide the missing information. Please see attached spreadsheet and documents for detail on who has provided the required paperwork. All vendors who have not complied will not be paid until they do. We are working to improve procedures to track receipt of these documents, including perhaps using OIG to assist us in the tracking function.
14	Missing Vendor Applications and Applicant/Vendor Disclosure	SARC must locate the missing DS1890 & DS1891 forms to obtain new, completed forms from the vendors. In addition, SARC must review the vendor files to ensure the vendors have submitted the completed DS1890 and DS1891 forms	SARC has requested vendors provide the missing information. Please see attached spreadsheet and documents for detail on who has provided the required paperwork. All vendors who have not complied will not be paid until they do. We are working to improve procedures to track receipt of these documents, including perhaps using OIG to assist us in the tracking function.