



Office of Inspector General Abilities, Inc. of Florida

Project #A-2324DOE-007

January 2025

Executive Summary

In accordance with the Department of Education's fiscal year (FY) 2023-24 audit plan, the Office of Inspector General (OIG) conducted an audit of Contract #18-146 between the Division of Vocational Rehabilitation (DVR) and Abilities, Inc. of Florida (Abilities, Inc.). The purpose of this audit was to determine if Abilities, Inc.'s internal controls ensure effective delivery of program services to individuals with disabilities and determine if DVR effectively manages and monitors the contract for compliance.

During this audit, we noted that, in general, DVR and Abilities, Inc. have sufficient controls in place. However, we identified instances where improvements should be made to strengthen some of these controls. For example, Abilities, Inc. did not meet all required contract deliverables and DVR failed to impose financial consequences on the final invoice, consumer service records had missing or incomplete documentation, Abilities Inc. failed to report employment status changes for seven separated employees within statutory timeframes, and DVR did not provide effective monitoring in accordance with the monitoring plan. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of the engagement included an examination of Contract #18-146 and subsequent amendments between DVR and Abilities, Inc. for the period of July 1, 2022, through June 30, 2023. The objectives of this engagement were to determine if:

1. Abilities, Inc.'s internal controls ensure effective delivery of contractual services to eligible consumers;
2. DVR is effectively managing and monitoring the contract for compliance; and
3. Payments and expenditures are made in accordance with contract terms and applicable laws, rules, and regulations.

To accomplish our objectives, we reviewed applicable laws, rules, and regulations; reviewed Contract #18-146, its amendments, and related documents; interviewed appropriate DVR and Abilities, Inc. staff; reviewed policies and procedures; reviewed a sample of consumer files and the related Rehabilitation Information Management System (RIMS) and Aware documentation; reviewed a sample of expenditures and supporting documents; reviewed service hours; and evaluated management controls.

The methodology of our review included:

- Reviewing the DVR risk assessment and subsequent monitoring plan to determine whether DVR monitored the provider in accordance with the plan.
- Reviewing a sample of consumer service records (CSRs) to determine if the provider's staff maintained documentation that the applicant met the basic eligibility requirements.
- Reviewing a sample of CSRs to determine whether the required documents are maintained according to the contract, laws, rules, and regulations.
- Reviewing a sample of Individual Plans for Employment (IPEs) to ensure the plan contains a description of the service needed to achieve the stated employment goals and the consumer, appropriate staff, and service provider agree with the plan.
- Reviewing provider position descriptions to ensure staff are qualified to provide services to consumers with disabilities in accordance with the contract.
- Reviewing provider personnel records and ensuring that the contractor follows the level 2 background screening requirements.
- Reviewing a sample of the monthly staffing report to verify that Abilities, Inc. maintains adequate staffing levels.
- Reviewing documentation for vacancies taking more than 90 days to fill.
- Reviewing a sample of expenditures and supporting documentation to ensure expenses are reasonable, allowable, appropriately allocated, and align with the approved budget and allocation plan.
- Reviewing payroll expenditures to ensure that they align with the approved budget.
- Reviewing a sample of staff time and attendance records, payroll registers, and sampled payroll to ensure appropriate allocations.
- Reviewing a sample of invoice and supporting documentation to determine timeliness, accuracy, and completeness of submitted invoices, and ensuring each invoice contains proper approval prior to payment.
- Reviewing a sample of the monthly summary reports of Pre-ETS services delivered and the associated reports documenting all time spent on direct Pre-ETS referrals to ensure the provider meets the Pre-ETS delivery minimum.
- Reviewing a sample of consumer IPEs and CSRs to ensure that referral services by Abilities, Inc. align with the consumer's IPE.
- Reviewing the monthly reports to ensure that the provider submitted the reports to DVR by the 30th day of the month following the end of the monthly reporting period, and DVR is reviewing the progress of deliverables, addressing shortcomings, and adjusting the funded amount per the contract, as necessary.
- Reviewing a sample of consumer employment outcomes to ensure that the provider meets the minimum number of job placements for each contract year.
- Reviewing a sample of monthly invoices ensuring that the provider's supporting

documentation meets the minimum requirements and comparing the service data in Aware/RIMS to determine the accuracy of service data reported to DVR.

