

Audits, Monitoring Visits and Desk Reviews of Vocational Rehabilitation (VR) and Independent Living (IL) Contractors and Providers



Opportunities for Ohioans
with Disabilities

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POLICY & PROCEDURE PURPOSE

- ◉ To provide guidelines for implementing an effective and consistent process for auditing, monitoring, and reviewing programmatic and fiscal aspects of Vocational Rehabilitation (VR) and Independent Living (IL) contractors and providers
- ◉ To ensure high quality service provision, responsible fiscal management and validation that contractor and provider systems and processes are utilized to support contract and service deliverables
- ◉ Applies to all OOD employees involved with contractors and providers

OVERVIEW

- Evaluation and assessment of contractors and providers shall be performed to validate and verify:
 - if services are being delivered in accordance with relevant rules, regulations, contract terms, and the VR provider fee schedule(s) and associated addenda; and
 - if internal controls are in place to ensure that funds are being used appropriately in accordance with the contract.

- These evaluations and assessments may take the form of an Audit, an on-site Monitoring Visit, or a Desk Review.



DEFINITIONS

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- ◉ Audit – an in-depth fiscal and/or programmatic evaluation and assessment of a contractor.
- ◉ Desk Review – a programmatic and/or fiscal evaluation and assessment of a contractor or provider
- ◉ Invoice Review – a fiscal review process utilized to evaluate adherence to technical requirements for invoicing non-case service contract costs to OOD
- ◉ Lead Evaluator – an OOD employee from the program or the fiscal Monitoring and Compliance Unit (MCU) assigned to conduct an Audit, Monitoring Visit or Desk Review
- ◉ Monitoring Visit – an on-site programmatic and/or fiscal evaluation and assessment of a contractor or provider that involves hands on technical assistance to address areas related to the contract or services being provided but is not as in-depth as an Audit.

DEFINITIONS (continued)

- ◉ Quality Assurance Monitoring Application (QAMA) - the electronic system that stores program and fiscal evaluation and assessment activities, such as Audits, Monitoring Visits and Desk Reviews
- ◉ Quality Assurance System Application (VRQA) – the electronic system that stores and manages information related to case reviews and eligible individual surveys, and program monitoring.
- ◉ Special Review – a review process intended to address situations in which OOD has specific concerns regarding the quality of services delivered, or specific concerns regarding the accuracy of billed costs related to services delivered.
- ◉ Subject Matter Expert (SME) – the OOD employee assigned to a contractor or provider (e.g. Rehabilitation Program Specialist [RPS]; Vocational Rehabilitation Supervisor).



