

DEPARTMENT OF DEVELOPMENTAL SERVICES

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May 3, 2021

Angel Hixson, Board President
North Bay Developmental Disabilities Services, Inc.
610 Airpark Road
Napa, CA 94558

Dear Ms. Hixson

The Department of Developmental Services' (DDS) Audit Section has completed the audit of the North Bay Regional Center (NBRC). The period of review was from July 1, 2018 through June 30, 2020, 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 RC as Appendix A and DDS' reply on page 18.

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 and submitted within 30 days of receipt of this audit report to the address below:

Department of Developmental Services
Audit Appeals Unit
Attn: Carla Castañeda, Chief Deputy Director
1600 Ninth Street, Room 240, MS 2-13
Sacramento, CA 95814

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

"Building Partnerships, Supporting Choices"

Angel Hixson, Board President
May 3, 2021
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If you have any questions regarding the audit report, please contact Edward Yan,
Manager, Audit Section, at (916) 651-8207.

Sincerely,

DocuSigned by:

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ERICA REIMER SNELL
Deputy Director
Community Services Division

Enclosure(s)

cc: Gabriel Rogin, NBRC
Isabel Calder, NBRC
Bob Sands, DHCS
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Dong Le, 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
NORTH BAY REGIONAL CENTER
FOR FISCAL YEARS 2018-19 AND 2019-20**

Department of Developmental Services

May 3, 2021

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

Jim Knight, Deputy Director, Administration Division
Vicky Lovell, Chief, Research, Audit, and Evaluation Branch
Edward Yan, Manager, Audit Section
Luciah Ellen Nzima, Chief, Regional Center Audit Unit
Dong Le, Supervisor, Regional Center Audit Unit

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For more information, please call: (916) 654-3695

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) conducted a fiscal compliance audit of North Bay Regional Center (NBRC) to ensure NBRC is compliant with the requirements set forth in the Lanterman Developmental Disabilities Services Act and Related Laws/Welfare and Institutions (W&I) Code; the Home and Community-based Services (HCBS) Waiver for the Developmentally Disabled; California Code of Regulations (CCR), Title 17; Federal Office of Management and Budget (OMB) Circulars A-122 and A-133; and the contract with DDS. Overall, the audit indicated that NBRC maintains accounting records and supporting documentation for transactions in an organized manner.

The audit period was July 1, 2018, through June 30, 2020, with follow-up, as needed, into prior and subsequent periods. This report identifies some areas where NBRC's administrative and operational controls could be strengthened, but none of the findings were of a nature that would indicate systemic issues or constitute major concerns regarding NBRC's operations. A follow-up review was performed to ensure NBRC has taken corrective action to resolve the findings identified in the prior DDS audit report. NBRC has taken appropriate corrective action to resolve all three findings.

Findings that need to be addressed.

Finding 1: Incorrect Payments to Senior Companion Volunteers

The review of payments to 24 Senior Companion volunteers revealed NBRC incorrectly calculated the volunteers' stipend, travel expenses, and meal reimbursements. This resulted in over- and underpayments totaling \$666.48 and \$28.90, respectively. This is not in compliance with the Code of Federal Regulations, Title 45, Part 2551, DDS' Foster Grandparent/Senior Companion Program Policy and Guidelines, and NBRC's Orientation Manual & Senior Companion Program Handbook.

Finding 2: Conflict of Interest Disclosure Statements Not Completed

The review of 23 Governing Board member files revealed eight Board members did not complete the Conflict of Interest (COI) disclosure statements by August 1st of each year. In addition, two Board members did not complete their COI disclosure statements within 30 days of being appointed. NBRC stated this occurred due to an oversight. This is not in compliance with W&I Code, Section 4626(f) and (g).

BACKGROUND

DDS is responsible, under the W&I Code, for ensuring that persons with developmental disabilities (DD) receive the services and supports they need to lead more independent, productive, and integrated 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, 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 Section 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 North Bay Developmental Disability Services, Inc., entered into State Contract HD149011, effective July 1, 2014, through June 30, 2021. This contract specifies that North Bay Developmental Disability Services, Inc. will operate an agency known as NBRC to provide services to individuals with DD and their families in Napa, Sonoma, and Solano Counties. The contract is funded by state and federal funds that are dependent upon NBRC performing certain tasks, providing services to eligible consumers, and submitting billings to DDS.

This audit of NBRC was conducted remotely from August 7, 2020, through October 9, 2020, by the Audit Section 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 between DDS and NBRC.

CRITERIA

The following criteria were used for this audit:

- W&I Code,
- “Approved Application for the HCBS Waiver for the Developmentally Disabled,”
- CCR, Title 17,
- OMB Circulars A-122 and A-133, and
- The State Contract between DDS and NBRC, effective July 1, 2014.

