

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
ANGEL WINGS HOME CARE AND INDEPENDENT LIVING SERVICE
AGENCY, LLC

Programs and Services:

Adult Development Center – HL0667

Supplemental Day Services Program Support – PL1326

Independent Living Program– HL0607

Audit Period: July 1, 2018, through June 30, 2020

Audit Section

Auditors: Alimou Diallo, Acting Chief of Vendor Audit Unit
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**ANGEL WINGS HOME CARE AND INDEPENDENT LIVING SERVICE
AGENCY, LLC**

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Angel Wings Home Care and Independent Living Service Agency, LLC (AWA). The audit was performed upon the Adult Development Center (ADC), Supplemental Day Services Program Support (SDS), and Independent Living Program (ILP) for the period of July 1, 2018, through June 30, 2020.

The audit disclosed the following issues of non-compliance:

Finding 1: Adult Development Center – Unsupported Billings

The review of AWA's ADC program, Vendor Number HL0667, revealed that AWA had a total of \$31,804 of unsupported billings to North Los Angeles County Regional Center (NLACRC).

Finding 2: Supplemental Day Services Program Support – Unsupported Billings

The review of AWA's SDS program, Vendor Number PL1326, revealed that AWA had a total of \$43,869 of unsupported billings to North Los Angeles County Regional Center (NLACRC).

Finding 3: Independent Living Program – Unsupported Billings

The review of AWA's ILS program, Vendor Number HL0607, revealed that AWA had a total of \$2,671 of unsupported billings to North Los Angeles County Regional Center (NLACRC).

The total of the findings identified in this audit amounts to \$78,344, which is due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations 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 AWA's programs 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 AWA for the period of July 1, 2018, 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 AWA, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of AWA'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 AWA 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 and services provided to North Los Angeles County Regional Center (NLACRC) that utilized AWA's services during the audit period. AWA provided three different types of services, of which DDS audited three. Services chosen by DDS were based on the amount of purchase of service (POS) expenditures invoiced by AWA. 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, AWA operated one ADC program. The audit included the review of Vendor Number HL0667, Service Code (SC) 510 and testing was done for the sampled months of May and June 2019. However, the two sampled months demonstrated a high amount of unsupported billings. As a result, the testing was expanded to include an additional four months of July through October 2019.

Supplemental Day Services Program Support

During the audit period, AWA operated one SDS program. The audit included the review of Vendor Number PL1326, Service Code (SC) 110 and testing was done for the sampled months of May and June 2019. However, the two sampled months demonstrated a high amount of unsupported billings. As a result, the testing was expanded to include an additional four months of July through October 2019.

Independent Living Program

During the audit period, AWA operated one ILP program. The audit included the review of Vendor Number HL0607, Service Code (SC) 520 and testing was done for the sampled months of July through October 2019.

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 for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

Based upon items identified in the Findings and Recommendations section, AWA had findings of non-compliance with the requirements of CCR, Title 17.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on Monday, June 27, 2022. The finding in the report were discussed during an exit conference via Zoom telephone conference with AWA on Wednesday, June 29, 2022. AWA was afforded the opportunity to respond to the draft audit. However, AWA did not submit a response to the draft audit report.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Finding 1: Adult Developmental Center – Unsupported Billings

The review of AWA's ADC program, Vendor Number HL0667, for the sampled months of May 2019 through October 2019, revealed that AWA 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.

DDS reviewed the direct care service days documented on Employee Timesheets, payroll records and Daily Schedules and compared those days to the direct care service days billed to NLACRC. However, AWA was not able to provide appropriate supporting documentation for 494 days of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$31,804, which is 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:

AWA must reimburse to DDS \$31,804 for the unsupported billings. In addition, AWA should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

AWA's Response:

AWA was afforded the opportunity to respond to the draft audit. However, AWA did not submit a response to the draft audit report. (See Attachment B)

Finding 2: Supplemental Day Services Program Support – Unsupported Billings

The review of AWA's SDS program, Vendor Number PL1326, for the sampled months of May 2019 through October 2019, revealed that AWA 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.

DDS reviewed the direct care service hours documented on Employee Timesheets, payroll records and Daily Schedules and compared those hours to the direct care service hours billed to NLACRC. However, AWA was not able to provide appropriate supporting documentation for 3,354 hours of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$43,869, which is 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:

AWA must reimburse to DDS \$43,869 for the unsupported billings. In addition, AWA should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

AWA’s Response:

AWA was afforded the opportunity to respond to the draft audit. However, AWA did not submit a response to the draft audit report. (See Attachment B)

Finding 3: Independent Living Program – Unsupported Billings

The review of AWA’s ILS program, Vendor Number HL0607, for the sampled months of July 2019 through October 2019, revealed that AWA 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.

DDS reviewed the direct care service hours documented on Employee Timesheets, payroll records and Daily Schedules and compared those hours to the direct care service hours billed to NLACRC. However, AWA was not able to provide appropriate supporting documentation for 73 hours of services billed. The lack of documentation resulted in unsupported billings to NLACRC in the amount of \$2,671, which is 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:

AWA must reimburse to DDS \$2,671 for the unsupported billings. In addition, AWA should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to NLACRC.

AWA's Response:

AWA was afforded the opportunity to respond to the draft audit. However, AWA did not submit a response to the draft audit report. (See Attachment B)

ATTACHMENT A

ANGEL WINGS HOME CARE AND ILS AGENCY, LLC

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

ANGEL WINGS HOME CARE AND ILS AGENCY, LLC

As part of the audit report process, Angel Wings Home Care and Independent Living Service Agency, LLC (AWA) was afforded the opportunity to respond to the draft audit. However, AWA did not submit a response to the draft audit report.