



DEPARTMENT of  
REHABILITATION

Employment, Independence & Equality

**Audit Report of the  
Napa Personnel Systems**

**Fieldwork Date:** December 8-10, 2014

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## **Introduction**

The Department of Rehabilitation (DOR) Audit Services has completed an audit of Fee-for-Service Employment Services (ES) provided by our Community Rehabilitation Program (CRP), Napa Personnel Systems (Napa).

Napa provides assistance to individuals with disabilities find, learn and maintain jobs. Provides employment related support to over 180 individuals annually throughout the Napa Valley.

## **Audit Scope/Procedures**

The audit scope was to obtain reasonable assurance that the employment services authorized, provided, and invoiced are supported by appropriate records and are in compliance with the applicable state and federal regulations, as well as the Community Rehabilitation Program Guide to Certification and Vendorization (CRD Guide).

The audit focused on ES paid by DOR during the audit period of fiscal year 2013-2014 and included a review of invoices, supporting documentation, and information shared during discussions with Napa and DOR staff. We also considered the extent to which Napa is achieving DOR's expectations in providing ES to DOR consumers. On-site fieldwork was conducted at Napa's facility office during the week of December 8, 2014, with the exit teleconference held on April 23, 2015.

This audit was conducted in accordance with Government Auditing Standards as defined by the Government Accountability Office except Standard 3.52 requiring an external peer review. The audit is subject to the inherent risk that material errors and irregularities, fraud, or non-compliance will not be identified.

## **Summary of Findings/Recommendations**

We recognize Napa's commitment to provide exemplary service to DOR consumers. It was evident from our review that Napa has a genuine interest in working with DOR to achieve successful employment outcomes for DOR consumers and is amenable to making changes to its systems and operations to ensure quality services. We commend Napa who serves all consumers except when consumers are in the critical criteria areas.

Although Napa is providing fee-for-service employment services to DOR consumers which result in some successful employment outcomes, we did find areas where significant improvements can be made with regard to the delivery, documentation, and reporting of ES to DOR as documented in Attachment A.

### **Required Action and Follow Up**

Napa shall ensure appropriate actions are taken to recognize and incorporate the recommendations identified in this report. Napa shall consult with their DOR CRD Resource Specialist, as necessary, to assure planned actions are sufficient.

The contents of this report have been discussed with Beth Kahiga, Napa Executive Director; Katy Vanzant, Assistant Director; and Jeannie Smith, Program Manager. We truly appreciate their assistance with our audit.

- 1. While the Napa Employment Specialists conduct an initial intake interview, we found the documentation of services delivered during intake to be insufficient at times.**

For all four DOR consumers tested, Napa's consumer case notes completed by the Employment Specialists did not contain support that the DOR Individualized Plan for Employment (IPE) was reviewed to determine the appropriateness or provided an affirmation of the vocational goal despite having conducted an intake assessment.

While the IPE is reviewed during the intake assessment, Napa's consumer case notes are not fully documented to this. Napa recognizes the importance of documentation but admits that not all Employment Specialists' case records are adequately documented.

Failing to adequately assess the DOR consumer's readiness for employment and feasibility of the employment goal can effect the DOR consumer's achievement towards a successful employment outcome. In addition, lack of documentation of this process may call into question the adequacy of the assessment/results and full validation of such services and DOR has no assurance that Napa has provided the Intake services outlined in the CRD Guide and DOR may be paying for services not rendered.

### **Recommendation**

Napa shall document all Intake activities performed to include an assessment of the DOR consumer's appropriateness of referral and appropriateness of their job choice as outlined in the CRD Guide. The required documentation should be maintained in the DOR consumer's case file.

- 2. Napa is not fully documenting the Individualized Service Plan (ISP) to guide the delivery of services in accordance with the CRD guide.**

Although we found Napa prepares an Individual Service Plan (ISP) as required by the CRD Guide, in one of the samples tested, auditors found the following:

The services to be provided to address an employment barrier were inaccurate. The ISP described one of the DOR consumer's barriers as "Physical: Back Problems" and the description of the services to address the barrier by the DOR consumer and Employment Specialist is "employment services".

Napa explained that the description of the services to address the barrier was an error. Instead, Job Development/Placement should have been the description to

address the barrier which would allow the Employment Specialist to find and place the DOR consumer in an appropriate job.

