DEPARTMENT OF DEVELOPMENTAL SERVICES
1600 NINTH STREET, Room 320, MS-3-9
SACRAMENTO, CA 95814
TDD 654-2054 (For the Hearing Impaired)
(916) 654-1954

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September 29, 2015

Anne Struthers, Board President
Regional Center of the East Bay, Inc.
500 Davis Street, Suite 100
San Leandro, CA 94577

Dear Ms. Struthers:

The Department of Developmental Services' (DDS) Audit Branch has completed the audit of the Regional Center of the East Bay (RCEB). The period of review was from July 1, 2011, through June 30, 2013, with follow-up as needed into prior and subsequent periods. The enclosed report discusses the areas reviewed along with the findings and recommendations. The audit report includes the response submitted by RCEB, which is included as Appendix A, and DDS' reply, which is enclosed on page 22 of the audit report.

If there is a disagreement with the audit findings, a written "Statement of Disputed Issues" may be filed with DDS' Audit Appeals Unit, pursuant to California Code of Regulations (CCR), Title 17, Section 50730, Request for Administrative Review (excerpt enclosed). The "Statement of Disputed Issues" must be filed within 30 days of receipt of this audit report to:

Department of Developmental Services
Audit Appeals Unit
1600 Ninth Street, Room 240, MS 2-13
Sacramento, CA 95814

The cooperation of RCEB's staff in completing the audit is appreciated.

Your invoice for the total amount of $441.72 from the current audit findings is enclosed. When you make payment to DDS, please refer to the invoice number so proper credit can be given. If you have any questions regarding the payment process, please contact Tim Gonsalves, Chief, Accounting Section, at (916) 654-2987.

If you have any questions regarding the audit report, please contact Edward Yan, Manager, Audit Branch, at (916) 651-8207.

Sincerely,

BRIAN WINFIELD
Assistant Deputy Director
Community Services Division

Enclosures

cc: James Burton, RCEB
Nancy Kubota, RCEB
Evie Correa, DHCS
Shun Tong, DHCS
Jean Johnson, DDS
Brian Winfield, DDS
Tim Gonsalves, DDS
Debie Pritchard, DDS
Edward Yan, DDS
Luciah Ellen Nzima, DDS
Staci Yasui, DDS

bcc: Soi Ly, DDS
Oscar Perez, DDS

California Code of Regulations
Title 17, Division 2
Chapter 1 - General Provisions
SubChapter 7 - Fiscal Audit Appeals
Article 2 - Administrative Review

§50730. Request for Administrative Review.

(a) An individual, entity, or organization which disagrees with any portion or aspect of an audit report issued by the Department or regional center may request an administrative review. The appellant's written request shall be submitted to the Department within 30 days after the receipt of the audit report. The request may be amended at any time during the 30-day period.

(b) If the appellant does not submit the written request within the 30-day period, the appeals review officer shall deny such request, and all audit exceptions or findings in the report shall be deemed final unless the appellant establishes good cause for late filing.

(c) The request shall be known as a "Statement of Disputed Issues." It shall be in writing, signed by the appellant or his/her authorized agent, and shall state the address of the appellant and of the agent, if any agent has been designated. An appellant shall specify the name and address of the individual authorized on behalf of the appellant to receive any and all documents, including the final decision of the Director, relating to proceedings conducted pursuant to this subchapter. The Statement of Disputed Issues need not be formal, but it shall be both complete and specific as to each audit exception or finding being protested. In addition, it shall set forth all of the appellant's contentions as to those exceptions or findings, and the estimated dollar amount of each exception or finding being appealed.

(d) If the appeals review officer determines that a Statement of Disputed Issues fails to state the grounds upon which objections to the audit report are based, with sufficient completeness and specificity for full resolution of the issues presented, he/she shall notify the appellant, in writing, that it does not comply with the requirements of this subchapter.

(e) The appellant has 15 days after the date of mailing of such notice within which to file an amended Statement of Disputed Issues. If the appellant does not amend his/her appeal to correct the stated deficiencies within the time permitted, all audit exceptions or findings affected shall be dismissed from the appeal, unless good cause is shown for the noncompliance.

(f) The appellant shall attach to the Statement of Disputed Issues all documents which he/she intends to introduce into evidence in support of stated contentions. An appellant that is unable to locate, prepare, or compile such documents within the appeal period specified in Subsection (a) above, shall include a statement to this effect in the Statement of Disputed Issues. The appellant shall have an additional 30 days after the expiration of the initial 30-day period in which to submit the documents. Documents that are not submitted within this period shall not be accepted into evidence at any stage of the appeal process unless good cause is shown for the failure to present the documents within the prescribed period.

AUDIT OF THE REGIONAL CENTER OF THE EAST BAY FOR FISCAL YEARS 2011-12 AND 2012-13

Department of Developmental Services

This audit report was prepared by the
California Department of Developmental Services
1600 Ninth Street
Sacramento, CA 95814

Jean Johnson, Deputy Director, Administration Division
Edward Yan, Manager, Audit Branch
Luciah Ellen Nzima, Chief of Regional Center Audits, Audit Branch
Staci Yasui, Supervisor, Audit Branch

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) conducted a fiscal compliance audit of the Regional Center of the East Bay (RCEB) to ensure RCEB is compliant with the requirements set forth in the California Code of Regulations, Title 17 (CCR, Title 17), the California Welfare & Institutions (W&I) Code, the Home and Community-Based Services (HCBS) Waiver for the Developmentally Disabled, and the contract with DDS. Overall, the audit indicated that RCEB maintains accounting records and supporting documentation for transactions in an organized manner. This audit report identifies some areas where RCEB's administrative, operational controls could be strengthened, but none of the findings were of a nature that would indicate systemic issues or constitute major concerns regarding RCEB's operations. A follow-up review was performed to ensure RCEB has taken corrective action to resolve the findings identified in the prior DDS audit report.

The findings of this report have been separated into two categories below:

I. Findings That Need to Be Addressed.

Finding 1: **Over/Understated Claims**

The sampled review of 130 Purchase of Service (POS) vendor files and the operational indicator reports revealed that RCEB over-claimed and under-claimed expenses to the State. There were nine vendors with overpayments totaling $9,357.34 and one vendor, A Better Chance Transportation, Vendor Number H70229, Service Code 880, that was underpaid $15,196.52 from February 2009 through July 2011. RCEB has taken corrective action and recovered $9,357.34 in overpayments. However, $15,196.52 in underpayments remains outstanding. This is not in compliance with CCR, Title 17, Section 54326(a)(10), (12) and the transportation agreement between RCEB and A Better Chance Transportation.

RCEB provided subsequent information in its response to the draft report which indicates that it has taken corrective action to resolve this issue.

