FEDERAL FISCAL YEAR 2022
NEW JERSEY DIVISION OF VOCATIONAL
REHABILITATION SERVICES
CORRECTIVE ACTION PLAN REVIEW
FOR THE
VOCATIONAL REHABILITATION
AND
SUPPORTED EMPLOYMENT PROGRAMS

U.S. Department of Education
Office of Special Education and
Rehabilitative Services
Rehabilitation Services Administration
May 2, 2022
A corrective action plan (CAP) is a step-by-step plan of action that is developed to achieve targeted outcomes for resolution of identified monitoring findings. Within 45 calendar days from the issuance of the publication of its final report, the vocational rehabilitation (VR) agency submits for the Rehabilitation Services Administration (RSA) review and approval a CAP to address findings identified through the monitoring process to improve the VR agency’s compliance and employment outcomes.

RSA, in collaboration with the VR agency to the extent possible, identifies target dates by which specific corrective action steps will be completed dependent on the specific facts related to each finding. In most instances, corrective actions should be completed within nine months following the approval of the CAP. In accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) located at 2 C.F.R. § 200.303(d), VR agencies must “take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.” To facilitate the VR agency’s development of the CAP and to promote consistency in the information contained in the plan, all CAPs are developed, approved, and tracked by the RSA State team.

The content of the CAP must include —

- Statement of programmatic or fiscal findings consistent with the final report;
- Steps the VR agency will take to correct the findings. Include what steps will be implemented and how they will be implemented;
- Timelines for completion of steps;
- Person responsible for ensuring corrective action step is completed; and
- The evidence of success. What evidence will be submitted to demonstrate systemic correction of the identified issues.

The review team transmits instructions to the VR agency for the submission of its CAP on the approved CAP form. The VR agency uses the CAP form to provide quarterly progress reports on implementing the CAP. The agency’s State Liaison notifies the VR agency once RSA approves the CAP.

The first CAP progress report is due to the State Liaison no later than 30 calendar days after the end of the first full quarter following the approval of the CAP, and then 30 calendar days after each subsequent quarter is concluded, until all corrective actions are completed, and the CAP is retired. Following monitoring and implementation of corrective actions, at a defined interval (e.g., two years), where appropriate, RSA may contact the agency to determine if additional technical assistance is required.

VR agencies are required to make substantive progress toward the resolution of all findings within the required timelines. In the event an agency does not make progress toward compliance through the approved CAP, RSA, at its discretion, may require the agency to take additional
steps including, but not limited to, revising the CAP steps, timeline, target dates, etc. Depending upon the nature of the findings, RSA may take additional enforcement action including assigning specific conditions to the VR grantee’s award(s) or designating the grant as high risk. In accordance with U.S. Department of Education (Department) policy, RSA may not close out a grant award in compliance until ALL corrective actions have been successfully resolved.

**B. Review Team Participants**

Members of the RSA review team included Jim Doyle, Jessica Davis, and Zunaira Wasif (Vocational Rehabilitation Program Unit); Craig McManus (Fiscal Unit); Jason Hunter (Technical Assistance Unit); and Michael Quinn (Data Collection and Analysis Unit).

**C. Acknowledgements**

RSA wishes to express appreciation to the representatives of the New Jersey Division of Vocational Rehabilitation Services (DVRS) for the cooperation and assistance extended throughout the review process, as well as the participation of the Vocational Rehabilitation Technical Assistance Center for Quality Management (VRTAC-QM).
SECTION 2: FOCUS AREA – REVIEW OF THE DEVELOPMENT AND IMPLEMENTATION OF THE VR AGENCY CORRECTIVE ACTION PLAN

In Federal fiscal year (FFY) 2018, RSA conducted an on-site monitoring review of the State Vocational Rehabilitation Services program (VR program) and the State Supported Employment Services program (Supported Employment program) administered by the New Jersey Division of Vocational Rehabilitation Services (DVRS). On September 13, 2019, RSA published the final monitoring review report, which included written findings and required corrective actions (https://rsa.ed.gov/sites/default/files/publications/fy2018-nj.pdf), setting in motion the timeline for the submission of the VR agency’s corrective action plan (CAP). DVRS submitted its CAP for RSA within the required timeline. RSA approved the CAP on November 5, 2019 (see Appendix A).

RSA conducted a follow-up off-site review from January 24 through February 28, 2022, to assess the progress of DVRS toward the implementation and resolution of its CAP in response to findings from the VR agency’s prior on-site monitoring review conducted in FFY 2018. Effective resolution of the CAP is critical for RSA to close out the grant award in accordance with Department policy (Guide for Managing Formula Grant Programs, OFO-F: 2-111) and to foster improvement in both program and fiscal performance.

During the review, RSA assessed the status of the following findings and outstanding corrective actions from the approved CAP still needing to be addressed by DVRS, provided technical assistance, and identified required actions to be taken by DVRS to resolve and complete the CAP.

Finding 2.2 - Untimely Development of the IPE

Corrective Action 2.1 (Appendix A): (Action 2.2.1 in Monitoring Report) DVRS will develop weekly monitoring reports on the requirement for completion of the individualized plan for employment (IPE) within 90-days from the date of eligibility determination. DVRS will complete 90 percent or more of the IPEs for new applicants within 90 days from the date of eligibility determination for two consecutive quarters, or until 90 percent of IPEs are developed within 90-days from the date of eligibility determination to substantiate the resolution of this corrective action.

Status: To substantiate resolution of this corrective action, DVRS will need to comply with 34 C.F.R. § 361.45(a)(1) and (e) to ensure IPEs are developed within the statutory 90-day time frame from the date of eligibility determination for two consecutive quarters.

As part of the review process, RSA analyzed the length of time it took for DVRS to develop IPEs for individuals determined eligible for VR services. The data reported by DVRS on the RSA-911 show that—
In the first quarter of PY 2021, 90.2 percent of IPEs were developed within the Federally required 90-day period; and

In the second quarter of PY 2021, 88.9 percent of IPEs were developed within the Federally required 90-day period.

RSA and DVRS discussed the need to analyze what circumstances attributed to the delay in IPE development and develop strategies to improve timely IPE development. DVRS attributed the delays in the development of IPEs to several factors, such as, staffing shortages; delays in getting signatures at the onset of the pandemic (electronic signature procedures); and the lack of IPE extension policies and procedures.