AUDIT PERIOD

The audit period was July 1, 2018, through June 30, 2020, 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 RCs' fiscal, administrative, and program operations. The objectives of this audit were:

- To determine compliance with the W&I Code,
- To determine compliance with the provisions of the HCBS Waiver Program for the Developmentally Disabled,
- To determine compliance with CCR, Title 17 regulations,
- To determine compliance with OMB Circulars A-122 and A-133, and
- To determine that costs claimed were in compliance with the provisions of the State Contract between DDS and NBRC.

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States. However, the procedures do not constitute an audit of NBRC's financial statements. DDS limited the scope to planning and performing audit procedures necessary to obtain reasonable assurance that NBRC was in compliance with the objectives identified above. Accordingly, DDS examined transactions on a test basis to determine whether NBRC was in compliance with the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17; OMB Circulars A-122 and A-133; and the State Contract between DDS and NBRC.

DDS' review of NBRC'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 CPA firm for Fiscal Year (FY) 2018-19, issued on March 6, 2020. This review was performed to determine the impact, if any, upon the DDS audit and, as necessary, develop appropriate audit procedures. It was noted that a management letter was issued for FY 2017-18, which identified that NBRC reported an unfunded liability status using the actuarial report provided by CalPERS, which used the Governmental Accounting Standard Board Statement No. 68 methods and actuarial assumptions, instead of the Financial Accounting Standards Board methods and actuarial assumptions used by nonprofit organizations. However, follow-up review of the issue found that "NBRC's financial statements were presented fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America", according to the independent CPA firm. Therefore, there was no impact upon the DDS audit.

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 and vendor rates. 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 NBRC. The rates charged for the services provided to individual consumers were reviewed to ensure compliance with the provision of the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17, OMB Circulars A-122 and A-133; and the State Contract between DDS and NBRC.
- DDS analyzed all of NBRC's bank accounts to determine whether DDS had signatory authority, as required by the State Contract with DDS.
- DDS selected a sample of bank reconciliations for Operations (OPS) accounts and Consumer Trust bank accounts to determine if the reconciliations were properly completed on a monthly basis.

II. Regional Center Operations

DDS selected a sample of OPS claims billed to DDS to determine compliance with the State Contract. The sample included various expenditures claimed for administration that were reviewed to ensure NBRC's accounting staff properly input data, transactions were recorded on a timely basis, and expenditures charged to various operating areas were valid and reasonable. The following procedures were performed:

- 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 OPS 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 NBRC'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 (TCM) and Regional Center Rate Study**

The TCM Rate Study determines the DDS rate of reimbursement from the federal government. The following procedures were performed upon the study:

- Reviewed applicable TCM records and NBRC's Rate Study. DDS examined the month of April 2019 and traced the reported information to source documents.
- Reviewed NBRC's TCM Time Study. DDS selected a sample of payroll timesheets for this review and compared timesheets to the Case Management Time Study Forms (DS 1916) to ensure that the forms were properly completed and supported.

IV. **Service Coordinator Caseload Survey**

Under the 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)(1)(2)(3)(A)(B)(C):

- “(c) Contracts between the department and regional centers shall require regional centers to have service coordinator-to-consumer ratios, as follows:
- (1) An average service coordinator-to-consumer ratio of 1 to 62 for all consumers who have not moved from the developmental centers to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 79 consumers for more than 60 days.
 - (2) An average service coordinator-to-consumer ratio of 1 to 45 for all consumers who have moved from a developmental center to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 59 consumers for more than 60 days.
 - (3) Commencing January 1, 2004, the following coordinator-to-consumer ratios shall apply:
 - (A) All consumers three years of age and younger and for

consumers enrolled in the Home and Community-based Services Waiver program for persons with developmental disabilities, an average service coordinator-to-consumer ratio of 1 to 62.

- (B) 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, an average service coordinator-to-consumer ratio of 1 to 62.
- (C) All consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not described in subparagraph (A), an average service coordinator-to-consumer ratio of 1 to 66.”

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 (EIP; Part C Funding)

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

VI. Family Cost Participation Program (FCPP)

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 Individual Program Plan (IPP)/Individualized Family Services Plan (IFSP). To determine whether NBRC was in compliance with CCR, Title 17, and the W&I Code, Section 4783, 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’ income documentation.

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

VII. Annual Family Program Fee (AFPF)

The AFPF was created for the purpose of assessing an annual fee of up to \$200 based on the income level of families with children between the ages of 0 through 17 years receiving qualifying services through the 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 was assessed to the parents under FCPP. To determine whether NBRC was in compliance with the W&I Code, Section 4785, 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 DD 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 RC to support reduced assessments.

