



**AUDIT OF THE
WESTSIDE REGIONAL CENTER
FOR FISCAL YEARS 2005-06 and 2006-07**

Department of Developmental Services

This report was prepared by the
California Department of Developmental Services
1600 Ninth Street
Sacramento, CA 95814

Karyn Meyreles, Acting Deputy Director, Administration Division
Edward Yan, Acting Manager, Audit Branch
Staci Yasui, Supervisor, Audit Branch

Audit Staff: Jeffery Heng, Richard Hanna, Nestor Tuazon, and Alex Wu

For more information, please call: (916) 654-3695

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EXECUTIVE SUMMARY

The fiscal compliance audit of Westside Regional Center (WRC) revealed that the WRC was in substantial compliance with the requirements set forth in California Code of Regulations Title 17, the California Welfare and Institutions (W&I) Code, the Home and Community Based Services (HCBS) Waiver for the Developmentally Disabled, and the contract with the Department of Developmental Services. The audit indicated that, overall, WRC maintains accounting records and supporting documentation for transactions in an organized manner. This report identifies some areas where WRC'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 WRC's operations.

The findings of this report have been separated into the categories below.

- I. These findings need to be addressed, but do not significantly impair the financial integrity of the WRC or seriously compromise its ability to account for or manage state funds.

Finding 1: Family Cost Participation Program (FCPP) – Over Stated Claims

The review of the Family Cost Participation Program (FCPP) revealed that WRC has been paying more than its assessed share of cost for eight of the 16 consumers participating in the program from December 2005 to January 2008. The total amount of payments identified was \$13,342.49. This was due to the absence of the employee responsible for assessing the share of cost.

Finding 2: Unsupported Caseload Ratios

The review of the Service Coordinator Caseload Ratios revealed that supporting documentation was not maintained to verify the reported Early Start and Medicaid Waiver ratios for Fiscal Years 2005-06 and 2006-07.

Finding 3: Operational Expenses

The review of the 108 operational expenses revealed, 34 instances totaling \$8,238.01, where receipts were not maintained to support the credit card purchases, and 10 instances totaling \$1,327.13, where the credit card charge slip was provided as support, but which did not include the detailing of the items purchased.

Finding 4: Consultant Contracts

The sample review of WRC's five Operational and five Start-Up Consultant Contract files revealed two Operational Consultants did not have a contract on file to support the payment rates. In addition, the review found one Operational

Consultant and four Start-Up Consultants with late contracts. For good internal control practices, written and signed contracts should be in place prior to the effective date of the contract.

Finding 5: Client Trust Disbursements not Supported

A review of the client trust money management disbursements revealed that WRC lacked supporting receipts for checks issued to vendors for the spending down of consumer funds. The review identified six money management disbursements that did not have receipts to support purchases made by the vendors for the consumers at WRC, but instead were maintained at the residential facility. This is not in compliance with the Social Security Administration's Handbook Chapter: 16, Section 1616.

Finding 6: Deceased Consumer Files

The review of the Uniform Fiscal System (UFS) Death report identified five consumers with either multiple dates of death or an incorrect date of death recorded. There were three instances with two different dates of death, and two instances with incorrect dates of death recorded in the death report. Further review found that no payments were made beyond the actual date of death for the five consumers. For good internal controls and accounting practices, WRC should ensure the actual date of death is accurately recorded in UFS.

Finding 7: No Approved Rate for Residential Provider

The review of 21 Residential vendors revealed one vendor, C&H Residential, vendor number HW0152 being paid at a rate that is higher than the Alternative Residential Model rate. WRC stated this vendor was paid at a negotiated rate, which funding is approved by DDS under Assembly Bill (AB) 637/1543/1106 waiver. However, no current approval letter from DDS approving the rate was provided. This is not in compliance with W&I Code, Chapter 5, Article 4, Section 4669.2(a)(3).

II. The following findings were identified during the audit, but have since been addressed and corrected by WRC.

Finding 8: Over/Under-Stated Claims

A review of the Transportation, Day Programs, and Operational Indicator reports revealed 453 instances in which WRC over or under claimed expenses to the State. There were 13 instances of overpayments totaling \$5,718.04 due to duplicate payments. The remaining 440 instances were underpayments totaling \$11,790.46, due to approved rate increases that were not applied. This is not in compliance with Title 17, Section 54326 (a)(10).

WRC has taken corrective action by making billing adjustments for the under and over payments.

BACKGROUND

The Department of Developmental Services (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 normal 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. The regional centers 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 Home and Community-Based Services (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 Branch conducts fiscal compliance audits of each regional center no less than every two years, and completes follow-up reviews in alternate years. Also, DDS requires regional centers to contract with independent Certified Public Accountants (CPA) 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 regional center will also be reviewed by DDS's Federal Programs Operations Section staff to assess overall programmatic compliance with HCBS Waiver requirements. The HCBS Waiver compliance monitoring review will have its own criteria and processes. These audits and program reviews are an essential part of an overall DDS monitoring system that provides information on regional center fiscal, administrative and program operations.