DVRS has had long-standing issues with staffing shortages; however, the staffing shortages have increased since the start of the COVID-19 pandemic. A recent analysis of DVRS’ human resources needs and available budget revealed that the agency can function with a total of 329 staff members, which would ensure a staffing level of 150 VR counselors and adequate supervisory, management and administrative support. The agency currently serves approximately 10,000 individuals annually, with an average caseload level of slightly more than 150 at any given time. Caseloads that become “vacant” due to a VR counselor leaving are being maintained by a supervising rehabilitation counselor who manages the caseload until the vacancy is filled. Presently, DVRS has 21 supervising rehabilitation counselors that maintain "vacant" caseloads, some of whom manage multiple vacant caseloads. According to DVRS, the preferred staffing level of 150 VR counselor positions would result in reduced caseload size and more efficient management of VR cases. DVRS currently has 115 VR counselors and seven VR counselor vacancies. The agency continues to recruit and interview applicants to fill these vacancies.

DVRS reported that the onset of the COVID-19 pandemic resulted in delays in developing IPEs and obtaining the individual’s signature, resulting in IPEs being developed later than 90 days after the date of an eligibility determination. On May 14, 2020, RSA issued COVID-19 Frequently Asked Questions guidance in response to inquiries concerning the administration of the State Vocational Rehabilitation Services program and the continuity of operations for individuals with disabilities in the current COVID-19 environment. The document provided guidance on satisfying IPE signature requirements in alternative ways, such as sharing the documents and obtaining the signatures electronically, by fax, or by mail. In addition to this document, DVRS used the Workforce Innovation Technical Assistance Center’s (WINTAC) resources for distance service delivery to develop a process to obtain IPE signatures via mail or emails. DVRS began implementing this process in June 2020, after receiving a June 17, 2020, memo from its designated State agency (DSA) at the time, the Office of Workforce Development.

During the review, DVRS indicated that it has not developed policies and procedures for the use of IPE extensions for exceptional and unforeseen circumstances, when the IPE cannot be developed and agreed to by the individual within the 90-day required timeframe. The appropriate use and reporting of IPE extensions could reduce the number of IPE’s being reported as non-compliant with the required 90-day time frame after eligibility determination.
Technical Assistance:

- The RSA team provided technical assistance to DVRS to clarify how to accurately calculate the percentage of IPEs developed within the 90-day required timeline to be considered compliant with this requirement. RSA clarified what dates constitute a program year to ensure that DVRS is collecting data during specific dates in the quarter so that it matches the timeframes RSA uses to determine timely IPE development.

- RSA provided technical assistance on the use of IPE extensions for exceptional and unforeseen circumstances when the IPE cannot be developed and approved within the 90-day time frame. DVRS agreed to draft policies and procedures related to IPE extensions and provide the draft for RSA review before implementation. DVRS has also agreed to provide staff with training on the appropriate use of IPE extensions.

- RSA discussed mitigating strategies to address staffing issues, such as floating senior counselors and the temporary reassignment of counselors from one unit to another based upon the needs of the VR office, and the recruitment of counselor aids. The review team and DVRS also discussed the possibility of conducting virtual reviews to ensure VR counselors are adequately managing caseloads and the use of data reports by regional managers and district supervisors to track the timely movement of VR cases.

Required Action: DVRS will develop and submit for RSA review policies and procedures related to the use of IPE extensions. In addition, DVRS will analyze and develop mitigation strategies to address staffing shortages.

Finding 5 - Provision of VR Services Paid with Supported Employment Funds

Corrective Action 5.6: (Corrective Action 4.1.6 in the Monitoring Report) Review costs assigned to the Supported Employment program grant and identify those services and costs beyond the scope of supported employment services.

Corrective Action 5.7: (Corrective Action 4.1.7 in the Monitoring Report) Revise the FFYs 2017 and 2018 SF-425s to ensure costs for services provided prior to placement, and any other allowable VR services beyond the scope of supported employment services, are charged to the correct DVRS fund code (01) under Title I or Section 110 of the Rehabilitation Act of 1973 (Rehabilitation Act), not DVRS fund codes 06 or 07 under Title VI of the Rehabilitation Act.

Status: DVRS contacted the RSA team’s Financial Management Specialist in October 2020 to discuss general fiscal areas as well as more specific VR and Supported Employment program requirements related to the monitoring review findings and corrective actions. At the time of the CAP review, DVRS agreed to review case management data related to VR and supported employment activities, previously provided to the team through the CAP resolution process, to identify allowable supported employment activities and expenditures. Additionally, the review was to identify those VR activities and costs that should have been charged to the VR program but were charged to the Supported Employment program awards. Once completed, these data will be provided to the New Jersey Department of Labor (NJ DOL) Chief Financial Officer and a letter will be sent to RSA indicating that the New Jersey Department of Labor and DVRS have exhausted all options to rectify and correct this issue but are unable to make accounting adjustments or corrections for the costs that were incorrectly charged to the Supported
Employment program. This information will further RSA’s ability to review the status of these corrective actions and determine next steps, as appropriate.

Technical Assistance: RSA provided technical assistance in relation to this finding through quarterly fiscal calls and the recent CAP review sessions.

- RSA clarified activities that are allowable under the Supported Employment program (after an individual has begun working in a supported employment position) and clarified that activities and services that occur prior to the individual beginning supported employment must be charged solely to the VR program.
- RSA and DVRS discussed the 50 percent reserve for the provision of supported employment services, including extended services, to youth with the most significant disabilities, and the requirement that the non-reserve expenditures and reserve expenditures must remain in balance to ensure the 50 percent reserve requirement is met, such that Federal funds from the non-reserve Supported Employment-A award may not exceed the Federal funds matched and expended from the reserve Supported Employment-B award.
- RSA and DVRS reviewed preliminary case management data and the conduct of informal analyses of the FFYs 2017 and 2018 VR, Supported Employment-A, and Supported Employment-B Federal award data to identify the process RSA and DVRS must use to identify the allowable expenditures charged to awards and those that may not be charged to the awards.
- RSA and DVRS discussed the ability of DVRS to charge Supported Employment activities initially to the VR award, and to review the expenditures to identify those that meet the requirements to be charged to the Supported Employment A and B awards through accounting adjustments, to avoid overspending or incorrectly charging activities to the Supported Employment awards.

