

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
CROSSROADS OF CHOICE, INC.

Program:
Transportation Companies – HJ2702

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

Audit Section

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CROSSROADS OF CHOICE, INC.

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	1
BACKGROUND.....	2
OBJECTIVE, SCOPE AND METHODOLOGY	2
CONCLUSION.....	4
VIEWS OF RESPONSIBLE OFFICIALS	4
ATTACHMENT A – VENDOR’S RESPONSE	5
ATTACHMENT B – DDS’ EVALUATION OF COC’s RESPONSE	6

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Crossroads of Choice, Inc. (COC). The audit was performed upon the Transportation Companies (TC) program for the period of July 1, 2017, through June 30, 2018.

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 COC's TC program was 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 COC 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 COC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of COC'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 COC 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 Inland Regional Center (IRC) that utilized COC's services during the audit period. COC provided two different types of services, of which DDS audited one. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by COC. 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.

Transportation Companies

During the audit period, COC operated one TC program. The audit included the review of Vendor Number HJ2702, Service Code 875 and testing was done for the sampled months of May and June 2018.

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.

Interviewed the vendor's 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 COC 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 TC program audited was found to have sufficient, competent and relevant evidence to support the services billed.

VIEWS OF RESPONSIBLE OFFICIALS

DDS discussed the area of review and conclusion of the audit in an exit meeting on November 14, 2019 with [REDACTED], Owner of COC and [REDACTED], Supervisor of COC. [REDACTED] responded via email on November 14, 2019, that COC agrees with the audit report.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE
CROSSROADS OF CHOICE, 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 COC’S RESPONSE

COC’s response, dated November 14, 2019, stated that COC agreed with DDS’ conclusion in the audit report.