DDS and Coastal Developmental Services Foundation, Inc., entered into contract, HD049021, effective July 1, 2004, through June 30, 2009. The contract specifies that Coastal Developmental Services Foundation, Inc., will operate an agency known as the Westside Regional Center (WRC) to provide services to persons with DD and their families in the Inglewood and Santa Monica-West areas. The contract is funded by State and federal funds that are dependent upon WRC performing certain tasks, providing services to eligible consumers, and submitting billings to DDS.

This audit was conducted at WRC from April 28, 2008, through May 30, 2008, and was conducted by DDS's Audit Branch.

AUTHORITY

The audit was conducted under the authority of the Welfare and Institutions (W&I) Code, Section 4780.5, and Article IV, Provision Number 3 of WRC's contract.

CRITERIA

The following criteria were used for this audit:

- California Welfare and Institutions Code
- "Approved Application for the Home and Community-Based Services Waiver for the Developmentally Disabled"
- California Code of Regulations Title 17
- Federal Office of Management Budget (OMB) Circular A-133
- WRC's contract with the DDS

AUDIT PERIOD

The audit period was from July 1, 2005, through June 30, 2007, 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 regional centers' fiscal, administrative, and program operations. The objectives of this audit are:

- To determine compliance to Title 17, California Code of Regulations (Title 17),
- To determine compliance to the provisions of the HCBS Waiver for the Developmentally Disabled, and
- To determine that costs claimed were in compliance to the provisions of the WRC's contract with DDS.

The audit was conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of WRC's financial statements. We limited our scope to planning and performing audit procedures necessary to obtain reasonable assurance that WRC was in compliance with the objectives identified above. Accordingly, we examined transactions, on a test basis, to determine whether WRC was in compliance with Title 17, the HCBS Waiver for the Developmentally Disabled, and the contract with DDS.

Our review of WRC's internal control structure was limited to gaining an understanding of the transaction flow and the policies and procedures as necessary to develop appropriate auditing procedures.

We reviewed the annual audit report that was conducted by an independent accounting firm for fiscal years:

- 2005-06, issued October 6, 2006
- 2006-07, issued February 6, 2008

This review was performed to determine the impact, if any, upon our audit and as necessary, develop appropriate audit procedures.

The audit procedures performed included the following:

I. Purchase of Service

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

- We tested the sample items to determine if the payments made to service providers were properly claimed and could be supported by appropriate documentation.
- We 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 WRC. The rates charged for the services provided to individuals were reviewed to ensure that the rates paid were set in accordance with the provisions of Title 17.
- We selected a sample of individual trust accounts to determine if there were any unusual activities and if any individual account balances were not over the \$2,000 resource limit as required by the Social Security Administration (SSA). In addition, we determined if any retro Social Security benefit payments received were not held longer than nine months. We also reviewed these accounts to ensure that the interest earnings were distributed quarterly, personal and incidental funds were paid before the tenth of each month, and that proper documentation for expenditures was maintained.
- The Client Trust Holding Account, an account used to hold unidentified consumer trust funds, is used by WRC. An interview with WRC staff revealed that WRC 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 SSA (or other source) in a timely manner.
- We selected a sample of Uniform Fiscal Systems (UFS) reconciliations to determine if any accounts were out-of-balance or if there were any outstanding reconciling items.
- We analyzed all of WRC's bank accounts to determine if DDS had signatory authority as required by the contract with DDS.
- We selected a sample of bank reconciliations for Operations and Consumer Trust bank accounts to determine if the reconciliations are properly completed on a monthly basis.

II. Regional Center Operations

We audited WRC operations and conducted tests to determine compliance to the contract with DDS. The tests included various expenditures claimed for administration to ensure that the accounting staff was properly inputting data, transactions were recorded on a timely basis, and to ensure that expenditures charged to various operating areas were valid and reasonable. These tests included the following:

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

III. Targeted Case Management and Regional Center Rate Study

The Targeted Case Management (TCM) rate study determines DDS rate of reimbursement from the Federal Government. The last rate study to determine the TCM rate was performed in May 2004 which was reviewed in the last DDS biannual audit. As a result, there was no rate to review for this audit period.

IV. Service Coordinator Caseload Study

Under the W&I code Section 4640.6, regional centers are required to provide service coordinator caseload data to DDS annually. Prior to January 1, 2004, the survey required regional centers to have service coordinator-to-consumer ratio of 1:62 for all consumers who had not moved from developmental centers to the community since April 14, 1993, and a ratio of 1:45 for all consumers who had moved from developmental centers to the community since April 14, 1993. However, commencing January 1, 2004, the following service coordinator-to-consumer ratios apply:

- A. For all consumers that are three years of age and younger and for consumers that are enrolled on the HCBS Waiver, the required average ratio shall be 1:62.
- B. For all consumers who have moved from a developmental center to the community since April 14, 1993, and have lived in the community continuously for at least 12 months, the required average ratio shall be 1:62.

