
Department of Services for the Blind (DSB)

Agency: 315

Audit Report: 2012 F

Finding Number: 014

Finding: The Department of Services for the Blind did not determine eligibility for all Vocational Rehabilitation program applicants within the allowed period of time.

Resolution: The Department agrees with the audit finding and recommendation. While individual situations may create a need to delay an eligibility past the 60 day timeline, case file documentation should be clear about the reason for a delay, and ensure that the applicant is in agreement for the delay in accordance with the auditor's recommendation. Training was provided at the Vocational Rehabilitation (VR) Counselor meeting on October 10, 2012, and at subsequent regional team meetings, to ensure that the awareness of the timeline, the need to meet the timeline, and the need to clearly document reasons for delay of eligibility beyond the 60-day timeline is understood by counselors and supported by their fellow counselors, support staff, and supervisors.

A system for monthly review of timelines for eligibility is in place. Team leaders review overdue eligibility cases to ensure documentation is in place that describes clearly the reasons for delay. A method for checking status of eligibilities before they are overdue exists in the system, and training for accessing that tool was provided VR counselors on October 10, 2012. The tool requires multiple steps; in a future planned upgrade of the case management system this tool will be in a more prominent "dashboard" feature, allowing more streamlined, easy access to the data.

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Audit Report: 2012 F

Finding Number: 015

Finding: The Department of Services for the Blind did not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for its federal Vocational Rehabilitation program.

Resolution: The Department agrees with the audit finding and recommendation. As a corrective action, the Department revised its contract general terms and conditions document in April 2012. The general terms and conditions now include appropriate certification language for contractor signatures. Additionally, the Department initiated a monthly process, effective August 2012, to review expenditures and identify any vendor that has been paid in excess of \$25,000 over the prior 12 months. These vendors are checked against the federal System for Award Management to verify that vendors have not been suspended or debarred.

When the Department learned of the finding, immediate action was taken to train principle contract developers with the need to include suspension and debarment language. The Department now includes business staff in training functions sponsored by the U.S. Department of Education's Region 10 Technical Assistance & Continuing Education Northwest and sent four staff to the U.S. Department of Education Rehabilitation Services Administration National Fiscal Conference in August 2013.

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Agency: 315

Audit Report: 2012 F

Finding Number: 016

Finding: The Department of Services for the Blind did not comply with federal requirements for reporting Vocational Rehabilitation program expenditures.

Resolution: The Department agrees with the audit finding and recommendation. The Department is now current on Vocational Rehabilitation federal cost reports.

The Department contacted the U.S. Department of Education Rehabilitation Services Administration (RSA) staff to correct prior semiannual cost reports by grant award. The corrections included separation of indirect costs from direct allocated expenditures and correctly reflected the federal portion of the indirect costs.

The Department developed an internal checklist for preparing and reviewing of the federal cost reports. The checklist requires interaction from three separate staff members to ensure proper reviews prior to submission of the reports.

The Department will take advantage of any training opportunities made available through RSA and the U.S. Department of Education's Region 10 Technical Assistance & Continuing Education (TACE) center. TACE now includes fiscal staff in their quarterly meetings.

The Department contacted RSA for potential actions in response to the audit findings for reporting anomalies on the fiscal year 2011 combined annual vocational rehabilitation cost report (RSA-2). The fiscal year 2011 RSA-2 had already been published and was not reopened for adjustment. The fiscal year 2012 cost report included the identified segregation of costs between reporting elements.

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Status of Audit Resolution

December 2013

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Audit Report: 2012 F

Finding Number: 017

Finding: The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.

Resolution: The Department agrees with the audit finding and recommendation.

Department staff did not fully understand the indirect cost recovery rules for the U.S. Department of Education. The Department submitted an indirect cost rate proposal to the Department of Education on February 26, 2013, and requested a negotiated settlement for questioned costs.

The Department has added the annual indirect cost proposal process to the agency calendar.

The Department of Education Rehabilitation Services Administration has been notified about this finding. The Department is in communication with the Department of Education and is awaiting approval of the proposed indirect cost recovery rate.

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