Required Actions: The RSA team has received and is reviewing a letter from NJ DOL’s Chief Financial Officer indicating no further action can be taken to address the expenditures that should not have been charged to the Supported Employment awards. The team has explained to NJ DOL that when the State is unable to correct the issue on its own, one option that RSA may consider is the use of a Notice of Disallowance Decision letter sent to New Jersey, identifying a recovery amount for the State to pay to make the Federal government “whole.” NJ DOL and DVRS staff indicated during the review discussions that the Department has access to a dedicated source of funds to pay for such determinations and is aware that this is a possibility. RSA made clear it has not made any decisions related to recovery of funds at the time of the CAP review. RSA anticipates resolution of the corrective actions in the next two quarterly updates following publication of this report.

Finding 7 - Internal Control Deficiencies

Corrective Action 7.1: (Corrective Action 5.2.A.i.1 in the Monitoring Report) Review and update DVRS procurement policies and procedures to ensure compliance with State rules governing State procurement.

Status: After review of the latest quarterly CAP submission, supporting documentation, and recent CAP review discussions with DVRS, the RSA team has determined that this corrective action is resolved.
Technical Assistance: This corrective action was nearly ready for closeout leading up to this review, and no further technical assistance was necessary during the review.

Required Actions: RSA will return the latest iteration of the “7.1 Procurement policies and procedures RSA 1-10-22” document to DVRS with a request to finalize the document (accept all track changes and delete comments). RSA will mark this corrective action as resolved in the CAP quarterly report.

Corrective Action 7.4: (Corrective Action 5.2.A.ii.2 in the Monitoring Report) Review and update DVRS policy concerning contract management and oversight related to underperforming contractors to reduce the risk of improper payments.

Status: After review of the latest quarterly CAP submission, supporting documentation, and recent CAP review discussions with DVRS, the RSA team has determined that this corrective action may be closed out. DVRS confirmed that the submitted procedures and documentation related to the deaf and hard of hearing contract is just a sample for that contract, and DVRS has developed similar procedures tailored to its other contracts for different services.

Technical Assistance: This corrective action was nearly ready for closeout leading up to this review, and no further technical assistance was necessary during the review.

Required Action: RSA will return the latest iterations of the documents back to DVRS, requesting that the agency finalize the documents (accept track changes and delete comments). RSA will mark this corrective action as resolved in the quarterly CAP progress report.

Corrective Action 7.7: (Corrective Action 5.2.C.2 in the Monitoring Report) Update DVRS process memos and other policies to include the missing processes identified in the finding.

Corrective Action 7.8: (Corrective Action 5.2.C.3 in the Monitoring Report) Develop or revise, as necessary, agency policies/procedures to ensure compliance with the Workforce Innovation and Opportunity Act (WIOA) and 2 C.F.R. part 200 requirements, together with an ongoing monitoring component to ensure policies comply with changes to Federal law and regulations.

Status: There are four outstanding process memos related to the larger internal control finding, which include processes conducted by both the designated State unit (DSU) and the designated State agency (DSA) fiscal staff, which require coordination and input from both parties. The documents include the New Jersey process memos for—

- Allowable costs;
- Maintenance of effort;
- RSA-17 procedures; and
- Cash management.

RSA and DVRS have been working on these memos over the past few months and continued to discuss and make progress during the dedicated CAP review sessions. RSA and DVRS discussed the necessary steps to resolve the corrective actions in a future quarterly update.

Technical Assistance: During the CAP review sessions RSA discussed with DVRS each of the process memos. Before addressing the individual process memos below, it should be noted that
RSA provided technical assistance related to the period of performance requirements, including the need to assign, track and report obligations and their corresponding fund sources. While there was not a specific period of performance compliance finding in the FFY 2018 monitoring report, many of the process memos submitted to resolve the CAP include descriptions of processes that appear to not fully describe and demonstrate alignment with period of performance requirements and how DVRS will ensure it meets the requirements. RSA encouraged DVRS to work with the VRTAC-QM or contact RSA for additional technical assistance to develop a comprehensive and robust period of performance policy that would address the requirements and support or further clarify processes in the agency’s various process memos described further below.

A. Allowable Costs

- RSA provided technical assistance about the timing for the occurrence of obligations for various cost categories, in accordance with Education Department General Administrative Regulations (EDGAR) at 34 C.F.R. § 76.707. This discussion specifically referenced obligations related to authorizations and contracts, personnel costs, and other utilities.

- For personnel costs and time tracking procedures related to the agency’s Electronic Cost Accounting Timesheet System (eCats), RSA clarified the requirements related to tracking time agency staff spend providing required and coordination pre-employment transition services activities, as well as a category for authorized activities (when permitted) to ensure costs are tracked and reported accurately on Federal financial reports.

- RSA stressed the importance of DVRS providing clear written guidance for employees to follow when tracking personnel time, to ensure consistency with accurate tracking and reporting of expenditures. DVRS indicated it has another guidance document from a few years ago that it will send RSA for review in a future quarterly update, which may help strengthen the internal controls of this process memo.

B. Matching/Maintenance of Effort

- RSA provided technical assistance about the difference between in-kind contributions and non-Federal costs paid by the State on behalf of the VR agency. RSA clarified that third-party in-kind contributions, defined in Uniform Guidance and generally accepted as cost sharing in Federal government, are specifically prohibited as non-Federal share for the VR program (34 C.F.R. § 361.60(b)(2)). Alternatively, non-Federal share that the NJ DOL Office of Finance pays on behalf of the VR agency’s personnel (e.g., for fringe benefits) and rent, which represent real costs paid by the State that benefit the VR program, should be reported as non-Federal share on the RSA-17 report.

- This process memo includes a program income section. RSA provided technical assistance to DVRS, informing it that Social Security Administration reimbursement program income earned in the VR program may be transferred to other eligible programs (34 C.F.R. § 361.63(c)(2)). The transferred SSA program income is considered disbursed in VR when transferred, and the disbursement requirement transfers to the receiving program. RSA further discussed reporting requirements on the RSA-17 and SF-425 reports for the eligible programs that RSA administers,
including the Supported Employment program, Independent Living Services for Older Individuals who are Blind program, and Client Assistance Program.

