

Department of Rehabilitation

Final Audit Report of PRIDE Industries

Fieldwork Date: February 12-15, 2013

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**DOR Audit Services Team:
Kerry Gantt, Chief, Audit Services
Desiree Sample, Lead Auditor**

Introduction

The Department of Rehabilitation (DOR) Audit Services has completed an audit of the Supported Employment Program (SEP) with PRIDE Industries.

PRIDE Industries (PRIDE), one of the nation's largest nonprofit employers of people with disabilities, provides a selection of outsourcing solutions to meet the manufacturing and service needs of Fortune 500 companies and government agencies nationwide. PRIDE is a nonprofit social enterprise operating in 13 states and the nation's capital employing and serving more than 4,900 people, including more than 2,800 people with disabilities.

PRIDE's mission is to deliver exceptional outsourcing solutions while creating jobs for people with disabilities. PRIDE Industries provides vocational training, counseling and support to individuals with disabilities and other employment barriers. PRIDE helps people develop the technical and work skills they need to obtain and sustain employment, become contributing members of their communities, and live independently.

PRIDE's Individual Employment services include but are not limited to: Applicant screening, Onsite Job Coaching and Assessment, Tax Credit Availability, Employer/Employee Consultation, Job Opportunity Analysis, Follow-up Services, ADA Employment Support and dedicated support staff.

PRIDE's Group Placement involves person-centered planning that supports individuals with disabilities in groups of four to eight who are seeking employment in the community.

Audit Scope/Procedures

Our on site audit fieldwork was conducted the week of February 12, 2013 and our 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. Our audit is subject to the inherent risk that material errors and irregularities, fraud, or non-compliance will not be identified.

The scope of our audit included a review of invoices submitted to DOR for supported employment services to individuals and groups during 2012 and a limited review of the accounting systems and internal controls applicable to these invoices. The audit was conducted to obtain reasonable assurance that PRIDE is compliant with applicable federal and state regulatory and legal requirements as well as the CRP Guide to Certification and Vendorization. We also assessed whether the invoices submitted were adequately supported by appropriate records.

Summary of Findings/Recommendations

We appreciate PRIDE's commitment to provide exemplary service and be fully compliant. Overall, PRIDE's method for allocating, tracking, and documenting SEP services and expenses are effective and staff appear knowledgeable on the SEP program. However, we noted a few areas for improvement:

1. Group Job Coaching hours were not always reported accurately on the SE Monthly Job Coach Report (DR384). For our sample month of May 2012, we noted:
 - a. Page two of the DR384 contained an allocation of the hours the job coach worked rather than the actual hours the job coach worked as reported on the DS1964 and supported by the job coach timesheet. For example:
 - Coaching hours for job coach J. Johnson were reported on the DS1964 as 7 hours per work day; however, page two of the DR384 for Consumer A showed 2.71 hours per work day.
 - Coaching hours for job coach H. Romero were reported on the DS1964 as 7 hours per work day; however, page two of the DR384 for Consumer B showed 2.85 hours per work day.
 - b. As a result of reporting the job coach hours inaccurately on page two of DR384, the "Total hours billed" field on page one of the DR384 contained an allocated amount of job coach hours rather than total job coach hours worked as reported on the DS1964.

For example, the "total hours billed" field on page one of the DR384 for Consumer A showed 59.72; however, it should have showed 154 total hours worked as reported on the DS1964.

CRITERIA

DOR requires that the DR384 be submitted with the SE provider's invoice and it shall be considered complete if appropriate information has been provided in all of the required data fields.

The CRP Guide to Certification and Vendorization indicates for ongoing Job Coaching services, written progress reports are required monthly that identify the hours and dates of service provided.

RECOMMENDATION:

PRIDE shall accurately prepare the DR384 including reporting the actual daily onsite job coach hours on page two and reporting the "Total hours billed" correctly on page one as supported by the DS1964.

