

Corrective Action Plan for

Initial CAP - current status:

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CAP Resolved Date:

Number of findings: 4

Number of resolved findings: 3

Percent resolved:

Finding 2.1

Finding Headline:

Insufficient Internal Controls to Manage the Provision of Pre-employment Transition Services

Finding Requirement:

A State VR agency must assure, in the VR services portion of the Unified or Combined State Plan, that it will employ methods of administration that ensure the proper and efficient administration of the VR program. 2 C.F.R. § 200.303 requires that VR agencies develop an internal controls process to provide a reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, and reliability of reporting for internal and external use; and that this process is established and implemented as a measure of checks and balances to ensure proper expenditures of funds, including the evaluation and monitoring of compliance with statutes, regulations and the terms and conditions of Federal awards.

Mandated Corrective Action:

Corrective Actions 2.1 RSA requires that VRD—

2.1.1 By the end of FFY 2024, update policies, procedures, and internal controls, including a monitoring component, to ensure the correct coding, tracking, and reporting of pre-employment transition services, whether provided in-house or through contracted services;

2.1.2 By the end of FFY 2024, update the agency's set-aside determination related to the provision of pre-employment transition services authorized activities; and

2.1.3 By the end of FFY 2024, update the agency's pre-employment transition service policy to be consistent with updates located in RSA's NOI on Pre-Employment Transition Services Flexibility Regarding the Use of Federal Vocational Rehabilitation Funds.

RSA Focus Area:

Agency Planned Corrective Action Steps

Corrective action 2.1

Action: In accordance with 34 C.F.R. § 361.12, VRD must implement policies and procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. VRD must also monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. § 200.303. Based on the review of VRD's existing policies, procedures, and internal controls related to pre-employment transition services, the RSA review team determined that VRD was not in compliance with the requirements in 34 C.F.R. § 361.12 or 2 C.F.R. § 200.303.

Standard to be Met and Method of Evaluation: VRD will develop and implement procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. VRD will also monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. §

200.303. Additionally, VRD will ensure compliance with the requirements in 34 C.F.R. § 361.12 or 2 C.F.R. § 200.303. This corrective action is being resolved through the Section 107 pre-employment transition services corrective action plan process.

Planned start date: 10/01/2023

Actual start date: 06/01/2023

Projected completion date: 04/30/2024

Actual completion date:

Quarterly Updates:

2.1.1 VRD has updated its internal controls, policies, and procedures related to the coding, tracking, and monitoring of pre-ETS. Additionally, VRD has developed fiscal reports to appropriately determine and track the required 15% pre-employment transition services reserve. The reporting includes:

- Pre-ETS monthly expense report. (Attached)
 - Displays current and projected federal year pre-employment transition services expenditures by the required, coordination, and authorized activities.
 - Displays current and projected level of pre-employment transition services spending and where the agency sits as it relates to reaching the required 15%.
- Pre-ETS Internal Monitoring Report. (Attached)
 - Document review consists of a random sampling of pre-employment transition services authorizations and payments.
 - Review of authorizations from the case management system to ensure obligations are being assigned to the appropriate Federal fiscal year award.
 - Review of authorizations from the case management system to ensure services are being pre-authorized.
 - Review samples of paid expenditures to ensure payments are being assigned to the appropriate Federal fiscal year award.

2.1.1: VRD has established a schedule for routine internal program auditing by our internal quality assurance team.

- This will ensure that we keep our procedures in step with our policies.
- That staff are following the policies and procedures.

- That the statewide transition team is working most efficiently to achieve pre-employment transition services.

2.1.1: Management Analyst IV, Statewide Transition Coordinator, and District Manager I currently meeting bi-monthly. In this forum the following activities occur:

- Review reports and pre-employment transition services progress, invoices, and current trends for all activities related to the pre-employment transition program.
- Monthly reporting to track current progress.
- Routinely review and monitor reports.
- Identify program and fiscal shortcomings.
- Escalate major concerns to RSA.
- Brainstorm ideas for further implementing established processes, or new processes, to meet fiscal shortfalls based on current program and statewide needs (i.e., PAES labs in rural communities, etc.).
- Continuously identify areas for programmatic improvement including summer camps, internships, work-based learning opportunities, etc.