Finding 2: **Family Cost Participation Program**

A. Late Assessments

The sampled review of 29 Family Cost Participation Program (FCPP) assessments revealed seven instances in which RCEB did not complete the assessments concurrently with the review of the consumer's Individual Program Plan (IPP). This is not in compliance with CCR, Title 17, Section 50267(a).

B. Overstated Share of Cost

The sampled review of 29 FCPP assessments revealed that RCEB has been paying for the cost of services, which are the responsibility of the families under the requirements of the FCPP, for two consumers participating in the program. This resulted in overpayments totaling $441.72. This is not in compliance with CCR, Title 17, Section 50255(a) and 50257(c).

Finding 3: **Expenses Claimed Under the Wrong Service Code**

The sampled review of 130 POS vendor files revealed that RCEB incorrectly vendorized Yellow Cab of Tri-Valley, Vendor Number ZB0534, as a transportation company, Service Code 875, instead of Taxi, Service Code 895. This resulted in expenses totaling $87,222.25 being claimed to the incorrect service code. This is not in compliance with CCR, Title 17, Section 54342 (a)(86).

RCEB provided subsequent information in its response to the draft report which indicates that it has taken corrective action to resolve this issue.

Finding 4: **Missing Applicant/Vendor Disclosure Statements**

The sampled review of 130 POS vendor files revealed 8 vendors did not have the Applicant/Vendor Disclosure Statement (DS 1891) forms on file. This is not in compliance with CCR, Title 17, Section 54311(b) and (c).

Finding 5: **Annual Family Program Fee Registration Forms Not Completed**

The sampled review of 24 Annual Family Program Fee (AFPF) consumer files revealed that RCEB completed the AFPF assessments; however, RCEB did not complete the AFPF Registration Forms (DS 6009) for all 24 consumers. RCEB was not aware of the requirement to complete the DS 6009. This is not in compliance with the DDS AFPF Program Fee Procedures II.B.

II. Findings That Have Been Addressed and Corrected by RCEB

Finding 6: **Improper Allocation of Community Placement Plan Funds**

The review of RCEB's Community Placement Plan (CPP) expenditures revealed that RCEB continued to fund CPP services for one consumer, Unique Client Identification (UCI) Number 8019100, after the end of the initial fiscal year of placement. This resulted in overstated CPP expenditures totaling $21,018.55. This is not in compliance with the Guidelines for Regional Center Community Placement Plan, Section (III)(A).

RCEB took corrective action by allocating the expenses to the correct funding source.

Finding 7: **Security Deposit Does Not Reconcile to the General Ledger**

The review of the lease payments revealed RCEB paid security deposits totaling $251,645.55. However, RCEB's security deposits did not reconcile to the prepaid lease general ledger account balance by a difference of $16,159. This was due to RCEB expensing $16,159 of the security deposit. This is not in compliance with W&I Code, Section 4631(b).

RCEB took corrective action by remitting to DDS the $16,159 it claimed, and adjusted the prepaid lease general ledger account to reflect the correct amount of $251,645.55.

Finding 8: **Equipment Capitalization**

The review of RCEB's inventory listing and equipment general ledger account revealed that it capitalized all of its equipment rather than items valued at or above $5,000. RCEB was not aware that only items valued at or above $5,000 are to be capitalized. This is not in compliance with the State Equipment Management Guidelines, Attachment D, Section 8602.

RCEB took corrective action by providing DDS with supporting documentation indicating that adjusting entries have been made, and only items valued at or above $5,000 are capitalized.

BACKGROUND

DDS is responsible, under the Lanterman Developmental Disabilities Services Act (Lanterman Act), for ensuring that persons with developmental disabilities (DD) receive the services and supports they need to lead more independent, productive and normal lives. To ensure that these services and supports are available, DDS contracts with 21 private, nonprofit community agencies/corporations that provide fixed points of contact in the community for serving eligible individuals with DD and their families in California. These fixed points of contact are referred to as regional centers (RCs). The RCs are responsible under State law to help ensure that such persons receive access to the programs and services that are best suited to them throughout their lifetime.

DDS is also responsible for providing assurance to the Department of Health and Human Services, and the Centers for Medicare and Medicaid Services (CMS), that services billed under California's HCBS Waiver program are provided and that criteria set forth for receiving funds have been met. As part of DDS' program for providing this assurance, the Audit Branch conducts fiscal compliance audits of each RC no less than every two years and completes follow-up reviews in alternate years. Also, DDS requires RCs to contract with independent Certified Public Accountants (CPAs) to conduct an annual financial statement audit. The DDS audit is designed to wrap around the independent CPA's audit to ensure comprehensive financial accountability.

In addition to the fiscal compliance audit, each RC will also be monitored by the DDS Federal Programs Operations Section to assess overall programmatic compliance with HCBS Waiver requirements. The HCBS Waiver compliance monitoring review has its own criteria and processes. These audits and program reviews are an essential part of an overall DDS monitoring system that provides information on RCs' fiscal, administrative and program operations.

DDS and Regional Center of the East Bay, Inc. entered into contract HD099015 effective July 1, 2009, through June 30, 2016. This contract specifies that RCEB will provide services to individuals with DD and their families in Alameda and Contra Costa Counties. The contract is funded by State and Federal funds that are dependent upon the RCEB performing certain tasks, providing services to eligible consumers, and submitting billings to DDS.

This audit was conducted at RCEB from February 10, 2014, through March 14, 2014, and was conducted by the Audit Branch of DDS.

AUTHORITY

The audit was conducted under the authority of the W&I Code, Section 4780.5, and Article IV, Section 3 of the State Contract.

CRITERIA

The following criteria were used for this audit:

- California's W&I Code
- "Approved Application for the HCBS Waiver for the Developmentally Disabled"
- CCR, Title 17
- Federal Office of Management Budget (OMB) Circular A-133
- State Contract between DDS and RCEB, effective July 1, 2009

AUDIT PERIOD

The audit period was July 1, 2011, through June 30, 2013, with follow-up as needed into prior and subsequent periods.

OBJECTIVES, SCOPE, AND METHODOLOGY

This audit was conducted as part of the overall DDS monitoring system that provides information on RC's fiscal, administrative, and program operations. The objectives of this audit are:

- To determine compliance with the W&I Code (or the Lanterman Act)
- To determine compliance with CCR, Title 17 regulations
- To determine compliance with the provisions of the HCBS Waiver Program for the Developmentally Disabled
- To determine that costs claimed were in compliance with the provisions of the State Contract

The audit was conducted in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of RCEB's financial statements. DDS limited the scope to planning and performing audit procedures necessary to obtain reasonable assurance that RCEB was in compliance with the objectives identified above. Accordingly, DDS examined transactions on a test basis to determine whether RCEB was in compliance with the Lanterman Act, CCR, Title 17, HCBS Waiver for the Developmentally Disabled, and the State Contract.