Failing to include accurate information to address the DOR consumer's barriers to employment places the DOR consumer at risk of not securing meaningful employment and/or reaching a successful employment outcome.

### **Recommendation**

Napa shall properly complete an ISP to ensure strategies to address the DOR consumer's barriers identified in the ISP and to assist the DOR consumer in achieving and sustaining their employment goal is accurate as required by the CRD Guide.

### **3. The documentation maintained by Napa to support Job Development/ Placement services was insufficient in detail to fully validate services.**

Specifically, auditors found:

- a. In all samples tested, there was no contact with employers during the job search process to identify job openings & obtain information detailing qualifications and work site requirements for specific job opportunities to ensure applicant readiness and success on the job.
- b. In all samples tested, there was no documentation to support that job site consultation was provided or to identify or modify barriers.
- c. In three samples tested, the files lacked documentation that confirmed DOR consumers were assisted in the interviewing process.
- d. In two samples tested, Napa's consumer case notes lacked details identifying job openings specific to the DOR consumer as indicated in their DOR IPE and ISP.
- e. In one instance, the DOR consumer found an internship position from a job lead provided by a non-profit organization. Napa's consumer case notes from July – November 2013 indicate Intake, Employment Preparation, and Retention activities. However, Napa's consumer case notes do not indicate any Job Development & Placement activities to support the billing to DOR. Napa explained they contributed towards the DOR consumer's employment outcome despite the lack of sufficient documentation in the consumer case notes to support Job Development/Placement activities.
- f. In another instance, the DOR consumer found his own volunteer job with limited hours on July 31, 2013. The majority of Napa's consumer case notes from June – November 2013 are related to Situational Assessment,

Work Adjustment, and Personal Vocational Social Adjustment Services rather than activities related to Job Development/Placement and Retention services, which were insufficient to validate services.

Napa explained that services were provided to the DOR consumer, but poorly documented in the consumer case notes due to staff abilities.

Lack of case documentation may call into question the adequacy of the Job Development & Placement services and full validation of such services. Additionally, DOR has no assurance that Napa has provided the Job Development & Placement services outlined in the CRD Guide and DOR may be paying for services not rendered.

### **Recommendation**

Upon determination of a DOR consumer's preparedness to engage in job search activities, Napa and the DOR consumer shall collaborate in completing activities outlined in the CRD Guide.

Napa shall ensure all elements of the job development services provided are documented in the consumer case notes to indicate the Employment Specialists' involvement in providing job development/search activity to the DOR consumers; reflect details on qualifications/work site requirements for a particular job opening to ensure appropriateness for the DOR consumers and success on the job; provide job site consultation to identify and modify barriers; and assist DOR consumers in the interviewing process.

#### **4. The documentation maintained by Napa to support Retention services was insufficient in detail to fully validate services.**

During our review of Retention services provided by Napa, retention activities were not validated as follows:

- a. In one sample tested, Napa's consumer case notes lack documentation that contact was made with the DOR consumer two or more times a month during the 90 day Retention period.

According to Napa's consumer case notes for April 2013, there are two contacts indicating "phone call" and "left a message" with no additional contacts to the DOR consumer. Additionally, during the 90 day retention period, the Employment Specialist's contact with another DOR consumer was minimal for the month of August 2013 which fell during the 90 day retention period (August – November 2013).

- b. In all four samples tested, Napa's consumer case notes lacked documentation to support with the consent of the DOR consumer, phone, or

personal contact with the employer to determine ongoing satisfaction with the terms of the employment.

- c. In all four samples tested, Napa's consumer case notes lacked documentation to support communication was made with the DOR counselor at least monthly to discuss progress and coordinate for any services that may be required.

Napa explained that they communicate with the DOR counselor verbally, by email, and through the monthly progress report.

- d. In one sample tested, Napa did not provide assistance with necessary minimal supports to sustain employment after a three-month internship that transitioned to a permanent paid position in November 2013

The DOR counselor explained he followed up with the DOR consumer at work for six months and called his employer periodically because the Employment Specialist wasn't providing the retention services. Additionally, the DOR consumer needed some supports to be successful on his job such as transportation and clothing needs.

Napa explained that the retention services were provided, but it was poorly documented by staff due to varying skill & ability levels.