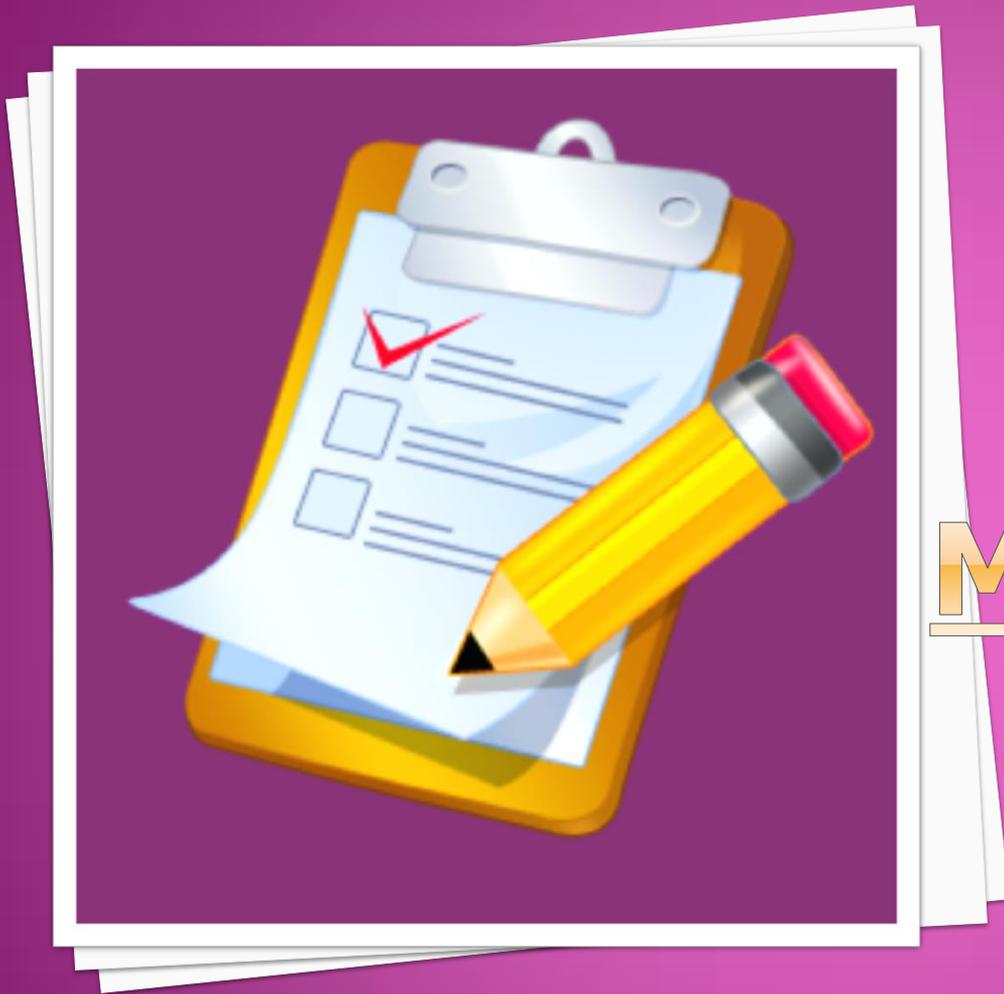
DETERMINING RISK LEVELS

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- Protocols for identifying risk levels are determined by the MCU Managers in conjunction with the appropriate OOD Program Manager (or designee) at the beginning of each Federal Fiscal Year (FFY).
- Categorized as high, medium and low risk which determines the type of evaluation to occur, the frequency of, and the urgency of the review
- High risk contracts are given priority when scheduling Audits, Monitoring Visits, and Desk Reviews. In addition, high risk contracts may be subject to further evaluations based on prior corrective action plan(s).
- Typically, a contractor will be evaluated at least every three (3) years. However, evaluations may occur more frequently based on higher levels of risk.

DETERMINING RISK LEVELS

- ⦿ Risk levels for VR contracts determined by, but not limited to:
 - length of time since inception
 - amount of budget
 - history of acceptable budgetary practices
 - submission of quarterly reports accurately reflecting the program and demonstrating alignment with the contract deliverables
 - fulfillment of agreed upon performance thresholds
 - current case review results and
 - status of corrective action plan(s), if applicable
 - satisfaction ratings



AUDITING AND MONITORING TOOLS

CONTRACTOR AND PROVIDER AUDITING AND MONITORING MATERIALS

- Tools used for Auditing, Monitoring Visits and Desk Reviews can be found at the following link on the OOD website under “Provider Information”:

<http://www.ood.ohio.gov/Provider-Information/Monitoring-and-Auditing>



AUDITS

AUDITS

- Ohio Administrative Code 3304-1-10 “Audits” provides the legal authority for conducting an Audit and for the audited party to seek clarification and/or file an appeal to the Audit.
- The MCU Fiscal Manager is responsible for coordination of the Audit schedule in conjunction with the MCU Program Manager in order to minimize the number of times in a year the Contractor is assessed and evaluated.
- Unmitigated risks identified during the process of a Monitoring Visit or Desk Review may result in suspension of activity under a contract and prompt an Audit.

FISCAL AUDITS

Fiscal Audits of contractors shall be performed to determine:

- if internal controls are in place to ensure that funds are being used appropriately in accordance with the OOD contract;
- if expenditures were allowable, allocable and reasonable per the OOD contract;
- if expenditures were in compliance with approved budget; and
- if expenditures were in compliance with federal cost principles.

FISCAL AUDIT PREPARATION

The Lead Evaluator shall:

- ◉ Prepare the Intent to Audit Letter and the Advance Documentation Request (ADR) to notify the contractor and obtain necessary fiscal records.
- ◉ The Contractor PA and/or Contractor CFO shall have 14 calendar days to respond to the request for documentation.
- ◉ Once the requested documentation is received from the contractor, the Lead Evaluator shall proceed as follows:
 - review contractor policies and procedures;
 - begin testing; and
 - prepare the preliminary Audit Report
- ◉ If necessary, additional supporting documentation may be requested.