C. For all consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not covered under A above, the required average ratio shall be 1:66.

We also reviewed the Service Coordinator Caseload Survey methodology used in calculating the caseload ratio 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

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

VI. Family Cost Participation Program

The Family Cost Participation Program (FCPP) was created for the purpose of assessing cost participation 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. To determine whether WRC is in compliance with Title 17 and the W&I Code, we performed the following procedures during our audit review.

- Reviewed the parents' income documentation to verify their level of participation based on the Family Cost Participation Schedule.
- Reviewed copies of the notification letters to verify the parents were notified of their assessed cost participation within 10 working days.
- Reviewed vendor payments to verify the regional center is paying for only its assessed share of cost.

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VII. Other Sources of Funding

Regional centers may receive many other sources of funding. For the other sources of funding identified for WRC, we performed sample tests to ensure that the accounting staff was 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 other sources of funding identified for this audit are:

- Family Resource Center Program
- Wellness
- Start Up Programs
- Medicare Moderation Act (Part D Funding)

VIII. Follow-up Review on Prior DDS's Audit Findings

As an essential part of the overall DDS monitoring system, a follow-up review of the prior DDS audit findings was conducted. We identified prior audit findings that were reported to WRC and reviewed supporting documentation to determine the degree and completeness of corrective action taken by WRC.

CONCLUSIONS

Based upon the audit procedures performed, we have determined that, except for the items identified in the Findings and Recommendations Section, WRC was in substantial compliance to applicable sections of Title 17, the HCBS waiver and the terms of WRC's contract with DDS for the audit period July 1, 2005, through June 30, 2007.

Except for those items described in the Findings and Recommendations Section, 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 WRC has taken appropriate corrective actions to resolve all prior audit issues.

VIEWS OF RESPONSIBLE OFFICIALS

We issued a draft report on March 23, 2009. The findings in the report were discussed at an exit conference with WRC on April 7, 2009. At the exit conference, we stated that the final report will incorporate the views of responsible officials.

RESTRICTED USE

This report is solely for the information and use of the Department of Developmental Services, Department of Health Care Services, the Centers for Medicare and Medicaid Services, and the Westside Regional Center. It is not intended and should not be used by anyone other than these specified parties. This restriction does not limit distribution of this report, which is a matter of public record.

FINDINGS AND RECOMMENDATIONS

The findings of this report have been separated into the two categories below.

- I. The following findings need to be addressed, but do not significantly impair the financial integrity of WRC or seriously compromise its ability to account for or manage State funds.

Finding 1: Family Cost Participation Program (FCPP) – Over-Stated Claims

The review of the Family Cost Participation Program (FCPP) revealed that WRC has been paying for the cost of services that are the responsibility of the families under the requirements of the FCPP for eight of the 16 consumers participating in the program from December 2005 to January 2008. This occurred when the participating family accounts were left unmonitored for a period of time due to the absence of the employee responsible for assessing the share of cost. As a result, payments totaling \$13,342.49 were made to two vendors (vendor numbers HW0271 and HW0321) by WRC, but which were the responsibility of the families. (See Attachment A)

Title 17, section 50255(a), states:

“The parents of a child who meet the definition under Section 4783(a) (1) of the Welfare and Institutions Code shall be jointly and severally responsible for the assessed amount of family cost participation.”

Recommendation:

WRC should develop and implement policies and procedures to ensure that only the costs WRC is responsible for are entered into the Uniform Fiscal System to prevent the possibility of any overpayments. In addition, the position responsible for assessing the share of cost is an integral part of the FCPP function and cross-training of other employees within the unit should be done to ensure the continuity of monitoring WRC’s share of cost for FCPP are not interrupted.

Finding 2: Unsupported Caseload Ratios

The review of the Service Coordinator Caseload Ratios revealed that supporting documentation for Fiscal Years (FYs) 2005-06 and 2006-07 was not maintained to verify the reported Early Start and Medicaid Waiver ratios as required in the contract with DDS.

Article IV, Section 3(a) of the contract between DDS and WRC states in part:

“The Contractor shall maintain books, records, documents, case files, and other evidence pertaining to the budget, revenues, expenditures, and consumers served under this contract (hereinafter collectively called the “records”) to the extent and

in such detail as will properly reflect net costs (direct and indirect) of labor, materials, equipment, supplies and services, reimbursement is claimed under the provisions of this contract in accordance with mutually agreed to procedures and generally accepted accounting principles.”

Recommendation:

WRC should implement policies and procedures to ensure all supporting documents are maintained for the reported caseload ratios.

Finding 3: Operational Expenses

The review of 108 Operational expenses revealed, 34 instances totaling \$8,238.01, where receipts were not maintained to support the credit card purchases, and 10 instances totaling \$1,327.13, where the credit card charge slip was provided as support, but which did not include the detailing of the items purchased. (See Attachment B)

Article IV, Section 3(a) of the contract between DDS and WRC states in part:

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Recommendation:

WRC should update the Accounting Department’s, “Policies, Procedures, and Internal Controls Manual” to include procedures that require detailed receipts be maintained for credit card purchases.