2.1.2: VRD has developed policy, procedure, and reporting for purposes of determining compliance with the percentage of funds required to be reserved for the provision of pre-employment transition services authorized activities. Since the 15 percent reserve will not be a fixed number and may fluctuate based on our ability to match VR award funds, we will monitor client and expenditure data throughout the lifecycle of the award and adjust accordingly.

- Set-Aside Determination Report (Attached)
 - Reporting includes total federal award drawn and matched, the pre-employment transition services 15 percent minimum requirement, the number of clients served, the cost per client for the provision of the pre-employment transition services activities, the Federal funding used on pre-employment transition services activities (required/coordination/authorized), current and future year projections, etc.
- Set-Aside Determination Procedure (Attached)
- Set-Aside Determination Policy (Attached)

2.1.3 Following the RSA's monitoring visit, VRD's quality assurance team has conducted a robust review of the pre-employment transition services internal controls and procedures. The review has resulted in recommendations and technical assistance with development of compliant

procedures and consistent with updates located in RSA's NOI on Pre-Employment Transition Services Flexibility Regarding the Use of Federal Vocational Rehabilitation Funds.

Resolved?

RSA state team comments:

Corrective action 2.2

Action: As a result of the analysis, RSA determined that VRD was not maintaining written policies covering the nature and scope of each of the VR services, in accordance with 34 C.F.R. § 361.50, and the criteria under which VR services are provided, as specified in 34 C.F.R. § 361.48. VRD must update its policy manual and VR desk guide to ensure compliance with applicable Federal requirements.

Standard to be Met and Method of Evaluation: VRD will maintain written policies covering the nature and scope of each of the VR services, in accordance with 34 C.F.R. § 361.50, and the criteria under which VR services are provided, as specified in 34 C.F.R. § 361.48. VRD will update its policy manual and VR desk guide to ensure compliance with applicable Federal requirements. This corrective action is being resolved through the Section 107 pre-employment transition services corrective action plan process.

Planned start date: 10/01/2023

Actual start date: 06/01/2023

Projected completion date: 09/30/2024

Actual completion date:

Quarterly Updates:

2.2.1: The forward-facing policy manual and internal desk guide have been updated after the RSA monitoring visit. Sections 1, and 6 of the policy manuals were updated, and Sections 6, 7, 10, 12.5, 14, and 24 of the internal VR desk guides were updated. Additionally, a new subsection was created in November 2023 following the agency's internal audit on the topic of Pre-ETS.

2.2.2: Following RSA's monitoring visit, VRD has updated the majority of the policies/procedures identified in the report above. The agency will provide these updated policies/procedures to RSA for review and approval. VRD will continue to work with RSA and rely on their technical assistance for updating the remainder of the policies/procedures.

2.2.3: VRD continues to conduct its data integrity days (DID) monthly for data cleansing assignments to ensure accurate data entry for accurate reporting, providing case management

demonstration and documentation, and provide quality assurance to assist with any changes or updates to the desk manual, policy, procedure, and/or internal controls.

2.2.3: VRD's quality assurance team routinely performs case reviews and provides feedback and instruction/training to staff. The quality assurance team also conducts training sessions for staff and the Nevada State Rehabilitation Council when there are major updates to the agency policies and desk guide procedures.

2.2.4: VRD has established a schedule for routine internal program auditing by our internal quality assurance team.

- This will ensure that we keep our procedures in step with our policies.
- That staff are following the policies and procedures.
- Supervisors will know better what subjects to focus on for team training.

RSA state team comments:

Resolved?

Corrective action 2.3

Action: In accordance with 34 C.F.R. § 361.12, VRD must implement policies and procedures that ensure the proper and efficient administration of the VR program, including those necessary to carry out all functions for which the VR agency is responsible. VRD must develop and implement policies and procedures for collecting accurate data and for verifying the accuracy and reliability of the data through the required supporting documentation. In addition, VRD must monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. § 200.303. The RSA review team determined that VRD has not implemented effective written policies, procedures, or internal controls that ensure the accurate reporting of information related to the performance accountability guidelines required to be developed under WIOA Section 116; and ensure case files and supporting documentation adhere to the record of service requirements in 34 C.F.R. § 361.47.