PROGRAM AUDITS

Program Audits of contractors shall be performed to:

- ⦿ determine if services are being delivered in accordance with relevant rules, regulations, contract terms, and the VR provider fee schedule(s) and associated addenda
- ⦿ Program audits shall utilize the Program Audit Form which shall be program- or contract-specific and shall be completed electronically and saved into QAMA.
- ⦿ The Program Audit Guide offers specific program or contract requirements and shall be used as a reference tool when completing the Program Audit Form.

PROGRAM AUDIT

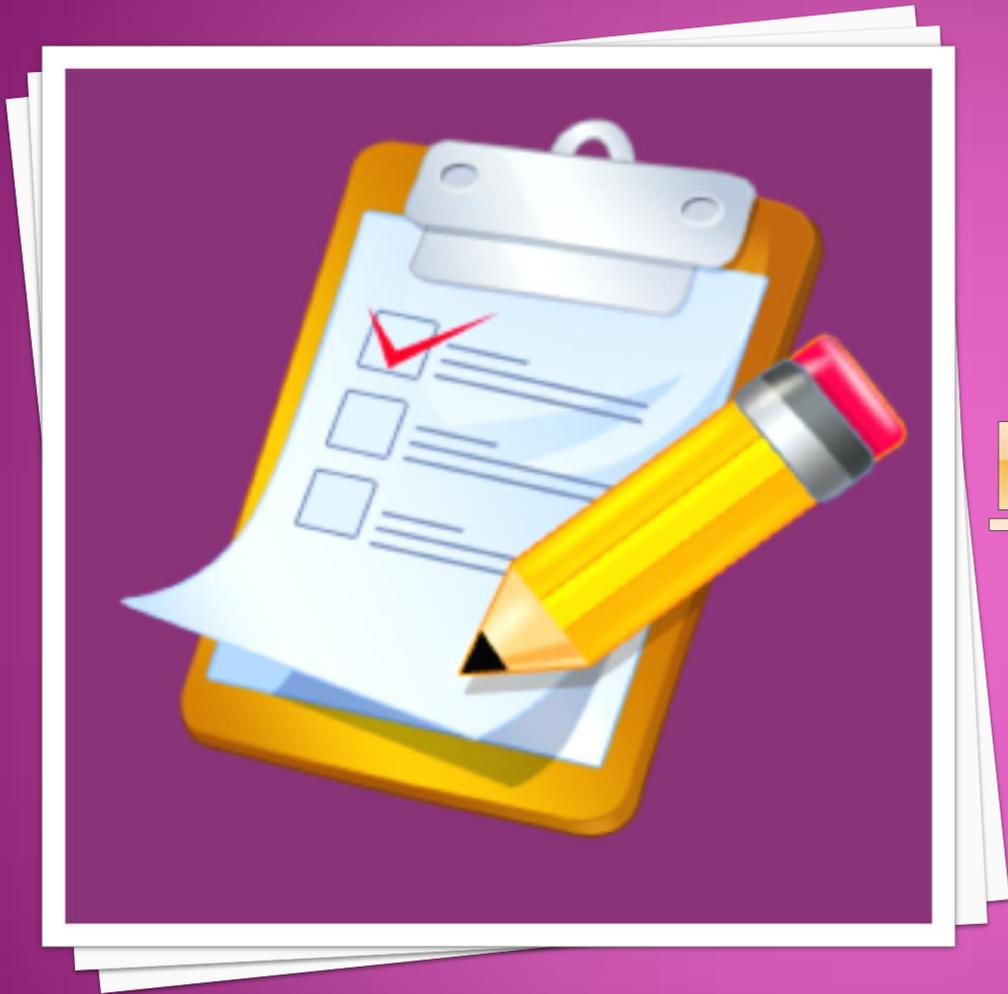
- The notification of the Audit and all requests for documentation shall be sent via email, and will include:
 - notification that the Contractor PA has 14 calendar days to return the requested documentation; and
 - a request for any other information the Contractor deems pertinent to the evaluation and assessment.
- A preliminary Program Audit Report is processed electronically in QAMA.
- The MCU Program Manager shall issue the online report via QAMA to the Contractor PA.