C. RSA-17 Reporting

- RSA and DVRS have collaborated on iterations of these procedures as part of the CAP resolution process. During the CAP review call, RSA, DVRS, and NJ DOL fiscal staff had the opportunity to discuss in detail the importance of a process memo that goes into sufficient detail about the RSA-17 report and the numerous data elements within the report. Such a process memo is important to demonstrate internal controls for RSA-17 reporting, but also serves as a resource for new or replacement staff to follow to complete the reporting tasks. In addition to the general descriptions of staff who complete the various tasks and what specific reports to run, RSA stressed that the process memo should reflect how data are identified, extracted, analyzed, synthesized, and mapped from the various sources including the State accounting system, case management system, personnel systems, etc. to demonstrate how data reported on the RSA-17 reflect the requirements of each data element, in accordance with DCL-20-02.

- RSA clarified that the RSA-17 is solely for one specific VR award and does not include supported employment services expenditures. Those supported employment expenditures will be included on SF-425 reports for the Supported Employment program awards.

D. Cash Management

- RSA and New Jersey discussed New Jersey’s process to initially pay for expenditures with State funds, then draw down funds from the Federal award in G5 to later reimburse itself as part of a future reconciliation process. A review of the past few Federal fiscal year VR awards demonstrated that drawdowns of Federal award funds often did not occur until after the end of the period of performance for the awards, at some point during the liquidation period. RSA provided technical assistance by pointing out the disconnect between Federal expenditures reported on SF-425 reports and RSA-17 and the amount of funds identified in G5 as drawn down by the end of the reporting period. RSA reminded the agency that the RSA-17 reporting instructions require grantees to run an External Award Activity Report from G5 to identify the amount of funds drawn down during the reporting period.

- New Jersey discussed a quarterly reconciliation and reimbursement process that would include G5 drawdowns to help resolved this issue. A more frequent process that coincided with the quarterly RSA-17 report period would help correlate the Federal and non-Federal expenditures on the quarterly RSA-17 report with the Federal VR award drawdowns from G5.

- RSA requested that the State include these procedures into the Cash Management memo, as well as a description of any accounting adjustments made to reconcile expenditures initially paid with State funds to Federal funds after drawdown.

Required Actions: RSA will provide additional comments on the four process memos, in addition to the information and technical assistance conveyed during the CAP review calls. DVRS intends to review the existing process memos, make further revisions, and forward to
RSA the personnel cost guidance documentation referenced in relation to the Allowable Costs memo and the eCats guidance. As mentioned above, these process memos include DVRS staff and NJ DOL fiscal staff to collaborate and provide the revised updates in the upcoming quarterly CAP updates. RSA anticipates resolution of the corrective actions in the next two quarterly updates following publication of this report.

**Development of Internal Control Procedures.** During the review RSA assessed performance accountability in relation to the internal control requirements in 2 C.F.R. § 200.303. DVRS failed to submit its exit data for program years (PY) 2018, 2019 and 2020 necessary for RSA to assess Performance Indicators 1, 2, and 3. RSA provided extensive technical assistance following the due date for the 2020 data submission and was able to assist DVRS to obtain the necessary data for PY 2020. RSA has requested DVRS develop internal controls to ensure the timely submission of its exit data.

**Status:** DVRS developed and submitted its Quarterly Exit Wages-911 Process Memo for RSA review. The process memo does not describe sufficient methodologies and timelines for reporting and determining accuracy of the data and will need further development.

**Technical Assistance:**
- RSA discussed with DVRS the need to implement the necessary internal control requirements outlined in PD 19-03, including processes to ensure accuracy and validity of the data;
- RSA provided technical assistance to ensure that DVRS is requesting data for the appropriate quarters and the targeted cohort of participants in the sample. RSA provided technical assistance on the reporting timeframes for the percentage of participants in unsubsidized employment during the 2nd and 4th quarter after exit from the VR program; and the need for DVRS to consider expanding the reporting timeframes the agency is requesting Unemployment Insurance (UI) and State Wage Interchange System (SWIS) data for the employment rates in the second and fourth quarter after exit and median earning in the second quarter after exit;
- Because DVRS expressed concerns regarding the validity of the data it receives from the NJ DOL, Office of Research and Information (ORI), RSA recommended that DVRS have conversations with ORI to discuss its concerns and improve the current process;
- RSA discussed strategies and steps necessary to check errors prior to submitting quarterly reports;
- RSA discussed with DVRS the need to update the DVRS process memo to include how frequent data is pulled and to address possible security concerns related to personally identifiable information (PII);
- For additional assistance, RSA recommended that DVRS connect with other states to share approaches to developing, implementing, and evaluating internal control procedures; review the RSA-911 (RSA TAC-19-03) training series, as well as trainings recorded during the Summit conferences.

**Required Actions:**
• DVRS is receiving targeted technical assistance from VRTAC-QM in the development of and revision of DVRS’ internal control procedures (DVRS met with VRTAC-QM on March 14, 2022); and
• DVRS is in the process of obtaining approval for a new quality control unit that will employ additional staff that will develop data validation procedures, update internal control policies, and begin conducting more comprehensive and frequent case service record reviews.
APPENDIX A: NEW JERSEY DIVISION OF VOCATIONAL REHABILITATION SERVICES APPROVED CORRECTIVE ACTION PLAN (11/5/2019)

Corrective Action Plan for New Jersey Division of Vocational Rehabilitation Services

Monitoring Report Publication Date 09/13/2019
Completed on 10/30/2019
Approved on 11/05/2019
CAP Resolved Date: Pending
Number of findings 8

Finding 1 - (2.1 in Report) Untimely Eligibility Determination
Finding Headline (2.1 in Report) Untimely Eligibility Determination

Finding. As demonstrated by performance data, DVRS did not make eligibility determinations within the required 60-day period for those individuals whose service records were closed in FFY 2016. As a result of the analysis, RSA determined that the agency did not satisfy the eligibility determination requirements in 34 C.F.R. § 361.41(b)(1). Furthermore, DVRS was not in compliance with its own policy in Chapter 2.3 of the NJDVRS Case Services Policy Manual that requires client signature on the eligibility extension document.

Mandated Corrective Action 2.1.1 Comply with Section 102(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.41(b)(1) by making eligibility determinations within the required 60-day period; 2.1.2 Assess and evaluate VR counselor performance and identify effective practices that ensure timely eligibility determinations are made within 60 days from the date of application, including the use of case management tools for, and supervisory review of, timely eligibility determinations; 2.1.3 Develop procedures for VR counselors and supervisors to track and monitor the timeliness of eligibility determinations; and 2.1.4 Provide training to DVRS staff related to the agency’s requirement to document the applicant’s agreement to an eligibility extension with a signature in accordance with DVRS’ policy or revise the policy to remove the signature requirement.

