

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
NORTHSTAR, SUPPORTED LIVING SERVICES, INC.**

Service:

Supported Living Service – PA0013

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

Audit Section

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NORTHSTAR, SUPPORTED LIVING SERVICES, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited NorthStar, Supported Living Services, Inc. (NSLS). 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 NSLS'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 NSLS 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 NSLS, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of NSLS'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 NSLS 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 Alta California Regional Center (ACRC) that utilized NSLS's services during the audit period. NSLS 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, NSLS operated one SLS program. The audit included the review of NSLS's SLS program, Vendor Numbers PA0013, SC 896 and testing was done for the sampled months of June 2023 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.
- 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.

CONCLUSION

The audit of NSLS 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. NSLS responded via e-mail on August 8, 2024, that NSLS 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, ACRC and NSLS. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

NORTHSTAR, SUPPORTED LIVING SERVICES, INC.

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 NSLS’ RESPONSE

NORTHSTAR, SUPPORTED LIVING SERVICES, INC.

DDS evaluated NSLS’s written response to the draft audit report, dated August 8, 2024 and determined that NSLS agreed with the result of the audit.