

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
EXCELLENCE COMMUNITY REHABILITATION PROGRAM, LLC**

Program:

Community Integration Training Program – PX1256

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

Audit Services Branch

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EXCELLENCE COMMUNITY REHABILITATION PROGRAM, LLC

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EXECUTIVE SUMMARY

The Department of Developmental Services (Department) has audited Excellence Community Rehabilitation Program, LLC (ECRP). The audit was performed upon the Community Integration Training Program (CITP) for the period of January 1, 2023, through December 31, 2023.

The audit disclosed the following issue of non-compliance:

Finding 1: Community Integration Training Program – Unsupported Billings

The review of ECRP's CITP program, Vendor Number PX1256, revealed that ECRP had a total of \$47,612 of unsupported billings to South Central Los Angeles Regional Center (SCLARC)

The total of the finding identified in this audit amounts to \$47,612 which is due back to the Department. A detailed discussion of the finding is contained in the Finding and Recommendation section of this report.

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 Code (WIC), 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 ECRP's program was compliant with the WIC, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with ECRP 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 ECRP, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of ECRP'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 ECRP complied with WIC and CCR, Title 17. Any complaints that the Department's 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 provided to SCLARC that utilized ECRP's services during the audit period. ECRP provided one type of service, 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.

Community Integration Training Program

During the audit period, ECRP operated one CITP program. The audit included the review of Vendor Number PX1256, SC 055 and testing was done for the sampled months of May 2023 and June 2023.

However, the two sampled months demonstrated a high amount of unsupported billings. As a result, the testing was expanded to include an additional two months of August 2023 and November 2023.

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 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 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.
- 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, for vendor background information and to gain understanding of accounting procedures and financial reporting process.

CONCLUSION

Based upon the audit procedures performed, the Department has determined that except for the items identified in the Finding and Recommendation section, ECRP was in compliance with applicable audit criteria.

VIEWS OF RESPONSIBLE OFFICIALS

The Department issued a draft audit report on July 23, 2025. The finding in the report was discussed at an exit conference with ECRP on July 24, 2025. Subsequent to the exit conference, on August 11, 2025, ECRP submitted a response via email agreeing with the finding.

RESTRICTED USE

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

FINDING AND RECOMMENDATION

Finding 1: Community Integration Training Program – Unsupported Billings

The review of ECRP's CITP program, Vendor Number PX1256, for the sampled months of May 2023, June 2023, August 2023, and November 2023, revealed that ECRP had unsupported billings for services billed to SCLARC. Unsupported billings occurred due to a lack of supporting documentation to support the units of service billed to SCLARC and non-compliance with the CCR, Title 17.

The Department reviewed the direct care service hours documented on the employee timesheets, consumer attendance records, consumer session notes, consumer sign-in records, staff transportation logs, and staff payroll and compared those hours to the direct care service hours billed to SCLARC. The Department noted a discrepancy between the hours billed and the actual service hours provided. ECRP billed for services when consumers were not in attendance. The consumers' attendance and the transportation allowance hours (1 hour round trip per day per contract agreement) indicated on the attendance records were 584 hours less than those billed to SCLARC. ECRP billed 6,169 direct care service hours to SCLARC, but the hours reflected on ECRP's attendance records were 5,585. As a result, ECRP had unsupported billings to SCLARC in the amount of \$23,949.

The Department also noted that there appears to be a shortage of staff to maintain the approved 1:1 staff to consumer ratio, as outlined in the contract. Upon the review of the attendance records and payroll records, it was revealed that the total hours recorded in the attendance records (5,511 hours) did not align with the actual payroll hours (4,934 hours) reported by ECRP. This discrepancy has led to a shortfall of 577 hours in direct care service hours required to meet the approved staffing ratio. As a result, ECRP had unsupported billings to SCLARC in the amount of \$23,663.

ECRP was not able to provide appropriate supporting documentation for 1,161 hours of services billed. The lack of documentation resulted in unsupported billings to SCLARC in the amount of \$47,612 which is due back to the Department. (See Attachment A)

WIC, 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."

CCR, Title 17, Section 56326 (a) (13) states:

"All vendors shall:

- (13) Comply with all applicable staffing ratio requirements;..."

ECRP's Payment Agreement with SCLARC states in part:

"Individual support at a 1:1 ratio. Reimbursement may include .5 hour for transportation each way, not to exceed a total of 1 hour per day."

Recommendation:

ECRP must reimburse to the Department \$47,612 for the unsupported billings. In addition, ECRP should comply with the CCR, Title 17 as stated above to ensure that proper documentation is maintained to support the amounts billed to SCLARC.

Vendor's Response:

ECRP, stated in the response, dated August 11, 2025, that ECRP agreed with the finding.

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

ATTACHMENT A

EXCELLENCE COMMUNITY REHABILITATION PROGRAM, LLC

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

ATTACHMENT B – VENDOR’S RESPONSE

EXCELLENCE COMMUNITY REHABILITATION PROGRAM, LLC

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

ATTACHMENT C – EVALUATION OF RESPONSE

The Department evaluated ECRP's written response to the draft audit report, dated August 11, 2025, and determined that ECRP agreed with the finding.