VIII. Parental Fee Program (PFP)

The PFP was created for the purpose of prescribing financial responsibility to parents of children under the age of 18 years who are receiving 24-hour, out-of-home care services through an RC or who are residents of a state hospital or on leave from a state hospital. Parents shall be required to pay a fee depending upon their ability to pay, but not to exceed (1) the cost of caring for a child without DD at home, as determined by the Director of DDS, or (2) the cost of services provided, whichever is less. To determine whether NBRC is in compliance with the W&I Code, Section 4782, DDS requested a list of PFP assessments and verified the following:

- Identified all children with DD who are receiving the following services:
 - (a) All 24-hour, out-of-home community care received through an RC for children under the age of 18 years;

(b) 24-hour care for such minor children in state hospitals. Provided, however, that no ability to pay determination shall be made for services required by state or federal law, or both, to be provided to children without charge to their parents.

- Provided DDS with a listing of new placements, terminated cases, and client deaths for those clients. Such listings shall be provided not later than the 20th day of the month following the month of such occurrence.
- Informed parents of children who will be receiving services that DDS is required to determine parents' ability to pay and to assess, bill, and collect parental fees.
- Provided parents a package containing an informational letter, a Family Financial Statement (FFS), and a return envelope within 10 working days after placement of a minor child.
- Provided DDS a copy of each informational letter given or sent to parents, indicating the addressee and the date given or mailed.

IX. 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. To determine whether NBRC implemented the required RFP process, DDS performed the following procedures during the audit review:

- Reviewed NBRC's 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 NBRC. The process was reviewed to ensure that the vendor selection

process is transparent and 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, written documentation is retained as justification for such a selection.

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

- Selected a sample of Operations, Community Placement Plan (CPP), and negotiated POS contracts subject to competitive bidding to ensure NBRC notified the vendor community and the public of contracting opportunities available.
- Reviewed the contracts to ensure that NBRC has adequate and detailed documentation for the selection and evaluation process of vendor proposals and 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 contracts in place as of March 24, 2011: Reviewed to ensure NBRC 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 NBRC Board-approved Operations, Start-Up, and POS vendor contracts of \$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, the usage of funds is of direct benefit to consumers, and the contracts are supported with sufficiently detailed and measurable performance expectations and results.

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

X. Statewide/Regional Center Median Rates

The Statewide and RC Median Rates were implemented on July 1, 2008, and amended on December 15, 2011 and July 1, 2016, to ensure that 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 NBRC was in compliance with the Lanterman Act, DDS performed the following procedures during the audit review:

- Reviewed sample vendor files to determine whether NBRC is using appropriately vendorized service providers and correct service codes, and that NBRC is paying authorized contract rates and complying with the median rate requirements of W&I Code, Section 4691.9.
- Reviewed vendor contracts to ensure that NBRC 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 required by regulation, or health and safety exemptions were granted by DDS.
- Reviewed vendor contracts to ensure that NBRC did not negotiate rates with new service providers for services which are higher than the RC's median rate for the same service code and unit of service, or the statewide median rate for the same service code and unit of service, whichever is lower. DDS also ensured that units of service designations conformed with existing RC designations or, if none exists, ensured that units of service conformed to a designation used to calculate the statewide median rate for the same service code.

XI. 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 NBRC'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:

- CPP;
- Part C – Early Start Program;
- Self Determination; and
- Mental Health Services Act.

XII. 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 NBRC and reviewed supporting documentation to determine the degree of completeness of NBRC'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, NBRC was in compliance with applicable sections of the W&I Code; the HCBS Waiver for the Developmentally Disabled; CCR, Title 17; OMB Circulars A-122 and A-133; and the State Contract between DDS and NBRC for the audit period, July 1, 2018, through June 30, 2020.

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

From the review of the three prior audit findings, it has been determined that NBRC has taken appropriate corrective action to resolve all three findings.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued the draft audit report on February 3, 2021. The findings in the draft audit report were discussed at a formal exit conference with NBRC on February 10, 2021. The views of NBRC's responsible officials are included in this final audit report.

RESTRICTED USE

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

FINDINGS AND RECOMMENDATIONS

Findings that need to be addressed.

Finding 1: Incorrect Payments to Senior Companion Volunteers

The review of payments to 24 Senior Companion Volunteers for services provided to consumers revealed NBRC incorrectly calculated volunteers' stipends, travel expenses and meal reimbursements. This resulted in over and underpayments totaling \$666.48 and \$28.90, respectively. NBRC stated that the incorrect over and underpayments occurred due to an error with the formula in the spreadsheet it used to compute volunteers' reimbursements. (See Attachment A)

Code of Federal Regulations, Title 45, Part 2551 states in part:

“CNCS has established a policy that defines a maximum cost per volunteer service year (VSY). A VSY is a unit of measure that is equal to 1,044 hours of annual volunteer service. At a set volunteer stipend rate of \$2.65 per hour, each VSY is equivalent to \$2,767 per year.”

