

**DEPARTMENT  
OF  
DEVELOPMENTAL SERVICES'  
AUDIT  
OF  
INCLUSIVE EDUCATION AND COMMUNITY PARTNERSHIP, INC.**

**Programs and Services:**

Specialized Therapeutic Services for Consumers Aged Three Through Twenty – PR1013

Behavior Management Consultant – PR0855

Supported Living Service – HR0472

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

**Audit Services Branch**

**Auditors:** Hung Bang, Chief of Vendor Audit Section  
Grace Gwarada, Supervisor  
Sanjesh Pal, Auditor

# INCLUSIVE EDUCATION AND COMMUNITY PARTNERSHIP, INC.

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## EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Inclusive Education and Community Partnership, Inc. (IECP). The audit was performed upon the Specialized Therapeutic Services for Consumers Aged Three Through Twenty (STS), Behavior Management Consultant (BMC), and Supported Living Service (SLS) for the period of January 1, 2022, through December 31, 2022.

The audit disclosed the following issues of non-compliance:

**Finding 1: Specialized Therapeutic Services for Consumers Aged Three Through Twenty – Unsupported Billings**

The review of IECP's STS program, Vendor Number PR1013, revealed that IECP had a total of \$2,862 of unsupported billings to Redwood Coast Regional Center (RCRC).

**Finding 2: Supported Living Service – Unsupported Billings**

The review of IECP's SLS program, Vendor Number HR0472, revealed that IECP had a total of \$2,699 of unsupported billings to RCRC.

The total of the findings identified in this audit amounts to \$5,561, which is due back to DDS. A detailed discussion of these findings is contained in the Findings and Recommendations section of this report.

## **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 IECP'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 IECP 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 IECP, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of IECP'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 IECP complied with W&I Code and CCR, Title 17. Any complaints that DDS' Audit Services Branch was aware of regarding non-compliance with laws and regulations were also 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 IECP's services during the audit period. IECP provided nine different types of services, of which DDS audited three. Services chosen by DDS were based on the amount of purchase of service (POS) expenditures invoiced by IECP. 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.

### **Specialized Therapeutic Services for Consumers Aged Three Through Twenty**

During the audit period, IECP operated one STS program. The audit included the review

of IECF's STS program, Vendor Number PR1013, SC 115 and testing was done for the sampled months of May 2022 and June 2022.

### **Behavior Management Consultant**

During the audit period, IECF operated one BMC program. The audit included the review of IECF's BMC program, Vendor Number PR0855, SC 620 and testing was done for the sampled months of May 2022 and June 2022.

### **Supported Living Services**

During the audit period, IECF operated one SLS program. The audit included the review of IECF's SLS program, Vendor Number HR0472, SC 896 and testing was done for the sampled months of May 2022 and June 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.
- 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**

Based upon the audit procedures performed, DDS has determined that except for the items identified in the Findings and Recommendations section, IECF was in compliance with applicable audit criteria.

## **VIEWS OF RESPONSIBLE OFFICIALS**

DDS issued a draft audit report on March 24, 2025. The findings in the report were discussed at an exit conference with IECF on March 28, 2025. Subsequent to the exit conference, on April 2, 2025, IECF submitted a response via email agreeing with the findings.

## **RESTRICTED USE**

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

## FINDINGS AND RECOMMENDATIONS

### Finding 1: **Specialized Therapeutic Services for Consumers Aged Three Through Twenty – Unsupported Billings**

The review of IECP's STS program, Vendor Number PR1013, for the sampled months of May 2022 and June 2022, revealed that IECP had unsupported billings for services billed to RCRC. Unsupported billings occurred due to a lack of supporting documentation to support the units of service billed to RCRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service units documented on the employees' timesheets, payroll records, and consumers' attendance records and compared those units to the direct care service units billed to RCRC. DDS noted that the direct care service units on the timesheets and attendance records were 2,575 units less than the direct care service units billed to RCRC. IECP was not able to provide appropriate supporting documentation for 2,575 units of services billed. The lack of documentation resulted in unsupported billings to RCRC in the amount of \$2,862, which is due back to DDS. (See Attachment A)

W&I Code, Section 4648.1(e)(1) states:

- “(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines that either of the following has occurred:
  - (1) The services were not provided in accordance with the regional center's contract or authorization with the provider, or with applicable state laws or regulations.”

CCR, Title 17, Section 54326(a)(3) and (10) states:

- “(a) All vendors shall: ...
  - (3) Maintain records of services provided to consumers in sufficient detail to verify delivery of the units of service billed: ...
  - (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center.”

CCR, Title 17, Section 50604(d) and (e) states:

- “(d) All service providers shall maintain complete service records to support all billing/invoicing for each regional center consumer in the program....
- (e) All service providers' records shall be supported by source documentation.”

**Recommendation:**

IECP must reimburse to DDS \$2,862 for the unsupported billings. In addition, IECP should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to RCRC.

**Vendor's Response:**

IECP, stated in the response, dated April 2, 2025, that IECP agreed with the finding.

See Attachment B for the full text of IECP's response to the draft audit report and Attachment C for DDS' evaluation of IECP's response.

**Finding 2: Supported Living Service – Unsupported Billings**

The review of IECP's SLS program, Vendor Number HR0472, for the sampled months of May 2022 and June 2022, revealed that IECP had unsupported billings for services billed to RCRC. Unsupported billings occurred due to a lack of supporting documentation to support the units of service billed to RCRC and non-compliance with the CCR, Title 17.

DDS reviewed the direct care service hours documented on the employees' timesheet, payroll records, and consumers' attendance records and compared those hours to the direct care service hours billed to RCRC. DDS noted that the direct care service hours on the timesheets and attendance records were 603 hours less than the direct care service hours billed to RCRC. IECP was not able to provide appropriate supporting documentation for 603 hours of services billed. The lack of documentation resulted in unsupported billings to RCRC in the amount of \$2,699, which is due back to DDS.  
(See Attachment A)

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“(e) A regional center or the department may recover from the provider funds paid for services when the department or the regional center determines that either of the following has occurred:

- (1) The services were not provided in accordance with the regional center's contract or authorization with the provider, or with applicable state laws or regulations.”

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- (e) All service providers’ records shall be supported by source documentation.”

**Recommendation:**

IECP must reimburse to DDS \$2,699 for the unsupported billings. In addition, IECP should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to RCRC.

**Vendor’s Response:**

IECP, stated in the response, dated April 2, 2025, that IECP agreed with the finding.

See Attachment B for the full text of IECP’s response to the draft audit report and Attachment C for DDS’ evaluation of IECP’s response.

## **ATTACHMENT A**

### **INCLUSIVE EDUCATION AND COMMUNITY PARTNERSHIP, INC.**

**To request a copy of the attachment for this audit report, please contact the DDS Audit Services Branch at (916) 654-3695.**

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

**INCLUSIVE EDUCATION AND COMMUNITY PARTNERSHIP, INC.**

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

## **ATTACHMENT C – DDS' EVALUATION OF IECP's RESPONSE**

**DDS evaluated IECP's written response to the draft audit report, dated April 2, 2025, and determined that IECP agreed with the findings.**