

DEPARTMENT OF DEVELOPMENTAL SERVICES'
AUDIT OF
THE STEPPING STONES GROUP, LLC

Program:

Client/Parent Support Behavior Intervention Training – PT1355

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

Audit Section

Auditors: Alimou Diallo, Chief of Vendor Audit Unit
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THE STEPPING STONES GROUP, LLC

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited The Stepping Stones Group, LLC (SSG). The audit was performed upon the Client/Parent Support Behavior Intervention Training (CPSBIT) 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 SSG'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 SSG 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 SSG, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of SSG'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 SSG 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 five regional centers that utilized SSG's services during the audit period. DDS audited services provided to Harborside Regional Center (HRC) and Tri-Counties Regional Center (TCRC). These two regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

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

Client/Parent Support Behavior Intervention Training

During the audit period, SSG operated one CPSBIT program. The audit included the review of SSG's CPSBIT program, Vendor Number PT1355, SC 048 and testing was done for the sampled months of July 2022 and August 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(s).
- 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 Executive Director, Administrator and Program Coordinators, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of SSG 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

This section of the audit report was discussed during the informal exit with the vendor. The vendor was in compliant with the W&I Code, CCR, Title 17, State laws and regulations and the regional center's contract.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

THE STEPPING STONES GROUP, LLC

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 SSG’S RESPONSE

The Stepping Stones Group, LLC response dated, May 10, 2024, acknowledged and accepted DDS’ conclusion in the audit report. DDS accepts The Stepping Stones Group, LLC response.