Background

DVR is a federal-state program committed to helping people who have physical or mental disabilities find and maintain meaningful employment and enhance their independence. DVR accomplishes this by providing employment support and job placement assistance to eligible individuals with disabilities. DVR's mission is to help people with disabilities find and maintain employment and enhance their independence. The VR State Plan is DVR's contract with the federal government which also explains how DVR helps people with disabilities find employment. The State Plan requires DVR to provide services throughout the state.

DVR entered into Contract #18-146 with Abilities, Inc., on June 22, 2018, for a three year term not to exceed \$30,394,290. The contract was subsequently amended twice to add two, one year renewals adding \$10,131,430 in additional funds each year for a total not to exceed \$50,657,150 for the now five year contract.

The purpose of this contract is for Abilities, Inc. to provide staffing to assist DVR by providing delegable core VR services to eligible persons with disabilities and making referrals regarding Pre-employment Transition Services (Pre-ETS) for participants with Individual Education Plans (IEPs). Abilities, Inc.'s delegable core services include processing referrals and applications, conducting client orientation, securing preliminary eligibility documentation, arranging diagnostic assessments for help in determining VR services, arranging and coordinating services with DVR, assisting with developing Individual Plans for Employment (IPEs), and assisting individuals with finding employment consistent with their IPE.

Abilities, Inc. is a nonprofit organization with a mission to facilitate services and partnerships to support people with disabilities, their families, caregivers, and community members to build more inclusive communities. By way of this contract, Abilities, Inc. agrees to perform in accordance with customary, reasonable, and prudent industry standards of care and comply with the requirements outlined in the DVR Policy Manual for Private Counselors.

Audit Results

Finding #1: Abilities, Inc. did not meet all required contract deliverables, and DVR failed to impose financial consequences on the final invoice.

Contract #18-146 includes yearly deliverable requirements for Delegable Core Services such as Employment Outcomes, Staffing, and Pre-Employment Transition Services (Pre-ETS). We compared the yearly deliverable data provided in the fiscal year ending (FYE) 2023 Monthly Performance Data Request report to the deliverables specified in the contract. Our comparison included number of customers determined eligible, number of customer plans written, number of employment case closures, and number of participants receiving Pre-ETS referrals. The

following tables show the contractor's year end deliverables achieved compared to the deliverables established in the contract.

Deliverables Reported at FYE 2023		Deliverable Minimums per Contract	
Number of customer eligibility	2,796	Number of customer eligibility	3,488
Number of customer plans written	2,110	Number of customer plans written	2,790
Employment Outcomes	853	Employment Outcomes	1,163
Pre-ETS Customer Count	1,519	Pre-ETS Customer Count	1,850

Eligibility

Contract #18-146 requires Abilities, Inc. to secure preliminary eligibility documentation and coordinate with the DVR representative to determine eligibility for a minimum of 3,488 individuals per contract year. In addition, the contract states that "at the end of the contract year, if the Contractor did not secure preliminary eligibility documentation and coordinate with the DVR representative to determine eligibility for a minimum of 3,488 individuals, the final invoice will be reduced by \$140 per eligibility documentation not provided."

We reviewed the FYE 2023 Monthly Performance Data Request report and found the 2,796 eligibility determinations completed by Abilities, Inc. fell 692 short of the 3,488 required in the contract.

Individual Plans for Employment (IPEs)

Contract #18-146 requires Abilities, Inc. to develop a minimum of 2,790 approved IPEs per contract year, in order to assist individuals with securing employment outcomes. Contract #18-146 also states that "at the end of the contract period, if the Contractor did not develop a minimum of 2,790 IPEs, the final invoice will be reduced by \$175 per IPE not completed and approved."