Finding 4: Consultant Contracts

The sample review of WRC’s five Operational and five Start-Up Consultant Contract files revealed two Operational Consultants, Association of Regional Center Agencies, vendor number 221 and Evelyn Johnson, vendor number 5962 did not have a contract on file to support the payment rates. In addition, the review found one Operational Consultant and four Start-Up Consultants with contracts that were signed after the effective start date of the contract. (See Attachment C)

For good internal control and business practices, all contracts should be in place with signatures and dates from all contracting parties prior to the effective date of the contract. This is to ensure that there will be no misunderstanding regarding

the terms of service, the contract period, and the compensation for the services to be provided.

Recommendation:

WRC should establish policies and procedures to ensure that all consultants have written contracts that are signed and dated prior to the effective date of the contract. In addition, WRC should maintain the signed contracts on file.

Finding 5: Client Trust Disbursements not Supported

A review of 12 client trust money management disbursements revealed that six money management checks disbursed to the vendors for consumer purchases of personal items were not supported with receipts at WRC, but instead were maintained by the residential facility. The checks were disbursed when the consumer's resources were close to or over the \$2,000 resource limit.

Without supporting receipts, WRC does not maintain evidence to ensure that the disbursements from the client trust funds are appropriate. In addition, the client trust funds account for benefits received from the Social Security Administration (SSA).

Social Security Handbook Chapter: 16, Sections 1623.1 states:

“An annual report form (Representative Payee Report) is sent to representative payees for them to explain how Social Security benefits and/or SSI payments were used during the 12-month report period. Payees should keep records throughout the year so that an accurate accounting of benefits can be provided.”

Also Social Security Handbook, Chapter 16, Section 1616 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.”

Recommendation:

As the representative payee for its consumers, WRC should develop and implement policies and procedures requiring supporting receipts for disbursements made from the client trust accounts. The receipts should be maintained by WRC in the consumer's file with the money management check requests for the expenditures. This will ensure all money management checks disbursed to vendors are for appropriate purposes and that there is a proper accounting of Social Security benefits.

Finding 6: Deceased Consumer Files

The review of the Uniform Fiscal System (UFS) Death report identified five consumers with either multiple dates of death or incorrect dates of death recorded. There were three instances with two different dates of death, and two instances with incorrect dates of death recorded in the death report. Further review found that payments were not made beyond the actual date of death for five consumers. (See Attachment D)

Article IV, 1(C) of the contract between DDS and WRC states in part:

“Contractor shall make available accurate and complete UFS and/or CADDIS information to the state. Accordingly Contractor shall:

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 an of the following events:

- a) The death of a consumer;
- b) The change of address of a consumer; or
- c) The change of residence type of a consumer.”

In addition, for good internal controls and accounting practices, WRC should ensure the actual date of death is accurately recorded in UFS to avoid any payments after the date of death.

Recommendation

WRC should ensure its staff is provided with written procedures and training on the recording of deceased consumers in UFS. In addition, WRC should review all current deceased consumer files to ensure that only the actual date of death is recorded in UFS.

Finding 7: No Approved Rate for Residential Provider

The review of 21 Residential vendor files revealed one vendor, C&H Residential, vendor number HW0152 was paid at a rate higher than the Alternative Residential Model rate. WRC stated this vendor was paid at a negotiated rate, which funding is approved by DDS under Assembly Bill (AB) 637/1543/1106 waiver. However, no documentation was provided by WRC to support that C&H Residential was approved by DDS for funding under the AB 637/1543/1106 waiver.

W&I Code, Chapter 5, Article 4, Section 4669.2(a)(3) states:

“Notwithstanding any other provision of law, and provided that there shall be no reduction in direct service to persons eligible for services under this article, a regional center, with the approval of the State Department of Developmental

Services, and in consultation with the local area boards, consumer and vendor advisory committees, and local advocacy organizations, may explore and implement any regional center service delivery alternative included in this section for consumers living in the community as follows:

(3) Procedures whereby regional centers may negotiate levels of payment with providers for delivery of specific services to a group of consumers through a mutually agreed upon contract with a specific term and a guaranteed reimbursement amount. Contracted services may be for any specific service or combination of services across vendor categories.”

Recommendation:

WRC should develop and implement procedures to ensure it is in compliance with W&I Code, Chapter 5, Article 4, Section 4669.2(a)(3) by obtaining the required approval letter from DDS prior to paying residential vendors negotiated payment rates that is higher than the Alternative Residential Model rate.

II. The following findings were identified during the audit, but have since been addressed and corrected by WRC.

Finding 8: Over/Under-Stated Claims

A review of the Transportation, Day Programs, and Operational Indicator reports revealed 453 instances in which WRC over or under claimed expenses to the State. There were 13 instances of overpayments totaling \$5,718.04 due to duplicate payments. The remaining 440 instances were underpayments totaling \$11,790.46 due to approved rate increases that were not applied.

