



FLORIDA DEPARTMENT OF EDUCATION



Office of Inspector General

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Division of Blind Services Vocational Rehabilitation Services Contracting

Overview

Our audit of Division of Blind Services' (DBS) vocational rehabilitation services (VR) contracts identified noteworthy practices that can be considered by DBS and contracted Community Rehabilitation Programs (CRPs). We also identified areas for improvement and made recommendations to DBS management for increasing internal controls, maximizing resources, and strengthening the working relationships between the Division, District Offices, and CRPs.

We recommend that DBS:

- Complete efforts to create and implement written policies and procedures, including written procedures for the timely closing of inactive client cases at the District Offices thereby reducing staff caseloads.
- Strengthen internal controls related to contract administration through improvements to the Accessible Web-based Activity and Reporting Environment (AWARE) case management system, based on input from Division, District, and CRP staff.
- Promote open lines of communication and encourage positive working relationships between District Offices and CRPs through joint activities such as job clubs and job development services.
- Revise the risk assessment process to create a more meaningful risk score for DBS contracts; use these risk scores to develop monitoring schedules; and incorporate unannounced District Office and CRP file reviews and visits into the monitoring schedule.

Background

The mission of DBS is to ensure blind and visually impaired persons living in Florida have the tools, support, and opportunity to achieve success. DBS contracts with 19 CRPs throughout the state. For Fiscal Year (FY) 2009-2010, DBS issued 82 contracts totaling \$18,094,540. This amount represents several contract types including contracts for vocational rehabilitation.



The goal of vocational rehabilitation is to assist individuals in achieving or maintaining an employment outcome that is consistent with his/her unique strengths, resources, priorities, concerns, abilities, capabilities, and interests. In addition to vocational training and job placement, vocational services can include independent living skills, personal and social adjustment to blindness, and medical services.

Previous Audit Findings

We reviewed the results of previous audits conducted by the Florida Department of Education, Office of Inspector General (OIG) and the Florida Office of the Auditor General (OAG). In 2008, OIG staff conducted an audit of DBS contracted and purchased client services. Primary deficiencies noted in the audit were the need for stronger internal controls and written policies and procedures; contract revisions; and improved contract monitoring. DBS management has taken actions to implement report recommendations. In a 2009 report the OAG focused on the case management systems used by DBS and the Division of Vocational Rehabilitation, AWARE and Rehabilitation Information Management System,

respectively. The OAG noted deficiencies on a Department-wide basis pertaining to security controls. Their audit also identified concerns with access privileges and capabilities for the case management systems. DBS management has taken actions to address these audit findings as well.

Audit Results

The CRPs we reviewed complied with the deliverables measured, including minimum number of eligible individuals served, submission of progress notes in AWARE, and use of instructional staff with professional qualifications. Supporting documentation for contract expenditures was reviewed using the Florida Accounting & Information Resource website. The expenditures reviewed were in accordance with contract terms. Division wide employment statistics correspond with Division performance measure standards.

We noted a number of noteworthy practices during our audit, as described below.

1) Division level management has improved the work environment within DBS according to comments provided by staff at the Division, District Offices, and CRPs. DBS staff expressed high hopes for the current direction of DBS.

2) DBS contracts have been strengthened. Fiscal Year 2009-2010 VR contracts include improved specific deliverables as well as remedies for contractor non-compliance. Contract award amounts are tied to services provided through the use of per client rates.

3) Improved practices by the three District Offices and CRPs visited:

a. Case Review/ Tracking documents are used to track DBS referrals, client contacts, and other milestone activities by CRPs, which assists CRPs in tracking contract deliverables.

b. A Record of Itinerant Visit form is used by the Tampa Lighthouse, creating stronger internal controls at the CRP.

c. The Tampa District and the Tampa Lighthouse meet twice monthly to manage cases; they run a joint Job Club; and both provide Job Development services to DBS clients.

d. The Tampa Lighthouse provided written guidelines to assist District staff with the entry of individual plans for employment (IPE). The templates list the typical service categories and hours needed to assist clients (e.g., services needed for the average client in college).