According to the FYE 2023 Monthly Performance Data Request report, Abilities, Inc. developed 2,110 approved IPEs for the contract year, which fell 680 short of the 2,790 required in the contract.

Complete Employment Outcomes

Contract #18-146 requires Abilities, Inc. to complete a minimum of 1,163 employment outcomes each Contract year. The contract further states; "The end of the year evaluation of employment outcomes will be based on DVR's Successful Outcome Matrix. Performance numbers will be reviewed at the end of the fiscal year and would require a special exception to decrease the numbers, and approval will be needed by the Bureau Chief of Field Services and Division of Vocational Rehabilitation Director." Additionally, Contract #18-146 states; "At the end of the contract period, if the Contractor failed to meet the minimum number of 1,163 employment outcomes, the final invoice for that year will be reduced by \$5,000." Moreover, the Contract states that as evidence of completion; "The Contractor shall submit a report which includes the number of job placements completed by each Counselor each month. The report must include customer's name, job title, name and contact information of employer, and hourly wage."

According to the FYE 2023 Monthly Performance Data Request report, Abilities, Inc. completed 853 employment outcomes during the contract year. Abilities, Inc. failed to complete the required number of 1,163 employment outcomes each Contract year, which fell 310 short of the number established in the contract.

Pre-Employment Transition Services (Pre-ETS)

Contract #18-146 requires Abilities, Inc. to refer for Pre-ETS services 1,850 participants per year throughout the state of Florida. The contract states, “at the end of the contract year, if the Contractor did not provide Pre-ETS referrals to 1,850 participants, the final invoice for that year will be reduced by \$500 per participant not served.”

Our review of the FYE 2023 Monthly Performance Data Request report determined that Abilities, Inc. referred 1,519 participants for Pre-ETS services, 331 participants less than the 1,850 required in the contract.

Staff

Contract #18-146 requires Abilities, Inc. to provide a stable and qualified workforce with the necessary comprehensive experience in the provision of rehabilitation services. All vacancies shall be filled within 90 days (Unless the Division of Vocational Rehabilitation requests changes and or modifications to staffing structure. Any such requested changes or modifications shall be documented in the Contractor and DVR’s records). According to Contract #18-146 for Staff Deliverables; “At the end of each contract period, if 90% of all vacancies were not filled within 90 days, the final invoice for that year will be reduced by \$6,200 per vacancy in excess of 90%. The Contractor shall submit in writing explanations for any vacancy that was not filled within 90 days, to include factors beyond the Contractor’s control.”

Our review of the Abilities, Inc. June 2023 year-end vacancy report determined that Abilities, Inc. failed to fill a sufficient number of vacancies within the required timeframe. Abilities, Inc. reported that they filled 52 (74%) of their 70 vacancies within the 90 day requirement. We determined that Abilities, Inc. would need to fill 63 of those 70 vacancies to attain the 90% success rate outlined in the contract. Therefore, Abilities, Inc. filled 11 less vacancies within the 90 day timeframe than the contract deliverables mandate.

Abilities, Inc. management stated that the “pandemic just ended nationwide on May 11, 2023. The entire state has still been feeling the effects of these times. While we have seen an increase this year, we are still not back to full capacity in our caseloads or referrals. Potentially eligible cases are also impacting these numbers. These goals were set for us almost six years ago, and many things have changed with no adjustment to the current times.” Specific to the case outcomes measurement, Abilities, Inc. management indicated they had achieved this goal based on DVR approving a reduction in the required number of successful employment outcomes. However, Abilities, Inc. could not provide evidence that DVR had approved a lower deliverable amount. Abilities, Inc. further stated, “Although we made our goal, we are also getting many more Transition Age Youth cases that don’t reach successful closure quickly. The other reason would be due to the lack of referrals during the past few years since the pandemic. The consequences of the past years has led to this number being lower than in the past.” Specific to the Pre-ETS services, Abilities, Inc. reportedly did not fully understand the reporting format and