PRELIMINARY AUDIT REPORTS

- A preliminary Fiscal Audit Report is printed and routed in order to obtain required signatures.
- A signed hard copy of the preliminary Fiscal Audit Report shall be sent via US Mail or a PDF version of the signed hard copy shall be emailed to the Contractor PA.
- Included shall be a Receipt of Audit Form that the Contractor PA shall be asked to sign and return.

FINAL AUDIT REPORT PROCESSING

- A final Audit Report shall be issued to document the outcome of all audits.
- If there is no objection to the preliminary Audit Report, the content shall remain unchanged and the preliminary Audit Report shall be reissued as a final Audit Report.
- A signed hard copy of the final Fiscal Audit Report shall be sent via US Mail or a PDF version of the signed hard copy shall be emailed to the Contractor PA. The items listed below shall be included.



MONITORING VISITS

MONITORING VISITS

- The main focus of a Monitoring Visit is programmatic but if determined necessary, fiscal aspects may be incorporated.
- MCU Program Manager coordinates the Monitoring Visit schedule in conjunction with MCU Fiscal Manager in order to minimize the number of times in a year the Contractor is assessed and evaluated.
- Monitoring Visits shall be conducted by the Monitoring and Compliance Unit (MCU) to:
 - determine if services are being delivered appropriately; and
 - validate that systems and processes are utilized to support contract deliverables.

MONITORING VISITS

- ◉ OOD designated support staff shall send an email invite at least 30 days in advance.
- ◉ The electronic version of the Program Monitoring Form shall be initiated by the Lead Evaluator at least 14 calendar days prior to the on-site Monitoring Visit utilizing information gathered as noted above.
- ◉ Each type of contract shall have a specific monitoring form utilized for evaluation and assessment based on distinctive programmatic aspects of the contract.
- ◉ The Program Monitoring Guide shall be used as a reference tool when completing the Program Monitoring Form. This guide references requirements for each specific type of contract.

FISCAL AREAS OF REVIEW

- Key Personnel
- Policies & Procedures
- Accounting System
- Grant Funds
- Accounting Accuracy
- Staff Salaries/Wages
- Staff Travel
- Rent and Utilities
- Equipment
- Supplies
- Indirect Costs
- Stakeholder Feedback

PROGRAM AREAS OF REVIEW

- Current Accreditation
- Staff Credentials
- Progress On Deliverables
- Performance Reports
- AWARE Reports
- VIS/Tableau Reports
- Attendance At Training
- Summary Of Results Of Finalized Case Reviews
- Summary Of Completed Satisfaction Surveys
- Status Of Any Corrective Action Plan Item(s)
- Results From Previous Monitoring Review(s)
- Evidence Of Contractor's Monitoring Subcontractor Services

MONITORING VISITS

Prior Preparation (*OOD Program Staff or Contractor*)

- Reference the email notification for specific document requests
- Review documents posted on OOD's website
- Utilize existing resources (e.g., licensing/accreditation manuals) as they relate to the services provided under OOD's contract
- Submit all requested documentation, and any appropriate supporting documentation electronically to the OOD designated support staff, copying the SME, at least fourteen (14) calendar days prior to the Monitoring Visit

MONITORING VISITS

On the Monitoring Visit Day

(OOD Program Manager or Contractors)

- ◉ The Contractor PA should be available during the entire Monitoring Visit and be prepared to provide feedback and discuss overall progress and issues.
- ◉ The Program Evaluation Guide will help most to identify information necessary to answer questions, prepare personnel, and provide documentation needed in advance and on the day of the review.
- ◉ For contracts, including any subcontractors, the on-site visit shall be held at the address listed on the contract unless an alternative location is mutually agreed upon by MCU Managers in conjunction with the OOD Program Manager and the Contractor PA.

MONITORING VISITS

- The Lead Evaluator and the SME shall provide technical assistance as needed throughout the visit utilizing examples of documentation and other measurements that can be used to evaluate performance indicators.
- At the end of the on-site Monitoring Visit, the Lead Evaluator shall summarize the evaluation and assessment although it may not be possible to finalize (i.e. assigning “MS” [Meets Standards], “NI” [Needs Improvement], or “NA” [Not Applicable]) if additional documentation was identified as being required.
- The summary should provide a general recap of the area(s) that are of high performance, those needing further documentation or discussion as noted on the “Onsite Follow-up Items” form, and those needing further improvement.