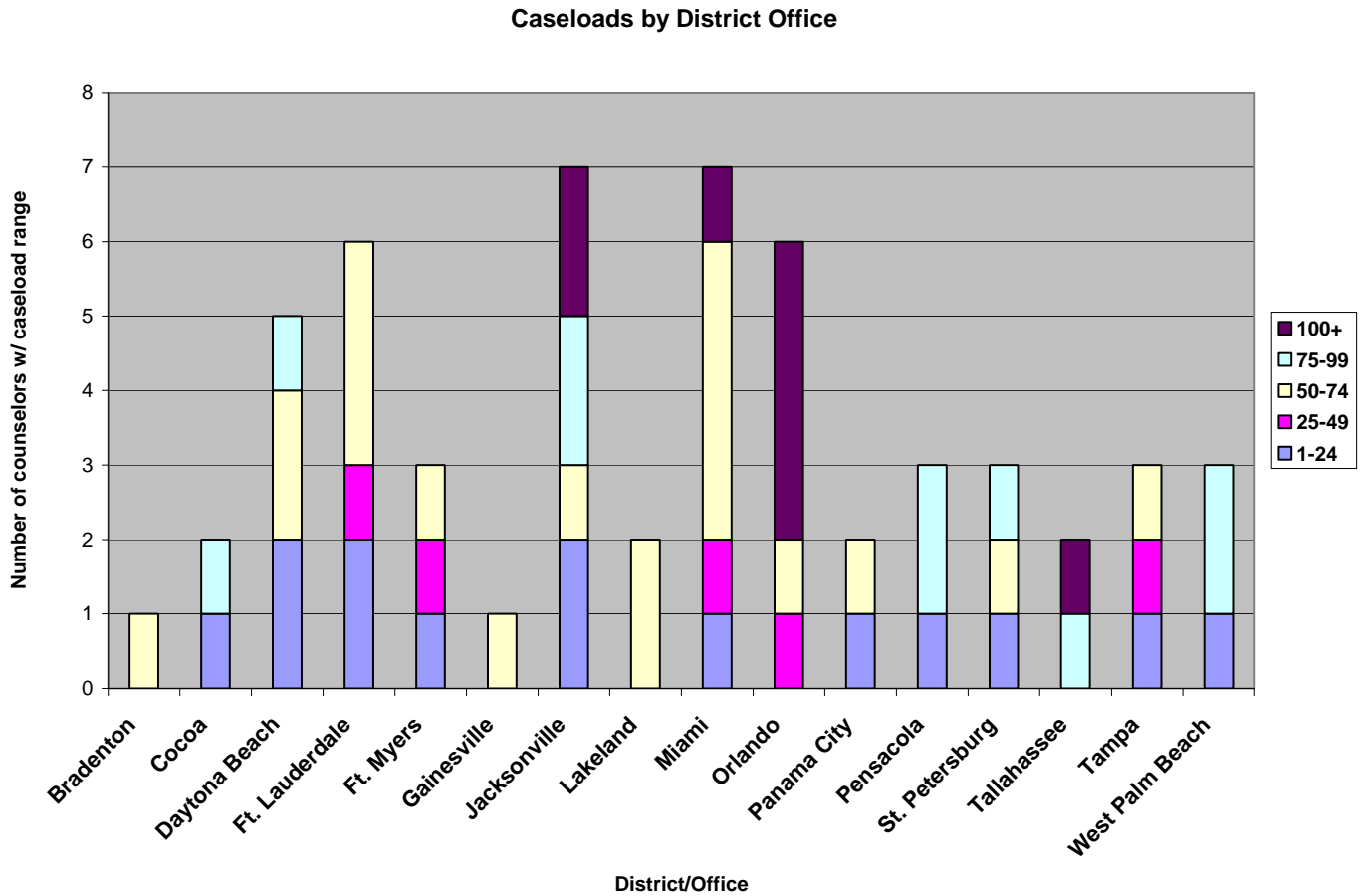
Findings and Recommendations

1. A third of DBS counselors are assigned high caseloads.

Division management stated that counselors should have caseloads of less than 75 clients. The average caseload for DBS counselors was 57 clients as of July 2, 2010; however, almost a third of the counselors (32%) had caseloads of 75 or more. Table 1 (page 3) displays the caseload ranges assigned to DBS counselors. The caseload assigned to counselors varies by District Office.