DDS' review of RCEB's internal control structure was conducted to gain an understanding of the transaction flow and the policies and procedures, as necessary, to develop appropriate auditing procedures.

DDS reviewed the annual audit report that was conducted by an independent accounting firm for:

- Fiscal year 2011-12, issued on January 29, 2013
- Fiscal year 2012-13, issued on November 26, 2013

It was noted that no management letter was issued for RCEB. This review was performed to determine the impact, if any, upon the DDS audit and, as necessary, develop appropriate audit procedures.

The audit procedures performed included the following:

I. Purchase of Service

DDS selected a sample of purchase of service (POS) claims billed to DDS. The sample included consumer services, vendor rates, and consumer trust accounts. The sample also included consumers who were eligible for the HCBS Waiver Program. For POS claims, the following procedures were performed:

- DDS tested the sample items to determine if the payments made to service providers were properly claimed and could be supported by appropriate documentation.

- DDS selected a sample of invoices for service providers with daily and hourly rates, standard monthly rates, and mileage rates to determine if supporting attendance documentation was maintained by RCEB. The rates charged for the services provided to individual consumers were reviewed to ensure that the rates paid were set in accordance with the provisions of CCR, Title 17 and the W&I Code of Regulations.

- DDS selected a sample of individual Consumer Trust Accounts to determine if there were any unusual activities and whether any account balances exceeded $2,000 as prohibited by the Social Security Administration. In addition, DDS determined if any retroactive Social Security benefit payments received exceeded the $2,000 resource limit for longer than nine months. DDS also reviewed these accounts to ensure that the interest earnings were distributed quarterly, personal and incidental funds were paid before the tenth of each month, and that proper documentation for expenditures was maintained.

- DDS selected a sample of Uniform Fiscal Systems (UFS) reconciliations to determine if any accounts were out-of-balance or if there were any outstanding items that were not reconciled.

- DDS analyzed all of RCEB's bank accounts to determine whether DDS had signatory authority as required by the contract with DDS.

- DDS selected a sample of bank reconciliations for Operations and Consumer Trust bank accounts to determine if the reconciliations were properly completed on a monthly basis.

II. Regional Center Operations

DDS audited RCEB's operations and conducted tests to determine compliance with the State Contract. The tests included various expenditures claimed for administration to ensure that RCEB accounting staff is properly inputting data, that transactions were

recorded on a timely basis, and to ensure that expenditures charged to various operating areas were valid and reasonable. These tests included the following:

- A sample of the personnel files, timesheets, payroll ledgers and other support documents were selected to determine if there were any overpayments or errors in the payroll or the payroll deductions.

- A sample of operating expenses, including, but not limited to, purchases of office supplies, consultant contracts, insurance expenses, and lease agreements were tested to determine compliance with CCR, Title 17 and the State Contract.

- A sample of equipment was selected and physically inspected to determine compliance with requirements of the State Contract.

- DDS reviewed RCEB's policies and procedures for compliance with the DDS Conflict of Interest regulations, and DDS selected a sample of personnel files to determine if the policies and procedures were followed.

III. Targeted Case Management and Regional Center Rate Study

The Targeted Case Management (TCM) Rate Study is the study that determines the DDS rate of reimbursement from the Federal Government. The following procedures were performed upon the study:

- Reviewed applicable TCM records and RCEB's Rate Study. DDS examined the month of May 2010 and traced the reported information to source documents.

- Reviewed RCEB's TCM Time Study. DDS selected a sample of payroll time sheets for this review and compared it to the Case Management Time Study Forms (DS 1916) to ensure that they were properly completed and supported.

IV. Service Coordinator Caseload Survey

Under W&I Code, Section 4640.6(e), RCs are required to provide service coordinator caseload data to DDS. The following average service coordinator-to-consumer ratios apply per W&I Code, Section 4640.6(c)(3):

A. For all consumers that are three years of age and younger and for consumers enrolled in the Waiver, the required average ratio shall be 1:62.

B. For all consumers who have moved from a developmental center to the community since April 14, 1993, and have lived continuously in the community for at least 12 months, the required average ratio shall be 1:62. The required average ratio shall be 1:45 for consumers who have moved within the first year.

C. For all consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not covered under A above, the required average ratio shall be 1:66. The 1:66 ratio was lifted in February 2009, upon imposition of the 3 percent operations reduction to regional centers as required per W&I Code, Section 4640.6(i) and (j). The ratio continued to be suspended from July 2010 until July 2012 with imposition of the subsequent 4.25 percent and 1.25 percent payment reductions.

DDS also reviewed the Service Coordinator Caseload Survey methodology used in calculating the caseload ratios to determine reasonableness, and that supporting documentation is maintained to support the survey and the ratios as required by W&I Code, Section 4640.6(e).

V. Early Intervention Program (Part C Funding)

For the Early Intervention Program, there are several sections contained in the Early Start Plan. However, only the Part C section was applicable for this review.

For this program, DDS reviewed the Early Intervention Program, including the Early Start Plan and Federal Part C funding to determine if the funds were properly accounted for in the RC's accounting records.

VI. Family Cost Participation Program

The FCPP was created for the purpose of assessing consumer costs to parents based on income level and dependents. The family cost participation assessments are only applied to respite, day care, and camping services that are included in the child's IPP. To determine whether RCEB is in compliance with CCR, Title 17 and the W&I Code, DDS performed the following procedures during the audit review:

- Reviewed the list of consumers who received respite, day care and camping services, for ages 0 through 17 years who live with their parents and are not Medi-Cal eligible, to determine their contribution for the FCPP.

- Reviewed the parents' income documentation to verify their level of participation based on the FCPP Schedule.

- Reviewed copies of the notification letters to verify that the parents were notified of their assessed cost participation within 10 working days of receipt of the parents' complete income documentation.

- Reviewed vendor payments to verify that RCEB is paying for only its assessed share of cost.

VII. Annual Family Program Fee

The AFPF was created for the purpose of assessing an annual fee of up to $200 based on income level of families of children between the ages of 0 through 17 receiving qualifying services through a RC. The AFPF fee shall not be assessed or collected if the child receives only respite, day care, or camping services from the RC, and a cost for participation is assessed to the parents under FCPP. To determine whether RCEB is in compliance with the W&I Code, DDS requested a list of AFPF assessments and verified the following:

- The adjusted gross family income is at or above 400 percent of the Federal poverty level based upon family size.
- The child has a developmental disability or is eligible for services under the California Early Intervention Services Act.
- The child is less than 18 years of age and lives with his or her parent.
- The child or family receives services beyond eligibility determination, needs assessment, and service coordination.
- The child does not receive services through the Medi-Cal program.
- Documentation was maintained by the regional center to support reduced assessments.