RSA Focus Area
Agency Planned Corrective Action Steps

Corrective action 1.1

Action: (Corrective Action 2.1.1 in Report) Comply with Section 102(a)(6) of the Rehabilitation Act and 34 C.F.R. § 361.41(b)(1) by making eligibility determinations within the required 60-day period.

Standard to be met and method of evaluation: DVRS will complete 90 percent of its eligibility determinations within 60 days from the date of application for two consecutive quarters to substantiate the resolution of this corrective action.

Planned start date: 11/01/2019

Actual start date:

Projected completion date: 05/30/2020

Actual completion date:

RSA state team comments:

Resolved?

Corrective action 1.2

Action: (Corrective Action 2.1.2 in Report) Assess and evaluate VR counselor performance and identify effective practices that ensure timely eligibility determinations are made within 60 days from the date of application, including the use of case management tools for, and supervisory review of, timely eligibility determinations; 2.1.3 Develop procedures for VR counselors and supervisors to track and monitor the timeliness of eligibility determinations.

Standard to be met and method of evaluation: DVRS will monitor timely eligibility determinations for two consecutive quarters, or until 90 percent of all eligibility determinations are made in 60-days from the date of application in order to substantiate resolution of this corrective action.

Planned start date: 11/01/2019

Actual start date:

Projected completion date: 05/30/2020

Actual completion date:

RSA state team comments:

Resolved?

Corrective action 1.3

Action: (Corrective Action 2.1.3 in Report) Develop procedures for VR counselors and supervisors to track and monitor the timeliness of eligibility determinations.
Standard to be met and method of evaluation: DVRS will develop a memorandum, case management procedures and reports to be submitted to RSA for approval prior to implementation. Once implemented, DVRS will submit the results of a Statewide case review to substantiate implementation of the processes to improve timely eligibility determinations and the resolution of this corrective action.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 05/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 1.4
Action: (Corrective Action 2.1.4 in Report) Provide training to DVRS staff related to the agency’s requirement to document the applicant’s agreement to an eligibility extension with a signature in accordance with DVRS’ policy or revise the policy to remove the signature requirement.

Standard to be met and method of evaluation: DVRS will submit the dates and attendees of the counselor training, including required documentation to substantiate an applicant’s agreement to an eligibility extension. DVRS will also submit any relevant revisions to policies to RSA for review and approval prior to implementation.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 05/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Finding 2 - (2.2 in Report) Untimely Development of the IPE
Finding Headline (2.2 in Report) Untimely Development of the IPE
Finding. As the FFY 2016 performance data demonstrate, DVRS did not develop IPEs for each eligible individual whose service record was closed within 90 days following the date of eligibility determination. As a result of the analysis, RSA determined that the agency did not develop IPEs in a timely manner pursuant to 34 C.F.R. § 361.45(a)(1) and within the required 90-day period pursuant to 34 C.F.R. § 361.45(e) and Section 102(b)(3)(F) of the Rehabilitation Act.
Mandated Corrective Action RSA requires that DVRS—2.2.1 Comply with 34 C.F.R. § 361.45(a)(1) and (e) and Section 102(b)(3)(F) of the Rehabilitation Act to ensure IPEs are developed within the 90-day statutory time frame from date of eligibility determination; 2.2.2 Assess and evaluate current procedures for tracking and monitoring VR counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the use of case management tools for, and supervisory review of, timely IPE development; and 2.2.3 Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

**RSA Focus Area**

---

**Agency Planned Corrective Action Steps**

**Corrective action 2.1**

**Action:** Corrective Action 2.2.1 in Report) Comply with 34 C.F.R. § 361.45(a)(1) and (e) and Section 102(b)(3)(F) of the Rehabilitation Act to ensure IPEs are developed within the 90-day statutory time frame from date of eligibility determination.

Standard to be met and method of evaluation: DVRS will develop weekly monitoring reports on the requirement for completion of the IPE within 90-days from the date of eligibility determination. DVRS will complete 90 percent or more of the IPEs for new applicants within 90 days from the date of eligibility determination for two consecutive quarters, or until 90 percent of IPEs are developed within 90-days from the date of eligibility determination to substantiate the resolution of this corrective action.

Planned start date: 11/01/2019

Actual start date:

Projected completion date: 05/30/2020

Actual completion date:

RSA state team comments:

Resolved?

**Corrective action 2.2**

**Action:** (Corrective Action 2.2.2 in Report) Assess and evaluate current procedures for tracking and monitoring VR counselor performance and efficient practices used by high performing VR counselors and supervisors to ensure timely IPE development, including the use of case management tools for, and supervisory review of, timely IPE development.

Standard to be met and method of evaluation: DVRS will evaluate its current procedures for tracking and monitoring timely IPE development and use of case management tools. DVRS will submit any revisions to its current procedures for review and approval by RSA prior to implementation.
Planned start date: 11/01/2019
Actual start date:
Projected completion date: 05/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 2.3

Action: (Corrective Action 2.2.3 in Report) Develop goals and strategies to improve VR counselor performance specific to timely IPE development.

Standard to be met and method of evaluation: Develop agency plan that includes best practices specific to timely IPE development. In addition, DVRS will develop goals and strategies to improve timely IPE development and counselor performance.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 05/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Finding 3 - (2.3 Report) Internal Controls for Case File Doc.

Finding Headline (2.3 Report) Internal Controls for Case File Doc.

Finding. As a result of the analysis, RSA determined that DVRS’ internal controls did not ensure the service record requirements at 34 C.F.R. § 361.47 were met. Specifically, DVRS’ internal controls did not ensure the following requirements were met: processing referrals and applications pursuant to 34 C.F.R. § 361.41, the development of the IPE pursuant to 34 C.F.R. § 361.45, and the requirements for closing the record of services of an individual who has achieved an employment outcome pursuant to 34 C.F.R. § 361.56.

Mandated Corrective Action RSA requires that DVRS— 2.3.1 Develop internal control policies and procedures to ensure that the provisions of 34 C.F.R. § 361.47 have been met and through service record documentation, the requirements at 34 C.F.R. § 361.41, 34 C.F.R. § 361.45, and 34 C.F.R. § 361.46 are met; 2.3.2 Review and develop instrumentation for conducting both management-led and peer service record reviews; and 2.3.3 Develop mechanisms to collect and aggregate the results of these reviews and use the results to inform the training and evaluation of staff.
Agency Planned Corrective Action Steps

Corrective action 3.1
Action: (Corrective Action 2.3.1 in Report) Develop internal control policies and procedures to ensure that the provisions of 34 C.F.R. § 361.47 have been met and through service record documentation, the requirements at 34 C.F.R. § 361.41, 34 C.F.R. § 361.45, and 34 C.F.R. § 361.46 are met.

