

**Office of Inspector General  
DBS District Allocations**

**Report #A-1516-020**

**October 2016**

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**Executive Summary**

In accordance with the Department of Education's (department) fiscal year (FY) 2015-16 audit plan, the Office of Inspector General (OIG) conducted an audit of Division of Blind Services (DBS) district allocations. The purpose of this audit was to ensure that DBS is effectively administering the program. During this audit we noted that, in general, the department has sufficient controls in place. DBS documented justifications for the services provided, completed all approval forms for services exceeding \$1,500, and approved all payments within the fiscal year in which the authorizations were created. There were instances where DBS could make improvements to strengthen some of the controls. For example, we cited instances where DBS paid for services that did not match, or were not listed in, the individualized plan for employment; DBS personnel did not properly sign invoices and authorizations; DBS personnel did not complete required needs assessments and equipment forms; DBS made maintenance payments for unallowable services; and DBS made payments that did not include sufficient documentation to support the authorizations and payment requests. The Audit Results section below provides details of the instances noted during our audit.

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**Scope, Objectives, and Methodology**

The scope of this audit included Division of Blind Services district allocations for the period of July 1, 2014, through September 30, 2015. We established the following objectives for our audit:

1. Determine whether client services are purchased in accordance with applicable laws, rules, and regulations; and
2. Ensure authorizations and payments are properly approved.

To accomplish our objectives we reviewed applicable laws, rules, and regulations; interviewed appropriate department staff; reviewed policies, procedures, and related documents; reviewed DBS client files; and reviewed the Accessible Web-based Activity and Reporting Environment (AWARE) system.

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**Background**

The mission of the Florida Division of Blind Services is to ensure blind and visually impaired Floridians have tools, support, and opportunity to achieve success. DBS is comprised of ten district offices located in Pensacola, Tallahassee, Jacksonville, Daytona Beach, Orlando, Tampa,

Fort Myers, West Palm Beach, Sunrise, and Miami. DBS allocates and distributes funds for authorization to the ten district offices. The funds for authorization are non-contractual discretionary funds used to provide needed services for individuals who are blind and visually impaired. The allocations are based on the district's requests and previous allocation amounts.

The funds for authorization are distributed across five programs: Blind Babies (BB), Independent Living Older Blind (ILOB), Independent Living Adult Program (ILAP), Children's Program (CP), and Vocational Rehabilitation (VR). For the period of July 1, 2014, through September 30, 2015, DBS allocated \$65,391.00 to BB, \$180,900.00 to CP, \$60,644.00 to ILAP, \$82,668.00 to ILOB, and \$13,153,164.00 to VR for a total disbursement of \$13,542,767.00. During the period of July 1, 2014, through September 30, 2015, DBS created 33,086 authorizations. The program purposes are detailed below.

The Blind Babies program was established to provide community-based early intervention education to parents, guardians, or caregivers of eligible children with visual impairments up to the age of five. The goal of the BB program is to maximize the overall development and independence of infants and toddlers who are blind or visually impaired by providing direct early intervention services, information, and resources to the children and their caregivers.

The Children's program provides information and referral services, parent education, and preparation for referral to the transition program for children in kindergarten through high school. CP rehabilitation specialists serve eligible children who are blind or visually impaired so that their families can be informed advocates for their child. Successful outcomes enable the children to participate in the DBS transition program or other appropriate community programs.

The Independent Living Adult program and Independent Living Older Blind program enable individuals with blindness or significant visual impairments to live more independently in their homes and communities with a maximum degree of self-direction. The ILAP program is designed for adults under 55 years of age, and the ILOB program is designed for adults 55 years and older.

The mission of the VR program is to provide opportunities for individuals who are blind and visually impaired, enabling them to improve and develop skills necessary for obtaining or maintaining employment.

DBS documents and tracks client services, authorizations, and payments in AWARE. Each district has a district administrator (DA) and a VR supervisor who are responsible for ensuring DBS clients receive appropriate services.

## **Audit Results**

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**Finding 1: DBS provided services prior to the completion of IPEs and services did not match the IPE in effect.**

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34 CFR 361.45(b) states, "(1) The designated State unit must conduct an assessment for determining vocational rehabilitation needs, if appropriate, for each eligible individual or, if the

State is operating under an order of selection, for each eligible individual to whom the State is able to provide services. The purpose of this assessment is to determine the employment outcome, and the nature and scope of vocational rehabilitation services to be included in the IPE. (2) The IPE must be designed to achieve a specific employment outcome, as defined in §361.5(b)(16), that is selected by the individual consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.”