VIII. Procurement

The Request for Proposal (RFP) process was implemented to ensure RCs outline the vendor selection process when using the RFP process to address consumer service needs. As of January 1, 2011, DDS requires RCs to document their contracting practices, as well as how particular vendors are selected to provide consumer services. By implementing a procurement process, RCs will ensure that the most cost effective service providers, amongst comparable service providers, are selected as required by the Lanterman Act and the State Contract as amended.

To determine whether RCEB implemented the required RFP process by January 1, 2011, DDS performed the following procedures during the audit review:

- Reviewed the RCEB contracting process to ensure the existence of a Board approved procurement policy and to verify that the RFP process ensures competitive bidding as required by Article II of the State Contract as amended.

- Reviewed the RFP contracting policy to determine whether the protocols in place included applicable dollar thresholds, and comply with Article II of the State Contract as amended.

- Reviewed the RFP notification process to verify that it is open to the public, and clearly communicated to all vendors. All submitted proposals are evaluated by a team of individuals to determine whether proposals are properly documented, recorded and authorized by appropriate officials at RCEB. The process was reviewed to ensure that the vendor selection process is transparent, impartial, and avoids the appearance of favoritism. Additionally, DDS verified that supporting documentation is retained for the selection process and in instances where a vendor with a higher bid is selected, there is written documentation retained as justification for such a selection.

DDS performed the following procedures to determine compliance with the Article II of the State Contract for new contracts in place as of January 1, 2011:

- Selected a sample of Operational, Start-Up and negotiated POS contracts subject to competitive bidding to ensure RCEB notified the vendor community and the public of contracting opportunities available.

- Reviewed the contracts to ensure that RCEB has adequate and detailed documentation for the selection and evaluation process of vendor proposals, written justification for final vendor selection decisions, and that those contracts were properly signed and executed by both parties to the contract.

In addition, DDS performed the following procedures to determine compliance with the W&I Code, Section 4625.5 for new contracts in place as of March 2011:

- Reviewed to ensure RCEB has a written policy requiring the Board to review and approve any of its contracts of two hundred fifty thousand dollars ($250,000) or more before entering into a contract with the vendor.

- Reviewed RCEB Board approved POS, Start-Up and Operational vendor contracts $250,000 or more to ensure the inclusion of a provision for fair and equitable recoupment of funds for vendors that cease to provide services to consumers. Verified that the funds provided were specifically used to establish new or additional services to consumers and that the usage of funds are of direct benefit to consumers, and that contracts are supported with sufficiently detailed and measurable performance expectations and results.

The process above was conducted in order to assess RCEB's current RFP process and Board approval of contracts $250,000 or more, as well as to determine whether the process in place satisfies the W&I Code and RCEB's State Contract requirements as amended.

IX. Statewide/Regional Center Median Rates

The Statewide and Regional Center Median Rates were implemented on July 1, 2008, and amended on December 15, 2011, to ensure RCs are not negotiating rates higher than the set median rates for services. Despite the median rate requirement, rate increases could be obtained from DDS under health and safety exemptions where RCs demonstrate the exemption is necessary for the health and safety of the consumers.

To determine whether RCEB was in compliance with the Lanterman Act, DDS performed the following procedures during the audit review:

- Reviewed sample vendor files to determine whether RCEB is using appropriately vendorized service providers, has correct service codes, and that RCEB is paying authorized contract rates and complying with the median rate requirements of the W&I Code, Section 4691.9.

- Reviewed vendor contracts to verify that RCEB is reimbursing vendors using authorized contract median rates and verified that rates paid represented the lower of the statewide or RC median rate set after June 30, 2008. Additionally, DDS verified that providers vendorized before June 30, 2008, did not receive any unauthorized rate increases, except in situations where health and safety exemptions were granted by DDS.

X. Other Sources of Funding from DDS

RCs may receive other sources of funding from DDS. DDS performed sample tests on identified sources of funds from DDS to ensure RCEB's accounting staff were inputting data properly, and that transactions were properly recorded and claimed. In addition, tests were performed to determine if the expenditures were reasonable and supported by documentation. The sources of funding from DDS identified in this audit are:

- Start-Up Funds, Community and Placement Program
- Prevention Program
- Denti-Cal

XI. Follow-up Review on Prior DDS Audit Findings

As an essential part of the overall DDS monitoring system, a follow-up review of the prior DDS audit findings was conducted. DDS identified prior audit findings that were reported to RCEB and reviewed supporting documentation to determine the degree and completeness of RCEB's implementation of corrective actions.

CONCLUSIONS

Based upon the audit procedures performed, DDS has determined that except for the items identified in the Findings and Recommendations Section, RCEB was in compliance with applicable sections of the CCR, Title 17, the HCBS Waiver, and the State Contract with DDS for the audit period, July 1, 2011, through June 30, 2013.

The costs claimed during the audit period were for program purposes and adequately supported.

From the review of prior audit issues, it has been determined that RCEB has taken appropriate corrective actions to resolve the prior audit issues.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on May 1, 2015. The findings in the audit report were discussed at a formal exit conference with RCEB on May 12, 2015. At the exit conference, DDS stated it would incorporate the views of the responsible officials in the final audit report.

RESTRICTED USE

This audit report is solely for the information and use of the DDS, Department of Health Care Services, Centers for Medicare and Medicaid Services, and RCEB. This restriction does not limit distribution of this audit report, which is a matter of public record.

FINDINGS AND RECOMMENDATIONS

The findings of this report have been separated into the categories below:

I. Findings That Need to be Addressed.

Finding 1: **Over/Understated Claims**

The sampled review of 130 POS vendor files and the operational indicator reports revealed RCEB over- and under-claimed expenses to the State. There were nine vendors with overpayments totaling $9,357.34 and one vendor, A Better Chance Transportation, Vendor Number H70229, Service Code 880, that was underpaid $15,196.52 from February 2009 through July 2011. The overstated and understated claims were due to duplicate payments, overlapping authorizations and an incorrect payment rate. RCEB has taken corrective action and recovered $9,357.34 in overpayments; however, $15,196.52 in underpayments remains outstanding. (See Attachment A.)

RCEB provided subsequent information in its response to the draft report which indicates that it has taken corrective action to resolve this issue.

CCR, Title 17, Section 54326(a)(10) and (12) states:

> "All vendors shall . . .
>
> (10) Bill only for services which are actually provided to consumers and which have been authorized by the referring regional center . . . .
>
> (12) Agree to accept the rate established, revised or adjusted by the Department as payment in full for all authorized services provided to consumers . . ."