MONITORING VISITS

- The SME shall review the On-Site Follow-up Items form with the Lead Evaluator and then send the form to the Contractor PA at the end of the Monitoring Visit or the following business day.
- Follow up documentation is due within seven (7) calendar days after receipt of the On Site Follow-up Items form. This timeline may be modified based on the nature of the documentation, with MCU Manager approval.
- If the Contractor has not submitted the requested documentation within the seven (7) calendar days (or approved timeline), MCU staff shall request the OOD designated support staff to follow up with the Contractor PA and/or the Contractor CFO, via email to request that the documentation be submitted by the end of the following business day.

MONITORING VISITS

- Upon issuance of the report, QAMA shall generate an email to the Contractor PA, Lead Evaluator, and SME.
 - The email shall contain an attached PDF of the Program Monitoring Form and a link for the Contractor PA to submit comments to areas designated as “Needs Improvement”.

- The Contractor PA has the opportunity to provide written comments in QAMA and, if applicable, submit additional documentation via email addressing those areas identified as “Needs Improvement” within 14 calendar days of the date of the email.

MONITORING VISITS

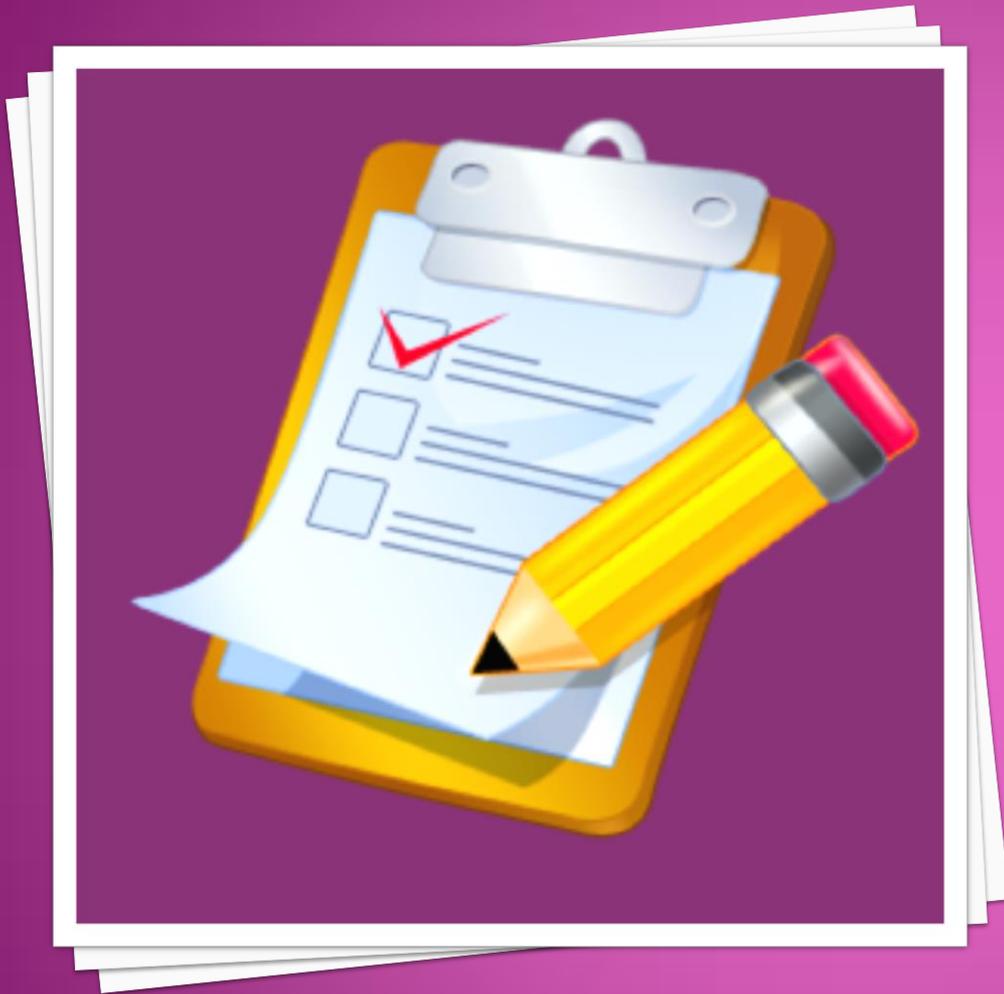
- To “Finalize” a fiscal monitoring review, MCU fiscal staff shall ensure that any comments, clarifications or other feedback are incorporated into the appropriate Fiscal Evaluation Form section.
- Items in need of improvement should be added to the Corrective Action Plan.
- After this information is added, the report is reviewed and approved by the MCU Fiscal Manager, at which time the report is transmitted electronically to the OOD Program Manager or the Contractor PA and copied to the SME.