DBS staff members determine VR client eligibility based on federal requirements. DBS staff also develop each client's IPE in AWARE and amend the IPE to reflect additional service categories or allotted hours requested by the CRP. Before services can be provided to a client and billed to DBS, the client must have an IPE in AWARE. During our onsite visits of three CRPs, CRP staff expressed concerns that they must rely on the District Offices to enter VR client IPEs in AWARE before services are provided. CRP staff noted delays in entering initial IPEs and amending existing IPEs. In the Districts we visited, we noted that Districts with higher average caseloads experienced greater average days between when a client was determined eligible and when the client signed their IPE. Since CRPs should wait for an IPE to be signed before starting services, clients in districts with higher caseloads will experience a longer wait before direct services may begin, on average. Table 2 (page 3) displays this correlation.

Table 1: Caseloads by District Office



Source: "Open Case Workload" Quality Performance Information System (QPIS) report for VR cases only (excluding District Administrator and Supervisor staff) as of July 1, 2010. QPIS is a DBS information system that generates real time reports using data from AWARE.

Table 2: High client caseloads impact provision of services.

District Office	Avg. Caseload	Avg. Days from Eligibility Determination to Signed IPE
Orlando	98	15.8
Tallahassee	104	10.5
Tampa	36	2.58

Source: "Open Case Workload" QPIS report for VR cases only (excluding District Administrator and Supervisor staff) as of July 1, 2010 and a filtered report supplied by DBS staff for the "# of days between Eligibility date and Plan Signature" for VR cases only from 2008 to present.

DBS management has begun tracking District cases which have had no updates in the last six months. According to a July 2010 report, 86 cases have been flagged as possible inactive cases state-wide.

CRPs are required to close inactive cases, as stated in DBS VR contracts, which reads "a client who goes more than ninety (90) days without receiving a service for any reason is to be closed".

DBS management has not formulated a written policy that would guide District Offices regarding client inactivity. Actively managing or closing inactive cases at the District Offices would aid in lowering caseloads.

High and unequal assignment of client caseloads can lower employee morale, reduce resources for client services, and negatively impact case management. To help ensure DBS counselors can more effectively manage their cases, **we recommend** that DBS reduce high caseloads to the extent possible. We offer the following actions for consideration:

1. Establish and monitor standards for DBS District staff regarding acceptable timeframes for the entry and amendment of IPEs.
2. Use reports generated by AWARE to track client caseloads and case aging to identify potential issues before caseloads become too large and thus less manageable.
3. Provide guidance in the form of written policy to District Offices that directs them on how to respond to inactive cases in a consistent and deliberate manner.

Management Response: The Division concurs with the OIG recommendations and is committed to increasing personnel resources for the VR program to reduce excessively high caseloads. Workloads of counselors in the Independent Living and Children's programs are being combined to gain VR counselor positions in the Districts. VR supervisory staff will no longer carry caseloads so they have additional time to oversee staff performance levels and handle personnel issues more rapidly.

The Division currently has a policy for the required timeframe to develop the original IPE and will develop and finalize a policy for an acceptable timeframe for amending existing IPEs. The anticipated completion date of the policy is June 30, 2011. Training for DBS counselors will be conducted that includes the timeframe standards for completing the original IPE and for completing an amendment to an existing IPE. Monitoring of IPE and IPE amendment timeframes will be implemented and results will be reported to the Division's Director and Deputy Director.

On July 1, 2010, the Division issued a policy that requires District staff to update cases on a quarterly

basis. AWARE reports already exist to assist DBS staff in the VR program with case aging and inactivity issues, but they have not been used effectively in the past. In addition to overseeing revisions to the VR Manual, a policy team will develop and finalize appropriate procedures for case and services inactivity. Final procedures will be communicated to affected staff and a plan will be developed for monitoring compliance. The anticipated completion date for these activities is July 1, 2011.