Standard to be met and method of evaluation: DVRS will develop and submit for RSA review and approval internal control policies and procedures to ensure service record requirements, including supporting documentation, are met.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 05/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 3.2
Action: (Corrective Action 2.3.2 in Report) Review and develop instrumentation for conducting both management-led and peer service record reviews.

Standard to be met and method of evaluation: DVRS will submit its draft service record review instrumentation for managerial and field-level Statewide case reviews to RSA for review and approval.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 05/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 3.3
Action: (Corrective Action 2.3.3 in Report) Develop mechanisms to collect and aggregate the results of these reviews and use the results to inform the training and evaluation of staff.
Standard to be met and method of evaluation: The procedures and aggregated results of a Statewide service record review will be submitted to RSA for review.

Planned start date: 11/01/2019

Actual start date:

Projected completion date: 05/30/2020

Actual completion date:

RSA state team comments:

Resolved?

Finding 4 - (3.1 in Report) SEA Agreement

Finding Headline (3.1 in Report) SEA Agreement

Finding Pursuant to Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R § 361.22(b), DVRS must enter into a formal interagency agreement with OSEP that is in compliance with the statutory and regulatory requirements. As a result of the analysis, RSA determined that the current SEA agreement does not address the statutory requirements (effective July 22, 2014), nor the regulatory requirements (effective September 19, 2016). As such, DVRS is not in compliance with Section 101(a)(11)(D) of the Rehabilitation Act, or the regulations at 34 C.F.R. § 361.22(b)).

Mandated Corrective Action RSA requires that DVRS— 3.1.1 Revise the current SEA agreement with CBVI and the Office of Special Education Programs (OSEP) to comply with the requirements at Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R. § 361.22 (b); and 3.1.2 Submit the revised formal interagency agreement between DVRS, OSEP, and CBVI for RSA’s review, as part of DVRS’ corrective actions associated with the FFY 2018 Section 107 Monitoring Review.

RSA Focus Area

Agency Planned Corrective Action Steps

Corrective action 4.1

Action: (Corrective Action 3.1.1 in Report) Revise the current SEA agreement with CBVI and OSEP to comply with the requirements at Section 101(a)(11)(D) of the Rehabilitation Act and 34 C.F.R. § 361.22 (b).

Standard to be met and method of evaluation: Completion of revised SEA agreement by all parties

Planned start date: 07/01/2017

Actual start date: 07/01/2017

Projected completion date: 01/01/2020
Actual completion date:
RSA state team comments:
Resolved?

**Corrective action 4.2**

Action: (Corrective Action 3.1.2 in Report) Submit the revised formal interagency agreement between DVRS, OSEP, and CBVI for RSA’s review, as part of DVRS’ corrective actions associated with the FFY 2018 Section 107 Monitoring Review.

Standard to be met and method of evaluation: Submission of revised SEA agreement to RSA.

Planned start date: 01/01/2020

Actual start date:

Projected completion date: 06/01/2020

Actual completion date:

RSA state team comments:

Resolved?

**Finding 5 - (4.1) Provision of VR Services Paid with Supported Employment (SE) Funds**

Finding Headline (4.1) Provision of VR Services Paid with SE Funds

Finding Pursuant to Section 603(a) of the Rehabilitation Act and 34 C.F.R § 363.20(a), supported employment funds (Title VI funds) must be used solely for the provision of supported employment services to individuals with the most significant disabilities, or extended services for youth with most significant disabilities. As a result of the analysis, RSA determined that DVRS is not in compliance with Section 603(a) of the Rehabilitation Act or its implementing regulations in 34 C.F.R. § 363.20(a) because it provides VR services that are not considered supported employment services with funds allotted for the provision of only supported employment services to individuals with the most significant disabilities. As such, DVRS must revise its policies, procedures, guidance and descriptions of scope of services provided through DVRS fund types to be in compliance with the statutory and regulatory requirements.

Mandated Corrective Action RSA requires that DVRS— 4.1.1 Revise the current supported employment policies, procedures, guidance; and fund type descriptions, to clarify the scope of supported employment services; the population to receive such services (34 C.F.R. §§ 361.5(c)(54) and 361.48(b)(13)); and ensure the scope of supported employment services and assignment of costs comply with the requirements in Sections 603(a), 604 and 608 of the Rehabilitation Act and 34 C.F.R. §§ 363.20(a) and 363.4(a); 4.1.2 Include revised descriptions of allowable supported employment services to be assigned to each fund code in accordance with Sections 7(39), 7(27), and 7(13) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(54),
361.5(c)(37) and 361.5(c)(19) in the NJDVRS Case Services Policy Manual and Supported Employment Services Manual; 4.1.3 Submit the revised policies specific to the funding of supported employment services and extended services for youth with most significant disabilities for RSA’s review as part of DVRS’ corrective actions associated with the FFY 2018 Section 107 Monitoring Review; 4.1.4 Provide training to staff on the nature and scope of supported employment services, the accurate reporting of such services in the case management system and use of appropriate fund types; 4.1.5 Develop internal controls to ensure that only supported employment services, not VR services, are charged to Title VI supported employment services funds (DVRS fund types 06 and 07); 4.1.6 Review costs assigned to the Supported Employment program grant and identify those services and costs beyond the scope of supported employment services; and 4.1.7 Revise the FFYs 2017 and 2018 SF-425s to ensure costs for services provided prior to placement; and any other allowable VR services beyond the scope of supported employment services, are charged to the correct DVRS fund code (01) under Title I or Section 110 of the Rehabilitation Act, not DVRS fund codes 06 or 07 under Title VI of the Rehabilitation Act.

RSA Focus Area

Agency Planned Corrective Action Steps

Corrective action 5.1

Action: (Corrective Action 4.1.1 in Report) Revise the current supported employment policies, procedures, guidance; and fund type descriptions, to clarify the scope of supported employment services; the population to receive such services (34 C.F.R. §§ 361.5(c)(54) and 361.48(b)(13)); and ensure the scope of supported employment services and assignment of costs comply with the requirements in Sections 603(a), 604 and 608 of the Rehabilitation Act and 34 C.F.R. §§ 363.20(a) and 363.4(a).

