



**Office of Inspector General
Creative Action, Inc.**

Report # A-2021DOE-021

June 2021

Executive Summary

In accordance with the Department of Education’s fiscal year (FY) 2020-21 audit plan, the Office of Inspector General (OIG) conducted an audit of the pre-employment transition services Contract #19-190 between the Division of Vocational Rehabilitation (DVR) and Creative Action, Inc. The purpose of this audit was to determine if Creative Action, Inc. has sufficient internal controls to provide effective delivery of pre-employment transition services and whether DVR is effectively monitoring the contract.

During this audit, we noted that Creative Action, Inc. generally provided services in accordance with Contract #19-190 and had sufficient internal controls in place, and DVR provided effective oversight of the contract. However, we noted instances where DVR could improve certain internal controls. For example, we cited instances where DVR did not approve invoices timely. We additionally noted that DVR could strengthen its monitoring process by reporting monitoring results to the Contractor. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of this audit included an examination of pre-employment transition services (Pre-ETS) provided by Creative Action, Inc. during the period of May 18, 2019, through December 31, 2020. We established the following objectives for our audit:

1. Determining whether Creative Action is providing Pre-Employment Transition Services in accordance with contract terms;
2. Determining whether DVR effectively manages and monitors the contract for compliance; and
3. Determining whether payments are made in accordance with contract terms.

To accomplish our objectives, we reviewed applicable laws, rules, and regulations; reviewed applicable policies and procedures; interviewed appropriate DVR and Creative Action, Inc. staff; reviewed Contract #19-190, amendments, and related documents; reviewed a sample of camp session approval and completion forms and related documents; and reviewed a sample of invoices and supporting documents.

Background

The Division of Vocational Rehabilitation (DVR) is a federal-state program committed to helping people who have physical or mental disabilities prepare for, gain, or retain and maintain meaningful employment. The Workforce Innovation and Opportunity Act (WIOA) was signed into law on July 22, 2014. WIOA requires DVR to make Pre-Employment Transition Services (Pre-ETS) available to all students with disabilities who need transition services.

DVR and Creative Action, Inc. entered into Contract #19-190 on May 18, 2019, to provide Pre-ETS to students who are eligible or potentially eligible to receive VR services for the period of May 18, 2019, through September 30, 2020. Per Contract #19-190, Creative Action, Inc. will provide VR career camps, which may include work readiness training, self-advocacy, work based learning, postsecondary educational counseling, and job exploration counseling as identified within the approved curriculum. Creative Action, Inc. shall deliver VR Career Camp services including, but not limited to, incentives, instructional hours, experiences, activities, schedules, and work products. DVR pays Creative Action, Inc. \$42.00 per hour for completed services upon receipt of a properly completed invoice, including all supporting documentation as defined in Contract #19-190. Per Contract #19-190, the total payment shall not exceed \$924,000.00 for one year, and the contractor will deliver a VR Career Camp to 325 eligible and potentially eligible students. The contract was amended on July 15, 2020, to increase the number of students served to 640 and increase the contract amount to \$1,982,400.00 for one year. On October 19, 2020, DVR renewed the contract through September 30, 2021, for the amount of \$1,982,400.00.

Audit Results

Finding 1: DVR did not inspect and approve invoices timely.

Per Attachment B III. of Contract #19-190, “The actual date of payment shall be governed by the receipt and approval of the Deliverable(s), not by the projected payment date which is included to assist in planning the Contract activities and managing the project.” Section III. C. of Attachment B further states, “The Contractor shall submit a properly completed invoice, including all supporting documentation, to the Department's Contract Manager no later than the 30th day of the month following the end of each billing camp.”

Per Attachment C IV. of Contract #19-190, “Section 215.422, F.S., provides that agencies have five (5) working days to inspect and approve goods and services, unless bid specifications or the Contract specifies otherwise.”

We selected 5 of the 24 VR Career Camps held between May 18, 2019, and December 31, 2020, to determine if Creative Action, Inc. submitted invoices in accordance with contractual terms and to determine if DVR timely inspected and approved the invoices. The selection consisted of two in-person camps and three virtual camps. We determined Creative Action, Inc. submitted all five of the selected invoice packages to DVR by the 30th day of the month following the end of each billing camp in accordance with the contractual terms. However, we determined DVR did not inspect or approve three of the five (60%) invoices within five working days of invoice

submission as required by Florida Statutes. The late invoice approval dates ranged from 18 to 27 business days after invoice submission. See Table 1.

