

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
DESIGNATED EXCEPTIONAL SERVICES FOR INDEPENDENCE**

Program:

Community Integration Training Program – PE2250

Audit Period: January 1, 2024, through December 31, 2025

Audit Services Branch

Auditors: Hung Bang, Chief of Vendor Audit Section
Ermias Tecele, Supervisor
Mani Gill, Auditor

DESIGNATED EXCEPTIONAL SERVICES FOR INDEPENDENCE
TABLE OF CONTENTS

	Pages
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 Designated Exceptional Services for Independence (DESI). The audit was performed upon the Community Integration Training Program (CITP) for the period of January 1, 2024, through December 31, 2025.

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 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 DESI's program was compliant with the WIC, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional centers' contracts with DESI for the period of January 1, 2024, through December 31, 2025.

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 DESI, nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of DESI'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 DESI 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 and services provided to three regional centers that utilized DESI's services during the audit period. The Department audited services provided to East Los Angeles Regional Center (ELARC) and South Central Los Angeles Regional Center (SCLARC). 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.

DESI provided three different types of services, of which the Department audited one. Services chosen were based on the amount of POS expenditure invoiced by DESI. 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, DESI operated one CITP program. The audit included the review of one of DESI's CITP program, Vendor Number PE2250, SC 055, and testing was done for the sampled months of May 2025 and June 2025.

Methodology

The following methodology was used by the Department to maintain 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.

CONCLUSION

The audit of DESI 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

The Department issued a draft audit report on March 18, 2026. DESI responded via e-mail on March 19, 2026, that DESI agreed with the conclusion of the audit report. DESI was in compliant with the WIC, 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, ELARC, SCLARC, and DESI. This restriction is not intended to limit distribution of this report, which is a matter of public record.

ATTACHMENT A – VENDOR’S RESPONSE

DESIGNATED EXCEPTIONAL SERVICES FOR INDEPENDENCE

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 DESI's written response to the draft audit report, dated March 19, 2026, and determined that DESI agreed with the result of the audit.