The VR Manual states, “If there are substantive changes in the employment outcome, VR services or service providers, the IPE must be amended, as necessary, by the individual or, as appropriate his/her representative, in collaboration with the Rehabilitation Specialist.”

During the period of July 1, 2014, through September 30, 2015, DBS created and issued 33,086 vendor and direct authorizations. In order to determine whether the services matched the clients' IPEs, we judgmentally sampled and reviewed 150 authorizations and the corresponding IPEs in effect. We did not consider an IPE to be in effect if it did not contain both the client and counselor's signatures at the time the authorizations were created and paid. Of the 150 sampled authorizations and IPEs, 9 (6%) IPEs were not in effect at the time the authorization was created and paid and 1 (1%) IPE did not match the services received. In addition, nine authorizations included the correct service in the IPE, but did not identify the proper provider and were not amended accordingly. Per the VR manual, services on an IPE, initial and all amendments, should not be initiated until the IPE has been agreed to and signed by the client and the rehabilitation specialist and approved by the supervisor or DA.

Of the nine IPEs not in effect at the time of the authorization, four were not on file during the period the authorizations were created and five were not signed by both the client and counselor. DBS staff stated there are instances where the district offices will fill an immediate need for a client prior to completion of the IPE and then complete the IPE later.

One of the nine authorizations was for post-employment services. The services exceeded the definition and duration of post-employment services by continuing for a period of one year and four months. Per division policy, post-employment services should be no more than 4 months in duration. The district stated they did not open an active IPE after the four month period due to pending approval for the purchase of the equipment, which extended for a period over a year.

Providing services without properly completed IPEs, or providing services that do not match the clients' IPEs, could lead to the department paying for unnecessary or unallowable services.

### ***Recommendation***

We recommend that DBS monitor the districts to ensure IPEs are properly completed prior to providing services to clients and ensure the services provided match the current IPE on file. We also recommend DBS identify the correct provider when providing services to the clients and amend the IPEs accordingly.

***Management Response***

DBS will continue to conduct random desk reviews. Targeted desk and onsite reviews will be made to districts with higher incidences of non-compliance. DBS will ensure that the Quality Assurance Case Review Form addresses the IPE, the specific provider and provided services. DBS will address the IPE process in ongoing staff trainings.

**Finding 2: Invoices and authorizations were not appropriately signed**

Section 9.1 of the VR Manual states, “All vendor invoices must be signed in the lower right hand corner by the District Administrator or Supervisor. All authorizations must also be signed by the District Administrator or Supervisor when approving for payment (signature in the lower right hand corner).”

Per the Children’s Program Manual, “Once the service has been rendered, the authorization will be signed by the counselor. All vendor invoices must be signed in the lower right-hand corner by the assigned staff member or Supervisor.”

Of the 33,086 vendor and direct authorizations created during the period of July 1, 2014 through September 30, 2015, 28,147 were vendor or group authorizations. We judgmentally sampled and reviewed 94 VR vendor authorizations and invoices and 1 CP vendor authorization and invoice. Of the 95 authorizations sampled, the DA or VR Supervisor did not appropriately sign 83 VR authorizations (87.4%). One of the 83 authorizations was signed by the DA; however, the DA was also reflected as the counselor for the client.

Of the 95 invoices sampled, the District Administrator or VR Supervisor did not appropriately sign 80 of the VR invoices (84%) and the assigned staff member or supervisor did not sign the one CP invoice. One of the 80 VR invoices was signed by the DA; however, the DA was also reflected as the counselor for the client.

Several districts indicated that they were under the impression that they did not have to sign the invoices and authorizations. Lack of proper signatures on authorizations and invoices could lead to payment for unauthorized or unnecessary services. It could also indicate a lack of monitoring by the District Administrators and supervisors and allow a potential threat of fraud.

***Recommendation***

We recommend DBS ensure all invoices and authorizations are properly signed in accordance with the VR and CP manual. We also recommend DBS ensure all districts are trained and aware of the approval requirements.

***Management Response***

DBS will continue to conduct random desk reviews. Targeted desk and onsite reviews will be made to districts with higher incidences of non-compliance. DBS will ensure that the Quality Assurance Case Review Form addresses the invoice and authorization approval process (required

signature in designated area on the invoice and authorization). DBS will address the invoice and authorization process in ongoing staff training.