2. Contract compliance is hindered by lack of effective internal controls.

Each of the three CRPs visited during our audit had created workarounds to start services or record services in AWARE. The following are examples:

- The Lighthouse of the Big Bend has provided services to clients before an IPE was developed by the District Office. Client services provided by CRPs before the development of an IPE are not recorded in AWARE.
- The Lighthouse of Central Florida has entered service hours to incorrect service categories when client IPEs, prepared by the District Office, fail to include the services actually provided to the client. The CRP has also entered service hours that exceed the number of approved hours in client IPEs.
- The Tampa Lighthouse has provided services to clients that are not included on the client's IPE (and therefore cannot be recorded in AWARE). If the Tampa Lighthouse has exhausted a service category's allotted hours, it will request that the District Office amend the IPE to add hours to service categories. The Tampa Lighthouse may provide services to affected clients prior to the IPE amendment and record the service hours after IPEs have been amended.

During CRP visits, the audit team observed the entry of an Independent Living case, the development of an Independent Living case IPE, and the entry of actual services and case notes in AWARE. We noted: a) slow AWARE system refresh rates; b) generic responses to certain input fields entered by data entry staff and not supported by documentation such as Special Programs

Checkbox List, Voter Registration Outcome, Marital Status, and Medical Insurance Types Checkbox List; c) data entry staff translating CRP service categories into the DBS service categories listed in AWARE; and d) data entries defaulting to zero or blanks for certain input fields such as Gross Monthly Income, Primary Source of Support, and Public Support Available.

The above practices represent control weaknesses. Data entered into AWARE is used by DBS management to verify DBS VR program objectives are being met; AWARE control weaknesses could hinder DBS management in accomplishing VR program objectives. Also, accurate data entry and strong controls are needed should the Division consider entering into fee based contracts with CRPs in the future.

CRP and DBS staff interviewed during the audit expressed concerns with the time required to develop and amend IPEs. Whenever additional service categories or additional hours are needed, IPEs must be amended. This typically entails duplicating the previous IPE and adding the additional service categories and hours. Clients may have their plan amended numerous times. For example, Lighthouse of the Big Bend clients we sampled averaged 11 amended plans while Lighthouse of Central Florida and Tampa Lighthouse clients we sampled averaged 3 and 7 amended plans, respectively. Administrative efforts to amend IPEs reduce DBS staff resources to assist clients and manage caseloads.

DBS uses AWARE, in part, to review client files, track CRP and District performance, and generate federal reports. Accurate data entry is critical to generating accurate reporting. To ensure the accuracy and consistency of information in AWARE, **we recommend** that DBS:

1. Review the AWARE system for ways to improve its effectiveness, strengthen internal controls, and eliminate workarounds. Input from personnel in the Division and District offices as well as informed CRP staff should be obtained. Areas that should be addressed include, but are not limited to:
 - Streamlining the development and amendment process for IPEs.
 - Removing unnecessary data fields in the AWARE interface.

- Reducing the number of service categories (referred to as “rolling up” service categories).
 - Adding system input edits to notify data entry staff of possible data entry errors (e.g., 100 hours input instead of 1 hour).
 - Conferring with both DBS District staff and CRP staff to create more useful reporting of AWARE information.
2. Continue efforts to create and implement written policies and procedures.
 3. Encourage joint efforts by District Offices and CRPs to develop IPEs.

Management Response: As originally designed in 2006, the AWARE system was built to model business processes existing in DBS. During its development, CRPs and VR counseling staff were not involved. As a result, a product was delivered to the Division that was full of complex controls to enforce the DBS business rules, however, staff found it to be highly inflexible and difficult to use in actual practice.

The Division concurs with the OIG recommendations included in the audit report and recognizes that work-arounds in AWARE have been the norm for staff in certain instances as a result of having such an inflexible system. As the Division has progressed in its Simplification and Redesign Project, it is finding that by removing many of the previously built-in tight data controls in AWARE, these actions have eliminated many of the causes for the workarounds.