Standard to be met and method of evaluation: DVRS will revise its supported employment policies to comply with 34 C.F.R. Parts 361 and 363. Its draft policy will be submitted to RSA for review and approval.

Planned start date: 06/01/2019
Actual start date: 06/01/2019
Projected completion date: 03/31/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 5.2

Action: (Corrective Action 4.1.2 in Report) Include revised descriptions of allowable supported employment services to be assigned to each fund code in accordance with Sections 7(39), 7(27),
and 7(13) of the Rehabilitation Act and 34 C.F.R. § 361.5(c)(54), 361.5(c)(37) and 361.5(c)(19) in the NJDVRS Case Services Policy Manual and Supported Employment Services Manual.

Standard to be met and method of evaluation: DVRS will revise its fund code descriptions and allowable supported employment services. The revised fund code descriptions, policies, and any relevant procedures will be submitted to RSA for review and approval.

Planned start date: 06/01/2019
Actual start date: 06/01/2019
Projected completion date: 03/31/2020
Actual completion date:
RSA state team comments:
Resolved?

**Corrective action 5.3**

Action: (Corrective Action 4.1.3 in Report) Submit the revised policies specific to the funding of supported employment services and extended services for youth with most significant disabilities for RSA’s review as part of DVRS’ corrective actions associated with the FFY 2018 Section 107 Monitoring Review.

Standard to be met and method of evaluation: DVRS will update its current supported employment policies to include the funding of supported employment services and extended services for youth with most significant disabilities. These draft policies will be submitted to RSA for review and approval.

Planned start date: 06/01/2019
Actual start date: 06/01/2019
Projected completion date: 03/31/2020
Actual completion date:
RSA state team comments:
Resolved?

**Corrective action 5.4**

Action: (Corrective Action 4.1.4 in Report) Provide training to staff on the nature and scope of supported employment services, the accurate reporting of such services in the case management system and use of appropriate fund types.

Standard to be met and method of evaluation: DVRS will provide training on the nature and scope of supported employment services, accurate reporting of such services and the use of
appropriate fund types. Training dates, topical areas, and attendees to RSA to substantiate the completion of training.

Planned start date: 04/01/2020
Actual start date:
Projected completion date: 06/30/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 5.5
Action: (Corrective Action 4.1.5 in Report) Develop internal controls to ensure that only supported employment services, not VR services, are charged to Title VI supported employment services funds (DVRS fund types 06 and 07).

Standard to be met and method of evaluation: DVRS will develop internal controls to ensure policies and procedures regarding the provision of supported employment services and allocation of supported employment funds ONLY to supported employment services are being followed. DVRS will submit its draft internal controls to RSA for review and approval.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 01/01/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 5.6
Action: (Corrective Action 4.1.6 in Report) Review costs assigned to the Supported Employment program grant and identify those services and costs beyond the scope of supported employment services.

Standard to be met and method of evaluation: DVRS will review the costs assigned to the supported employment grant to identify if the costs are beyond the scope of supported employment services (e.g., job development and placement services). DVRS will submit its analysis to RSA.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 02/01/2020
Actual completion date:
RSA state team comments:
Resolved?

**Corrective action 5.7**

**Action:** (Corrective Action 4.1.7 in Report) Revise the FFYs 2017 and 2018 SF-425s to ensure costs for services provided prior to placement; and any other allowable VR services beyond the scope of supported employment services, are charged to the correct DVRS fund code (01) under Title I or Section 110 of the Rehabilitation Act, not DVRS fund codes 06 or 07 under Title VI of the Rehabilitation Act.

**Standard to be met and method of evaluation:** DVRS will revise its FFYs 2017 and 2018 SF-425s to ensure costs for services prior to employment, and any allowable VR services, are charged to Title I (DVRS fund code 01), not Title VI (DVRS fund codes 06 and 07). DVRS will work with RSA to update its SF-425s and will provide supporting documentation for the revisions.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 02/01/2019
Actual completion date:
RSA state team comments:
Resolved?

**Finding 6 - (5.1 in Report) Prior Approval Not Obtained**

**Finding Headline (5.1 in Report) Prior Approval Not Obtained**

**Finding Based on the analysis, RSA has determined that DVRS is not in compliance with the prior approval requirements pursuant to the Uniform Guidance (2 C.F.R. § 200.407).**

**Mandated Corrective Action RSA requires that DVRS—5.1 Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with prior approval requirements, within 90 days after the date of the final monitoring report.**

RSA Focus Area

_________________________________________________________

**Agency Planned Corrective Action Steps**

**Corrective action 6.1**
Action: (Corrective Action 5.1 in Report) Develop and implement a written internal control process, including a monitoring component, to ensure ongoing compliance with prior approval requirements, within 90 days after the date of the final monitoring report.

Standard to be met and method of evaluation: DVRS will submit a draft of prior approval policies that meet the requirements in 2 C.F.R. § 200.407 and elsewhere in the uniform guidance that is consistent with RSA guidance to RSA for review and approval. Once approved, DVRS will train staff about the need for prior approval policies and incorporate measurable standards in the performance reviews of counselors. Standards will be enforced through counselor case audits. Targeted date for draft policies is 01/15/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 01/31/2020
Actual completion date:
RSA state team comments:
Resolved?

**Finding 7 - (5.2 in Report) Internal Control Deficiencies**

**Finding Headline (5.2 in Report) Internal Control Deficiencies**

Finding DVRS does not maintain effective internal controls over the Federal award that provide reasonable assurances that the non-Federal entity is managing its award in compliance with Federal statutes, regulations, and the terms and conditions of the award, as required by 34 C.F.R. § 361.12 and 2 C.F.R. § 200.303. Specific internal control areas of deficiency include documentation of control activities to ensure management oversight of MOE, match, accurate Federal financial reporting, and adequate documentation and reporting of pre-employment transition services expenditures. While these control deficiencies suggest elevated risk to DVRS’ effectiveness and efficiency of operations, reliability of reporting, and compliance with applicable laws and regulations, the risk will be greatly reduced through management’s development of internal controls at a level of detail necessary to address the complexity of its systems. The corrective action steps listed below will support DVRS in developing its ability to correct processes that have led to the internal controls noncompliance finding.

