

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
CHILDREN'S LEARNING CONNECTION, LLC (CLC)

Programs and Services:

Infant Development Program – HM0195, HM0639, HM0985

Speech Pathology – PM0249, PM1204, PM1914

Behavior Analyst – PM1155, PM1206, PM1840

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

Audit Section

Auditors: Michael Masui, Chief of Vendor Audit Unit
Alimou Diallo, Supervisor
Paul Huang, Auditor
Wilfredo Golez, Auditor
Vitaliy Bondar, Auditor

CHILDREN’S LEARNING CONNECTION, LLC (CLC)

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	1
BACKGROUND	2
OBJECTIVE, SCOPE AND METHODOLOGY	2
CONCLUSION.....	5
VIEWS OF RESPONSIBLE OFFICIALS	5
RESTRICTED USE	5
ATTACHMENT A – VENDOR’S RESPONSE	6
ATTACHMENT B – DDS’ EVALUATION OF CLC’S RESPONSE	7

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Children's Learning Connection, LLC (CLC). The audit was performed upon the Infant Development Program, Speech Pathology, and Behavior Analyst, for the period of July 1, 2017, through June 30, 2018.

The audit disclosed no issues of non-compliance.

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 CLC's fiscal accountability requirement and its programs were 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 CLC 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 CLC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CLC'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 CLC 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 programs and services provided to Regional Center of the Orange County (RCOC) that utilized CLC's services during the audit period. CLC provided six types of services, of which DDS audited three. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by CLC. 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.

Infant Development Program

During the audit period, CLC operated four Infant Development Programs. The audit included the review of three of CLC's Infant Development Programs, Vendor Numbers HM0195, HM0639, HM0985, SC 805 and testing was done for the sampled month of October 2017.

Speech Pathology

During the audit period, CLC operated three Speech Pathology programs. The audit included the review of all three of CLC's Speech Pathology programs, Vendor Numbers PM0249, PM1204, PM1914, SC 707 and testing was done for the sampled months of October 2017 and May 2018.

Behavior Analyst

During the audit period, CLC operated three Behavior Analyst programs. The audit included the review of all three of CLC's Behavior Analyst programs, Vendor Numbers PM1155, PM1206, PM1840, SC 612 and testing was done for the sampled months of October 2017 and May 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 regional center staff for vendor background information and to obtain insight into the vendor's operations.
- 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.

- Reviewed the vendor's general ledger, payroll records and trial balance to determine the vendor's costs.
- Interviewed the vendor's Director of Operations and Compliance, Clinical Director and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of CLC revealed that this vendor maintained its records in accordance to the requirements of CCR, Title 17. For the sampled months tested, DDS was able to obtain the evidence necessary to achieve the audit objectives. The billings for the programs audited were found to have sufficient, competent, and relevant evidence to support the direct-care hours billed.

VIEWS OF RESPONSIBLE OFFICIALS

The audit report was discussed during the formal exit with the vendor on December 17, 2020. Subsequent to the formal exit meeting, CLC submitted a response dated January 28, 2021 agreeing to the audit report.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

CHILDREN’S LEARNING CONNECTION, LLC

The vendor agrees with the contents of the audit report. There were no audit findings. To request a copy of this document, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT B – DDS’ EVALUATION OF CLC’S RESPONSE

Children’s Learning Connection, LLC (CLC) submitted a response to DDS dated January 28, 2021. DDS evaluated CLC’s written response to the draft audit report and determined that CLC did not disagree with the draft audit report.