The Simplification and Redesign Project is using a team approach, involving DBS State and District Office staff as well as representatives from various CRPs. The Simplification and Redesign Project schedule calls for VR business requirements workshops to be held in October 2010. Implementation of all AWARE system redesign elements for VR and non-VR programs will be completed by January 2012.

3. Further improvements in communications and working relationships are needed.

District Office employees are positive regarding the current DBS management and the direction of the Division; however, communication barriers remain

and working relationships among personnel at the Division, District Offices and CRPs can be improved.

The results of a client survey entitled Customer Satisfaction Survey of Division of Blind Services' Clients are reported to The Florida Rehabilitation Council for the Blind annually. The survey details DBS client satisfaction by employment-bound clients whose cases were closed during the previous fiscal year. Of the staff interviewed at the District Offices and CRPs, one CRP staff member said she had obtained the survey through contact with the Florida Rehabilitation Council for the Blind. A district administrator at one District Office said his staff had been briefed in the past on survey results when they were negative. Others interviewed had not been informed of the survey results. As District Offices and CRPs provide direct services to clients, satisfaction results could provide useful feedback if made available to them.

The relationship between the Tampa District Office and the Tampa Lighthouse was characterized as both positive and effective. For example, the two units work together to run a joint job club and meet regularly to discuss client cases.

However, some CRPs and District Offices informed us that working relationships with each other could be improved. For example, the Orlando District Office and the Lighthouse of Central Florida held separate job clubs. According to the CRP staff interviewed in Orlando and Tampa, separate job clubs do not pool resources from both units and can cause confusion for clients.

DBS VR contracts include an Attachment F titled Counties Served and Specific Services and Definitions. The attachment lists client services provided by CRPs pursuant to their VR contract. The Tampa Lighthouse provides Rehabilitation Engineering, Vocational Evaluation, Job Development, Job Readiness, and Job Coaching services; the Lighthouse of the Big Bend provides Job Readiness and Job Coaching services; and the Lighthouse of Central Florida does not provide any of these services. It is understood CRPs have different resources and therefore provide different services; however, both the Lighthouse of the Big Bend and the Lighthouse of Central Florida expressed desires to become more involved in VR services provided to clients. Based on available CRP's resources and capabilities, it may be in the

best interest of VR clients to allow selected CRPs a greater role in providing VR services. This would be supported by §413.014, F.S., which directs DBS to "as rapidly as feasible, increase the amount of such services provided by community rehabilitation programs."

Barriers to communication and working relationships can negatively impact employee morale, client progress, and the use of limited resources. To assist in the development of stronger communication and working relationships within the Division, **we recommend** that DBS:

1. Improve communications from the Division by sharing pertinent client survey results.
2. Encourage joint cooperation between District Offices and CRPs (e.g., promote joint job clubs and client staffing meetings).
3. Develop ways to allow capable CRPs to have greater involvement in assisting clients through services that include job coaching, job development, and other VR related services.

Management Response: The Division believes that a healthy communication environment both internally in DBS and externally with service providers and the public are critical to high quality performance and productivity in all of the Division's program areas. In recognition of the high priority the Division places on improving communications and working relationships, improvements are already planned and underway.

In regards to the audit report's referenced problems with the Customer Satisfaction Survey, the Division concurs that improvements are needed. For the FY 2009-2010 Survey and for all future years, DBS will ensure that all survey results (both positive and negative) are provided to DBS employees and appropriate CRPs.

The Division concurs with the recommendation that CRPs can and should have a greater role in providing direct services to DBS clients and that communications specifically between DBS and CRPs is in need of improvement. Discussions will be initiated to solicit ideas for how to accomplish this. These discussions will include representatives from DBS District Offices, the local CRPs, and the State Office.

Agenda items for discussion will include but not limited to the following:

- Having CRP staff participate in selected District Office and State Office staff meetings
- Expanding the scope of services the CRPs could provide
- Integrating CRPs into the Customer Satisfaction Survey report analysis
- Expanding the concept of jointly sponsored job clubs, using the Tampa example
- Having CRPs participate in job development and job coaching activities

4. Improvements are needed to strengthen contract monitoring activities, including the risk assessment process.

DBS issued 16 general VR contracts for FY 2009-2010. Each contract was assigned a risk level based upon established criteria. The VR contract risk scores ranked in a narrow range (from 27 to 39). We noted that two of the five rating criteria used had the same score for all 16 VR contracts. Department Priority was always Mission Critical, with a score of 10 and Nature of Services was always direct, with a score of 10.