believed they had met the Pre-ETS deliverable goal. The DVR Data Analytics Unit (DAU) provides a production report which shows the number of each Pre-ETS referral by month. These numbers are updated as invoices are paid by the Department of Financial Services (DFS) which sometimes can include a 4-month lag time before getting reported in RIMS or Aware. Finally, as it relates to staffing vacancies, Abilities, Inc. submitted an explanation for the delay in filling positions greater than 90 days, indicating challenges in retention and recruiting are due largely in part to salaries not being high enough based on the cost of housing in South Florida.

The high vacancy rates increase the risk that assistance to individuals with disabilities in preparing for, securing, retaining, or regaining employment could be delayed. Abilities, Inc.'s failure to meet the required annual deliverables could result in consumers not receiving services timely therefore not attaining desired employment outcomes.

DVR failed to impose financial consequences on the final invoice.

For failure to achieve the deliverables as established in the contract, the final invoice is subject to a \$454,500 reduction based on the financial consequences as defined in the contract. See the following table:

Financial Assessment							
Deliverable	Did Contractor meet minimum levels of service?	Is payment subject to a reduction?	Financial consequence per unit as established by contract.	Units used as basis for reduction to the invoice.	Calculated amount of reduction.	Reduction to apply to monthly or end of year invoice?	Was financial consequence imposed?
Determine Eligibility	No	Yes	\$140 per eligibility	Based on 692 shortfall	\$ 96,800.00	Year End	No
Approved IPEs	No	Yes	\$175 per IPE	Based on 680 shortfall	\$ 119,000.00	Year End	No
Employment Outcomes	No	Yes	\$5,000 total	Based on 310 shortfall	\$ 5,000.00	Year End	No
Pre-ETS Clients Receiving Services	No	Yes	\$500 per participant	Based on 331 shortfall	\$ 165,500.00	Year End	No
Provide report of time spent directly on Pre-ETS.	Yes	No	\$5,000 per month	Deliverable met	NA	Monthly	NA
All vacancies shall be filled within 90 days	No	Yes	\$6,200 per vacancy in excess of 90%	11 vacancies exceeded the 90% threshold	\$ 68,200.00	Year End	No
		Total			\$ 454,500.00		

Contract #18-146 states, “the contract manager must assess one or more of the financial consequences based on the severity of failure to perform and the impact of such failure on the ability of the contract to meet the timely and desired results.” The contract further states, “if financial consequences are imposed and due, the Department may offset the financial consequences from the next invoice or from the final retained payment or require separate payment.” Contract #18-146 also provides for fixed price reimbursable amounts of \$844,285.84 for 11 months, minus applicable financial consequences, and a 12th monthly payment ending in

June of each year based upon a year-to-date budget reconciliation. According to the contract, the contract manager is to provide Abilities, Inc. written notice, “if the contractor fails to meet and comply with the activities/deliverables established” and allow for a two week period to resolve any deficiencies.

We requested the monthly invoice packets for the period of July 2022 to June 2023 paid under this contract. We verified that 12 invoices were submitted for payment each month in the fixed price amount per the contract and we found no adjustment had been made to the final invoice for applicable financial consequences. During our review of the year-end budget reconciliation we discovered that a balance of unexpended funds in the amount of \$832,693 existed. Upon further review, we obtained documentation from Abilities, Inc. showing that they reimbursed DVR for the overpayment of the unexpended funds. However, we identified no record of DVR seeking reimbursement for the financial consequences related to unachieved deliverables.

We reviewed additional documentation provided by DVR and Abilities, Inc. regarding deliverables shortfalls and the imposition of associated financial penalties. The documentation provided did not definitively illustrate that approval was given jointly by the Bureau Chief of Field Services and DVR Director as required in the contract to decrease the deliverables below the numbers established in the contract. Additionally, the documentation provided did not demonstrate that DVR calculated the financial penalties or approved waiving payment of the financial penalties.

