

**DEPARTMENT OF DEVELOPMENTAL SERVICES'**  
**AUDIT OF**  
**PROMISING FUTURES, INC.**

**Programs and Services:**

Adult Development Center – HQ0195

Behavior Management Program – HQ0194

Transportation – Additional Component – HQ0195

Transportation Assistant – HQ0195

Supplemental Day Services Program Support – PQ9953

Audit Period: July 1, 2018, through July 31, 2019

**Audit Section**

**Auditors:** Mike Masui, Chief of Vendor Audit Unit  
Grace Gwarada, Supervisor  
Filmon Sebhatu, Auditor  
Rafael Mercado, Auditor

# PROMISING FUTURES, INC.

## 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 PFI’s RESPONSE.....	7

## **EXECUTIVE SUMMARY**

The Department of Developmental Services (DDS) has audited Promising Futures, Inc. (PFI). The audit was performed upon the Adult Development Center (ADC), Behavior Management Program (BMP), Transportation – Additional Component (TAC), Transportation Assistant, (TA) and Supplemental Day Services Program Support (SDSPS) for the period of July 1, 2018 through July 31, 2019.

The audit found 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 PFI's programs were compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State and Federal laws and regulations and the regional center's contracts with PFI for the period of July 1, 2018, through July 31, 2019.

### **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 PFI nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of PFI'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 PFI 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 San Diego Regional Center (SDRC) that utilized PFI's services during the audit period. PFI provided five types of services, which DDS audited. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by PFI. 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.

## **Adult Development Center**

During the audit period, PFI operated one ADC program. The audit included the review of PFI's ADC program, Vendor Number HQ0195, SC 510 and testing was done for the sampled months of October 2018 and July 2019.

## **Behavior Management Program**

During the audit period, PFI operated one BMP program. The audit included the review of PFI's BMP program, Vendor Number HQ0194, SC 515 and testing was done for the sampled months of October 2018 and July 2019.

## **Transportation – Additional Component**

During the audit period, PFI operated one TAC program. The audit included the review of PFI's TAC program, Vendor Number HQ0195, SC 880 and testing was done for the sampled months of October 2018 and July 2019.

## **Transportation Assistant**

During the audit period, PFI operated one TA program. The audit included the review of PFI's TA program, Vendor Number HQ0195, SC 882 and testing was done for the sampled months of October 2018 and July 2019.

## **Supplemental Day Services Program Support**

During the audit period, PFI operated one SDSPS program. The audit included the review of PFI's SDSPS program, Vendor Number PQ9953, SC 110 and testing was done for the sampled months of October 2018 and July 2019.

## **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 Executive Director, and Controller, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

## **CONCLUSION**

The audit of PFI 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 services and programs audited 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 April 19, 2021. The areas of review and conclusion of the audit were discussed in an exit conference with PFI on, May 7, 2021. PFI responded via email on May 7, 2021, stating that it 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, SDRC and PFI. This restriction is not intended to limit distribution of this report, which is a matter of public record.

**ATTACHMENT A – VENDOR’S RESPONSE**  
**PROMISING FUTURES, 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 PFI’S RESPONSE**

PFI’s response dated May 7, 2021, acknowledged and accepted DDS’ conclusion in the audit report. DDS accepts PFI’s response.