We learned that DBS staff does not rely on the risk assessment scores when creating the proposed annual monitoring schedule. The plan has been to visit every CRP annually; however, only one or two contracts from each CRP are reviewed per monitoring visit.

A more constructive risk assessment process could allow DBS to assess and monitor contract risk with greater accuracy. For DBS to better use their monitoring resources and help ensure greater contract compliance, **we recommend** that management:

1. Review the risk assessment process and develop additional criteria that will provide more reliable, realistic bases for assessing contract risk.
2. Use the resulting risk scores to establish monitoring schedules (e.g., prioritize CRP visits and contracts to be reviewed based on risk scores and other pertinent criteria).

3. Include unannounced file reviews and visits to District Offices and CRPs.

Management Response: The Division concurs with the audit report recommendation. Division staff members are currently reviewing the risk assessment process and metrics in order to create a more meaningful and robust risk score for DBS contracts. The Contract Risk Assessment Weight Table included in contract documents was used as a base and additional criteria, such as time since last visit, are being added to make the risk score more useful.

Aggregate risk scores for contracts by field location (i.e., District Office, CRP, other) are now used to identify sites that require visits. In this way, a monitoring schedule may be developed which incorporates time for unannounced visits to and file reviews of CRPs.

A monitoring plan will be developed that specifies the overall design and frequency of monitoring that is needed. Monitoring schedules will be developed in accordance with the plan and they will be reviewed quarterly by the Contracts and Compliance Manager to determine their relevancy and potential need for updating. Annually, an assessment will be conducted of the monitoring program for the purpose of determining if resources are needed to support the monitoring efforts. The anticipated completion date for these activities is November 1, 2010.

Objectives and Scope

The objectives of this audit were to determine whether CRPs are in compliance with contract provisions; contract expenditures are made in accordance with contract terms; contract related reporting is accurate and complete; VR clients are being placed in employment opportunities at an acceptable level; and the delivery of contracted services is properly administered and monitored. Audit emphasis focused on contract administration and monitoring. The audit also addressed District Office client caseloads, AWARE system issues, and effective working relationships.

The audit scope included an analysis of three VR contracts for FY 2009-2010 and a review of

operations at the responsible CRP and DBS District Office. Contract No. 10-531, Lighthouse of the Big Bend, \$223,914; Contract No. 10-535, Lighthouse of Central Florida, \$337,542; and Contract No. 10-537, Tampa Lighthouse for the Blind, \$337,542 were selected based on discussions with DBS management, geographical location, and contract dollar amount.

The audit was performed in support of the Department's goals of quality efficient services with the purpose of promoting the strategic imperative of aligning financial resources with performance.

Methodology

This audit was conducted in accordance with The International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors. To achieve the audit objectives, the audit team:

- Researched and reviewed applicable statutes, rules, manuals, and procedures.
- Reviewed entries (i.e., actual services, case notes, and authorizations) in the AWARE case management system for a selected sample of cases for each of the three VR contracts in our audit.
- Interviewed selected Division staff, District Administrators and Supervisors, and selected CRP Directors and staff.
- Reviewed client satisfaction surveys provided by the CRPs visited and the FSU Survey Research Laboratory's 2008-09 "Customer Satisfaction Survey of Division of Blind Services' Clients".
- Analyzed performance measures related to Successful Cases in DBS' Long Range Performance Plan.
- Reviewed client files for a sample of cases for each of the three VR contracts audited.
- Visited a sample of District Offices and CRPs to view work environment, desktop procedures, and internal controls.
- Reviewed user generated QPIS reports, which generate statistical data from AWARE.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge Department and CRP management and staff for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance provided by all personnel involved. We were impressed with the dedication of both organizations