Per the contract, failure to achieve performance targets for a deliverable will result in payment reduction of the 12th invoice. DVR failed to provide written notice to Abilities, Inc. regarding any deficiencies in the activities/deliverables established. DVR failed to adjust the year-end invoice to impose financial consequences because of the performance shortfalls. Not reviewing the final invoice and adjusting the payment accordingly can result in overpayment for services not provided.

Recommendation

We recommend that DVR consider seeking reimbursement for the financial consequences associated with unachieved deliverables in the 2022-23 fiscal year and provide written communication to Abilities, Inc. of any financial consequence to be imposed. Should DVR approve deviations from the contractual requirements in future years, DVR should ensure those approvals are documented in the contract file. We further recommend that DVR adjust the deliverables in the Abilities, Inc. contract to more accurately reflect the current demand for services. Finally, we recommend DVR count the Pre-ETS referral deliverable at the time Abilities, Inc. makes the referral rather than waiting until the referred service is completed by a separate vendor.

DVR Management Response

Concur. DVR will ensure that any deviations from contractual requirements are properly documented in the Abilities, Inc., contract file. DVR executed a new contract with Abilities Inc.,

that included new deliverables that accurately reflect the current demand for services. Going forward, DVR will count the Pre-ETS referrals at the time Abilities, Inc. makes the referral instead of waiting until the referred service is completed by a separate vendor. DVR recouped \$454,500 from Abilities, Inc., in unspent funds from the 2022-2023 fiscal year.

Abilities, Inc. Management Response

¹There is a yearly reconciliation meeting for Contract 18-146 that historically occurs in August. In FY23 the meeting took place on August 24, 2023. Prior to this meeting, Abilities of Florida Contracts sends the final invoice and budget reconciliation report and Abilities Vice President of Operations sends the deliverable justifications to be reviewed by the Bureau Chief of Field Services. The invoice and deliverable justification documents are sent for review to DVR prior to July 31st. The meeting on August 24, 2023, included the Deputy Director of DVR, the Bureau Chief of DVR Field Services, Abilities, Inc.'s Vice President of Operations and Abilities, Inc.'s Director of Contracts. During this meeting, the justifications for all deliverables were reviewed and approved by the DVR. Immediately following the meeting, the Deputy Director of DVR at that time, sent an email to Abilities of Florida Contracts instructing us to send a revised final invoice for payment after the DVR determined that there were no penalties assessed for Contract 18-146 in FY23 per our meeting. Our Certificate of Eligibility Determinations (COE's) and Individualized Plans for Employment (IPE's) deliverables were justified due to current contractual goals not being adjusted since the 2020 Pandemic. State of Florida DVR referrals and caseloads were not fully back to capacity due to the Pandemic. The increased amount of potentially eligible cases on our caseloads also impacted these deliverables. The State of Florida DVR agreed with our justification on our final numbers and no penalties were assessed. For completed employment outcomes, Abilities of Florida documentation showed we exceeded the expected deliverable based on the DVR's Successful Outcome Matrix. Abilities of Florida VR offices almost doubled the amount expected per the Matrix. The Matrix was put in place by the State of Florida DVR and added to our contract via an amendment to address Statewide vacancies and the variance for expected deliverables between new and experienced VR counselors throughout the State. At the end of FY23, there was an impending system change by DVR to the new Aware Database system which resulted in no accurate Pre-ETS reporting received by Abilities of Florida during May and June 2023. During reconciliation for Pre-ETS services provided, there were discrepancies in the State of Florida DVR's final reporting versus the monthly reports Abilities of Florida received throughout FY23. Due to this, Abilities of Florida was unable to obtain accurate Pre-ETS deliverable data from the DVR. Based on the reports that Abilities of Florida received monthly throughout FY23 from DVR, this goal was achieved. The FY23 vacancy rate deliverable in the contract was the lowest it has ever been. The justification that was approved by the DVR was due to the South Florida VR vacancies. These vacancies were the result of high cost of housing and living expenses versus low pay scales for the positions in these areas. The State of Florida DVR, who also had high vacancy