DDS' Foster Grandparent/Senior Companion Program Policy and Guidelines states in part:

“In accordance with 45 CFR 2552.46(c)(d) and 45 CFR 2551.46(c)(d), it is the policy of the Department of Developmental Services (DDS) that FG/SCP volunteers will be reimbursed at the rates listed below for travel and meal expenses for days they serve:

- Travel: \$2/day
- Meal: \$3/day”

NBRC's Orientation Manual & Senior Companion Program Handbook states in part:

“Reimbursements: Senior Companion volunteers are reimbursed \$3.00 per volunteer hour as of April 1, 2020. The minimum service is 5 hours per week. However, in order to build a trust-based relationship with the client, we encourage Senior Companions to serve 15 hours per week. Senior Companions will also receive \$3.00 per day towards a meal and \$2.00 per day towards transportation on the days you are at your Senior Companion site. If your site is more than 20 miles round trip, you may qualify to be reimbursed at 25 cents per mile for travel at the discretion of the

Program Specialist. You will receive a monthly stipend check, which includes your volunteer hours plus meal and travel reimbursement for the month. Depending on the budget each fiscal year, monies might be available to increase travel/food reimbursement.”

Recommendation:

NBRC should ensure its staff is efficiently reviewing the volunteers’ stipends, travel expenses and meal reimbursements to ensure payments made to the volunteers are accurate.

Finding 2: Conflict of Interest Disclosure Statements Not Completed

The review of 23 Governing Board member files revealed eight Board members did not complete the Conflict of Interest (COI) disclosure statements by the August 1st deadline: two Board members from FY 2018-19 and six Board members from FY 2019-20. In addition, two Board members did not complete their COI disclosure statements within 30 days of being appointed. NBRC stated it was an oversight on its part that COI disclosure statements were to be completed by August 1 of each year and 30 days after each board member’s appointment.

W&I Code, Section 4626(f) and (g) states in part:

“(f) Every new regional center governing board member and regional center executive director shall complete and file the conflict-of-interest statement described in subdivision (e) with his or her respective governing board within 30 days of being selected, appointed, or elected...”

(g) Every regional center board member and regional center employee referenced in subdivision (e) shall complete and file the conflict-of-interest statement by August 1 of each year.”

Recommendation:

NBRC must comply with WIC Section 4626 and ensure its Governing Board members complete COI disclosure statements by August 1st of each year and that new Governing Board members complete COI disclosure statements within 30 days of being appointed.

EVALUATION OF RESPONSE

As part of the audit report process, NBRC was provided with a draft audit report and requested to provide a response to the findings. NBRC's response dated February 16, 2021, is provided as Appendix A.

DDS' Audit Section has evaluated NBRC's response and will confirm the appropriate corrective actions have been taken during the next scheduled audit.

Finding 1: Incorrect Payments to Senior Companion Volunteers

NBRC stated that it acknowledges and accepts the finding. NBRC has provided documentation indicating that the over and underpayments made to the Senior Companion volunteers have been resolved using funds from its donations account. NBRC stated that collecting the funds from its volunteers would have posed a financial hardship since the volunteers live below the Federal Poverty Level. In addition, NBRC stated that it corrected the formula in its volunteer timecards and spreadsheet to prevent future miscalculations to volunteer reimbursements. Lastly, NBRC stated it has provided additional training to ensure its staff understand how to submit, review, and approve timecards.

Finding 2: Conflict of Interest Disclosure Statements Not Completed

NBRC stated that it acknowledges and accepts the finding. NBRC indicated in its response that it has updated its internal control process to ensure its Governing Board members complete their COI disclosure statement annually. In addition, any new Governing Board members will now be required to complete a COI disclosure statement within 30 days of being appointed, and NBRC will forward the COI disclosures to DDS no later than August 1st of each year. DDS will conduct a follow-up review during the next scheduled audit to determine if the revised processes are being followed.

North Bay Regional Center
Incorrect Payments Made to Senior Companion Volunteers
Fiscal Years 2018-19 and 2019-20