Title 17, Section 54326 (a)(10) 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.”

In addition, for good business and internal control practices, WRC should generate and monitor the Operational Indicator reports periodically to detect and correct any overpayments that may have occurred in the course of doing business with its vendors.

WRC has taken corrective action by making billing adjustments for the over and under payments.

Recommendation:

WRC should continue to review the payment invoices, rate letters, and Operational Indicator reports to ensure any payment errors that may have

occurred in the course of doing business with its vendors are identified and corrected on a timely basis.

EVALUATION OF RESPONSE

As part of the audit report process, WRC is provided with a draft report and is requested to provide a response to each finding. WRC response dated May 7, 2009, is provided as Appendix A. This report includes the complete text of the findings in the Findings and Recommendation section and a summary of the findings in the Executive Summary section.

DDS's Audit Branch has evaluated WRC's response. Except as noted below, WRC's response addressed the audit findings and provided reasonable assurance that corrective action would be taken to resolve the issues. DDS's Audit Branch will confirm WRC's corrective actions identified in the response during the follow-up review of the next scheduled audit.

Finding 7: No Approved Rate for Residential Provider

WRC responded that C&H Residential, vendor number HW0152 was an approved DDS rate under the Assembly Bill (AB) 637/1543/1106 waiver. The documentation provided in WRC's response was a copy of a DDS approval letter for the negotiated rate. However, the effective period of approval was from June 26, 1995 through December 31, 1997. Since the negotiated rate had elapsed, WRC would have needed to request another approval letter from DDS. Therefore, WRC should obtain the required approval letter from DDS prior to paying the residential vendor a negotiated payment rate that is higher than the Alternative Residential Model rate. A follow-up will performed in the next scheduled audit to determine if the issue has been resolved.

**Westside Regional Center
 Overpayments of Units for the Family Cost Participation Program
 Service Code 862 - In-Home Respite Services Agency
 Vendor Numbers HW0271 and HW0321
 Fiscal Years 2005-06 and 2006-07**

Vendor Number	Year/Month	Unique Client Identification Number	A		B	C	D	E
			Share of Cost Per Unit		Units Paid by WRC	Difference	Rate	Overpayment Amount
			WRC Portion	Family Portion				
HW0271	200601		12.00	16.00	28.00	16.00	\$12.50	\$200.00
HW0271	200602		12.00	16.00	36.00	24.00	\$12.50	\$300.00
HW0271	200603		12.00	16.00	28.00	16.00	\$12.50	\$200.00
HW0271	200604		12.00	16.00	28.00	16.00	\$12.50	\$200.00
HW0271	200605		12.00	16.00	28.00	16.00	\$12.50	\$200.00
HW0271	200606		12.00	16.00	28.00	16.00	\$12.50	\$200.00
HW0271	200607		12.00	16.00	28.00	16.00	\$12.88	\$206.08
HW0271	200608		12.00	16.00	28.00	16.00	\$12.88	\$206.08
HW0271	200610		12.00	16.00	28.00	16.00	\$12.88	\$206.08
HW0271	200611		12.00	16.00	14.00	2.00	\$12.88	\$25.76
HW0271	200612		12.00	16.00	14.00	2.00	\$12.88	\$25.76
HW0271	200701		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200702		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200703		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200704		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200705		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200706		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200707		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200708		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200709		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200710		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200711		12.00	16.00	14.00	2.00	\$14.77	\$29.54

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Vendor Number	Year/Month	Unique Client Identification Number	A		B	C	D	E
			Share of Cost Per Unit		Units Paid by WRC	Difference	Rate	Overpayment Amount
			WRC Portion	Family Portion				
HW0271	200712		12.00	16.00	14.00	2.00	\$14.77	\$29.54
HW0271	200512		7.00	14.00	12.00	5.00	\$12.50	\$62.50
HW0271	200601		7.00	14.00	21.00	14.00	\$12.50	\$175.00
HW0271	200602		7.00	14.00	21.00	14.00	\$12.50	\$175.00
HW0271	200603		7.00	14.00	21.00	14.00	\$12.50	\$175.00
HW0271	200604		7.00	14.00	21.00	14.00	\$12.50	\$175.00
HW0271	200605		7.00	14.00	21.00	14.00	\$12.50	\$175.00
HW0271	200606		7.00	14.00	21.00	14.00	\$12.50	\$175.00
HW0271	200607		7.00	14.00	21.00	14.00	\$12.88	\$180.32
HW0271	200608		7.00	14.00	21.00	14.00	\$12.88	\$180.32
HW0271	200609		7.00	14.00	21.00	14.00	\$12.88	\$180.32
HW0271	200602		6.00	15.00	21.00	15.00	\$12.50	\$187.50
HW0271	200603		6.00	15.00	21.00	15.00	\$12.50	\$187.50
HW0271	200604		6.00	15.00	21.00	15.00	\$12.50	\$187.50
HW0271	200605		6.00	15.00	21.00	15.00	\$12.50	\$187.50
HW0271	200606		6.00	15.00	21.00	15.00	\$12.50	\$187.50
HW0271	200607		6.00	15.00	21.00	15.00	\$12.88	\$193.20
HW0271	200608		6.00	15.00	21.00	15.00	\$12.88	\$193.20
HW0271	200609		6.00	15.00	21.00	15.00	\$12.88	\$193.20
HW0271	200610		6.00	15.00	21.00	15.00	\$12.88	\$193.20
HW0271	200611		6.00	15.00	21.00	15.00	\$12.88	\$193.20
HW0271	200612		6.00	15.00	21.00	15.00	\$12.88	\$193.20