MONITORING VISITS

- After the Contractor PA submits comments via QAMA, he/she shall receive notification that the review was successfully submitted.
- The Lead Evaluator shall review the Contractor PA's comments to ensure that feedback is incorporated into the appropriate section of the Program Monitoring Form, including any items to be added to the corrective action plans.
- If the QA CAP cannot be completed based on comments submitted, the Lead Evaluator shall follow up to obtain necessary information.

MONITORING VISITS

- Any additional observations/comments are added, and a CAP developed for any item(s) that has not been addressed sufficiently through the comment process.
- Corrective Action follow-up shall be pursued according to the Corrective Action Plan procedure.
- The Lead Evaluators are responsible for coordination of the CAP with the appropriate SME.



DESK REVIEWS

DESK REVIEWS

- Involve evaluation and assessment procedures similar to an Audit although with a much more limited scope and does not include an on-site visit
- Fiscal transactions and/or service data is evaluated to ensure operational efficiency and to safeguard agency assets based on adherence to internal policies and procedures, including the VR Fee Schedule.
- Completed by Monitoring and Compliance Unit (MCU) program or fiscal staff and are utilized to make a preliminary determination of risk

DESK REVIEWS

- Types of desk reviews include:
 - VR and IL programmatic case reviews
 - fiscal invoice reviews
 - Quality Assurance Reviews
 - special reviews conducted on an ad hoc basis in response to agency need
- Conducted at any time throughout the year as determined by the MCU Manager(s) for OOD programs and contracts that are not a high risk, have had a recent onsite visit, or those that require an expedient review of specific concerns



CORRECTIVE ACTION PLANS (CAP)

CORRECTIVE ACTION PLANS

- ◉ When MCU or the Contract staff discover an issue that requires direct and expedient correction, staff identifying the deficiency develop a Quality Assurance Corrective Action Plan (QA CAP) form by completing the top portion along with the Items Requiring Corrective Action column of the form.
- ◉ Depending on the type of review being completed, the QA CAP will then be sent to the respective VR Program Manager, the Contractor PA, or to the VR Primary Contact who will be responsible for completing and signing off on the rest of the QA CAP in its entirety within fourteen (14) calendar days of delivery.
- ◉ SME oversees compliance with the QA CAP and ensures subsequent updates are completed and the issue(s) is resolved in a timely manner



DISPUTE RESOLUTION: CLARIFICATION & OBJECTIONS

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- Contractors and providers have the right to request clarification or file an objection to the outcome of an Audit if it is believed to be in error, or if additional information can be provided that may impact the outcome.
- Directions for seeking clarification of the results of an Audit, Monitoring Visit or Desk Review and for filing an objection are provided in the appropriate procedures issued under this policy.



TECHNICAL ASSISTANCE AND TRAINING

TECHNICAL ASSISTANCE & TRAINING

- ◉ Provided as determined necessary by MCU managers in conjunction with OOD Deputy Directors, Assistant Deputy Directors or Managers
- ◉ Upon request by program staff, contractors or providers
- ◉ MCU staff shall provide examples of best practices and statewide patterns and trends during this process
- ◉ Various methods are utilized to support the evaluation of OOD programs and contracts on an agency-wide level

TECHNICAL ASSISTANCE & TRAINING

- Throughout the evaluation and assessment process, information is gathered before, during, and after the completion of the evaluation forms.
- MCU staff provides examples of documentation and other measurements that can be used to address the performance indicators in each area of the review form.
- When the evaluation and assessment process reveals quality and/or compliance related issues reflective of statewide patterns or trends, the MCU Managers coordinate training programs with the appropriate SME(s) and stakeholders, or inform training staff for inclusion in the agency training plan.



**THANKS FOR
YOUR TIME
&
ATTENTION!**