**Finding 3: Maintenance requests did not include the required needs assessments and request forms.**

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34 CFR 361.48(a) states, “The state plan must assure that, as appropriate to the vocational rehabilitation needs of each individual and consistent with each individual’s informed choice, the following vocational rehabilitation services are available: (1) Assessment for determining eligibility and priority for services in accordance with CFR 361.42, (2) Assessment for determining vocational rehabilitation needs in accordance with CFR 361.45. (3) Vocational rehabilitation counseling and guidance. (4) Referral and other services necessary to help applicants and eligible individuals secure needed services from other agencies and to advise those individuals about client assistance programs established under 34 CFR part 370.”

Section 7.1 of the VR manual states, “A Needs Assessment for Financial Assistance must be completed for all clients requesting maintenance and updated yearly as the maintenance continues.” Clients applying for maintenance service, with the exception of clients receiving social security income and social security disability income, must complete a DBS-007 economic need application. In addition, form DBS-117 must be used for all maintenance requests.

Per DBS district policies and procedures, “Maintenance for anything other than Work Experience and Rehab Center attendees, requires form #257 be completed to support the request.”

During the period of July 1, 2014, through September 30, 2015, DBS created and issued 4,482 maintenance payments, also known as direct authorizations. We judgmentally sampled 50 direct authorizations to determine whether the appropriate needs assessment and maintenance request forms were completed. Of the 50 sampled authorizations, 47 included services that required the needs assessment form #257. Forty-one of the 47 (87%) did not have a completed form. Twenty-four of the 50 sampled authorizations required the DBS-007 economic need application. Nine (38%) of the economic need applications were not provided. In addition, five (10%) of the sampled authorizations did not have maintenance requests.

One district was under the impression they did not have to submit needs assessment forms because they entered case notes in AWARE. Another district did not submit the assessment because the service was not based on economic need.

Lack of needs assessments and maintenance requests could hinder the counselor’s ability to determine the amount of maintenance necessary. It could also lead to providing services for unqualified individuals.

### *Recommendation*

We recommend DBS ensure all required maintenance forms and needs assessments are completed in accordance with the CFR and VR manual. We also recommend DBS reiterate the needs assessment requirements to the districts.

### *Management Response*

DBS will continue to conduct random desk reviews. Targeted desk and onsite reviews will be made to districts with higher incidences of non-compliance. DBS will revise the Case Review Form to reflect monitoring as it applies to maintenance requests. DBS will ensure that the needs assessments are applied to the appropriate maintenance services. In addition, DBS Client Services will work to clarify related policies and procedures. DBS will address the maintenance request/needs assessment process in ongoing staff training.

### Finding 4: Maintenance payments were used for unallowable services and were paid to clients instead of vendors.

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Per the VR manual, maintenance is “monetary support provided to an individual for expenses, such as food, shelter, and clothing, that are in excess of the normal expenses of the individual and that are necessitated by the individual's participation in an assessment for determining eligibility and vocational rehabilitation needs or the individual's receipt of vocational rehabilitation services under an individualized plan for employment.” ]

We judgmentally sampled 50 of the 4,482 maintenance payments to determine whether DBS issued payments for appropriate and allowable services. We determined 6 of the 50 sampled authorizations (12%) were not allowable. The six unallowable payments included multiple payments for shelter, rent, and food for the same individual in the same month; airfare; payment for a client without a job offer to relocate to Tallahassee; payment for a medical procedure; and an unspecified apartment maintenance payment. All six payments were made directly to the clients.

Per DBS staff, vendors must be registered in AWARE in order to receive payments for services. It was determined direct payments were made to the clients due to the vendors not being registered through AWARE. The instances occurred with tuition, meal plans, university housing, medical procedures, and transportation. The Program Administrator stated, “We have strongly encouraged staff to work with vendors to register in the My Florida Market Place System. However, many vendors refuse to do so. If a vendor absolutely refuses to register and there is no other vendor or method to obtain a necessary service, then DBS will provide maintenance.”

Payments made to the clients instead of the vendors could result in the misuse of funds. Payments for unallowable services can result in the client receiving funds for expenses not related to assessments for determining eligibility and vocational rehabilitation needs or services under their IPE.

***Recommendation***

We recommend that the department strengthen their controls and monitoring of maintenance payments to ensure payments are only made for allowable services and paid directly to vendors when possible.

***Management Response***

DBS will reinforce the need to directly pay vendors for client maintenance payments when possible. DBS will develop a form to ensure supervisory review and approval of maintenance paid to clients, and will develop a quarterly summary report for management review of such payments. DBS Client Services will require staff to submit justifications in AWARE when directly paying clients for purchases outside of MyFloridaMarketPlace. DBS will ensure that the Quality Assurance Case Review form addresses allowable services paid directly to vendors. DBS will address the maintenance request/allowable services process in ongoing staff training.