No.	Senior Companion Volunteer	Service Month	NBRC's Payment to Volunteer	Correct Payment	Overpayment/ Underpayment	Corrected	Outstanding Balance
Overstated Payments							
1	Asuncion Luna	Sep-18	\$139.13	\$135.15	\$3.98	\$3.98	\$0.00
		Mar-19	\$196.73	\$179.80	\$16.93	\$16.93	\$0.00
		May-19	\$333.90	\$331.25	\$2.65	\$2.65	\$0.00
		Aug-19	\$401.50	\$395.85	\$5.65	\$5.65	\$0.00
		Apr-19	\$102.00	\$107.00	(\$5.00)	(\$5.00)	\$0.00
Total Overstated Payments:					\$24.21	\$24.21	\$0.00
2	Chand Kumar	May-19	\$347.15	\$344.50	\$2.65	\$2.65	\$0.00
		Jun-19	\$291.50	\$286.20	\$5.30	\$5.30	\$0.00
		Aug-19	\$344.50	\$341.85	\$2.65	\$2.65	\$0.00
		Oct-19	\$333.90	\$328.60	\$5.30	\$5.30	\$0.00
Total Overstated Payments:					\$15.90	\$15.90	\$0.00
3	Dioscoro Bation	May-19	\$396.75	\$373.20	\$23.55	\$23.55	\$0.00
		Jul-19	\$112.00	\$107.00	\$5.00	\$5.00	\$0.00
		Aug-19	\$453.85	\$446.20	\$7.65	\$7.65	\$0.00
		Sep-19	\$92.00	\$87.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$85.00	\$80.00	\$5.00	\$5.00	\$0.00
Total Overstated Payments:					\$46.20	\$46.20	\$0.00
4	Eduardo Marzo	Dec-18	\$230.88	\$209.98	\$20.90	\$20.90	\$0.00
		Apr-19	\$62.00	\$42.00	\$20.00	\$20.00	\$0.00
		May-19	\$300.78	\$298.13	\$2.65	\$2.65	\$0.00
		Aug-19	\$339.20	\$336.55	\$2.65	\$2.65	\$0.00
		Oct-19	\$275.60	\$270.30	\$5.30	\$5.30	\$0.00
		Nov-19	\$307.40	\$299.45	\$7.95	\$7.95	\$0.00
Total Overstated Payments:					\$59.45	\$59.45	\$0.00
5	Elena Son	Aug-18	\$84.00	\$79.00	\$5.00	\$5.00	\$0.00
		Sep-18	\$307.40	\$299.45	\$7.95	\$7.95	\$0.00
		Feb-19	\$399.40	\$378.50	\$20.90	\$20.90	\$0.00
		May-19	\$344.50	\$341.85	\$2.65	\$2.65	\$0.00
		Jul-19	\$473.00	\$452.10	\$20.90	\$20.90	\$0.00
		Aug-19	\$446.50	\$438.85	\$7.65	\$7.65	\$0.00
		Sep-19	\$55.00	\$50.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$50.00	\$45.00	\$5.00	\$5.00	\$0.00
		Dec-19	\$315.35	\$331.25	(\$15.90)	(\$15.90)	\$0.00
Total Overstated Payments:					\$59.15	\$59.15	\$0.00

North Bay Regional Center
Incorrect Payments Made to Senior Companion Volunteers
Fiscal Years 2018-19 and 2019-20

No.	Senior Companion Volunteer	Service Month	NBRC's Payment to Volunteer	Correct Payment	Overpayment/ Underpayment	Corrected	Outstanding Balance
6	Emilio Tamayo	Sep-18	\$307.40	\$299.45	\$7.95	\$7.95	\$0.00
		May-19	\$339.20	\$336.55	\$2.65	\$2.65	\$0.00
		Jul-19	\$473.00	\$452.10	\$20.90	\$20.90	\$0.00
		Aug-19	\$436.50	\$428.85	\$7.65	\$7.65	\$0.00
		Oct-19	\$80.00	\$75.00	\$5.00	\$5.00	\$0.00
		Jan-19	\$259.70	\$270.30	(\$10.60)	(\$10.60)	\$0.00
		Apr-19	\$383.50	\$399.10	(\$15.60)	(\$15.60)	\$0.00
		Sep-19	\$365.85	\$366.15	(\$0.30)	(\$0.30)	\$0.00
		Dec-19	\$312.70	\$328.60	(\$15.90)	(\$15.90)	\$0.00
Total Overstated Payments:					\$1.75	\$1.75	\$0.00
7	Geronima Puha	May-19	\$365.70	\$363.05	\$2.65	\$2.65	\$0.00
		Aug-19	\$245.13	\$242.48	\$2.65	\$2.65	\$0.00
Total Overstated Payments:					\$5.30	\$5.30	\$0.00
8	Irenia Lidres	May-19	\$266.33	\$263.68	\$2.65	\$2.65	\$0.00
		Jul-19	\$462.10	\$429.58	\$32.52	\$32.52	\$0.00
		Aug-19	\$433.55	\$425.90	\$7.65	\$7.65	\$0.00
		Sep-19	\$77.00	\$72.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$25.00	\$20.00	\$5.00	\$5.00	\$0.00
		Dec-18	\$21.20	\$33.80	(\$12.60)	(\$12.60)	\$0.00
		Jan-19	\$180.20	\$190.80	(\$10.60)	(\$10.60)	\$0.00
		Jan-20	\$299.45	\$315.35	(\$15.90)	(\$15.90)	\$0.00
Total Overstated Payments:					\$13.72	\$13.72	\$0.00
9	Josefina Salgado	Feb-19	\$312.70	\$310.05	\$2.65	\$2.65	\$0.00
		May-19	\$339.20	\$336.55	\$2.65	\$2.65	\$0.00
		Jun-19	\$376.20	\$356.20	\$20.00	\$20.00	\$0.00
		Jul-19	\$20.00	\$15.00	\$5.00	\$5.00	\$0.00
		Aug-19	\$456.50	\$448.85	\$7.65	\$7.65	\$0.00
		Sep-19	\$72.00	\$67.00	\$5.00	\$5.00	\$0.00
Total Overstated Payments:					\$42.95	\$42.95	\$0.00
10	Juanito Puha	Feb-19	\$35.80	\$23.20	\$12.60	\$12.60	\$0.00
		May-19	\$341.85	\$328.60	\$13.25	\$13.25	\$0.00
		Jul-19	\$66.00	\$63.00	\$3.00	\$3.00	\$0.00
		Aug-19	\$355.10	\$352.45	\$2.65	\$2.65	\$0.00
Total Overstated Payments:					\$31.50	\$31.50	\$0.00
11	Leonardo Son	Aug-18	\$84.00	\$79.00	\$5.00	\$5.00	\$0.00
		Sep-18	\$307.40	\$296.80	\$10.60	\$10.60	\$0.00