Westside Regional Center
Overpayments of Units for the Family Cost Participation Program
Service Code 862 - In-Home Respite Services Agency
Vendor Numbers HW0271 and HW0321
Fiscal Years 2005-06 and 2006-07

Vendor Number	Year/Month	Unique Client Identification Number	A		B	C	D	E
			Share of Cost Per Unit		Units Paid by WRC	Difference	Rate	Overpayment Amount
			WRC Portion	Family Portion				
HW0271	200701		6.00	15.00	21.00	15.00	\$14.77	\$221.55
HW0271	200702		6.00	15.00	21.00	15.00	\$14.77	\$221.55
HW0271	200703		6.00	15.00	21.00	15.00	\$14.77	\$221.55
HW0271	200704		6.00	15.00	21.00	15.00	\$14.77	\$221.55
HW0271	200705		6.00	15.00	21.00	15.00	\$14.77	\$221.55
HW0271	200606		19.00	2.00	21.00	2.00	\$12.50	\$25.00
HW0271	200607		19.00	2.00	21.00	2.00	\$12.88	\$25.76
HW0271	200608		19.00	2.00	21.00	2.00	\$12.88	\$25.76
HW0271	200609		19.00	2.00	21.00	2.00	\$12.88	\$25.76
HW0271	200610		19.00	2.00	21.00	2.00	\$12.88	\$25.76
HW0271	200611		19.00	2.00	21.00	2.00	\$12.88	\$25.76
HW0271	200612		19.00	2.00	20.99	1.99	\$12.88	\$25.63
HW0271	200701		19.00	2.00	21.00	2.00	\$14.77	\$29.54
HW0271	200702		19.00	2.00	21.00	2.00	\$14.77	\$29.54
HW0321	200611		5.00	16.00	21.00	16.00	\$12.88	\$206.08
HW0321	200612		5.00	16.00	21.00	16.00	\$12.88	\$206.08
HW0321	200701		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200702		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200703		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200704		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200705		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200706		5.00	16.00	21.00	16.00	\$14.77	\$236.32

**Westside Regional Center
 Overpayments of Units for the Family Cost Participation Program
 Service Code 862 - In-Home Respite Services Agency
 Vendor Numbers HW0271 and HW0321
 Fiscal Years 2005-06 and 2006-07**

Vendor Number	Year/Month	Unique Client Identification Number	A		B	C	D	E
			Share of Cost Per Unit		Units Paid by WRC	Difference	Rate	Overpayment Amount
			WRC Portion	Family Portion				
HW0321	200707		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200708		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200709		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200710		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200711		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200712		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200801		5.00	16.00	21.00	16.00	\$14.77	\$236.32
HW0321	200611		13.00	1.00	14.00	1.00	\$12.88	\$12.88
HW0321	200612		13.00	1.00	14.00	1.00	\$12.88	\$12.88
HW0321	200701		13.00	1.00	14.00	1.00	\$14.77	\$14.77
HW0321	200702		13.00	1.00	14.00	1.00	\$14.77	\$14.77
HW0321	200703		13.00	1.00	14.00	1.00	\$14.77	\$14.77
HW0321	200704		13.00	1.00	14.00	1.00	\$14.77	\$14.77
HW0321	200706		13.00	1.00	14.00	1.00	\$14.77	\$14.77
HW0321	200611		5.00	16.00	21.00	16.00	\$15.16	\$242.56
HW0321	200612		5.00	16.00	21.00	16.00	\$15.16	\$242.56
HW0321	200703		5.00	16.00	21.00	16.00	\$17.37	\$277.92
HW0321	200608		7.00	7.00	14.00	7.00	\$12.88	\$90.16
HW0321	200609		7.00	7.00	14.00	7.00	\$12.88	\$90.16
HW0321	200610		7.00	7.00	14.00	7.00	\$12.88	\$90.16
HW0321	200611		7.00	7.00	14.00	7.00	\$12.88	\$90.16
HW0321	200612		7.00	7.00	14.00	7.00	\$12.88	\$90.16

**Westside Regional Center
 Overpayments of Units for the Family Cost Participation Program
 Service Code 862 - In-Home Respite Services Agency
 Vendor Numbers HW0271 and HW0321
 Fiscal Years 2005-06 and 2006-07**

