

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF


BRIGHTER OUTLOOK

Program:

Adult Development Center – H17302, H18836, H18837

Audit Period: January 1, 2019, through December 31, 2020

Audit Section

Auditors: Alimou Diallo, Acting Chief, of Vendor Audit Unit
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[REDACTED]
[REDACTED] BRIGHTER OUTLOOK

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited [REDACTED],
[REDACTED] Brighter Outlook [REDACTED]. The audit was performed upon the Adult Development
Center (ADC) for the period of January 1, 2019, through December 31, 2020.

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 [REDACTED]'s fiscal accountability requirement and its 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 [REDACTED] for the period of January 1, 2019, through December 31, 2020.

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 [REDACTED], nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of [REDACTED]'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 [REDACTED] 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 three regional centers that utilized [REDACTED]'s services during the audit period. DDS audited services provided to Harbor Regional Center (HRC), South Central Los Angeles Regional Center (SCLARC), and Westside Regional Center (WRC).

[REDACTED] provided one type of service, which DDS audited. Services chosen were based on the amount of Purchase of Service (POS) expenditures invoiced by [REDACTED]. 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, [REDACTED] operated three ADCs. The audit included the review of three of [REDACTED]'s ADCs, Vendor Numbers H17302, H18836, and H18837, Service Code (SC) 510, and testing was done for the sampled months of October 2019 and April 2020.

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 attendance records to determine if the vendor had sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Analyzed the vendor's timesheet, payroll registers, and Instructor-to-Client attendance records to determine if the appropriate level of staffing was provided.

CONCLUSION

The audit of [REDACTED] revealed that this vendor maintained its records in accordance with 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 ADC program 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 May 23, 2022. The areas of review and conclusion of the audit were discussed in an exit conference with [REDACTED] on, May 27, 2022. [REDACTED] responded via email on June 2, 2022, that [REDACTED] 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, HRC, SCLARC, WRC, and [REDACTED]. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE



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 [REDACTED]'s RESPONSE

[REDACTED] response dated June 2, 2022, acknowledged and accepted DDS' conclusion in the audit report. DDS accepts [REDACTED]'s response.