

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
SHARON EHRIG, INC. D.B.A. UNLIMITED POTENTIAL**

Service:

Supported Living Service – HJ0281

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

Audit Services Branch

Auditors: Alimou Diallo, Chief of Vendor Audit Section
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SHARON EHRIG, INC. D.B.A. UNLIMITED POTENTIAL

TABLE OF CONTENTS

	Page(s)
EXECUTIVE SUMMARY	1
BACKGROUND	2
OBJECTIVE, SCOPE, AND METHODOLOGY	2
CONCLUSION	4
VIEWS OF RESPONSIBLE OFFICIALS	4
RESTRICTED USE	4
ATTACHMENT A – VENDOR’S RESPONSE	5
ATTACHMENT B – EVALUATION OF RESPONSE	6

EXECUTIVE SUMMARY

The Department of Developmental Services (Department) has audited Sharon Ehrig, Inc. d.b.a. Unlimited Potential (UP). 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 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 UP's program was compliant with the WIC, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with UP 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 UP, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of UP'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 UP 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 two regional centers that utilized UP's services during the audit period. The Department audited services provided to Inland Regional Center (IRC) and San Gabriel Pomona Regional Center (SGPRC). These two regional centers were chosen due to the large volume of services utilized by the centers as measured by purchase of service (POS) expenditures.

UP provided one type of service, of which the Department audited. The service chosen was based on the amount of POS expenditures invoiced by UP. 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, UP operated one SLS program. The audit included the review of UP's SLS program, Vendor Number HJ0281, SC 896 and testing was done for the sampled months of March 2023 and April 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 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.
- 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

The audit of UP 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 service 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, IRC, SGPRC and UP. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

UNLIMITED POTENTIAL

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 – EVALUATION OF RESPONSE

The Department evaluated UP's written response to the draft audit report, dated April 10, 2025, and determined that UP agreed with the result of the audit.