

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
ABILITY 2 LEARN, INC.

Program and Service:

Independent Living Program – HA0945

Audit Period: July 1, 2017, through June 30, 2018

Audit Section

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ABILITY 2 LEARN, INC.
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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Ability 2 Learn, Inc. (A2L). The audit was performed upon the Independent Living Program (ILP) for the period of July 1, 2017, through June 30, 2018.

The audit disclosed the following issue of non-compliance:

Finding 1: Independent Living Program – Unsupported Billings

The review of A2L's ILP, Vendor Number HA0945, revealed that A2L had a total of \$869 of unsupported billings to Alta California Regional Center (ACRC).

The total of the finding identified in this audit amounts to \$869 and is due back to DDS. A detailed discussion of this finding is contained in the Finding and Recommendation section of this report.

BACKGROUND

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

OBJECTIVE, SCOPE AND METHODOLOGY

Objective

The audit was conducted to determine whether A2L's ILP was compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State and Federal laws and regulations and the regional centers' contracts with A2L for the period of July 1, 2017, through June 30, 2018.

Scope

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The auditors did not review the financial statements of A2L, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of A2L's internal controls to gain an understanding of the transaction flow and invoice preparation process, as necessary, to develop appropriate auditing procedures. The audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that A2L complied with W&I Code and CCR, Title 17. Also, any complaints that DDS' Audit Section was aware of regarding non-compliance with laws and regulations were reviewed and addressed during the course of the audit.

The audit scope was determined by reviewing the program provided to ACRC that utilized A2L's service during the audit period. A2L provided ILP type of services, which DDS audited. By analyzing the information received during a pre-audit meeting with the vendor, an internal control questionnaire and a risk analysis, it was determined that a two-month sample period would be sufficient to fulfill the audit objectives.

Independent Living Program

During the audit period, A2L operated one ILP program. The audit included the review of A2L's ILP program, Vendor Number HA0945, SC 520 and testing was done for the sampled months of July 2017 and June 2018.

Methodology

The following methodology was used by DDS to ensure the audit objectives were met. The methodology was designed to obtain a reasonable assurance that the evidence provided was sufficient and appropriate to support the findings and conclusions in relation to the audit objectives. The procedures performed included, but were not limited to, the following:

- Reviewed vendor files for contracts, rate letters, program designs, POS authorizations and correspondence pertinent to the review.
- Interviewed vendor staff and management to gain an understanding of the vendor's accounting procedures and processes for regional center billing.
- Obtained and reviewed the vendor's internal control questionnaire.
- Reviewed vendor service/attendance records to determine if the vendor had sufficient and appropriate evidence to support the direct care services billed to the regional center(s).
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.
- Interviewed the vendor's Executive Director, and Program Supervisor, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

Based upon the item identified in the Finding and Recommendation section, A2L had a finding of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft report on March 18, 2021. The finding in the report was discussed at an exit conference with A2L on March 29, 2021. Subsequent to the exit conference, on the same day March 29, 2021, A2L provided an email response to the draft audit report. A2L accepted the finding.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, ACRC and A2L. This restriction is not intended to limit distribution of this report, which is a matter of public record.

FINDING AND RECOMMENDATION

Finding 1: Independent Living Program – Unsupported Billings

The review of A2L's ILP, Vendor Number HA0945, for the sampled months of July 2017 and June 2018, revealed that A2L had unsupported billings for services billed to ACRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to ACRC and non-compliance with the CCR, Title 17.

For the months reviewed, DDS noted that the direct service hours on the employee timesheets which were reconciled to payroll details were found to be 24 hours less than the direct service hours billed to ACRC. A2L was not able to provide appropriate supporting documentation for the 24 hours of services billed. The lack of documentation resulted in unsupported billings to ACRC in the amount of \$869 and is due back to DDS. (See Attachment A)

W&I Code, Section 4648.1(e)(1) states:

- “(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines that either of the following has occurred:
- (1) The services were not provided in accordance with the regional center's contract or authorization with the provider, or with applicable state laws or regulations.”

CCR, Title 17, Section 54326(a)(3) and (10) states:

- “(a) All vendors shall:
- (3) Maintain records of services provided to consumers in sufficient detail to verify delivery of the units of service billed: ...
 - (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

CCR, Title 17, Section 50604(d) and (e) states:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program....
- (e) All service providers' records shall be supported by source documentation.”

Recommendation:

A2L must reimburse to DDS \$869 for the unsupported billings. In addition, A2L should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to ACRC.

Vendor's Response:

A2L stated in the response provided after the exit conference on March 29, 2021, that A2L "will reimburse DDS appropriately." (See Attachment B)

ATTACHMENT A

ABILITY 2 LEARN, INC.

To request a copy of the attachment for this audit report, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT B – VENDOR’S RESPONSE

ABILITY 2 LEARN, INC.

To request a copy of the vendor’s response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT C – DDS’ EVALUATION OF A2L’s RESPONSE

A2L’s response dated March 29, 2021, to the draft audit report stated “I accept the information provided in the report and will reimburse DDS appropriately.”