¹ Abilities, Inc.'s management provided a letter as a response which contained the name of at least one known individual exempt from public disclosure. All individuals named in the response letter were redacted from the response which is incorporated herein. Copies of the letter should be delivered only to individuals appropriate to the activity reviewed. All individuals wishing to view or obtain a copy of the letter must submit a written request to the Office of Inspector General, including contact information and a detailed explanation of the reason for the request.

rates, was in process of increasing the salaries Statewide, and accepted our justification for the staffing deliverables in FY23.

In summary, we believe all justifications were appropriately approved by the State of Florida DVR based on the following:

- The FY23 deliverables not being adjusted since the beginning of the 2020 Pandemic
- The large number of Transition Age Youth and potentially eligible cases throughout our units
- The approved Successful Closures Matrix showing we exceeded our goals
- The State of Florida DVR wage initiative not taking effect until the beginning of FY24 that resulted in a high number of vacancies in South Florida positions

Finding #2: Consumer service records had missing or incomplete documentation.

Eligibility Determination

Title 34 CFR 361.42 states, “in order to determine whether an individual is eligible for vocational rehabilitation services..., the designated State unit must conduct an assessment for determining eligibility.” Additionally, Title 34 CFR 361.42(a)(1) requires that eligibility determinations are based only on, “(i) A determination by qualified personnel that the applicant has a physical or mental impairment; (ii) A determination by qualified personnel that the applicant's physical or mental impairment constitutes or results in a substantial impediment to employment for the applicant; and (iii) A determination by a qualified vocational rehabilitation counselor employed by the designated State unit that the applicant requires vocational rehabilitation services to prepare for, secure, retain, advance in, or regain employment that is consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interest, and informed choice. For purposes of an assessment for determining eligibility and vocational rehabilitation needs under this part, an individual is presumed to have a goal of an employment outcome.”

Contract 18-146 requires Abilities, Inc. to secure preliminary eligibility documentation and coordinate with the DVR representative to determine eligibility for potential consumers. Abilities, Inc.'s written desk procedures requires the ServiceSource (SS) Vocational Rehabilitation Counselor (VRC) to collect and review eligibility documentation and make a preliminary eligibility decision. In order to coordinate the eligibility determination with DVR, the current process requires the Abilities, Inc. VRC to route a RIMS Provider Routing and Tracking Form, also called a Certification of Eligibility (COE) to a DVR Counselor Analyst who reviews and approves the eligibility determination.

We sampled 30 consumer service records (CSRs) and found that Abilities, Inc. staff performed an eligibility determination on 29 occurrences. One consumer applicant secured employment on their own before Abilities, Inc. conducted the eligibility assessment, so no eligibility determination was necessary. We identified two occasions where Abilities, Inc. could not provide the COE evidencing completion of the eligibility determination; one occasion where the DVR Counselor Analyst did not acknowledge the COE evidencing approval of the determination, and three occasions where the DVR Counselor Analyst failed to acknowledge the

eligibility determination on the COE form for 279 to 489 days. Incomplete eligibility determination documentation increases the risk that services could be provided to ineligible consumers.

Documentation of Case Closures:

According to 6A-25.017(1) of the Florida Administrative Code, a case shall be closed when the individual has achieved an employment outcome, is determined ineligible, is not available, declines further service, or when the individual's actions or inactions materially interfere with providing services. Chapter 18 of the DVR Counselor Policy Manual adds that a DVR Counselor Analyst must review and approve all closures for Abilities, Inc. Section 18.09 of The DVR Counselor Policy Manual gives full instruction for all closures which includes (1) a standardized, approved letter will be sent to the individual or, as applicable, the individual's representative; (2) each letter must include the reason for closure, the effective date of closure, the right to appeal, the appeal procedures, mediation, Disability Rights Florida contact information, and referrals to other agencies when appropriate. The letter must be co-signed by the Counselor Analyst for the private unit, and (3) the individual's case record must contain the rationale for the closure decision, documented in a case note.