Standard to be Met and Method of Evaluation: VRD must implement policies and procedures that ensure the proper and efficient administration of the VR program in accordance with 34 C.F.R. § 361.12, including those necessary to carry out all functions for which the VR agency is responsible. VRD will develop and implement policies and procedures for collecting accurate data and for verifying the accuracy and reliability of the data through the required supporting documentation. In addition, VRD will monitor and evaluate performance through the agency's internal controls, in accordance with 2 C.F.R. § 200.303. VRD will ensure it has implemented effective written policies, procedures, or internal controls that ensure the accurate reporting of information related to the performance accountability guidelines required to be developed under WIOA Section 116; and ensure case files and supporting documentation adhere to the record of service requirements in 34 C.F.R. § 361.47.

Planned start date: 10/01/2023

Actual start date: 06/01/2023

Projected completion date: 06/01/2024

Actual completion date:

Quarterly Updates:

2.3.1: As of May 2023, VRD has developed RSA-911 internal controls and procedures to ensure the requirements in the 34 C.F.R. part 361 and RSA policy directives are met. VRD will update the procedure as new policy directives are disseminated. (Attached)

2.3.2: Following RSA's monitoring visit, VRD has developed post-exit internal controls and procedures to ensure the requirements in the 34 C.F.R. part 361 and RSA policy directives are met. VRD will update the procedure as new policy directives are disseminated.

2.3.3 and 2.3.5: VRD's quality assurance team routinely performs case reviews and provides feedback and instruction/training to staff. The Q&A Team meets annually with each of the eight counseling teams to review case review results, patterns, and trends. During such meetings, team based technical assistance is provided to the counselors and technicians on how to better adhere to the internal controls, policies, and procedures. In addition, VRD's staff training officer uses the results of statewide case reviews to tailor training materials and content for staff.

2.3.3 and 2.3.5: VRD continues to conduct its data integrity days (DID) monthly for data cleansing assignments to ensure accurate data entry for accurate reporting, providing case management demonstration and documentation, and provide Q&A to assist with any changes or updates to the desk manual, policy, procedure, and/or internal controls.

2.3.4: Assessing the effectiveness and accuracy of the above-listed reports is included in VRD's RSA-911 and post exit procedures. VRD's operation's team conducts monthly audits of the compliance and accuracy of the reported data.

RSA state team comments:

Resolved?

Corrective action 3.1

Action: VRD has not maintained effective internal controls over the Federal awards necessary to provide reasonable assurances that it is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by the statute and regulations cited in the "Requirements" section of this finding. Specifically, VRD did not have sufficient written policies, procedures and internal controls to support compliance with rules pertaining to its payments to vendors, MOE, advance rent payment, and fraud reporting.

Standard to be Met and Method of Evaluation: VRD will ensure sufficient written policies, procedures and internal controls to support compliance with rules pertaining to its payments to vendors, MOE, advance rent payment, and fraud reporting. VRD will submit to RSA for review and approval until the corrective action is resolved. Once the written internal controls that address the required corrective actions are complete, carry them out and submit them to RSA. RSA will observe how VRD staff are implementing the controls for at least one quarter before the corrective action may be considered met.

Planned start date: 10/01/2023

Actual start date: 06/01/2023

Projected completion date: 09/30/2024

Actual completion date:

Quarterly Updates:

3.1.1a: Management Analyst IV, Financial Management, Accounting, and Rehabilitation Technicians and Counselors (including pre-employment transition services team) continues to meet to review and address our current internal controls and processes related to vendor invoice review and approval. VRD will update its internal controls based on the results of these meetings within the first three quarters of the publication of the final monitoring report.

3.1.1b: Prior to RSA monitoring, VRD has started researching a comparative rate methodology to determine rates of payments for targeted VR services. VRD has drafted a policy and continues to work with input from stakeholders. The agency is also working with the VRTAC-QM on ensuring the policy meets federal requirements and ensures quality client services. VRD has conducted meetings with our vendors to understand the market pressures they are facing and ensure that information is taken into account when developing new rates. (Attached)

3.1.2: VRD has developed internal controls and reporting to properly track maintenance of effort. (Attached)

3.1.3: VRD has implemented internal controls to cease paying facility rent with Federal funds. Since 34 C.F.R. § 76.707 requires that the date of obligation for costs of rent occurs based on the date the property is used it was decided to use state funds rather than federal funds to pay rent as Nevada pays rent at the beginning of the month/quarter. (Attached)

3.1.4: VRD is in the process of updating its internal controls to account for the proper detection and reporting of suspected instances of fraud, including under what conditions suspected fraud must be reported to RSA, and steps agency personnel must take upon suspicion or knowledge of such fraud. (Attached)

RSA state team comments:

Resolved?