

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
V.I.P. CARE FACILITIES, INC.

Programs and Services:

Residential Facility Serving Adults – Staff Operated – HV0311

Supplemental Residential Program Support – PV1281

Audit Period: July 1, 2018, through June 30, 2019

Audit Section

Auditors: Alimou Diallo, Acting Chief, Vendor Audit Unit
Grace Gwarada, Supervisor
Filmon Sebhatu, Auditor

V.I.P. CARE FACILITIES, INC.

TABLE OF CONTENTS

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

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited V.I.P. Care Facilities, Inc. (VIP). The audit was performed upon the Supplemental Residential Program Support (SRPS) and Residential Facility Serving Adults – Staff Operated (RFSA) services for the period of July 1, 2018, through June 30, 2019.

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 VIP'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 VIP for the period of July 1, 2018, through June 30, 2019.

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 VIP, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of VIP'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 VIP 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 VMRC that utilized VIP's services during the audit period. VIP provided three 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 VIP. 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.

Residential Facility Serving Adults – Staff Operated

During the audit period, VIP operated one RFSA program. The audit included the review of VIP's RFSA program, Vendor Number HV0311, Service Code 915, and testing was done for the sampled months of December 2018 and June 2019.

Supplemental Residential Program Support

During the audit period, VIP operated one SRPS program. The audit included the review of VIP's SRPS program, Vendor Number PV1281, Service Code 109, and testing was done for the sampled months of December 2018 and June 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(s).
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.
- Interviewed VIP's Executive Director and Administrator for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of VIP revealed that this vendor maintained its records in accordance with 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 billings for the services and programs 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 May 12, 2022. The areas of review and conclusion of the audit were discussed in an exit conference with VIP on May 18, 2022. VIP responded via email on June 22, 2022, stating that VIP accepted the conclusion of the audit report.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

V.I.P. CARE FACILITIES, 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 V.I.P.'s RESPONSE

VIP's response dated June 22, 2022, acknowledged and accepted DDS' conclusion in the audit report. DDS accepts VIP's response.