

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
PEOPLE WITH DISABILITIES SUCCEEDING

Programs and Services:

Community Integration Training Program – PG2343

Transportation – Additional Component – HG0060

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

Audit Section

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PEOPLE WITH DISABILITIES SUCCEEDING
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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited People with Disabilities Succeeding (PDS). The audit was performed upon the Community Integration Training Program (CITP) and Transportation – Additional Component for the period of July 1, 2017, through June 30, 2018.

The result of 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 PDS' 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 PDS 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 PDS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of PDS'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 PDS complied with W&I Code and CCR, Title 17. Any complaints that DDS' Audit Section was aware of regarding non-compliance with laws and regulations were also reviewed and addressed during the course of the audit.

The audit scope was determined by reviewing the programs and services provided to Golden Gate Regional Center (GGRC) that utilized PDS' services during the audit period. PDS provided two types of services, and DDS audited both. 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 one-month sample period would be sufficient to fulfill the audit objectives.

Community Integration Training Program

During the audit period, PDS operated one CITP. The audit included the review of this program, Vendor Number PG2343, SC 055 and testing was done for the sampled month of September 2017.

Transportation – Additional Component

During the audit period, PDS operated one Transportation – Additional Component program. The audit included the review of this program, Vendor Number HG0060, SC 880 and testing was done for the sampled month of September 2017.

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.
- 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 Executive Director, and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of PDS revealed that this vendor maintained its records in accordance with the requirements of CCR, Title 17. For the sample month tested, DDS was able to obtain the evidence necessary to achieve the audit objectives. The billings for the CITP and Transportation – Additional Component program were 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 July 20, 2020. The areas of review and conclusion of the audit were discussed in an exit conference via Microsoft Team Meetings with PDS on July 22, 2020. Subsequent to the exit conference, on September 2, 2020, PDS provided an email response to the draft report. PDS agrees with the conclusion of the draft report.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

PEOPLE WITH DISABILITIES SUCCEEDING

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.