

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
DOORWAYS

Program:

Supported Living Services – HJ0304

Audit Period: July 1, 2015, through December 31, 2016

Audit Section

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DOORWAYS
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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Doorways. Doorways is one of the two companies owned by [REDACTED]. This report is an audit of only Doorways (Sole Proprietor). Doorways Supported Living in Orange County (DSLLOC) was audited simultaneously and will have a separate audit report issued.

The audit of Doorways (Sole Proprietor) was performed upon the Supported Living Services (SLS) program for the period of July 1, 2015, through December 31, 2016. The results of the audit disclosed no issue 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 Doorways' SLS program was compliant with the W&I Code, California Code of Regulations (CCR), Title 17, and the regional centers' contracts with Doorways for the period of July 1, 2015, through December 31, 2016.

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 Doorways, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of Doorways' 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 Doorways 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 Inland Regional Center (IRC) that utilized Doorways' services during the audit period. Doorways provided only SLS to IRC, 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.

Supported Living Services

During the audit period, Doorways operated one SLS program. The audit included the review of Vendor Number HJ0304, Service Code 896 and testing was done for the sampled months of May and June 2016. In addition, it was determined that Doorways staff also work for DSLOC during the audit period. As a result, DDS decided to audit all companies operated by [REDACTED].

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, (purchase of service) 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 its 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.
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.
- Interviewed the vendor's Enrolled Agent, Executive Director, Administrator, and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of Doorways 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 billing for the SLS program audited was found to have sufficient, competent and relevant evidence to support the direct-care hours billed.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on February 4, 2019. The areas of review and conclusion of the audit were discussed in an exit conference with [REDACTED], Owner of Doorways, on, February 6, 2019. [REDACTED] responded via email on February 7, 2019, that Doorways agreed with the conclusion of the audit report.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, IRC and Doorways.

ATTACHMENT A – VENDOR’S RESPONSE

DOORWAYS (SOLE), INC.

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 DOORWAYS’ RESPONSE

Doorways’ response, dated February 7, 2019, acknowledged and accepted DDS’ conclusion in the audit report.