North Bay Regional Center
Incorrect Payments Made to Senior Companion Volunteers
Fiscal Years 2018-19 and 2019-20

No.	Senior Companion Volunteer	Service Month	NBRC's Payment to Volunteer	Correct Payment	Overpayment/ Underpayment	Corrected	Outstanding Balance
11	Leonardo Son	Nov-18	\$57.00	\$52.00	\$5.00	\$5.00	\$0.00
		May-19	\$344.50	\$341.85	\$2.65	\$2.65	\$0.00
		Jun-19	\$347.40	\$334.80	\$12.60	\$12.60	\$0.00
		Jul-19	\$483.00	\$462.10	\$20.90	\$20.90	\$0.00
		Aug-19	\$446.50	\$438.85	\$7.65	\$7.65	\$0.00
		Sep-19	\$55.00	\$50.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$50.00	\$45.00	\$5.00	\$5.00	\$0.00
		Mar-19	\$404.40	\$425.30	(\$20.90)	(\$20.90)	\$0.00
		Dec-19	\$315.35	\$331.25	(\$15.90)	(\$15.90)	\$0.00
Total Overstated Payments:					\$37.60	\$37.60	\$0.00
12	Lolita Son	May-19	\$204.05	\$201.40	\$2.65	\$2.65	\$0.00
		Jul-19	\$401.75	\$383.50	\$18.25	\$18.25	\$0.00
		Aug-19	\$395.85	\$388.20	\$7.65	\$7.65	\$0.00
		Sep-19	\$40.00	\$35.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$50.00	\$45.00	\$5.00	\$5.00	\$0.00
		Jan-20	\$265.00	\$254.40	\$10.60	\$10.60	\$0.00
		Nov-19	\$336.75	\$344.40	(\$7.65)	(\$7.65)	\$0.00
		Dec-19	\$267.65	\$280.90	(\$13.25)	(\$13.25)	\$0.00
Total Overstated Payments:					\$28.25	\$28.25	\$0.00
13	Luz Capoy	May-19	\$330.80	\$312.55	\$18.25	\$18.25	\$0.00
		Aug-19	\$375.85	\$368.20	\$7.65	\$7.65	\$0.00
		Sep-19	\$137.80	\$148.40	(\$10.60)	(\$10.60)	\$0.00
Total Overstated Payments:					\$15.30	\$15.30	\$0.00
14	Maya Tomaquin	May-19	\$206.70	\$201.40	\$5.30	\$5.30	\$0.00
		Jul-19	\$107.00	\$102.00	\$5.00	\$5.00	\$0.00
		Aug-19	\$353.45	\$345.80	\$7.65	\$7.65	\$0.00
		Sep-19	\$190.10	\$187.75	\$2.35	\$2.35	\$0.00
		Oct-19	\$65.00	\$60.00	\$5.00	\$5.00	\$0.00
		Mar-19	\$180.20	\$182.85	(\$2.65)	(\$2.65)	\$0.00
Total Overstated Payments:					\$22.65	\$22.65	\$0.00
15	Rkia Mernissi	Sep-18	\$243.80	\$238.50	\$5.30	\$5.30	\$0.00
		May-19	\$258.38	\$255.73	\$2.65	\$2.65	\$0.00
		Aug-19	\$242.48	\$239.83	\$2.65	\$2.65	\$0.00
		Dec-19	\$332.73	\$314.48	\$18.25	\$18.25	\$0.00
Total Overstated Payments:					\$28.85	\$28.85	\$0.00

North Bay Regional Center
Incorrect Payments Made to Senior Companion Volunteers
Fiscal Years 2018-19 and 2019-20

