

**Department of Rehabilitation**

**Audit Report of**

**Valley Achievement Center/Valley Adult Services**

**Fieldwork Date: February 25-28, 2013**

**Final Report Date: August 8, 2013**

**Control Number: 2012A-111**

**DOR Audit Services Team  
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## **Introduction**

The Department of Rehabilitation (DOR) Audit Services has completed an audit of the supported employment (SE) services provided by our community rehabilitation program Valley Achievement Center/Valley Adult Services (VAC/VAS).

Since 1998, Valley Achievement Center (VAC) has been a leading non-profit organization specializing in lifelong learning and growth for children and adults affected by Autism Spectrum Disorder and other developmental disabilities.

The Supported Employment Program at Valley Adult Services (VAS) provides employment services to adults living with developmental disabilities. VAS indicates that this process is accomplished by teaching clients how to professionally present themselves in the community, as well as secure employment through the process of transition training. Through a person-centered transition training program the client will achieve independence, communication skills, socialization skills, knowledge, and ability to advocate for themselves in a community workplace.

## **Audit Scope/Procedures**

Our on site audit fieldwork was conducted the week of February 25, 2013 and our exit teleconference was held on June 6, 2013. We conducted our audit in accordance with Government Auditing Standards as defined by the Government Accountability Office except Standard 3.52 requiring an external peer review. Our audit is subject to the inherent risk that material errors and irregularities, fraud, or non-compliance will not be identified.

The scope of our audit included a review of invoices submitted to DOR for supported employment services to individuals and groups during 2012 and a limited review of the accounting systems and internal controls applicable to these invoices. The audit was conducted to obtain reasonable assurance that VAC/VAS is compliant with applicable federal and state regulatory and legal requirements as well as the DOR Community Rehabilitation Program Guide to Certification and Vendorization. We also assessed whether the invoices submitted were adequately supported by appropriate records.

## **Summary of Findings/Recommendations**

We appreciate VAC/VAS commitment to provide exemplary service and be fully compliant with applicable supported employment laws, regulations, and polices. As such, we noted one finding and identified a couple of additional areas for improvement as follows:

### **Finding - Improper Billing of Group Job Coach Hours**

VAC/VAS billed incorrectly on the DR385E - SE Group Job Coaching - Invoice Detail form. VAC/VAS has been billing the total job coach (JC) hours rather than the allocated job coach hours by consumer.

Billing for JC hours is derived from the DS1964 Supported Employment Group Billing and Attendance Form (excel spreadsheet). The DS1964 is required to be prepared and submitted by the SE service provider with the group job coaching invoice, which VAC/VAS was not completing. The amount of JC hours to be billed is calculated by the formula in column AS "Allocated JC hours by consumer". VAS was not following this practice.

In the auditor's sample month of August 2012, the total job coach hours billed to DOR was 362 hours at \$30.82, totaling \$11,156.84. The correct billing utilizing the job coach allocation from the DS1964 was 103.61 hours at \$30.82, totaling \$3,193.26. The result was an overpayment of \$7,963.58.

After identifying the overpayment for the sample month, we requested VAC/VAS submit invoices for a twelve month period of January 2012 through December 2012. After recalculating the billable job coach hours, we determined that DOR overpaid VAC/VAS \$59,994.96 during the twelve month period. See Attachment A for details.

When asked about the reason for the billing error, VAC/VAS informed the auditor that the DOR Fresno District Office did not notify VAC/VAS that they were billing incorrectly, so they thought they were billing correctly.

VAC/VAS also advised that they asked DDS about protocol for billing group coach hours and weren't told to bill any differently. VAC/VAS provided the auditor with several emails between VAC/VAS and DDS to support their claim of not being instructed to bill allocated job coach hours. The auditor reviewed the emails provided and noted the following:

- In an email dated 9/11/12, the Director of Adult Services VAC/VAS stated that she talked with their billing person and who stated that he has not filled out the DS1964's with his billing process. VAC/VAS asked whether or not they need to complete the 1964s from the beginning or not.
- In an email dated 9/13/12, the Community Program Specialist II, DDS, replied that after talking with her chief regarding the billing issue and forms, VAC/VAS will need to go back from the date the groups began and complete the DS1964 on a monthly basis and submit those to us. It also indicated that

from this point forward, VAC/VAS would need to use this form for the group billing on a monthly basis submitting it to RC and DDS.