Vendor Number	Year/Month	Unique Client Identification Number	A		B	C	D	E
			Share of Cost Per Unit		Units Paid by WRC	Difference	Rate	Overpayment Amount
			WRC Portion	Family Portion				
HW0321	200701		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200702		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200703		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200704		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200705		7.00	7.00	14.00	7.00	\$12.88	\$90.16
HW0321	200706		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200707		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200708		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200709		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200710		7.00	7.00	14.00	7.00	\$14.77	\$103.39
HW0321	200711		7.00	7.00	14.00	7.00	\$14.77	\$103.39
Total Amount for Service Code 862								<u>\$13,342.49</u>

Legend: C=B-A
 E=D*C

Westside Regional Center
Missing Operational Expense Documentation
Fiscal Years 2005-06 and 2006-07

Missing Documentation - No Receipts				
	Vendor Number	Transaction	Payment Date	Amount
1	528	Mary Grace Flowers	12/14/05	\$57.91
2	528	Mary Grace Flowers		\$50.00
3	528	Il Fornaio		\$594.16
4	528	US Airways	1/26/06	\$210.40
5	528	Southwest	2/23/06	\$254.60
6	528	Hotel Nikko		\$215.46
7	528	Hotel Nikko		\$430.92
8	528	Burbank Airport		\$14.00
9	528	Esquire Grill		\$48.56
10	528	Manchu Wok		\$7.63
11	528	La Quinta		\$110.70
12	528	Community Access		12/7/06
13	528	Amtrak	\$29.00	
14	528	5 Star Parking	\$18.00	
15	528	Amtrak	\$24.65	
16	528	Wyndham Hotel	\$388.64	
17	528	Divino Café	\$70.46	
18	528	Amtrak	\$10.20	
19	528	Amtrak	\$10.20	
20	528	Southwest	\$254.60	
21	528	Pacific Grille	1/11/07	
22	528	Wyndam Hotel		\$373.64
23	528	Wyndam Hotel		\$373.64
24	528	Wyndam Hotel		\$373.64
25	528	Wyndam Hotel		\$373.64
26	528	Wyndam Hotel		\$373.64
27	528	Wyndam Hotel		\$373.64
28	528	Wyndam Hotel		\$373.64
29	528	Wyndam Hotel		\$373.64
30	528	Wyndam Hotel		\$373.64
31	528	Wyndam Hotel		\$373.64
32	528	Wyndam Hotel		\$373.64
33	528	Mary Grace Flowers	5/3/07	\$52.00
34	528	Shutters Resturant		\$1,000.00
Total Expenses Missing Receipts				\$8,238.01

**Westside Regional Center
Missing Operational Expense Documentation
Fiscal Years 2005-06 and 2006-07**

Missing Documentation - No Itemized Detail Receipts				
	Vendor Number	Transaction	Payment Date	Amount
1	528	Four Points	12/14/05	\$32.04
2	528	Shanghi Reds		\$55.50
3	528	Four Points		\$64.08
4	528	Shanghi Reds		\$207.75
5	528	Scomas Resturant	2/23/06	\$181.89
6	528	Elephant Bar		\$18.63
7	7650	Don Vino's	5/2/06	\$65.89
8	7650	Esquire Grill		\$48.56
9	7650	Louie's	7/27/06	\$520.92
10	528	Kate Mantioni	1/11/07	\$131.87
Total Missing Detailed Receipts				\$1,327.13
Grand Total Amount				<u><u>\$9,565.14</u></u>

**Westside Regional Center
Missing/Late Consultant Contracts
Fiscal Years 2005-06 and 2006-07**

Missing Consultant Contracts				
	Consultant Name	Vendor Number	Fiscal Year	
			2005-06	2006-07
1	Association of Regional Center Agencies	221	N/A	Yes
2	[REDACTED]	5962	Yes	Yes

Late Consultant Contracts					
	Consultant Name	Vendor Number	Contract Term	Signature Dates	
				WRC	Vendor
1	[REDACTED]	6329	4/1/07 - 6/30/07	6/12/2007	4/1/2007
2	Loop Care, Inc.	PW2673	2/1/06 - 6/30/06	6/24/2006	4/15/2006
3	[REDACTED]	PW5281	2/8/06 - 6/30/06	6/30/2006	7/12/2006
			5/18/06 - 6/1/07	6/13/2007	6/13/2007
4	[REDACTED]	PW5230	2/8/06 - 6/30/06	2/17/2006	2/13/2006
5	[REDACTED]	PW5460	6/28/07 - 6/30/08	8/9/2007	8/9/2007
			6/28/07 - 6/30/08	8/9/2007	8/9/2007

N/A - Not applicable

Yes - No contract on file

**Westside Regional Center
Multiple/Incorrect Dates of Death
Fiscal Years 2005-06 and 2006-07**

Consumers with Multiple Dates of Death		
	Unique Client Identification Number	Recorded Dates of Death
1	[REDACTED]	2/5/06*
		3/27/06
2	[REDACTED]	7/19/06*
		7/20/06
3	[REDACTED]	6/30/05*
		6/19/05

