

**Department of Developmental Services (Department) Regional Center Audit
Protocols**

No.	Areas of Review	Testing	Compliance
1	Purchase Of Service (POS) Review	To determine whether the regional center was using appropriately vendored service providers, paying authorized contract rates with attendance documentation and using correct service codes. In addition, verify the federally reimbursed Part C expenditures were properly posted, recorded in the accounting records and properly claimed. Furthermore, to determine whether the regional center was appropriately authorizing services and supports.	Title 17 Section 50607, 54310, 54332, 54326, State Contract, Article II, Section 4, W&I Code 4691.9, and POS Policies
2	Uniform Fiscal System Operational Audit Indicators	To review indicator reports that can lead to erroneous payments and incorrect claims to the State.	Title 17, Section 54326
3	Individual Trust Accounts	To ensure that the consumers' funds are properly safeguarded, and disbursements are properly supported. In addition, ensure deceased consumers accounts are properly closed payments made after the date of death are reasonable.	Social Security Handbook, Chapter 16, Title 17 Section 56917, State Contract Article III, Section 10
4	Operational Expenses	To ensure operational expenses are adequately supported with invoices, purchase orders and receiving documents are properly authorized and approved, consultants are reimbursed in accordance with and within the limits of the approved contracts.	State Contract, Article VII, Section 1
5	Bank Reconciliation	To review Bank Reconciliations, Cash Analysis, Bank Credits and Donations to determine the accuracy and completeness of the bank reconciliation; that the Department has signature authority on all bank accounts; that cash was properly accounted for; that consumer funds were not used to earn bank credits, and that the donations account has no state funds.	State Contract, Article III, Section 3 (g)-Signature Authority

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6	Payroll	To verify the regional center's Payroll and benefit ledger items can be traced and verified to supporting documents and whether employees completed a signed conflict of interest statement.	State Contract, Article IV, Section 3(a)
7	Fixed Assets	To ensure all sensitive equipment or equipment with a purchase value of \$5,000 or greater is included in the inventory reported to the State and is properly State tagged.	State Contract, Article IV, Section 4 State's Equipment Management Guidelines and the State Administrative Manual
8	Vendor Certified Public Accountant (CPA) Report	To determine whether the regional center vendors who are receiving \$500,000 (\$2,000,000*) or more are contracting independent accounting firms for an independent audit or review report of their financial statements.	WIC Section 4652.5 *2017 regulation changes
9	Whistleblower	To determine whether a Board approved Whistleblower policy is available on the regional center's website and whether the regional center is notifying its employees, Board members, consumers, and the vendor community.	State Contract, Article I, Section 9
10	Governing Board	To determine whether the regional center's Governing Board has a written policy to approve contracts of \$250,000 or more, posted a Board approved policy regarding transparency, and is free from conflict of interests.	State Contract, Article I, Section 10, Title 17 Section 54314 and WIC Section 4622, 4625.5, and 4629.5
11	Foundation	To verify the Foundation is independent of the regional center and that payments made to the Foundation are legitimate and supported by source documents.	State Contract, Article III, Section 11

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12	Targeted Case Management (TCM) Time Study	To verify the hours recorded on the Case Management Time Study (DS 1916) forms are traceable to the payroll registers and timesheets.	State Contract, Article IX, Section 1d, Department's Administrative Time Study Instructions for Federal Programs
13	Administrative Survey	To verify the information submitted by the regional center to calculate the TCM Rate Study can be traced to the general ledgers, payroll registers, and source documents.	Department's TCM Rate Study Process and Instructions
14	Service Coordinator Case Load Ratios	To ensure the regional center complies with the Service Coordinator Caseload ratio requirements and the accuracy of its caseload ratio calculations.	State Contract, Article IX, Section 2, WIC, Section 4640.6 and Government Code Section 95018
15	Part C - Early Start Program	To verify the regional center is properly accounting for Part C – Early Start Program grant dollars and that the consumers served were within 36 months of age.	WIC Section 4435.1, State Contract Article II, Section 4(e) and Exhibit D, and the State Contract
16	Parental Fee Program (PFP)	To verify the regional center notifies those who are required to pay a parental fee and to ensure parental fees paid to the regional center were accounted for and reported to the department.	State Contract, Article VII, Section 8, WIC Section 4782 and Title 17 Sections 50201 to 50241

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17	Community Placement Plan (CPP)	To determine whether CPP Operations and POS payments were in accordance with the CPP guidelines and the State contract. Also, to ensure the regional center Start-Up projects were properly procured and claims were supported by source documents without exceeding the awarded amount. In addition, to ensure the existence of a Board approved Procurement policy and to verify the Request for Proposal (RFP) process contained competitive bidding, its notification process was open to the public, and supporting documentation was retained for the selection process.	State Contract, Article II, Section 2, Section 6, and Exhibit E Guidelines for Regional Center CPP
18	Other Funding Sources	To determine whether the regional center is properly accounting for other sources of funding received in accordance with the State Contract and that expenditures incurred are properly supported.	State Contract, Article II, Section 1
19	Family Resource Center (FRC)	To verify the regional center is properly accounting for FRC grant dollars and that the consumers served were within 36 months of age.	WIC Section 4435.1, Department FRC Instructions
20	Foster Grandparents and Senior Companions	To verify volunteers, meet the eligibility criteria to participate and that the reimbursed expenditures were properly posted, recorded in the accounting records, and properly claimed.	State Contract, Article II, Sections 4 (f)(g) & Exhibits J & K
21	Prior Department and CPA	To determine if the finding(s) identified in the prior Independent CPA and Department audit reports have been resolved.	N/A