The Transportation Agreement between RCEB and A Better Chance Transportation states in part:

> "The rate of payment received by the Contractor for services rendered under this Agreement shall be $8.91 per trip and the aide service $12.36 per hour."

Recommendation:

RCEB must issue payment for $15,196.52 to A Better Chance Transportation for the underpayment. Also, RCEB must continue to reinforce its policies and procedures for the POS billing and payment process and ensure that any payment

errors identified are corrected in a timely manner. This would include monitoring of the operational indicator reports, attendance documentation, rate letters, contracts and vendor payment invoices.

Finding 2: **Family Cost Participation Program**

A. Late Assessments

The sampled review of 29 FCPP assessments revealed 7 instances where RCEB did not assess the parents' share of cost participation concurrently with the consumer's IPP. The seven assessments were completed more than a month after signing the IPP and were due to RCEB's oversight. (See Attachment B.)

W&I Code, Section 4783(g)(1) states in relevant part:

> "(g) Family cost participation assessments or reassessments shall be conducted as follows:
>
> (1)(A) A regional center shall assess the cost participation for all parents of current consumers who meet the criteria specified in this section. A regional center shall use the most recent individual program plan or individualized family service plan for this purpose.
>
> (B) A regional center shall assess the cost participation for parents of newly identified consumers at the time of the initial individual program plan or the individualized family service plan.
>
> (C) Reassessments for cost participation shall be conducted as part of the individual program plan or the individual family service plan review . . ."

Recommendation:

RCEB must ensure that all parents are assessed share of cost participation concurrently with the consumer's IPP. This would ensure compliance with the W&I Code, Section 4783(g)(1).

B. Overstated Share of Cost

The sampled review of 29 FCPP assessments revealed that RCEB has been paying for the cost of services that was the responsibility of the families under the requirements of the FCPP for 2 consumers participating in the program. This resulted in an overpayment totaling $441.72. This occurred because RCEB failed to adjust the consumers' authorization to reflect its actual share of cost. (See Attachment C.)

CCR, Title 17, Section 50255(a) states in part:

> "(a) The parents of a child who meet the definition under Section 4783(a)(1) of the Welfare and Institutions Code shall be jointly and severally responsible for the assessed amount of family cost participation."

Recommendation:

RCEB must reimburse DDS the overpayment amount totaling $441.72 that resulted from incorrectly paying for the families' share of costs. In addition, RCEB should ensure that only the costs RCEB is responsible for is entered into the UFS to prevent the possibility of any overpayments.

Finding 3: **Expenses Claimed Under the Wrong Service Code**

The sampled review of 130 POS vendor files revealed that RCEB incorrectly vendorized Yellow Cab of Tri-Valley, Vendor Number ZB0534, as a Transportation Company, Service Code 875, instead of Taxi, Service Code 895. This resulted in expenses totaling $87,222.25 from July 2011 to September 2013 being claimed to the incorrect service code.

RCEB provided subsequent information in its response to the draft report which indicates that it has taken corrective action to resolve this issue.

Title 17, Section 54342(a)(86) states:

> "The following service codes shall be assigned to the following types of services . . .
>
> > Transportation - Public Transit Authority, Dial-A-Ride, Rental Car Agency or Taxi - Service Code 895. A regional center shall classify a vendor as a public transit authority, dial-a-ride rental car agency or taxi provider if the vendor is licensed to perform such services, and if the rate charged in the use of these services to consumers is the same as that charged to the general public for the same service."

Recommendation:

RCEB must revendorize Yellow-Cab of Tri-Valley as a Taxi - Service Code 895, and ensure all expenses are allocated to Service Code 895.

Finding 4: **Missing Applicant/Vendor Disclosure Statements**

The sampled review of 130 POS vendor files revealed RCEB's practice is to have the DS 1891 form completed during the vendorization process. However, eight DS 1891 forms were missing due to RCEB's oversight. (See Attachment D.)

CCR, Title 17, Section 54311(b) and (c), states:

> "(b) Each applicant or vendor shall submit a new signed and dated DS 1891 (7/2011) to the regional center within 30 days of any change in the information previously submitted pursuant to this section or upon a written request by the regional center for such information.
>
> (c) All current vendors shall submit a signed and dated DS 1891 (7/2011) to the vendoring regional center within 120 days of the effective date of these regulations for review by regional center by June 30, 2012."

Recommendation:

RCEB must locate the missing DS 1891's or obtain new completed DS 1891 forms from the eight vendors.

Finding 5: **Annual Family Program Fee Registration Forms Not Completed**

The sampled review of 24 AFPF consumers revealed that RCEB completed the AFPF assessments. However, RCEB did not complete the AFPF Registration Forms (DS 6009) for all 24 consumers. RCEB was not aware of the requirement to complete the DS 6009.

DDS Annual Family Program Fee Procedures II.B states:

> "B. Regional centers shall complete the AFPF registration form with parents at the time of consumer's individual program plan (IPP) or individualized family services plan (IFSP)."

Recommendation:

RCEB must ensure its staff is aware of and complies with the AFPF procedures issued by DDS, and specifically the requirement that the DS 6009 will be completed at the time of the IPP or IFSP.

II. Findings That Have Been Addressed and Corrected by RCEB.

Finding 6: **Improper Allocation of Community Placement Plan Funds**

The review of RCEB's CPP expenditures revealed that RCEB continued to fund CPP services for one consumer, UCI Number 8019100, after the end of the initial fiscal year of placement. This resulted in overstated CPP expenditures totaling $21,018.55. RCEB indicated that this was an oversight on its part.

RCEB took corrective action by allocating the expenses to the correct funding source.

Guidelines for Regional Center Community Placement Plan, Section III(A) states in part:

> "Placement funding will be allocated based on claims associated with reconciled CPP placements that occur during each FY. As part of the POS claims review process, the Department may periodically request verification of consumers who have transitioned to the community and their associated costs."

Recommendation:

RCEB must review its CPP claims to ensure all CPP expenditures are allocated only to consumers that are eligible to receive CPP.

Finding 7: **Security Deposit Did Not Reconcile to the General Ledger**

The review of the lease payments revealed RCEB paid security deposits totaling $251,645.55; however, RCEB's security deposits did not reconcile to the prepaid lease general ledger account balance by a difference of $16,159. The difference was due to RCEB expensing the security deposit of $16,159 for its Concord office and claiming it from DDS instead of treating it as an asset and posting it to the prepaid lease general ledger account.

RCEB took corrective action by remitting to DDS the $16,159 it had claimed and adjusted the prepaid lease general ledger account to reflect the correct amount of $251,645.55.