Failing to complete the necessary components of retention services such as regular communication between the DOR consumer and the employer, Napa cannot identify and report on specific support and resources needed to retain employment or determine satisfaction with employment terms for both the DOR consumer and the employer. Also, when communication is periodically initiated and not documented sufficiently, it impacts the level of reporting to the DOR counselors and billing of retention services.

Further, lack of case documentation may call into question the adequacy of the retention services and full validation of such services leaves DOR without the assurance that Napa has provided the retention services outlined in the CRD Guide.

### **Recommendation**

Napa shall take steps to ensure compliance with the CRD Guide to include necessary DOR consumer, employer, & DOR contacts to determine ongoing job satisfaction and whether any additional supports are needed.

**5. Napa provided employment services to DOR consumers without a valid DOR Authorization for Vocational Service (DR 297B).**

Specifically, auditors found:

- a. In one sample tested, Napa did not have valid authorizations as follows:
  - An authorization for intake services was issued on 9/16/13 for services to be performed between 8/07/13-8/30/13. Intake services were performed in June 2013, prior to the authorized date of service and prior to issuance of the authorization. Napa advises that another Intake was completed in August 2013, but was not documented.
  - An authorization for employment preparation services was issued on 9/16/13 for services to be performed between 8/07/13-8/30/13. Employment preparation services of 1.25 hours were performed in June 2013, prior to the authorized date of service and prior to issuance of the authorization.
  - An authorization for Job Development & Placement Services was issued on 9/5/13 for dates of services to be performed between 9/5/13 through 11/30/13. Prior to the issue date of the authorization, the DOR consumer found his own volunteer position with a start date of July 31, 2013. Job development and placement services occurred prior to the authorized dates of service and issuance of the authorization.
  - An authorization for retention services was issued on 9/05/13 for services to be performed between: 9/5/13-11/30/13. However, retention services occurred prior to the authorized dates of service and issuance of the authorization.
  
- b. In one sample tested, Napa did not have valid authorizations as follows:
  - An authorization for retention services issued on 11/12/13 for services to be performed between 11/13/13-12/30/13. However, based on the date of job placement, the DOR consumer's ninety day retention period ended on 11/1/13 which was prior to the authorized date of service and prior to issuance of the authorization.

Failing to obtain a valid authorization for service prior to beginning a service and failing to deliver services within the authorized time period places Napa at risk of not being paid for services rendered.

**Recommendation**

Napa shall obtain a valid authorization from a DOR SVRC for services prior to beginning a service and ensure services are provided within the authorized dates of service.

**6. Napa did not include reporting requirements in the monthly progress reports as required by the CRD Guide and did not include sufficient information to validate the employment service provided in the monthly progress reports to the DOR counselor.**

We reviewed monthly progress reports (reports) submitted to DOR counselors and, for all samples tested, the reports did not include information required by the CRD Guide as follows:

Intake

The reports submitted at the conclusion of intake services were insufficient for three samples tested. The reports did not reflect whether the DOR consumers had potential for community employment consistent with their IPE, and did not contain recommendations for additional services.

Employment Preparation Services

The reports submitted for two samples tested did not document DOR consumers progress or the employment preparation activities adequately.

Job Development and Placement Services

The reports submitted for three samples tested at the conclusion of Job Development and Placement services did not include DOR consumers and Napa activities and details per the ISP.

Retention

The reports submitted for three samples tested did not address their ability to meet the employer's standards and performance expectations or any support and resource services necessary to help the DOR consumers retain employment. Additionally, one of the three samples tested ended an internship which also initiated the start of retention activities, as shown on the report and Napa Personnel Systems (NPS) Closure report (Napa internal report), but there was no documentation of any retention activities being completed.

Additionally, we found for all samples tested that the Summary of Services section of the reports lacked the sufficient information to reflect the volume of ES provided to the DOR consumers. For example, for one sample tested, the report indicated "Consumer did his Intake on 6/13/13" and did not include the specific services provided during Intake. Additionally, for the same DOR consumer, the reports included personal information and activities related to his Situational Assessment rather than the volume of ES provided by the Employment Specialist. For another sample tested, all reports started with a description of the DOR consumer's disability and misdemeanor conviction.

Napa explained during interviews that the consumer case notes are used to prepare the reports, but acknowledged that documenting the services in the consumer case notes is not strength for some of the Employment Specialists. Napa also explained that there is communication among the Employment Specialists, DOR counselors, and DOR consumers that isn't always properly documented and sometimes doesn't get carried over to the reports.

