

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
MAKING HEADWAY CENTER FOR BRAIN INJURY RECOVERY**

Programs and Services:

Supported Living Service – PR0090

Adaptive Skills Trainer – PR0036

Community Integration Training Program – HR0226

Transportation-Additional Component – HR0223

Counseling Service – PR0048

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

Audit Section

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MAKING HEADWAY CENTER FOR BRAIN INJURY RECOVERY
TABLE OF CONTENTS

Pages

EXECUTIVE SUMMARY 1
BACKGROUND..... 2
OBJECTIVE, SCOPE AND METHODOLOGY 2
CONCLUSION..... 5
VIEWS OF RESPONSIBLE OFFICIALS 5
RESTRICTED USE 5
ATTACHMENT A – VENDOR’S RESPONSE 6
ATTACHMENT B – DDS’ EVALUATION OF MHC’s RESPONSE 7

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Making Headway Center for Brain Injury Recovery (MHC). The audit was performed upon the Supported Living Service (SLS), Adaptive Skill Trainer (AST), Community Integration Training Program (CITP), Transportation-Additional Component (TAC) and Counseling Service (CS) for the period of through January 1, 2023, through December 31, 2023.

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 MHC's programs were compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with MHC 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 MHC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of MHC'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 MHC 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 RCRC that utilized MHC's services during the audit period. MHC provided five different types of services, of which DDS audited five. Services chosen by DDS were based on the amount of purchase of services (POS) expenditures invoiced by MHC. By analyzing the information received from the vendor, an internal control questionnaire and a risk analysis, it was determined that calendar year 2023 sample period would be sufficient to fulfill the audit objectives.

Supported Living Service

During the audit period, MHC operated one SLS program. The audit included the review of one of MHC's SLS program, Vendor Numbers PR0090, SC 896 and testing was done for the calendar year 2023.

Adaptive Skills Trainer

During the audit period, MHC operated one AST program. The audit included the review of one of MHC's AST program, Vendor Numbers PR0036, SC 605 and testing was done for the calendar year 2023.

Community Integration Training Program

During the audit period, MHC operated one CITP program. The audit included the review of one of MHC's CITP program, Vendor Numbers HR0226, SC 055 and testing was done for the calendar year 2023.

Transportation-Additional Component

During the audit period, MHC operated one TAC program. The audit included the review of one of MHC's TAC program, Vendor Numbers HR0223, SC 880 and testing was done for the calendar year 2023.

Counseling Services

During the audit period, MHC operated one CS program. The audit included the review of one of MHC's CS program, Vendor Numbers PR0048, SC 625 and testing was done for the calendar year 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 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.
- Reviewed the vendor's general ledger, payroll records and trial balance to determine the vendor's costs.

CONCLUSION

The audit of MHC revealed that this vendor maintained its records in accordance to the requirements of CCR, Title 17. For the calendar year 2023 tested, DDS was able to obtain the evidence necessary to achieve the audit objectives. The billing 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 Friday, December 20, 2024. The areas of review and conclusion of the audit were discussed during an exit conference via Microsoft Teams with MHC on Friday, January 3, 2025. MHC responded via e-mail on Wednesday, January 8, 2025, that MHC 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, RCRC and MHC. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

MAKING HEADWAY CENTER FOR BRAIN INJURY RECOVERY

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

ATTACHMENT B – DDS’ EVALUATION OF MHC’S RESPONSE

DDS evaluated MHC’s written response to the draft audit report, dated January 8, 2025, and determined that MHC agreed with the result of the audit.