

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
ADJOIN**

Program:

Independent Living Program – H27398

Audit Period: January 1, 2024, through December 31, 2024

Audit Services Branch

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ADJOIN

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EXECUTIVE SUMMARY

The Department of Developmental Services (Department) has audited Adjoin. The audit was performed upon the Independent Living Program (ILP) for the period of January 1, 2024, through December 31, 2024.

The result of the audit disclosed no issues of non-compliance.

BACKGROUND

The Department 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. The Department 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, The Department 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 Adjoin'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 Adjoin for the period of January 1, 2024, through December 31, 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 Adjoin, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of Adjoin'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 Adjoin complied with W&I Code and CCR, Title 17. Also, any complaints that the Department's 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 program provided to SDRC that utilized Adjoin's services during the audit period. Adjoin provided one type of services, which the Department 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.

Independent Living Program

During the audit period, Adjoin operated one ILP program. The audit included the review of one of Adjoin's ILP program, Vendor Number H27398, SC 520 and testing was done for the sampled months of January 2024 and February 2024.

Methodology

The following methodology was used by the Department 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 finding and conclusion 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.
- Corresponded 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 Senior Director, Chief Executive Director, Chief Financial Officer and Chief Operations Officer, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

The audit of Adjoin revealed that this vendor maintained its records in accordance to the requirements of CCR, Title 17. For the sampled months tested, the Department was able to obtain the evidence necessary to achieve the audit objectives. The billing for the program audited was found to have sufficient, competent, and relevant evidence to support the direct-care hours billed.

VIEWS OF RESPONSIBLE OFFICIALS

This section of the audit report was discussed during the informal exit with the vendor. The vendor was in compliance 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 the Department, Department of Health Care Services, SDRC and Adjoin. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

ADJOIN

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

ATTACHMENT B – DDS' EVALUATION OF ADJOIN'S RESPONSE

The Department evaluated Adjoin's written response to the draft audit report, dated March 20, 2025, and determined that Adjoin agreed with the result of the audit.