

DEPARTMENT OF DEVELOPMENTAL SERVICES'

AUDIT OF

Rancho Bernardo Day Program, Inc.

Programs and Services:

Adult Development Center – HQ0887 and HQ1014

Transportation – Additional Component – HQ0887

Audit Period: July 1, 2016, through June 30, 2017

Audit Section

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Rancho Bernardo Day Program, Inc.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Rancho Bernardo Day Program, Inc. (RBDPI). The audit was performed upon the Adult Development Center (ADC) and Transportation – Additional Component program for the period of July 1, 2016, through June 30, 2017.

The results 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 Rancho Bernardo Day Program, Inc.'s Adult Development Center and Transportation – Additional Component program 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 RBDPI for the period of July 1, 2016, through June 30, 2017.

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 RBDPI, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of RBDPI'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 RBDPI 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 two regional centers that utilized RBDPI's services during the audit period. DDS audited services provided to Inland Regional Center (IRC) and San Diego Regional Center (SDRC). These two regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

RBDPI provided three different types of services, of which DDS audited two. Services chosen were based on the amount of POS expenditures invoiced by RBDPI. 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, RBDPI operated three ADC programs. The audit included the review of two of ICS's ADC programs, Vendor Numbers HQ0887 and HQ1014, SC 510 and testing was done for the sampled months of November 2016 and December 2016.

Transportation – Additional Component

During the audit period, RBDPI operated one Transportation – Additional Component program. The audit included the review of ICS's Transportation – Additional Component program, Vendor Number HQ0887, SC 880 and testing was done for the sampled months of November 2016 and December 2016.

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.

CONCLUSION

The audit of Rancho Bernardo Day Program, Inc. 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 Adult Development Center and Transportation – Additional Component 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 September 16, 2019. The areas of review and conclusion of the audit were discussed in an exit conference with [REDACTED], Program Director, on September 18, 2019. DDS did not receive a response to the draft audit report within the 30-day vendor response period.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

RANCHO BERNARD DAY PROGRAM, INC.

As part of the audit report process, Rancho Bernard Day Program, Inc. was afforded the opportunity to provide a written response to the draft audit report; however, no response was submitted to the Department.