

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
JESSAR, INC.

Program and Services:

Supported Living Services – H73529

Community Integration Training Program – HX0046

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

Audit Section

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JESSAR, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Jessar, Inc. (Jessar). The audit was performed upon the Supported Living Services (Rite Start-SLS) and Community Integration Training Program (Crossroads-CIT) 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 Jessar's program and services 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 Jessar 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 Jessar, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of Jessar'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 Jessar 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 and services provided to SCLARC that utilized Jessar's services during the audit period. Jessar provided two different types of services, of which DDS audited two. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by Jessar. 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.

Supported Living Services

During the audit period, Jessar operated one SLS. The audit included the review of Jessar's Rite Start-SLS, Vendor Numbers H73529, SC 896 and testing was done for the sampled months of January 2018 and February 2018.

Community Integration Training Program

During the audit period, Jessar operated one CIT program. The audit included the review of Jessar's Crossroad-CIT program, Vendor Numbers HX0046, SC 055 and testing was done for the sampled months of January 2018 and February 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(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.

CONCLUSION

The audit of Jessar 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 SLS and CIT program audited were found to have sufficient, competent, and relevant evidence to support the direct-care hours billed.

VIEWS OF RESPONSIBLE OFFICIALS

DDS mailed a draft audit report on July 20, 2020 and received the vendor's response on August 25, 2020. The vendor agreed with the conclusion of the audit and declined the exit conference since the audit disclosed no issues of non-compliance.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

JESSAR, 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 JESSAR’S RESPONSE

Jessar’s letter response, dated August 20, 2020, agreed with DDS’ conclusion in the audit report and declined the exit interview since the audit disclosed no issues of non-compliance.