No.	Senior Companion Volunteer	Service Month	NBRC's Payment to Volunteer	Correct Payment	Overpayment/ Underpayment	Corrected	Outstanding Balance
16	Roderick Paton	Feb-19	\$66.00	\$63.00	\$3.00	\$3.00	\$0.00
		May-19	\$217.30	\$214.65	\$2.65	\$2.65	\$0.00
		Aug-19	\$209.35	\$206.70	\$2.65	\$2.65	\$0.00
		Oct-18	\$102.00	\$107.00	(\$5.00)	(\$5.00)	\$0.00
		Mar-19	\$306.80	\$309.45	(\$2.65)	(\$2.65)	\$0.00
Total Overstated Payments:					\$0.65	\$0.65	\$0.00
17	Rosalinda Tamayo	Aug-18	\$94.00	\$89.00	\$5.00	\$5.00	\$0.00
		Sep-18	\$307.40	\$299.45	\$7.95	\$7.95	\$0.00
		Dec-18	\$72.00	\$67.00	\$5.00	\$5.00	\$0.00
		Apr-19	\$404.40	\$383.50	\$20.90	\$20.90	\$0.00
		May-19	\$339.20	\$336.55	\$2.65	\$2.65	\$0.00
		Jul-19	\$477.70	\$462.10	\$15.60	\$15.60	\$0.00
		Aug-19	\$451.50	\$443.85	\$7.65	\$7.65	\$0.00
		Oct-19	\$85.00	\$80.00	\$5.00	\$5.00	\$0.00
		Jan-19	\$283.55	\$288.85	(\$5.30)	(\$5.30)	\$0.00
		Jun-19	\$302.10	\$307.40	(\$5.30)	(\$5.30)	\$0.00
		Sep-19	\$376.15	\$376.45	(\$0.30)	(\$0.30)	\$0.00
Dec-19	\$315.35	\$331.25	(\$15.90)	(\$15.90)	\$0.00		
Total Overstated Payments:					\$42.95	\$42.95	\$0.00
18	Samuel Mallabo	May-19	\$296.80	\$294.15	\$2.65	\$2.65	\$0.00
		Jul-19	\$383.80	\$356.58	\$27.22	\$27.22	\$0.00
		Aug-19	\$395.43	\$387.78	\$7.65	\$7.65	\$0.00
		Sep-19	\$289.18	\$272.55	\$16.63	\$16.63	\$0.00
		Oct-19	\$75.00	\$70.00	\$5.00	\$5.00	\$0.00
Total Overstated Payments:					\$59.15	\$59.15	\$0.00
19	Suk Yon Anderson	Feb-19	\$386.15	\$370.55	\$15.60	\$15.60	\$0.00
		Jul-19	\$107.00	\$102.00	\$5.00	\$5.00	\$0.00
		Aug-19	\$443.85	\$436.20	\$7.65	\$7.65	\$0.00
		Sep-19	\$97.00	\$92.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$90.00	\$85.00	\$5.00	\$5.00	\$0.00
Total Overstated Payments:					\$38.25	\$38.25	\$0.00
20	Teresita Bation	May-19	\$396.75	\$373.20	\$23.55	\$23.55	\$0.00
		Jul-19	\$112.00	\$107.00	\$5.00	\$5.00	\$0.00
		Aug-19	\$453.85	\$446.20	\$7.65	\$7.65	\$0.00

North Bay Regional Center
Incorrect Payments Made to Senior Companion Volunteers
Fiscal Years 2018-19 and 2019-20

No.	Senior Companion Volunteer	Service Month	NBRC's Payment to Volunteer	Correct Payment	Overpayment/ Underpayment	Corrected	Outstanding Balance
20	Teresita Bation	Sep-19	\$92.00	\$87.00	\$5.00	\$5.00	\$0.00
		Oct-19	\$85.00	\$80.00	\$5.00	\$5.00	\$0.00
Total Overstated Payments:					\$46.20	\$46.20	\$0.00
21	Valeriana Marzo	Dec-18	\$230.88	\$209.98	\$20.90	\$20.90	\$0.00
		May-19	\$300.78	\$298.13	\$2.65	\$2.65	\$0.00
		Aug-19	\$339.20	\$336.55	\$2.65	\$2.65	\$0.00
		Oct-19	\$275.60	\$270.30	\$5.30	\$5.30	\$0.00
		Apr-19	\$259.43	\$244.43	\$15.00	\$15.00	\$0.00
Total Overstated Payments:					\$46.50	\$46.50	\$0.00
Grand Total Overstated Payments:					\$666.48	\$666.48	\$0.00

