

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
AVENUES

Program and Service:

Supported Living Services – P32958

Community Integration Training Program – P32957

Audit Period: July 1, 2019, through June 30, 2020

Audit Section

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AVENUES

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Avenues: Navigating the Spectrum of Relationships, Rights & Responsibilities, Inc (AVENUES). The audit was performed upon the Supported Living Services (SLS) and Community Integration Training Program (CITP) for the period of July 1, 2019, through June 30, 2020.

The audit disclosed the following issue of non-compliance:

Finding 1: Supported Living Services – Unsupported Billings

The review of AVENUES' SLS program, Vendor Number P32958, revealed that AVENUES had a total of \$1,101 of unsupported billings to North Los Angeles County Regional Center (NLACRC).

The total of the finding identified in this audit amounts to \$1,101, which is due back to DDS. A detailed discussion of this finding is contained in the Finding and Recommendation section of this report.

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 AVENUES's SLS service and CITP 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 AVENUES for the period of July 1, 2019, through June 30, 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 AVENUES, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of AVENUES'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 AVENUES 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 provided to NLACRC that utilized AVENUES's services during the audit period. AVENUES provided two different types of services, of which DDS audited two. Services chosen by DDS were based on the amount of POS expenditures invoiced by AVENUES. 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, AVENUES operated one SLS program. The audit included a review of AVENUES's SLS program, Vendor Number P32958, SC 896 and testing was done for the sampled months of September 2019 and February 2020.

Community Integration Training Program

During the audit period, AVENUES operated one CITP program. The audit included a review of AVENUES's CITP program, Vendor Number P32957, SC 055 and testing was done for the sampled months of September 2019 and February 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 finding and conclusion 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

Based upon items identified in the Finding and Recommendation section, AVENUES had finding of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on August 4, 2021. The finding in the report was discussed at an exit Zoom conference with AVENUES on August 10, 2021. Subsequent to the exit conference, on September 20, 2021, AVENUES responded via email stating that AVENUES agreed with the finding.

RESTRICTED USE

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

FINDING AND RECOMMENDATION

Finding 1: Supported Living Services – Unsupported Billings

The review of AVENUES' SLS program, Vendor Number P32958, for the sampled months of September 2019 and February 2020, revealed that AVENUES had unsupported billings for services billed to NLACRC. Unsupported billings occurred due to a lack of appropriate documentation to support the units of service billed to NLACRC and non-compliance with the CCR, Title 17.

For the two sampled months, AVENUES billed NLACRC for 39 hours not supported by the Daily Notes/Mileage Report, Activity Report Spreadsheet or payroll documentation. As a result, the total unsupported direct service hours of 39, multiplied by the authorized hourly rate, amounts to \$1,101 due back to DDS. (See Attachment A)

W&I Code, Section 4648.1(e)(1) states:

- “(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines that either of the following has occurred:
- (1) The services were not provided in accordance with the regional center’s contract or authorization with the provider, or with applicable state laws or regulations.”

CCR, Title 17, Section 54326(a)(3) and (10) states:

- “(a) All vendors shall: ...
- (3) Maintain records of services provided to consumers in sufficient detail to verify delivery of the units of service billed: ...
 - (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

CCR, Title 17, Section 50604(d) and (e) states:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program....
- (e) All service providers’ records shall be supported by source documentation.”

Recommendation:

AVENUES must reimburse to DDS \$1,101 for the unsupported billings. In addition, AVENUES should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

VENDOR'S Response:

AVENUES, stated in the response, dated September 20, 2021, that AVENUES is agreeing to pay the requested amount with a "no contest status."

See Attachment B for the full text of AVENUES' response to the draft audit report and Attachment C for DDS' evaluation of AVENUES' response.

ATTACHMENT A

AVENUES

To request a copy of the attachment for this audit report, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT B – VENDOR’S RESPONSE

AVENUES

To request a copy of the vendor’s response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT C – DDS’ EVALUATION OF AVENUES’ RESPONSE

DDS evaluated AVENUES’ written response to the draft audit report and determined that AVENUES is not contesting Finding 1 and will pay the requested amount.