2. PRIDE does not maintain consistent nor detailed case notes for group job coach consumers. The case notes were either not prepared or were documented intermittently on the quarterly objective tracking record. Further, the notes lacked sufficient detail to support the consumer's progress on the job. For example:
- There were no quarterly objectives tracking records for one consumer covering the sample test month of May 2012.
 - The quarterly objective tracking record for one consumer covering the period April through June 2012 repeats the same case note entry "meeting all goals this week".
 - The quarterly objective tracking record for another consumer covering the period May through July 2012 contained only three entries: the first stating the client "met every objective for the month...", the second stating the client "has done great no problems on my side..."; and final one stating "no news is good news".

CRITERIA

The CRP Guide to Certification and Vendorization outlines general service standards to be followed by the CRP which require a confidential consumer record be maintained that communicates information that is complete, clear, and current. Additionally, the CRP shall have written guidelines for the reporting of a consumers' progress, which will identify the activities provided towards the achievement of the individual's plan objectives.

RECOMMENDATION:

PRIDE shall comply with the requirements of the supported employment program including those identified in the CRP Guide to Certification and Vendorization by ensuring quality, accurate, and complete case notes that support the client's progress while receiving group job coach services.

3. When billing for SEP services, PRIDE modified the Supported Employment Invoice Summary form (DR385A) rather than using the most recent version approved by DOR and made available through the DOR website.

Of the six invoices reviewed, the following modifications and inaccuracies were noted:

- the DOR form number and revision date were removed from the upper left portion of four invoices
- two invoices showed an outdated revision date of October 2008 rather than the current revision date of July 2011
- several invoices contained intake, placement, and retention rates applicable to non se services (i.e. intake rate \$300 rather than \$360, placement rate \$700 rather than \$720, and retention rate \$500 rather than \$720)
- several invoices were missing headers in the upper portion the forms
- one invoice contained a reference to "Employment Prep (IP only)" as a billable service category rather than "Placement (IP Only)"

CRITERIA

DOR requires that the DR385A - Invoice Summary and DR385B - Invoice Detail are to be completed by the service provider to invoice supported employment services including intake, placement, job coaching, and retention. The DR385A and DR385B are sent to the DOR district accounting staff with applicable proof of service attached (i.e. DR382 with details on intake, DR383 for placement, or DR384 for retention and individual job coaching).

RECOMMENDATION:

When invoicing DOR for SEP services authorized and provided, PRIDE shall utilize the most recent version of the DR385A and DR385B approved by DOR and made available through the DOR website.

4. Two DOR SEP forms (DR382 Supported Employment Placement Services Progress Report and DR383 Supported Employment Job Placement Information and Referral Authorization) were not consistently prepared for SEP consumers. Specifically:

- The DR382 was not provided for 3 of the 5 sample IP consumers
- The DR383 was not provided for 4 of the 5 sample Group consumers

CRITERIA

DOR requires the use and submission of the DR382 and DR383 when the SEP service provider is communicating consumer job placement activities as follows:

DR382 - Supported Employment - Placement Services Progress Report

The DR382 documents the efforts of both the service provider and the eligible individual to locate a suitable job placement and requests additional authorization for services. The first DR382 shall document the service provider's intake including the eligible individual's preferences of location and the employers that will be contacted in the job search. The completed DR382 shall be submitted to DOR with the SE provider's invoice.

DR383 - Supported Employment - Job Placement Information

The service provider completes the Job Placement Information form at the time of placement and sends it to the DOR counselor. The service provider includes details of the job placement such as schedule, duties and functional requirements of the job. The DOR counselor will insure the eligible individual concurrence with the job placement through discussion and documentation in the case record prior to initiating job coaching services. The completed DR383 shall be submitted to DOR with the SE provider's invoice.

RECOMMENDATION:

PRIDE shall ensure submission of the DR382 and DR383 forms as required by the DOR. PRIDE shall retain copies of the applicable forms with their consumer case files.