W&I Code, Section 4631(b) states:

> "The department's contract with a regional center shall require strict accountability and reporting of all revenues and expenditures, and strict accountability and reporting as to the effectiveness of the regional center in carrying out its program and fiscal responsibilities as established herein."

Recommendation:

RCEB should review all security deposits to ensure it is recorded as an asset in the prepaid lease general ledger account.

Finding 8: **Equipment Capitalization**

The review of RCEB's inventory listing and equipment general ledger account revealed that it capitalized all of its equipment rather than items valued at or above $5,000. RCEB was not aware that only items valued at or above $5,000 are to be capitalized.

The State Equipment Management Guidelines, Attachment D, Section 8602 states:

> "State property is capitalized for accounting purposes when certain conditions are met. Capitalization means to record the property in the accounting records as assets. Tangible property must meet the following three requirements in order to meet the capitalization requirements:
>
> 1. Have a normal useful life of at least one year;
> 2. Have a unit acquisition cost of at least $5,000; and
> 3. Be used to conduct State business."

RCEB took corrective action by providing DDS with supporting documentation indicating that adjusting entries have been made and only items valued at or above $5,000 are capitalized.

Recommendation:

RCEB must capitalize only items valued at or above $5,000. This will ensure compliance with the State's Equipment Systems Guidelines and the State Administrative Manual as required by its contract with DDS.

EVALUATION OF RESPONSE

As part of the audit report process, RCEB has been provided with a draft audit report and was requested to provide a response to each finding. RCEB's response dated June 15, 2015, is provided as Appendix A. This report includes the complete text of the findings in the Findings and Recommendations section, as well as a summary of the findings in the Executive Summary section.

DDS' Audit Branch has evaluated RCEB's response. Except as noted below, RCEB's response addressed the audit findings and provided reasonable assurance that corrective action would be taken to resolve the issues. DDS' Audit Branch will confirm RCEB's corrective actions identified in the response during the follow-up review of the next scheduled audit.

Finding 1: **Over/Understated Claims**

RCEB agrees with the finding and has provided a copy of the check dated September 12, 2014, indicating it has reimbursed A Better Chance Transportation, Vendor Number H70229, Service Code 880, a total of $15,196.52 for services provided to the consumers that was still outstanding. In addition, RCEB stated that it will continue to reinforce its policies and procedures to ensure that payment errors are identified and corrected in a timely manner.

Finding 2: **Family Cost Participation Program**

A. Late Assessments

RCEB agrees with the finding and stated that it will ensure all parents are assessed concurrently with the consumer's IPP. DDS will conduct a follow-up during the next schedule audit to ensure RCEB is in compliance with CCR, Title 17, Section 50267(a).

B. Overstated Share of Cost

RCEB agrees it reimbursed the share of cost that was the responsibility of the families. RCEB stated that it will adjust the POS authorizations to reflect accurately the families' share of costs and will reimburse DDS the over payment totaling $441.72 for the overstated share of cost.

Finding 3: **Expenses Claimed Under the Wrong Service Code**

RCEB agrees that it vendorized Yellow Cab of Tri-Valley under a wrong Service Code. RCEB provided documentation indicating expenses reimbursed under Service Code 875 have been re-classified to Service Code 895 to ensure compliance with CCR, Title 17, Section 54342 (a)(86).

Finding 4: **Missing Applicant/Vendor Disclosure Statements**

RCEB agrees with the finding and stated it will locate the missing DS 1891s for the eight vendors. DDS will conduct a follow-up review during the next scheduled audit to ensure RCEB is in compliance with CCR, Title 17, Section 54311(b) and (c),

Finding 5: **Annual Family Program Fee Registration Forms Not Completed**

RCEB agrees with the finding and stated it will now comply with the DDS AFPF procedures by completing the DS 6009 forms at the time of the IPP or IFSP for all of its' consumers. DDS will conduct a follow-up review during the next scheduled audit to ensure RCEB is in compliance with the DDS' AFPF Procedure IIB.

Regional Center of the East Bay
Understated Claims
Fiscal Years 2011-12 and 2012-13

	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Period	Understated Claims
1	5031837	H70229	A Better Chance Transportation	880	11330970	Jul-10	($138.40)
2	5031837	H70229	A Better Chance Transportation	880	11330970	Aug-10	($103.80)
3	5031837	H70229	A Better Chance Transportation	880	11330970	Sep-10	($145.32)
4	5031837	H70229	A Better Chance Transportation	880	11330970	Oct-10	($138.40)
5	5031837	H70229	A Better Chance Transportation	880	11330970	Nov-10	($124.56)
6	5031837	H70229	A Better Chance Transportation	880	11330970	Dec-10	($124.56)
7	5031837	H70229	A Better Chance Transportation	880	11330970	Jan-11	($131.48)
8	5031837	H70229	A Better Chance Transportation	880	11330970	Feb-11	($117.64)
9	5031837	H70229	A Better Chance Transportation	880	11330970	Mar-11	($145.32)
10	5031837	H70229	A Better Chance Transportation	880	11330970	Apr-11	($110.72)
11	5031837	H70229	A Better Chance Transportation	880	11330970	May-11	($131.48)
12	5031837	H70229	A Better Chance Transportation	880	11330970	Jun-11	($145.32)
13	5030478	H70229	A Better Chance Transportation	880	9307177	Feb-09	($133.00)
14	5030478	H70229	A Better Chance Transportation	880	9307177	Mar-09	($133.00)
15	5030478	H70229	A Better Chance Transportation	880	9307177	Apr-09	($147.00)
16	5030478	H70229	A Better Chance Transportation	880	9307177	May-09	($140.00)
17	5030478	H70229	A Better Chance Transportation	880	9307177	Jun-09	($112.00)
18	5030478	H70229	A Better Chance Transportation	880	11307177	Jul-10	($138.40)
19	5030478	H70229	A Better Chance Transportation	880	11307177	Aug-10	($131.48)
20	5030478	H70229	A Better Chance Transportation	880	11307177	Sep-10	($96.88)
21	5030478	H70229	A Better Chance Transportation	880	11307177	Oct-10	($110.72)
22	5030478	H70229	A Better Chance Transportation	880	11307177	Nov-10	($124.56)
23	5030478	H70229	A Better Chance Transportation	880	11307177	Dec-10	($131.48)
24	5030478	H70229	A Better Chance Transportation	880	11307177	Jan-11	($138.40)
25	5030478	H70229	A Better Chance Transportation	880	11307177	Feb-11	($124.56)
26	5030478	H70229	A Better Chance Transportation	880	11307177	Mar-11	($138.40)
27	5030478	H70229	A Better Chance Transportation	880	11307177	Apr-11	($145.32)
28	5030478	H70229	A Better Chance Transportation	880	11307177	May-11	($117.64)
29	5030478	H70229	A Better Chance Transportation	880	11307177	Jun-11	($152.24)
30	5981386	H70229	A Better Chance Transportation	880	11331263	Jul-10	($117.64)
31	5981386	H70229	A Better Chance Transportation	880	11331263	Aug-10	($152.24)
32	5981386	H70229	A Better Chance Transportation	880	11331263	Sep-10	($145.32)
33	5981386	H70229	A Better Chance Transportation	880	11331263	Oct-10	($138.40)
34	5981386	H70229	A Better Chance Transportation	880	11331263	Nov-10	($124.56)
35	5981386	H70229	A Better Chance Transportation	880	11331263	Dec-10	($131.48)
36	5981386	H70229	A Better Chance Transportation	880	11331263	Jan-11	($138.40)
37	5981386	H70229	A Better Chance Transportation	880	11331263	Feb-11	($131.48)
38	5981386	H70229	A Better Chance Transportation	880	11331263	Mar-11	($152.24)