We reviewed the CSR documents of the 30 selected consumers for case closures. Twenty-one cases remained in an active status during the period reviewed, so we reviewed the nine cases closed during our audit period. Our review identified five cases where the DVR Counselor Analyst did not co-sign the closure letter. In two of the five cases, Abilities, Inc. could provide no other evidence to indicate that the DVR Counselor approved the case closure. When we inquired about the letters sent without signatures, Abilities, Inc. reported that once DVR approves the case closure, the closure letter can be sent. Abilities, Inc. staff then creates and mails the letter to the client. DVR indicated that the unsigned letters occurred because they approved the closure in RIMS so the additional signature on the letter is not necessary. As stated above, the DVR Counselor Policy Manual requires that the Counselor Analyst co-sign the closure letters, and two of the letters that were missing signatures had no evidence of approval in the RIMS case notes.

Lack of case closure documentation prevents Abilities, Inc. and DVR from demonstrating that the services provided are consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interest, and informed choice that results in an achieved outcome for its consumers. This hinders DVR's ability to ensure all eligible services were rendered, goals were met and achieved, or if there is a need for continued services.

Recommendation

We recommend DVR review and approve eligibility determinations according to statutory requirements. We recommend that Abilities, Inc. ensure closure of case files are in accordance with the DVR Counselor Policy Manual and includes appropriate case notes and any additional documentation. We also recommend that DVR review a sample of closed CSRs during their monitoring activities.

DVR Management Response

Concur. DVR's Bureau of Vendor and Contracted Services, Contract Administration and Management (CAMs) Unit will work with the Bureau of Compliance and Quality Assurance (BCQA) to review and approve eligibility determinations according to statutory requirements and will review a sample of consumer service records (CSRs) during desktop monitoring, to ensure the documents are consistent with statutory requirements. BVCS will also coordinate with the Bureau of Field Services (BFS) regarding training and support to ensure consumer service record maintenance and documentation are in compliance with statutory requirements. The CAMs unit will communicate to the contractor any findings/concerns in a detailed monitoring report. DVR will meet with Abilities, Inc. to review the report and discuss any corrective actions to be completed by the contractor.

Abilities, Inc. Management Response

Concur. For items found in Audit, the State Counselor Analyst did complete the approval closure screen for each closure allowing Abilities staff to successfully close the case in the RIMS case management system. In instances where the physical closure letter was not signed this was a difference in interpretation of the State of FL VR Policy Manual amongst the State Counselor Analysts. By completing the RIMS Review/Approval screen it was believed this met the criteria in the Policy for "signing off" on the closure letter. Moving forward Abilities of Florida staff will work closely with State of FL DVR staff to ensure a more consistent interpretation of the policy is followed across all Abilities of FL units. Abilities Management will meet with all field staff to ensure current policy is followed as written. Abilities of FL Directors will meet with FL DVR Directors and State Counselor Analysts supporting our units to ensure we are all consistently following this policy.

Finding #3: Abilities Inc. failed to timely report employment status changes for seven separated employees as required by statute.

Contract #18-146 requires that the provider's staff assigned to this contract complete a background check using the level 2 standards in Chapter 435, Florida Statutes. As a participating agency, section 435.12, F.S., requires service providers to perform employment background screenings through the Care Provider Background Screening Clearinghouse (CPBSC). The statute further requires employers participating in the clearinghouse to report any changes in employment status, "within 10 business days after a person receives his or her initial status or after a change in the person's status has been made."