Understated Payments							
22	Lourdes Fox	Aug-18	\$94.00	\$89.00	\$5.00	\$5.00	\$0.00
		May-19	\$333.90	\$331.25	\$2.65	\$2.65	\$0.00
		Aug-19	\$344.50	\$341.85	\$2.65	\$2.65	\$0.00
		Dec-18	\$243.80	\$259.70	(\$15.90)	(\$15.90)	\$0.00
Total Understated Payments:					(\$5.60)	(\$5.60)	\$0.00
23	Rosario Palomares	May-19	\$296.80	\$283.55	\$13.25	\$13.25	\$0.00
		Jun-19	\$241.15	\$249.10	(\$7.95)	(\$7.95)	\$0.00
		Nov-19	\$360.30	\$367.95	(\$7.65)	(\$7.65)	\$0.00
		Jun-20	\$378.00	\$396.00	(\$18.00)	(\$18.00)	\$0.00
Total Understated Payments:					(\$20.35)	(\$20.35)	\$0.00
24	Victor Capoy	May-19	\$330.80	\$312.55	\$18.25	\$18.25	\$0.00
		Aug-19	\$375.85	\$368.20	\$7.65	\$7.65	\$0.00
		Mar-19	\$356.70	\$374.95	(\$18.25)	(\$18.25)	\$0.00
		Sep-19	\$137.80	\$148.40	(\$10.60)	(\$10.60)	\$0.00
Total Understated Payments:					(\$2.95)	(\$2.95)	\$0.00
Grand Total Understated Payments:					(\$28.90)	(\$28.90)	\$0.00

APPENDIX A

NORTH BAY REGIONAL CENTER

RESPONSE TO AUDIT FINDINGS

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



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February 16, 2021

Edward Yan, Manager, Audit Section
Department of Developmental Services
1600 Ninth Street, Room 230, MS-2-10
Sacramento, CA 95814

Dear Mr. Yan:

This is in response to your letter dated February 3, 2021 regarding North Bay Regional Center's (NBRC) Fiscal Year 2018-2019 and 2019-2020 audit. Thank you and your staff for taking the opportunity to review the draft audit report and findings with our team on February 10, 2021.

We have reviewed the draft audit report and acknowledge the two (2) audit findings outlined in the report. As mentioned in our meeting, our agency has addressed both findings internally to prevent a repeat finding in the future. Below we have outlined the steps and processes that have been implemented to prevent these findings in future audits.

Finding 1: Incorrect Payments to Senior Companion Programs

NBRC acknowledges and accepts the finding. Upon clearance through DDS Federal Programs, NBRC's Board of Directors' donated \$637.58 to reimburse DDS for the net overpayment made under this Senior Companion Program. This donation was to prevent recovering the overpayment from our SCP Volunteers, all of whom fall well below the poverty line. Collecting the funds from our senior volunteers directly would have posed a financial hardship.

- All overpayments and underpayments outlined in Attachment A have been recovered and/or paid with the donation from the Board of Directors.
- The formulas in the timecards have been corrected and password protected to prevent miscalculations in the volunteer's reimbursement.
- Additional training was provided to ensure users understand how to submit, review and approve timecards.
- Attached memo was sent to DDS Federal Programs as supporting documentation of the recovery of the funds.

Finding 2: Conflict of Interest Disclosure Statements

NBRC acknowledges and accepts the finding. Our Governing Board members understand the importance of complying with this requirement. NBRC has updated our internal process to ensure the following:

- Annually in the month of July, Governing Board members will be required to complete their Conflict of Interest (COI).
- Within 30 days of appointing a new Governing Board member, the member will be required to complete a COI.
- NBRC will ensure that all completed COI's will be forwarded to DDS no later than August 1st.

These audit findings were reviewed carefully with our staff. Our internal policies and procedures were reviewed and modified to address all areas of concern that were noted in the Draft Audit report. NBRC is committed to ensuring that our internal processes and procedures remain compliant with regulations. We appreciate all the work your team did to collaborate and complete this audit in a remote setting.

Please accept this response to the Draft Audit report.

Regards,



Gabriel Rogin

Executive Director, NBRC

Cc: Executive Team

MEMO

1/2021

NBRC Summary of Overpayment – Senior Companion Program

The purpose of this memo is to provide documentation on an error that was identified during our FY18/19-FY19/20 DDS Audit regarding our Senior Companion Program.

The timecards that were being used to track the volunteer's time, travel and meals had an error. This error repeated over the year because the timecard was copied and used for the following period. To correct this error, our Controller corrected the formulas and secured the document. The new timecards have protected fields to eliminate errors in the formulas.

The error identified during our audit resulted in a net overpayment in the amount of \$637.58. Our volunteers all fall under the poverty level and recovering these funds would result in a financial hardship. Our Board of Directors donated the overpayment amount of \$637.58 in lieu of recovering the funds from the volunteers.

We will submit a copy of this memo, along with the new timecards, to our DDS Auditors as supporting documentation for the resolution of this finding.

Regards,

Isabel Calder

Chief Financial Officer

North Bay Regional Center