

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
CALIFORNIA INSTITUTE OF HEATH AND SOCIAL SERVICES, INC.

Services:

Parent Support Services – PX0494

Personal and Incidental Funds – P25673, HW0117

Family Home Agency – P25673, HW0117

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

Audit Section

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CALIFORNIA INSTITUTE OF HEALTH AND SOCIAL SERVICES, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited California Institute of Health and Social Services, Inc. (CIHSS). The audit was performed upon the Parent Support Services (PSS), Personal and Incidental Funds (P&I) and Family Home Agency (FHA) 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 CIHSS's 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 CIHSS 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 CIHSS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CIHSS'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 CIHSS 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 services provided to three regional centers that utilized CIHSS's services during the audit period. DDS audited services provided to Regional Center of Orange County (RCOC), South Central Los Angeles Regional Center (SCLARC) and Westside Regional Center (WRC). These three regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

CIHSS provided three different types of services, and DDS audited all three. Services chosen were based on the amount of POS expenditures invoiced by CIHSS. 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.

Parent Support Services

During the audit period, CIHSS operated one PSS program. The audit included the review of one of that service, Vendor Numbers PX0494, Service Code (SC) 108, and testing was done for the sampled months of July 2017 and January 2018.

Personal and Incidental Funds

During the audit period, CIHSS operated two P&I programs. The audit included the review of both P&I programs, Vendor Numbers P25673 and HW0117, SC 400, and testing was done for the sampled months of July 2017 and January 2018.

Family Home Agency

During the audit period, CIHSS operated three FHA programs. The audit included the review of two of CIHSS's FHA programs, Vendor Numbers P25673 and HW0117, SC 904, and testing was done for the sampled months of July 2017 and January 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 centers.
- 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.
- Interviewed the vendor's Administrator and Accountant, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of CIHSS 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 services 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 April 8, 2021. The areas of review and conclusion of the audit were discussed in an exit conference with CIHSS on, April 16, 2021. CIHSS responded via email on, April 27, 2021, that CIHSS 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, RCOC, SCLARC and WRC and CIHSS. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

CALIFORNIA INSTITUTE OF HEALTH AND SOCIAL SERVICES, 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 CIHSS’ RESPONSE

CIHSS’ response dated April 27, 2021, acknowledged and accepted DDS’ conclusion in the audit report. DDS accepts CIHSS’ response.