SESSION ID	SESSION NAME	IN PERSON OR VIRTUAL	START DATE	END DATE	INVOICE SUBMISSION DATE	INVOICE APPROVAL DATE	BUSINESS DAYS FROM INVOICE SUBMISSION TO APPROVAL
19190003	Summer 2019	In Person	7/1/2019	7/26/2019	8/1/2019	8/7/2019	4
19190017	Winter 2019	In Person	12/21/2019	12/27/2019	1/7/2020	1/13/2020	4
19190023	Summer 2020	Virtual	8/1/2020	8/23/2020	9/18/2020	10/23/2020	25
19190026	Summer 2020	Virtual	8/14/2020	8/29/2020	9/29/2020	10/23/2020	18
19190100	Winter 2020	Virtual	12/19/2020	12/30/2020	1/19/2021	2/25/2021	27

Table 1

We noted that the contract manager changed during the period of the contract. The current contract manager stated that, beginning with sampled camp session 19190100, DVR began separating duties between oversight of the career camp program and the collection of the invoices and supporting documentation. This separation of duties is the result of high workload volumes. Untimely review and approval of invoices can cause delayed payments to Creative Action, Inc. and could lead to delays in services to DVR customers.

Recommendation

We recommend DVR streamline its invoice gathering, inspection, and approval procedures to ensure timely approval of invoices.

DVR Management Response

Concur. Moving forward, Career Camp services will be delivered to our customers via our fee-for-service model. Through this model, services are paid as they are delivered through our Provider Electronic Referral Management (PERM) system.

Finding 2: DVR should enhance its monitoring process.

Per the DVR Contract Monitoring Plan Template, “A complete risk assessment is performed on all VR contracts prior to contract execution. Risk will be reassessed at the end of each contract year. The assigned risk score drives the type and frequency of monitoring conducted.”

DVR completed risk assessments for the period of May 18, 2019, through September 30, 2020, and October 1, 2020, through September 30, 2021. DVR assigned Creative Action, Inc. a risk score of 27, which equates to a medium risk score. The risk assessment scores are based on the following criteria: contracted dollars, department priority, the nature of services, provider history, and prior monitoring and/or audits. Per the Contract Monitoring Plans, “Monitoring activities for this contract include, but are not limited to:

- A. Desk Top Monitoring: The provision of services will be monitored through a review of the Reports and invoices.
- B. On-Site Monitoring: The Contract Manager may conduct a monitoring visit during the Contract period to verify contract compliance. An on-site monitoring visit will be conducted if one or more of the following occur:
 - a. Contractor has high number of errors when submitting invoices to the appropriate DVR Contract Manager; or
 - b. Documented complaints about Contractor from DVR Field Services staff and/or customers or
 - c. Request for on-site visit from VR Program Administrator for this contract or DVR Field Services Staff; or
 - d. Other issues that negatively affect service delivery.”

DVR conducted routine monitoring of the contract consisting of reviews of the submitted VR Career Camp invoices and supporting documentation. DVR also conducted two on-site monitoring events from the period of May 18, 2019, through December 31, 2020. The DVR liaison staff conducted the on-site monitoring in person on July 8, 2019, and virtually via Zoom on August 5, 2020. The contract manager confirmed the DVR liaison staff submitted an on-site monitoring report for each on-site visit to the contract manager; however, neither the contract manager nor the DVR liaison staff submitted a report to Creative Action, Inc. with comments or recommendations after the on-site visits. We noted both on-site monitoring reports reflected concerns from the DVR liaison.

The DVR 2018 Provider Monitoring Guidebook identifies the objectives of monitoring, the monitoring methodology, as well as the procedures for desktop monitoring. The guidebook further requires the monitor to complete a guide report, summary of findings, and final recommendations to be submitted to the provider. While the guidebook focuses on providers, DVR could use many of the same procedures when monitoring contracts.

While we determined DVR completed monitoring in accordance with the risk assessment and monitoring plan, DVR could enhance the monitoring process by submitting the comments and recommendations to the contractor upon conclusion of the monitoring. Not communicating the monitoring results or providing improvement recommendations limits Creative Action, Inc.’s ability to improve its VR Career Camp processes.

Recommendation

We recommend DVR provide the monitoring results and recommendations for improvement to Creative Action, Inc. and ensure corrective action is implemented for noted deficiencies. We further recommend DVR utilize the DVR 2018 Provider Monitoring Guidebook or develop new procedures specific to monitoring practices for contracts.

DVR Management Response

Concur. We have added Career Camp to our DVR Provider Monitoring Guidebook as part of integrating the services into our fee-for-service model. The Guidebook has also been updated to

include additional procedures for informing providers of monitoring results and tracking corrective action.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Division of Vocational Rehabilitation and staff, as well as Creative Action, Inc., 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 Bradley Rich, MS and supervised by Tiffany Hurst, CIA, FCCM, Deputy Inspector General.

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