

**DEPARTMENT OF DEVELOPMENTAL SERVICES**

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May 26, 2021

TO: REGIONAL CENTER EXECUTIVE DIRECTORS

SUBJECT: VENDOR INDEPENDENT REVIEWS AND AUDITS COMPLIANCE

The purpose of this letter is to reiterate the vendor independent review and audit requirements in Welfare and Institutions (W&I) Code section 4652.5. The Department of Developmental Services (Department) issued the enclosed January 31, 2018, correspondence to regional centers regarding these statutory requirements. Based on a review of the number of independent audit reports submitted by regional centers over the past two fiscal years, follow-up action is required to achieve compliance with this statute.

In separate correspondence, the Department will send each regional center a list of its submitted independent audit reports for Fiscal Years 2018-19 and 2019-20. Please review the list for accuracy. If the regional center received independent audit reports not included on the Department's list, please submit those reports to the Department. Unless a regional center can provide independent audit reports to demonstrate full compliance with the statute, a plan of correction is required. The plan must describe the steps the regional center will take to achieve compliance with the statute and outline a process for coordination with vendors to obtain the independent audit reports, as well as a timeline for submission to the regional center and then to the Department. Plans are due to the Department no later than 60 days from the date of this letter.

W&I Code section 4652.5(c) requires regional centers to review independent audit and review reports and require resolution by a vendor for issues identified in the reports that have an impact on regional center services. Furthermore, W&I Code section 4652.5(d) requires regional centers to notify the Department of all qualified opinion reports or reports noting significant issues that directly or indirectly impact regional center services within 30 days after receipt. Notification must include a plan for resolution of such issues.

W&I Code section 4652.5(h) allows regional centers to provide entities with exemptions from the independent review and audit report requirements in specified circumstances. Regional centers annually must report to the Department any exemptions granted pursuant to this subdivision.

**“Building Partnerships, Supporting Choices”**

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In response to regional center requests, the Department is working on development of a secure portal for regional centers to submit reports to the Department. Information about the future process for submission will be forthcoming. Until further notice, please submit independent audit reports, plans, and notifications and exemptions information through an encrypted email to:

[ddsvendorcpareports@dds.ca.gov](mailto:ddsvendorcpareports@dds.ca.gov)

If you have questions regarding W&I Code section 4652.5 or independent review and audit requirements, please contact Mike Masui, Chief, Vendor Audits, at (916) 654-2769, or by email at [mike.masui@dds.ca.gov](mailto:mike.masui@dds.ca.gov), or the Department Primary Liaison assigned to your regional center.

Sincerely,

*Original Signed by:*

BRIAN WINFIELD  
Chief Deputy Director

Enclosure

cc: Regional Center Administrators  
Regional Center Directors of Consumer Services  
Regional Center Community Services Directors  
Amy Westling, Association of Regional Center Agencies  
Pete Cervinka, Department of Developmental Services  
Erica Reimer Snell, Department of Developmental Services  
Ernie Cruz, Department of Developmental Services  
Rapone Anderson, Department of Developmental Services  
Aaron Christian, Department of Developmental Services  
Vicky Lovell, Department of Developmental Services  
Ed Yan, Department of Developmental Services  
Mike Masui, Department of Developmental Services