

**DEPARTMENT OF DEVELOPMENTAL SERVICES'**  
**AUDIT OF**  
**NO LIMIT LEARNING CENTER**

**Program:**

Adult Development Program – HM1109

Audit Period: January 1, 2023, through December 31, 2023

**Audit Section**

**Auditors:** Hung Bang, Chief of Vendor Audit Unit  
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**NO LIMITS LEARNING CENTER**

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited No Limits Learning Center (NLLC). The audit was performed upon the Adult Development Center (ADC) for the period of January 1, 2023, through December 31, 2023.

The audit disclosed the following issue of non-compliance:

### **Finding 1: Adult Development Center – Unsupported Staffing Ratio**

The review of NLLC's ADC program, Vendor Number HM1109, revealed that NLLC did not meet its required direct care staffing hours. This resulted in a shortage of the required direct care staffing of 525 hours and overpayments of \$9,663 for services billed to ELARC, IRC, RCOC, SCLARC and SGPRC.

The total of the finding identified in this audit amounts to \$9,663, which is due back to DDS. A detailed discussion of this finding is contained in the Finding and Recommendation 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 NLLC was compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with NLLC for the period of January 1, 2023, through December 31, 2023.

### **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 NLLC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of NLLC'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 NLLC 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 program and services provided to five regional centers that utilized NLLC's services during the audit period. DDS audited services provided to Eastern Los Angeles Regional Center (ELARC), Inland Counties Regional Center (IRC), Regional Center of Orange County (RCOC), South Central Los Angeles Regional Center (SCLARC) and San Gabriel-Pomona Regional Center (SGPRC). These regional centers were chosen due to the large volume of services utilized by the centers as measured by purchase of service (POS) expenditures.

NLLC provided two different types of services, of which DDS audited one. Services chosen were based on the amount of POS expenditures invoiced by NLLC. 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.

## **ADULT DEVELOPMENT CENTER**

During the audit period, NLLC operated one ADC program. The audit included the review of one of NLLC's ADC program, Vendor Number HM1109, SC 510 and testing was done for the sampled months of August 2023 and September 2023.

### **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 finding and conclusion 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.
- Corresponded with 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.

## **CONCLUSION**

Based upon the audit procedures performed, DDS has determined that except for the Item identified in the Finding and Recommendation section, NLLC was in compliance with applicable audit criteria.

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued a draft audit report on July 25, 2024. The finding in the report was discussed at an exit conference with NLLC on July 29, 2024. Subsequent to the exit conference, on July 30, 2024, NLLC agreed with the finding.

## **RESTRICTED USE**

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

## FINDING AND RECOMMENDATION

### Finding 1: Adult Development Center – Unsupported Staffing Ratio

The review of NLLC's ADC program, Vendor Number HM1109 for the sampled months of August 2023 and September 2023, revealed that NLLC had overpayments of services billed to ELARC, IRC, RCOC, SCLARC and SGPRC. Overpayments occurred due to NLLC not meeting the approved staff-to-consumer ratio of 1:4 for the units of service billed to ELARC, IRC, RCOC, SCLARC and SGPRC.

DDS reviewed the direct care service hours documented on the Student Attendance Sheets, Student Pick-Up Sheet, Class (Calendar) Schedule and Checklist, Employee Time Sheets and Payroll Detail Report.

DDS found that the actual direct care service hours were 525 hours less than the required hours to meet the approved staff-to-consumer ratio of 1:4 hours billed to regional centers. The total unsupported direct care staffing hours of 525 multiplied by the average wage of the staff for the ADC program for the sampled months, amounts to \$9,663 which is due back to DDS. (See Attachment A)

CCR, Title 17, Section 56756 (a) (e) (1) and (i) (1) and (2) states:

- “(a) A staffing ratio shall be approved for each adult day program by the Department pursuant to this section. This ratio shall be based on the program design, the curriculum as vendored, the characteristics and needs of the consumers to be served, and the number of consumers enrolled.
- (e) Adult development centers shall provide a direct care staff to-consumer ratio of 1:4.
  - (1) The vendor is authorized to request Department approval for modification of the staffing for an Adult Development Center to an overall direct care staff-to-consumer ratio of 1:3. A written request and justification shall be submitted to the Department by the regional center which documents the findings pursuant to the criteria listed below. The overall direct care staffing ratio shall be determined by averaging the specific staff-to-consumer ratio needed for each individual consumer. The regional center shall consider whether the Adult Development Center meets the following criteria for modification of the direct care staffing ratio of 1:4.

- (i) The vendor shall maintain the approved staffing ratio during its direct service hours. The vendor shall not be required to schedule the ratio with each subgroup of consumers at all times, but shall maintain both:
  - (1) The ratio of staff on duty to consumers in attendance during all service hours which shall be determined by a numerical comparison of the number of individuals on duty as direct care staff with the number of consumers in attendance. If the numerical comparison results in a fraction, more than one-half of a staff person shall be rounded up to the next whole number. Less than one-half of a staff person shall be rounded up to the next one-half of a whole number. One-half of a staff person shall not be rounded.
  - (2) Sufficient supervision for each subgroup to protect the health and safety of the consumers.

**Recommendation:**

NLLC must reimburse to DDS \$9,663 for the overpayment of services for the unsupported direct care staffing hours. In addition, NLLC should ensure that the approved staff-to-consumer ratio is met.

**Vendor's Response:**

NLLC stated in the response, dated July 30, 2024, that NLLC agreed with the finding.

See Attachment B for the full text of NLLC's response to the draft audit report and Attachment C for DDS' evaluation of NLLC's response



**ATTACHMENT A**  
**NO LIMITS LEARNING CENTER**

**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**

### **NO LIMITS LEARNING CENTER**

**To request a copy of the vendor’s response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.**

## **ATTACHMENT C – DDS’ EVALUATION OF NLLC’S RESPONSE**

DDS evaluated No Limits Learning Center’s (NLLC) written response to the draft audit report, dated July 30, 2024, and determined that NLLC’s acceptance of the report indicates that NLLC agreed with the finding.