

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
LAMPPOST RESOURCE GROUP, INC.

Program:

Transportation Companies – HJ2643

Audit Period: January 1, 2021, through December 31, 2021

Audit Section

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LAMPPOST RESOURCE GROUP, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Lamppost Resource Group, Inc. (LRG). The audit was performed upon the Transportation Companies (TC) for the period of January 1, 2021, through December 31, 2021.

The result of the audit disclosed no issue 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 LRG'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 LRG for the period of January 1, 2021, through December 31, 2021.

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 LRG, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of LRG'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 LRG 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 Inland Regional Center (IRC) that utilized LRG's services during the audit period. LRG provided four different types of services, of which DDS audited one. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by LRG. 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.

Transportation Company

During the audit period, LRG operated one TC program. The audit included the review Vendor Number HJ2643, Service Code 875 and testing was conducted for the sampled months of February and March 2021.

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 transportation attendance records to determine if the vendor had sufficient and appropriate evidence to support the services billed to the regional center.
- Analyzed the vendor's payroll and attendance records to determine if the appropriate level of staffing was provided.

CONCLUSION

The audit of LRG 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 program audited was found to have sufficient, competent, and relevant evidence to support the services billed.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on October 25, 2023. DDS did not receive a response to the draft audit report within the 30-day vendor response period.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

LAMPOST RESOURCES GROUP, INC.

As part of the audit report process, Lamppost Resource Group, Inc. was afforded the opportunity to respond to the draft audit. However, the Lamppost Resource Group, Inc. did not submit a response to the draft audit report.