

**DEPARTMENT OF DEVELOPMENTAL SERVICES'**  
**AUDIT OF**  
**CALIFORNIA SELF-DIRECTED SERVICES, LLC**

**Service:**

Supported Living Services – HT0431

Audit Period: January 1, 2022, through December 31, 2022

**Audit Section**

Auditors: Alimou Diallo, Chief of Vendor Audit Unit  
Hung Bang, Chief of Vendor Audit Unit  
Ermias Tecele, Supervisor  
Mani Gill, Auditor

# CALIFORNIA SELF-DIRECTED SERVICES, LLC

## 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 CSDS’s RESPONSE .....	6

## **EXECUTIVE SUMMARY**

The Department of Developmental Services (DDS) has audited California Self-Directed Services, LLC (CSDS). The audit was performed upon the Supported Living Services (SLS) for the period of January 1, 2022, through December 31, 2022.

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 CSDS's program was 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 CSDS for the period of January 1, 2022, through December 31, 2022.

### **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 CSDS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CSDS'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 CSDS 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 TCRC that utilized CSDS's services during the audit period. CSDS provided two different types of services, of which DDS audited one. Service chosen by DDS was based on the amount of purchase of services (POS) expenditures invoiced by CSDS. By analyzing the information received from 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, CSDS operated one SLS program. The audit included the review of one of CSDS' SLS program, Vendor Number HT0431, SC 896 and testing was done for the sampled months of September 2022 and October 2022.

### **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.

## **CONCLUSION**

The audit of CSDS 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 service audited was 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 Thursday, December 7, 2023. The areas of review and conclusion of the audit were discussed during an exit conference via Zoom with CSDS on Tuesday, December 12, 2023. CSDS responded via e-mail on December 12, 2023, that CSDS 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, TCRC and CSDS. This restriction is not intended to limit distribution of this report, which is a matter of public record.

## **ATTACHMENT A – VENDOR’S RESPONSE**

### **CALIFORNIA SELF-DIRECTED SERVICES**

**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 CSDS’S RESPONSE**

CSDS’s response dated December 12, 2023, acknowledged and accepted DDS’ conclusion in the audit report. DDS accepts CSDS response.