**Finding 5: Equipment forms were not completed and signed when the client received assistive technology.**

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Division Policy 6.07 states a Client Equipment Inventory and Receipt Form #108 must be completed and signed by all parties when the client receives assistive technology or when DBS reclaims possession. The completed form should be attached to the authorization in the client's paper file.

The program administrator communicated through email that counselors are to verify receipt with the client for equipment provided over \$600, stating they implemented a client receipt form 108 that must be signed when a client receives a tangible item.

We judgmentally sampled 100 of the 33,086 authorizations to determine whether equipment forms were completed and signed when the client received assistive technology. Of the 100 sample authorizations, 23 included equipment costing more than \$600. Ten of the 23 authorizations (43.5%) did not have the required equipment form #108. DBS equipment form #108 states DBS retains ownership for three years from date received and equipment is not to be sold, loaned, or disposed of in any manner during this period. Lack of completed and signed forms could lead to the client being unaware of the equipment restrictions and lead to loss of the DBS owned equipment. In addition, lack of the completed and signed form hinders DBS' ability to verify client receipt of the equipment.

***Recommendation***

We recommend DBS ensure the Client Equipment Inventory and Receipt Form #108 is completed and signed by all parties when the client receives assistive technology or when DBS reclaims possession in accordance with the manual. We also recommend that DBS include the equipment threshold amount in the policies and procedures for equipment form 108.

### ***Management Response***

DBS will continue to conduct random desk reviews. Targeted desk and onsite reviews will be made to districts with higher incidences of non-compliance. DBS will ensure that the Quality Assurance Case Review Form addresses the Client Equipment Inventory and Receipt Form #108. DBS will address the equipment inventory and documentation process (AWARE) in ongoing staff training by emphasizing DBS Policy 6.07 which addresses the procedures for equipment purchases and threshold amounts.

### **Finding 6: Payments did not include sufficient documentation to support the authorizations and payment requests**

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Section 9.1 of the VR manual states “the original authorization with invoice and one copy will be sent to Tallahassee for payment.” Effective monitoring of payments includes the review of supporting documentation to ensure services were received by the client and funds were used for their intended purpose.

To determine whether vendor payments and direct payments had sufficient supporting documentation, we judgmentally sampled and reviewed 150 of the 33,086 authorizations and all supporting documentation from the department’s fiscal office. Of the sampled 100 vendor payments, 3 (3%) did not include sufficient documentation of invoices or receipts to support the authorization and payment request. Of the sampled 50 direct payments, 32 (64%) did not include sufficient documentation of invoices or receipts to support the maintenance requests. These included instances in which the department reimbursed expenses and covered costs for tuition, relocation expenses, housing, meals, airfare, and counseling sessions.

We reviewed the case notes in AWARE to determine whether the receipt of services was verified by the rehabilitation specialist. Of the 100 authorizations sampled, there was no documentation in AWARE for 44 (44%) authorizations confirming the rehabilitation specialist had verified the receipt of services.

The DBS policy and procedures do not include requirements for maintenance payments to include supporting documentation. Lack of supporting documentation for payments and lack of verification of services could lead to DBS paying for unnecessary or unallowable services.

### ***Recommendation***

We recommend DBS strengthen their policies and procedures to include requirements for supporting documentation in the form of invoices and/or receipts for maintenance payments. In addition, we recommend DBS rehabilitation specialists document their verification of client receipt of services in AWARE. We further recommend DBS perform periodic reviews to ensure payments are made for allowable and necessary services and contain the appropriate documentation.



### *Management Response*

DBS will continue to conduct random desk reviews. Targeted desk and onsite reviews will be made to districts with higher incidences of non-compliance. DBS revised its VR manual in May 2016 as it applies to Client Services, Policy #9.1 “Fiscal Process and Procedure” to include “will collect receipts from clients when direct maintenance is provided.” DBS will work to revise the current maintenance policy to address efficiency and accountability. DBS will address the roles of the Rehabilitation Specialists and the DBS Fiscal Office in documenting and verifying allowable payments by providing ongoing staff training.

### **Closing Comments**

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The Office of the Inspector General would like to recognize and acknowledge the DBS Office and staff 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 Keith Bennett and supervised by Janet Snyder, CIA, CGAP, Audit Director.*

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