

Audit Highlights



Highlights of performance audit report on the Department of Employment, Training and Rehabilitation, Rehabilitation Division issued on January 12, 2023.

Legislative Auditor report # LA24-02.

Background

The Rehabilitation Division's (Division) mission is to promote barrier-free communities in which individuals with disabilities have access to opportunities for competitive, integrated employment, and self-sufficiency. Services include assessments, training, treatment, and job placement.

Adult Vocational Rehabilitation (VR) enables individuals with disabilities the opportunity to obtain meaningful competitive integrated employment. In 2014, the Division began expanding services to assist youth with disabilities overcome barriers and facilitate a successful transition into the workforce or post-secondary education.

The Division is primarily funded by General Fund appropriations and federal grants. Total revenue for fiscal year 2022 amounted to nearly \$43.3 million. Expenditures from the same time were approximately \$39.7 million. The Division provides services from 13 locations throughout the State.

Purpose of Audit

The purpose of the audit was to analyze whether the Division is performing sufficient outreach for the Pre-Employment Transition Services youth program and to determine if certain activities related to the approval and oversight of adult Vocational Rehabilitation programs are adequately monitored and approved.

The audit focused on the Division's activities related to adult and youth services in fiscal years 2020 and 2021. We also reviewed prior years' documentation back to 2009 to understand the entirety of services rendered on specific cases.

Audit Recommendations

This audit report contains eight recommendations to improve program planning and communication and enhance managerial oversight.

The Rehabilitation Division accepted the eight recommendations.

Recommendation Status

The Division's 60-day plan for corrective action is due on April 10, 2023. In addition, the 6-month report on the status of audit recommendations is due on October 10, 2023.

Rehabilitation Division

Department of Employment, Training and Rehabilitation

Summary

The Division lacks the necessary processes to adequately implement the Pre-Employment Transition Services (Pre-ETS) youth program. For example, the Division fell short of meeting youth spending requirements by an average of 5% since 2018 which may result in fewer funds available for adult services. Insufficient planning also left the Division unable to ensure program and financial requirements were met. As a result, youth with disabilities in rural communities lacked equitable access to resources as students in three rural school districts did not receive any Pre-ETS services, and nine others had minimal access to services. Additionally, some school districts indicated communication and Division responsiveness has been lacking. Finally, the Division does not keep adequate records for youth services. Without adequate program planning, increased communication, and data tracking, the Division is not able to maximize funding available, and youth with disabilities are not receiving necessary services.

The Division does not have strong oversight and outreach controls over the administration of VR services. Counselors did not review an average of 41% of open cases in accordance with grant requirements in fiscal years 2020 and 2021. Additionally, Individualized Plans of Employment (IPE) costs exceeded plan amounts without adequate approval in 56% of cases reviewed. Weak controls also may allow for the misuse of services by elderly clients to obtain hearing aids without an intention to work. Finally, the Division should improve outreach to underserved populations.

Key Findings

The Division is out of compliance with grant spending requirements. To bring spending into compliance, the Division would need to spend an average of \$814,000 more per year on Pre-ETS services or decrease adult services by an average of \$5.4 million per year. (page 7)

The Division has not adequately developed a service plan for Pre-ETS program delivery. Additionally, a lack of adequate program planning has impacted the distribution and quality of services rendered among Nevada counties. (page 8)

Some rural communities have limited, if any, services for youth, while others have more established programs. Three rural counties with high schools did not receive any Pre-ETS services in either fiscal year 2020 or 2021. Although the remaining rural school districts had services, the primary service offered was a virtual job shadow. (page 9)

The Division can increase services through enhanced collaboration and communication. School district staff were not aware of the full range of services or funding, and many school district staff expressed challenges in working with the Division. (page 12)

The Division does not have policies and procedures over accurately tracking key data points for Pre-ETS program delivery. Invoices submitted by school districts totaled approximately \$104,000 in fiscal year 2021; however, records in the Division's data management system totaled less than \$37,000. (page 13)

Thirty-three of the 80 (41%) client cases tested did not contain documentation that the clients' employment plan was reviewed or updated annually. IPE costs also exceeded plan amounts without adequate approval. Nine of the 16 (56%) cases reviewed exceeded planned spending amounts, and cases reviewed did not obtain the required supervisory approval. These nine cases totaled \$104,000 in additional spending over the level of supervisory approved amount. (page 15)

Division practices allowed elderly clients and vendors to potentially misuse services. Weak controls allowed elderly clients the opportunity to obtain hearing aids without providing documentation of employment. Further, the Division does not monitor vendors to prevent them from over referring clients to the Rehabilitation Division solely to receive services not covered by other means. (page 17)

Additional efforts are required to improve the equitability of services. Fewer Asian and Hispanic or Latino individuals obtained services when compared to the Nevada population. Additionally, Asian and Black or African American clients received less services when comparing the average cost per client. (page 17)