Consumers with Incorrect Date of Death			
	Unique Client Identification Number	Recorded Date of Death	Actual Date of Death
1	[REDACTED]	11/29/05	10/11/03
2	[REDACTED]		1/31/05

* - Actual date of death

APPENDIX A

WESTSIDE REGIONAL CENTER

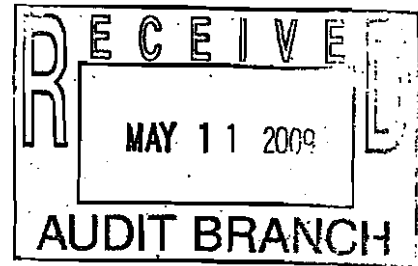
RESPONSE

TO AUDIT FINDINGS

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



**WESTSIDE
REGIONAL CENTER**



May 7, 2009

Department of Developmental Services
Audit Branch
Attn: Edward Yan
1600 9th Street, Room 230, MS 2-10
Sacramento, CA 95814

Dear Mr. Yan,

Enclosed is Westside Regional Center's Management Response to the Department of Developmental Services for the Audit of Fiscal Years 2005-06 and 2006-07.

If you have any questions, please contact me at (310) 258-4054.

Sincerely,

Kate Callaghan
Director of Administration

Committed To Providing Support And Services To People With Developmental Disabilities

5901 Green Valley Circle, Suite 320, Culver City, CA 90230-6953 ■ (310)258-4000 FAX: (310)649-1024 www.westsiderc.org

**Westside Regional Center
Management Response to the
Department of Developmental Services
Audit for FY 2005-06 and FY 2006-07**

Finding 1: Family Cost Participation Program (FCPP) – Over-Stated Claims

The review of the Family Cost Participation Program (FCPP) revealed that WRC has been paying for the cost of services that are the responsibility of the families under the requirements of the FCPP for eight of 16 consumers participating in the program from December 2005 to January 2008.

Management Response: WRC has trained a second staff member on how to do the FCPP so that this program will always be monitored.

Finding 2: Unsupported Caseload Ratios

The review of the Service Coordinator Caseload Ratios revealed that supporting documentation for the Fiscal Years 2005-06 and 2006-07 was maintained to verify the reported Early Start and Medicaid Waiver ratios as required in the contract with DDS.

Management Response: WRC will retain all documentation used in reporting Early Start and Medicaid Waiver ratios.

Finding 3: Operational Expenses

The review of 108 operational expenses revealed, 34 instances totaling \$8,238.01, where receipts were not maintained to support the credit card purchases, and 10 instances totaling \$1,327.13, where the credit card charge slip was provided as support, but which did not include the detailing items purchased.

Management Response: WRC will ensure and enforce its policy that all detailed receipts be attached to all operation expense reimbursements.

Finding 4: Consultant Contracts

The sample review of WRC's five Operational and five Start-Up Consultant Contract files revealed two Operational Consultants, Association of Regional Center Agencies, vendor number 221 and Evelyn Johnson, vendor number 5962, did not have a contract on file to support payment rates. In addition, the review found one Operational Consultant and four Start-Up Consultants with contracts that were signed after the effective start date of the contract.

Management Response: WRC will ensure that all Consultants have a contract before providing services and that it be signed before the effective start date of the contract.

Finding 5: Client Trust Disbursements not Supported

A review of 12 client trust money management disbursements revealed that six money management checks disbursed to the vendors for consumer purchases of personal items were not supported with receipts at WRC, but instead were maintained by the residential facility.

Management Response: WRC now requires all receipts be submitted for any disbursements made out of client trust money management accounts. WRC is working on developing software to keep track of these monies.

Finding 6: Deceased Consumer Files

The review of the Uniform Fiscal System (UFS) Death report identified five consumers with either multiple dates of death or incorrect dates of death recorded. There were three instances with two different dates of death, and two instances with incorrect dates of death recorded in the death report.

Management Response: WRC staff has been trained to run the proper error reports needed to ensure that incorrect or multiple dates of death does not occur in the data entry.

Finding 7: No Approved Rate for Residential Provider

The review of 21 Residential vendor files revealed one vendor, C&H Residential, vendor number HW0152 was paid at a rate higher than the Alternative Residential Model rate.

Management Response: The rate for C&H Residential is an approved DDS rate, under Assembly Bill (AB) 637/1543/1106 waiver. (See attachment)

Finding 8: Over/Under-Stated Claims

A review of the Transportation, Day Programs, and Operational Indicator reports revealed 453 instances in which WRC over or under claimed expenses to the State. There were 13 instances of overpayments totaling \$5,718.04 due to duplicate payments. The remaining 440 instances were underpayments totaling \$11,790.46 due to approved rate increases that were not applied.

Management Response: WRC has corrected the over and under payments mentioned above. We will continue to do weekly audits on our payments to ensure that our vendors receive correct payments.