

**DEPARTMENT  
OF  
DEVELOPMENTAL SERVICES'  
AUDIT  
OF  
TAILORED LIVING CHOICES, LLC**

**Services:**

Supported Living Service – PN1239

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

**Audit Section**

**Auditors:** Hung Bang, Chief of Vendor Audit Unit  
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# TAILORED LIVING CHOICES, LLC

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## **EXECUTIVE SUMMARY**

The Department of Developmental Services (DDS) has audited Tailored Living Choices, LLC (TLC). The audit was performed upon the Supported Living Service (SLS) for the period of 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 TLC's program was compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with TLC for the period of July 1, 2022, through June 30, 2024.

### **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 TLC, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of TLC'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 TLC 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 service provided to North Bay Regional Center (NBRC) and Redwood Coast Regional Center (RCRC) that utilized TLC's services during the audit period. TLC provided one type of service, which DDS audited. 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 Service**

During the audit period, TLC operated one SLS service. The audit included the review of one of TLC's SLS service, Vendor Numbers PN1239, SC 896 and testing was done for the sampled months of June and July 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.
- Emailed 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**

The audit of TLC 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**

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, NBRC, RCRC and TLC. This restriction is not intended to limit distribution of this report, which is a matter of public record.

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

**TAILORED LIVING CHOICES, LLC**

**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 TLC’S RESPONSE**

**DDS evaluated TLC’s written response to the draft audit report, dated January 22, 2025, and determined that TLC agreed with the result of the audit.**