- In an email dated 1/15/13, the Director of Adult Services VAC/VAS indicated that she tasked the program assistant with the completion of the forms but he explained there was some confusion. The email also stated that they need to get it completed before the DOR audit in February.

SE rates are paid pursuant to Welfare and Institutions Code 4860(b) which stipulates that the hourly rate for group services shall be thirty dollars and eighty-two cents (\$30.82), regardless of the number of consumers served in the group.

DDS states in the instructions for completing the DS1964 under general information for service providers:

- The individual worksheets are protected to prevent the changing of formulas and formatting features built into the spreadsheets. The Allocation Summary Sheet will calculate the costs for each consumer in the group.
- The service provider is required to email this form to the following agencies each month:  
Regional Center: Email this form to each regional center being billed.  
Department of Rehabilitation (DOR): [grouptrackingforms@dor.ca.gov](mailto:grouptrackingforms@dor.ca.gov)  
Department of Developmental Services (DDS): [Work.Services@dds.ca.gov](mailto:Work.Services@dds.ca.gov)

DOR issued a memo dated July 8, 2011 to the SE Service Providers regarding new billing procedures – group job coaching. Attachment1 describes how the service providers should submit their DS1964 excel file to the DOR District offices via email. A chart of District Email addresses was provided within the memo.

### **RECOMMENDATION:**

VAC/VAS shall reimburse DOR for the overpaid JC fees in the amount of \$59,994.96. Further, VAC/VAS shall bill DOR correctly for group SE job coaching by preparing the DS1964 and transferring the amounts from column AS which is the allocated job coach hours by consumer to the DR 385E Invoice Detail form.

### **Opportunity for Improvement - SE Forms – Outdated**

The following SE Forms being used by VAC/VAS were outdated:

- DR383 – SE- Job Placement Information (Rev. 02/08)
- DR383A – SE- Group Job Coaching Referral / Authorization (XX/11)
- DR384 – SE – Monthly Job Coach Report (Rev. 03/04) (Rev. 02/08)
- DR385A – SE – Individual – Invoice Summary (December 1998 Revision)
- DR385B – SE - Individual – Invoice Detail (December 1998 Revision)

VAC/VAS was using forms issued prior to the latest revisions dated (Rev. 06/11) and (Rev. 01/12).

By not submitting the correct DOR SE forms along with the required supporting documentation for accurate processing, VAC/VAS was not providing DOR with all of the required information. New procedures and forms for group invoicing were sent to SE service providers via a DOR Memo dated July 8, 2011: New Billing Procedures - Group Job Coaching. The memo explained the authorization and invoicing procedures as well as the distribution of invoice hard copies by U.S. Mail and electronic copies of the invoice are sent to a specific DOR mailbox via email. The most recent SE forms are always made available on the DOR internet website.

**RECOMMENDATION:**

When invoicing DOR for SE services authorized and provided, VAC/VAS shall utilize the most recent SE form versions approved by DOR. The correct forms can be found at [www.dor.ca.gov/SEP/index.html](http://www.dor.ca.gov/SEP/index.html). Also, when completed, invoices and forms should be mailed and emailed to the correct addresses. VAC/VAS should follow up with the district office to make sure they understand the processes for submitting invoices and support documentation.

**Opportunity for Improvement - Job Coach Case Notes Missing**

Job coach case notes/progress notes for individual placement and group placement consumers were not consistently maintained. Case notes/progress notes are prepared and kept in a binder chronologically; however, we found that while the majority of individual placement consumer case notes were maintained, only minimal case notes were prepared for consumers in groups.

The administrator, who supervises job coaches, explained that internal corrective action was implemented to ensure that job coach case notes/progress notes were completed and turned in consistently. It was emphasized that case notes/progress notes need to be completed on a daily basis and turned in weekly with time cards on Mondays.

Omitting case notes/progress notes is not good business practice and does not comply with the CRP guidelines. The CRP Guide to Certification and Vendorization outlines general service standards to be followed by the CRP which require a confidential consumer record be maintained that communicates information that is complete, clear, and current. Additionally, the CRP shall have written guidelines for the reporting of a consumers' progress, which will identify the activities provided towards the achievement of the individual's plan objectives.

**RECOMMENDATION:**

We recommend that the job coaches keep adequate consumer case notes/progress notes with follow-up when appropriate. VAC/VAS has advised that they are now maintaining adequate case notes in compliance with their internal expectations and the CRP guidelines.