

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
CREATING A LEGACY, INC.**

Program:

Supported Living Service – HJ2732

Audit Period: January 1, 2023, through June 30, 2024

Audit Services Branch

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CREATING A LEGACY, INC.

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EXECUTIVE SUMMARY

The Department of Developmental Services (Department) has audited Creating a Legacy, Inc. (CALI). The audit was performed upon the Supported Living Service (SLS) program for the period of January 1, 2023, through June 30, 2024.

The result of the audit disclosed no issue 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 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 CALI's programs and services were compliant with the WIC, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with CALI for the period of January 1, 2023, through June 30, 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 CALI, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of CALI'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 CALI complied with WIC 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 programs and services provided to four regional centers that utilized CALI's services during the audit period. The Department audited services provided to East Los Angeles Regional Center (ELARC), Inland Regional Center (IRC), and Regional Center of East Bay (RCEB). 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.

CALI provided 15 different types of services, of which the Department audited one. The service chosen was based on the amount of POS expenditures invoiced by CALI. 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, CALI operated two SLS programs. The audit included the review of one of CALI's SLS programs, Vendor Number HJ2732, SC 896, and testing was done for the sampled months of August 2023 and May 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 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.
- Reviewed the vendor's general ledger, payroll records and trial balance to determine the vendor's costs.

CONCLUSION

The audit of CALI revealed that this vendor maintained its records in accordance with 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 compliant with the WIC, CCR, Title 17, State laws and regulations and the regional centers' contracts.

RESTRICTED USE

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

ATTACHMENT A – VENDOR’S RESPONSE

CREATING A LEGACY, INC.

As part of the audit report process, CALI was afforded the opportunity to respond to the draft audit report. However, CALI did not submit a response to the draft audit report.