

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
JSI ACQUISITION, INC.
DBA LIBERTANA HOME HEALTH
OF SHERMAN OAKS**

Programs and Services:

In-Home Respite Services Agency - HL0536

Personal Assistance – PL - 1008

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

Audit Services Branch

Auditors: Hung Bang, Chief of Vendor Audit Section
Ermas Tecele, Supervisor
Mani Gill, Auditor

**JSI ACQUISITION, INC.
DBA LIBERTANA HOME HEALTH
OF SHERMAN OAKS**

TABLE OF CONTENTS

Pages

EXECUTIVE SUMMARY	1
BACKGROUND.....	2
OBJECTIVE, SCOPE, AND METHODOLOGY	2
CONCLUSION.....	4
VIEWS OF RESPONSIBLE OFFICIALS	4
RESTRICTED USE	4
ATTACHMENT A – VENDOR’S RESPONSE	5
ATTACHMENT B – DDS’ EVALUATION OF LHH’S RESPONSE.....	6

EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited JSI Acquisition, Inc. dba Libertana Home Health of Sherman Oaks (LHH). The audit was performed upon the In-Home Respite Services Agency (IHRSA) and Personal Assistance (PA) programs 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 LHH'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 LHH 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 LHH, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of LHH'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 LHH complied with W&I Code and CCR, Title 17. Also, any complaints that DDS' Audit Services Branch 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 four regional centers that utilized LHH's services during the audit period. DDS audited services provided to North Los Angeles County Regional Center (NLACRC), Frank D. Lanterman Regional Center (FDLRC) and Inland Regional Center (IRC). These three regional centers were chosen due to the large volume of services utilized by the centers as measured by Purchase of Service (POS) expenditures.

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

In-Home Respite Services Agency

During the audit period, LHH operated one IHRSA program. The audit included the review of one of LHH's IHRSA program, Vendor Numbers HL0536, SC 862 and testing was done for sampled months of September 2023 and October 2023.

Personal Assistance

During the audit period, LHH operated one PA program. The audit included the review of one of LHH's PA program, Vendor Numbers PL1008, SC 62 and testing was done for sampled months of September 2023 and October 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 centers.
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.

CONCLUSION

The audit of LHH 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 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, March 7, 2025. LHH responded via e-mail on Monday, March 10, 2025, that LHH 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, NLACRC, FDLRC, IRC and LHH. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

JSI ACQUISITION, INC. dba LIBERTANA HOME HEALTH OF SHERMAN OAKS

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

ATTACHMENT B – DDS’ EVALUATION OF LHH’S RESPONSE

DDS evaluated LHH’s written response to the draft audit report, dated March 10, 2025, and determined that LHH agreed with the result of the audit.