When there is a lack of sufficient information on the reports, the DOR counselor will be unable to make recommendations for future services as appropriate with the DOR consumer and unable to monitor the DOR consumer's progress.

**Recommendation**

Napa needs to ensure that ES activities provided by the Employment Specialists are included in the Summary of Services section in the reports. Additionally, Napa shall follow the reporting requirements for the monthly progress reports as outlined in the CRD Guide to ensure that the DOR counselor will be able to make recommendations for future services, as appropriate, with the DOR consumer and is aware of the ES activities and progress of the DOR consumer towards successful employment.

## **Individual Service Plan**

The Community Rehabilitation Program Guide to Certification and Vendorization (CRD Guide) requires that upon authorization of Intake services, the CRP will meet with the DOR consumer and develop an ISP to affirm the employment goal, identify services to be provided consistent with the IPE, and include the following:

- Employment goals and objectives
- Employment components to be addressed
- Proposed activities
- Proposed outcomes (measurable)
- Schedule/timeline for completion
- Persons responsible

The CRP will conduct an initial and ongoing review of the appropriateness of the relevant service activity and revise the ISP based on the changing needs of the consumer.

## **Service Delivery**

The CRD Guide requires:

- The CRP to have procedures in place that guide the service delivery process and that records of consumers will reflect that services were provided and documented so that the services will coincide with the billing.
- The CRP to meet with the DOR consumer and complete the following Intake activities:
  - Assessment/review of appropriateness of referral and job choice
  - Review of the IPE
  - Review of job choice in relation to the availability of employers and job postings in the local labor market
  - Determination if consumer will benefit from services
- Upon determination of a DOR consumer's preparedness to engage in job search activities, the CRP and the DOR consumer will collaborate in the following activities as guided by the Individual Service Plan (ISP):
  - Identification of specific job openings appropriate for the DOR consumer as indicated in his/her IPE and ISP
  - Contact of employers to identify job openings
  - Obtaining information detailing qualifications and work site requirements for specific job opportunities to ensure applicant readiness and success on the job
  - Job Site consultation to identify or modify barriers

- Negotiating job carving, work site analysis, or other job accommodations
  - Assisting job applicant in the interviewing process
  - Assisting the job applicant in coordinating transportation needs
  - Provision of job club or tools to assist in job search
- Upon a DOR consumer's acceptance of employment of a job that is consistent with their IPE goal and meets their needs for hours, wages, and benefits, the CRP will provide at least 90 days of the following retention activities:
    - Phone or personal contact, on or off the job, with the DOR consumer to determine ongoing satisfaction with the terms of employment
    - Phone or personal contact with the employer to determine ongoing satisfaction with the terms of employment
    - No less than two (2) contacts a month
    - Communication with DOR counselor at least monthly to discuss progress and coordinate for any additional services that may be required
    - Assistance with necessary minimal supports to sustain employment

## **Authorizations**

Title 9 California Code of Regulation Sec 7311a states:

- a. A written authorization shall be made prior to the purchase of goods and services as documented in the client's case record.
- c. The department is not required to provide payment for goods and services that are not authorized by a Departmental employee.

The CRD Guide requires the vendor must have a written authorization for service from a DOR SVRC prior to the initiation of service.

## **Documentation and Validation of Services**

The CRD Guide Reporting Requirements state:

- At completion of the Intake activities, the CRP will provide a written summary to the referring SVRC of the DOR consumer's potential for community employment consistent with the IPE and recommendations for additional service needs. For consumers who will continue with Employment Services, an ISP is developed which affirms vocational goals and objectives with details of services to be provided.
- At completion of Employment Preparation activities, or monthly until completion, a written report will be provided to the SVRC summarizing activities and competencies/skills acquired as per the ISP, with recommendations for additional services.

- At completion of Job Development and Placement Activities, or monthly until completion, a written report will be provided to the SVRC summarizing activities provided as per the ISP. Reports will include employer contacts made on behalf of the consumer as well as consumer contact, and identifies supports and/or resources necessary to ensure employment. Upon placement, employment information identifying employer, hours, wages, and benefits and other conditions of employment will be provided.
- At completion of Employment Retention activities, and/or after 90 days of employment, a final report will be provided to the SVRC. The report addresses the consumer's ability to meet the employer's standards and performance expectations. The report will identify any specific support and resource needs necessary to retain employment.