Regional Center of the East Bay
Understated Claims
Fiscal Years 2011-12 and 2012-13

	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Period	Understated Claims
39	5981386	H70229	A Better Chance Transportation	880	11331263	Apr-11	($145.32)
40	5981386	H70229	A Better Chance Transportation	880	11331263	May-11	($145.32)
41	5981386	H70229	A Better Chance Transportation	880	11331263	Jun-11	($117.64)
42	8012245	H70229	A Better Chance Transportation	880	11321012	Jul-10	($145.32)
43	8012245	H70229	A Better Chance Transportation	880	11321012	Aug-10	($152.24)
44	8012245	H70229	A Better Chance Transportation	880	11321012	Sep-10	($145.32)
45	8012245	H70229	A Better Chance Transportation	880	11321012	Oct-10	($138.40)
46	8012245	H70229	A Better Chance Transportation	880	11321012	Nov-10	($131.48)
47	8012245	H70229	A Better Chance Transportation	880	11321012	Dec-10	($131.48)
48	8012245	H70229	A Better Chance Transportation	880	11321012	Jan-11	($138.40)
49	8012245	H70229	A Better Chance Transportation	880	11321012	Feb-11	($131.48)
50	8012245	H70229	A Better Chance Transportation	880	11321012	Mar-11	($152.24)
51	8012245	H70229	A Better Chance Transportation	880	11321012	Apr-11	($145.32)
52	8012245	H70229	A Better Chance Transportation	880	11321012	May-11	($145.32)
53	8012245	H70229	A Better Chance Transportation	880	11321012	Jun-11	($152.24)
54	6194910	H70229	A Better Chance Transportation	880	11333777	Jul-10	($145.32)
55	6194910	H70229	A Better Chance Transportation	880	11333777	Aug-10	($152.24)
56	6194910	H70229	A Better Chance Transportation	880	11333777	Sep-10	($145.32)
57	6194910	H70229	A Better Chance Transportation	880	11333777	Oct-10	($138.40)
58	6194910	H70229	A Better Chance Transportation	880	11333777	Nov-10	($131.48)
59	6194910	H70229	A Better Chance Transportation	880	11333777	Dec-10	($131.48)
60	6194910	H70229	A Better Chance Transportation	880	11333777	Jan-11	($138.40)
61	6194910	H70229	A Better Chance Transportation	880	11333777	Feb-11	($131.48)
62	6194910	H70229	A Better Chance Transportation	880	11333777	Mar-11	($152.24)
63	6194910	H70229	A Better Chance Transportation	880	11333777	Apr-11	($145.32)
64	6194910	H70229	A Better Chance Transportation	880	11333777	May-11	($145.32)
65	6194910	H70229	A Better Chance Transportation	880	11333777	Jun-11	($152.24)
66	6194911	H70229	A Better Chance Transportation	880	11333775	Jul-10	($145.32)
67	6194911	H70229	A Better Chance Transportation	880	11333775	Aug-10	($152.24)
68	6194911	H70229	A Better Chance Transportation	880	11333775	Sep-10	($145.32)
69	6194911	H70229	A Better Chance Transportation	880	11333775	Oct-10	($138.40)
70	6194911	H70229	A Better Chance Transportation	880	11333775	Nov-10	($131.48)
71	6194911	H70229	A Better Chance Transportation	880	11333775	Dec-10	($131.48)
72	6194911	H70229	A Better Chance Transportation	880	11333775	Jan-11	($138.40)
73	6194911	H70229	A Better Chance Transportation	880	11333775	Feb-11	($131.48)
74	6194911	H70229	A Better Chance Transportation	880	11333775	Mar-11	($152.24)
75	6194911	H70229	A Better Chance Transportation	880	11333775	Apr-11	($145.32)
76	6194911	H70229	A Better Chance Transportation	880	11333775	May-11	($145.32)

Regional Center of the East Bay
Understated Claims
Fiscal Years 2011-12 and 2012-13