The VR Operations Consultant provided the CPBSC records for 192 Abilities, Inc. employees funded by this contract during the 2022-23 fiscal year, and he attested that all 192 employees had a current background screening. We selected a sample of 40 employees and verified that each employee had the appropriate education, experience, and qualifications as spelled out in the contract. We also verified that these employees had received the appropriate level 2 background screening. However, we identified nine staff who subsequently separated employment with Abilities, Inc. and determined that Abilities, Inc. failed to timely report the change in

employment status for seven of the employees to the Clearinghouse as required by statute. We determined that Abilities, Inc. updated the employment status for those seven employees from 1 to 28 days beyond the statutory time frame.

Abilities, Inc. failed to maintain the employment status in the (CPBSC) and report changes timely. Timely reporting of staffing changes ensures statutory compliance and the continued ability to use the Clearinghouse.

Recommendation

We recommend Abilities, Inc. ensure the change in employment status is reported to the CPBSC within the time frame required by statute.

Abilities, Inc. Management Response

Concur. There was a staffing changeover in Abilities of Florida in the position that was responsible for this reporting during the FY23 audit period. The process that is in place currently has resolved this issue.

Finding #4: DVR did not provide effective monitoring in accordance with the monitoring plan.

The DVR Contract Monitoring Plan Agreement states, “A complete risk assessment is performed on all contracts prior to execution. Risk will be reassessed at the end of each term. The assigned risk score drives the type and frequency of monitoring conducted. Monitoring activities include, but are not limited to, reviewing expenditure data, verification of supporting documentation, and visiting the contractor’s location.”

DVR provided the monitoring plan for Abilities, Inc. for the contract term of July 1, 2022, to June 30, 2023. Abilities, Inc. scored a Medium risk rating of 34. According to the monitoring plan, monitoring for this contract based on a Medium risk rating should include bi-annual desktop monitoring or onsite monitoring if more serious issues are identified.

According to DVR, there is no evidence in the file showing that any monitoring of this contract occurred during the audit scope.

DVR failed to adhere to the formal monitoring plan developed for Contract #18-146. As a result, the monitoring was insufficient and did not identify the issues discussed earlier in this report. Insufficient monitoring increases the risk that non-compliance with the terms of the contract will go undetected. In addition, not communicating monitoring results or improvement recommendations limits Abilities, Inc.’s opportunity to improve its processes.

Recommendation

We recommend DVR conduct monitoring in accordance with the risk assessment and monitoring plan. After each monitoring event, we recommend DVR promptly provide the monitoring

results in writing with any recommendations for improvement to Abilities, Inc. and ensure they complete corrective action on noted deficiencies.

DVR Management Response

Concur. The CAMs Unit contract manager will work with BCQA to conduct desktop and onsite monitoring in accordance with the Abilities, Inc. contract risk assessment and monitoring plan. Deficiencies will be addressed and recommendations for improvement will be communicated to the contractor and follow-up on corrective actions will be performed. Review of deliverables and supporting documentation will be regularly reviewed. In accordance with the contract, DVR will conduct desktop monitoring in January 2025 and onsite monitoring in June 2025. The desktop monitoring report will be finalized by March 2025 and the onsite monitoring to be finalized by August 2025 for any findings and recommendations, if applicable. In accordance with section 287.057, F.S, the Department has established a continuing oversight team of five (5) members to meet at least monthly to discuss the pace and quality of deliverables as well as all other aspects related to the contract.

Closing Comments

The Office of Inspector General would like to recognize and acknowledge DVR staff, as well as the staff of Abilities, Inc. of Florida, for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Deena Shealy, MBA and supervised by Bradley Rich, MS, Audit Director.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at 850-245-0403. Copies of final reports may be viewed and downloaded via the internet at <https://www.fldoe.org/about-us/office-of-the-inspector-general/audit-reporting-products.shtml> Copies may also be requested by telephone at 850-245-0403, by fax at 850-245-9419, and in person or by mail at the Department of Education, Office of the Inspector General, 325 West Gaines Street, Suite 1201, Tallahassee, FL 32399.