	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Period	Understated Claims
77	6194911	H70229	A Better Chance Transportation	880	11333775	Jun-11	($152.24)
78	5031334	H70229	A Better Chance Transportation	880	11358369	Dec-10	($34.60)
79	5031334	H70229	A Better Chance Transportation	880	11358369	Jan-11	($138.40)
80	5031334	H70229	A Better Chance Transportation	880	11358369	Feb-11	($131.48)
81	5031334	H70229	A Better Chance Transportation	880	11358369	Mar-11	($152.24)
82	5031334	H70229	A Better Chance Transportation	880	11358369	Apr-11	($145.32)
83	5031334	H70229	A Better Chance Transportation	880	11358369	May-11	($124.56)
84	5031334	H70229	A Better Chance Transportation	880	11358369	Jun-11	($138.40)
85	8019246	H70229	A Better Chance Transportation	880	11356520	Oct-10	($68.72)
86	8019246	H70229	A Better Chance Transportation	880	11356520	Nov-10	($124.56)
87	8019246	H70229	A Better Chance Transportation	880	11356520	Dec-10	($124.56)
88	8019246	H70229	A Better Chance Transportation	880	11356520	Jan-11	($131.48)
89	8019246	H70229	A Better Chance Transportation	880	11356520	Feb-11	($131.48)
90	8019246	H70229	A Better Chance Transportation	880	11356520	Mar-11	($138.40)
91	8019246	H70229	A Better Chance Transportation	880	11356520	Apr-11	($138.40)
92	8019246	H70229	A Better Chance Transportation	880	11356520	May-11	($96.88)
93	8019246	H70229	A Better Chance Transportation	880	11356520	Jun-11	($145.32)
94	5414024	H70229	A Better Chance Transportation	880	11333546	Jul-10	($110.72)
95	5414024	H70229	A Better Chance Transportation	880	11333546	Aug-10	($103.80)
96	5414024	H70229	A Better Chance Transportation	880	11333546	Sep-10	($48.44)
97	5414024	H70229	A Better Chance Transportation	880	11333546	Oct-10	($69.20)
98	5414024	H70229	A Better Chance Transportation	880	11333546	Nov-10	($83.04)
99	5414024	H70229	A Better Chance Transportation	880	11333546	Dec-10	($69.20)
100	5414024	H70229	A Better Chance Transportation	880	11333546	Jan-11	($89.96)
101	5414024	H70229	A Better Chance Transportation	880	11333546	Feb-11	($83.04)
102	5414024	H70229	A Better Chance Transportation	880	11333546	Mar-11	($96.88)
103	5414024	H70229	A Better Chance Transportation	880	11333546	Apr-11	($55.36)
104	5414024	H70229	A Better Chance Transportation	880	11333546	May-11	($83.04)
105	5414024	H70229	A Better Chance Transportation	880	11333546	Jun-11	($55.36)
106	5414024	H70229	A Better Chance Transportation	880	12333546	Jul-11	($34.60)
107	5034568	H70229	A Better Chance Transportation	880	11332311	Jul-10	($145.32)
108	5034568	H70229	A Better Chance Transportation	880	11332311	Aug-10	($152.24)
109	5034568	H70229	A Better Chance Transportation	880	11332311	Sep-10	($145.32)
110	5034568	H70229	A Better Chance Transportation	880	11332311	Oct-10	($138.40)
111	5034568	H70229	A Better Chance Transportation	880	11332311	Nov-10	($131.48)
112	5034568	H70229	A Better Chance Transportation	880	11332311	Dec-10	($131.48)
113	5034568	H70229	A Better Chance Transportation	880	11332311	Jan-11	($138.40)
114	5034568	H70229	A Better Chance Transportation	880	11332311	Feb-11	($131.48)

Regional Center of the East Bay
Understated Claims
Fiscal Years 2011-12 and 2012-13

	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization Number	Payment Period	Understated Claims
115	5034568	H70229	A Better Chance Transportation	880	11332311	Mar-11	($152.24)
116	5034568	H70229	A Better Chance Transportation	880	11332311	Apr-11	($145.32)
117	5034568	H70229	A Better Chance Transportation	880	11332311	May-11	($145.32)
118	5034568	H70229	A Better Chance Transportation	880	11332311	Jun-11	($152.24)
						Total Underpayments	**($15,196.52)**

Regional Center of the East Bay
Family Cost Participation Program - Late Assessments
Fiscal Years 2011-12 and 2012-13

No.	Unique Client Identification Number	Individual Program Plan Date	Assessement Date
1	8035457	12/14/2012	2/19/2013
2	8027915	7/15/2011	8/16/2011
3	5038512	1/23/2012	3/1/2012
4	8099027	5/27/2011	7/1/2011
5	8083362	6/3/2011	7/8/2011
6	8098016	8/3/2011	10/25/2011
7	8034741	10/10/2012	11/13/2012

Regional Center of the East Bay
Family Cost Participation Program - Overstated Share of Cost
Fiscal Years 2011-12 and 2012-13

No.	Unique Client Identification Number	Vendor Number	Vendor Name	Service Code	Authorization	Payment Period	Overpayments
1	5039774	HB0184	Exceptional Needs Network	850	13412002	Aug-12	$130.36
2	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	Dec-12	$44.48
3	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	Jan-13	$44.48
4	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	Feb-13	$44.48
5	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	Mar-13	$44.48
6	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	Apr-13	$44.48
7	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	May-13	$44.48
8	8034741	VB5216	Allen Simonitsch, Sr.	405	13421874	Jun-13	$44.48
						Total Overstated Share of Cost	**$441.72**

Regional Center of the East Bay
Missing Applicant/Vendor Disclosure Statements
Fiscal Years 2011-12 and 2012-13

No.	Vendor Number	Vendor Name	Service Code
1	HB0867	Fred Finch Wraparound	17
2	PB0772	Quality Behavioral Outcomes	48
3	HB0426	Alameda County Behavioral Health Care Services	56
4	PB1264	Turner, Joan RN	56
5	PB1366	Fynn, Gillian	93
6	V54198	Fountain, Linda	405
7	VB8219	Ansari, Lilian P.	420
8	HB0039	St. Peters Community Adult Day Care Center	855

APPENDIX A

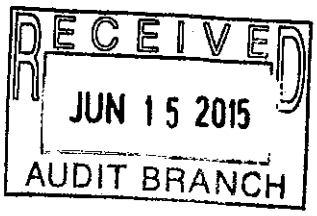
REGIONAL CENTER OF THE EAST BAY

RESPONSE
TO AUDIT FINDINGS

(Certain documents provided by the Regional Center of the East Bay as attachments to its response are not included in this report due to the detailed and sometimes confidential nature of the information).

Regional Center of the East Bay

Response to Draft Audit Findings
For Fiscal Years 2011-12 and 2012-13



Response to Audit Finding 1: Overstated/Understated Claims

This issue was related to one vendor payment. Regional Center of the East Bay (RCEB) took steps to address this issue after DDS audit site visit in 2014. Payment for vendor H70229, Service Code 880 was issued on September 12, 2014. RCEB will continue to reinforce our policies and procedures for the POS billing and payment process and ensure that any payment errors identified are corrected in a timely manner.

Response to Audit Finding 2: Family Cost Participation Program (FCPP)-Late Assessments and Overstated Share of Cost

Regional Center of the East Bay (RCEB) concurs with this DDS audit finding. RCEB will ensure that all parents are assessed share of cost participation concurrently with the consumer's IPP. RCEB will reimburse DDS the amount of $441.72 which resulted from incorrectly paying for a family's share of service. In the future, RCEB will ensure that Purchase of Service authorizations are adjusted accurately to reflect family members' actual share of cost.

Response to Audit Finding 3: Expenses Claimed under the Wrong Service Code

Regional Center of the East Bay (RCEB) concurs with this DDS audit finding. RCEB has corrected this error and expenses for this vendor are now claimed to the correct service code.

Response to Audit Finding 4: Missing Applicant/Vendor Disclosure Statements

Regional Center of the East Bay (RCEB) concurs with this DDS audit finding. RCEB will locate the missing DS1891 for 8 vendors.

Response to Audit Finding 5: Annual Family Program Fee Registration Form not completed.

Regional Center of the East Bay (RCEB) concurs with this DDS audit finding. RCEB will comply with the AFPF procedures issued by DDS, and form DS 6009 will be completed at the time of the IPP or IFSP.