Mandated Corrective Action RSA requires that DVRS, within 180 days after the issuance of the final monitoring report— 5.2.A.i.1 Review and update DVRS procurement policies and procedures to ensure compliance with State rules governing State procurement; 5.2.A.i.2 Ensure that language used in contracts is consistent with State procurement requirements (e.g., use of the term ‘grant’ or ‘grantee’ when referring to contract procurement). (This may require DVRS to coordinate with the designated State agency to update any boilerplate language or process documents required by the designated State agency); 5.2.A.ii.1 Develop internal controls to ensure that contract funding decisions are made in accordance with State requirements and established processes; 5.2.A.ii.2 Review and update DVRS policy concerning contract management and oversight related to underperforming contractors to reduce risk of improper
payments; 5.2.B.1 Establish and maintain written policies that govern the rate setting methodology for all purchased VR services, as required by 34 C.F.R. § 361.50(c)(1), to ensure uniformity in the process for updating schedules of fees for payments for such services; 5.2.C.1 Submit copies of policies and procedures developed pursuant to this corrective action to RSA; 5.2.C.2 Update DVRS process memos and other policies to include the missing processes identified in the finding; and 5.2.C.3 Develop or revise, as necessary, agency policies/procedures to ensure compliance with WIOA and 2 C.F.R. part 200 requirements, together with an ongoing monitoring component to ensure policies comply with changes to Federal law and regulations.

RSA Focus Area

Agency Planned Corrective Action Steps

Corrective action 7.1

Action: 5.2.A.i.1 Review and update DVRS procurement policies and procedures to ensure compliance with State rules governing State procurement.

Standard to be met and method of evaluation: DVRS will locate specific language in DVRS procurement policies and procedures that conflicts with State requirements regarding procurement as described in the finding. Develop draft corrections and submit to RSA for review. Target date for RSA draft policy review 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 7.2

Action: 5.2.A.i.2 Ensure that language used in contracts is consistent with State procurement requirements (e.g., use of the term ‘grant’ or ‘grantee’ when referring to contract procurement).

Standard to be met and method of evaluation: Consistent language in contracts for State procurement requirements, that makes clear the process is contractor procurement and not grantmaking or sub-awarding of funds. Target date for RSA review 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 7.3
Action: 5.2.A.ii.1 Develop internal controls to ensure that contract funding decisions are made in accordance with State requirements and established processes.

Standard to be met and method of evaluation: Development of policies and procedures to ensure contract decisions are consistent. DVRS will develop a technical review plan that is updated in advance of each competition. It will identify what the agency will do if not enough proposals meet the scoring threshold. Target date for RSA policy review 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 7.4
Action: 5.2.A.ii.2 Review and update DVRS policy concerning contract management and oversight related to underperforming contractors to reduce risk of improper payments.

Standard to be met and method of evaluation: DVRS will draft policy revisions that identify sanctions, methods of recovery and corrective actions to be taken for contractors that do not meet contract deliverables or otherwise underperform. These policies will identify corrective measures, and well as timelines that describe what happens when corrective measures do not result in satisfactory performance per contract terms. This policy will be shared with all contractors and perspective future bidders. Classroom training will occur for agency program staff on contract management policies and a webinar will be developed for contractors and prospective bidders. Classroom training will also be offered. Target date for RSA policy review is 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?
Corrective action 7.5

Action: 5.2.B.1 Establish and maintain written policies that govern the rate setting methodology for all purchased VR services, as required by 34 C.F.R. § 361.50(c)(1), to ensure uniformity in the process for updating schedules of fees for payments for such services.

Standard to be met and method of evaluation: DVRS will develop rate setting polices and methodologies utilizing guidelines established in the Uniform Guidance provisions for reasonableness, including 2 C.F.R. § 200.404, which includes guidelines around reviewing market pricing and consistency with agency and State practices. Target date for RSA review of draft policies is 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 7.6

Action: 5.2.C.1 Submit copies of policies and procedures developed pursuant to this corrective action to RSA.

Standard to be met and method of evaluation: DVRS will submit updates of policies and procedures to RSA for review. Targeted date for RSA review of draft policies is 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

Corrective action 7.7

Action: 5.2.C.2 Update DVRS process memos and other policies to include the missing processes identified in the finding.

Standard to be met and method of evaluation: DVRS will work with accounting to update process memos, timesheet coding consistency guidance, handling of program income,
unliquidated obligations reduced after report submission, non-Federal share reporting, and indirect expenses. Also, match and maintenance of effort (MOE) monitoring processes with timelines for actions to ensure compliance with Federal regulations and statutes. DVRS policies will provide reasonable assurances federal awards are being managed properly and efficient. Targeted date for draft policies will be 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

**Corrective action 7.8**

Action: 5.2.C.3 Develop or revise, as necessary, agency policies/procedures to ensure compliance with WIOA and 2 C.F.R. part 200 requirements, together with an ongoing monitoring component to ensure policies comply with changes to Federal law and regulations. Standard to be met and method of evaluation: Review and update agency WIOA policies as required. Target date for RSA draft policy review is 2/1/2020.

Planned start date: 11/01/2019
Actual start date:
Projected completion date: 03/01/2020
Actual completion date:
RSA state team comments:
Resolved?

**Finding 8 - (6.1) One-Stop Service Delivery System MOUs&IFAs**

Finding Headline (6.1) One-Stop Service Delivery System MOUs&IFAs

Finding At the time of the on-site monitoring review DVRS did not meet the joint one-stop requirements regarding the development and implementation of MOUs and final IFAs with each local workforce area in the State, as required by 34 C.F.R. §§ 361.420 and 361.500. At the time of the on-site visit, the State had failed to fully execute eight of the 17 required MOUs and had failed to finalize IFAs in all 17 local areas. Since the on-site review, the State did not execute any additional MOUs and did not finalize any IFAs.

Mandated Corrective Action RSA requires that DVRS— 6.1.1 Finalize MOUs with those local workforce areas that do not have fully executed MOUs in accordance with 34 C.F.R. § 361.500;
and 6.1.2 Finalize IFAs for each of the State’s local workforce areas in accordance with 34 C.F.R. §§ 361.700 through 361.755.

RSA Focus Area

---

**Agency Planned Corrective Action Steps**

**Corrective action 8.1**

Action: 6.1.1 Finalize MOUs with those local workforce areas that do not have fully executed MOUs in accordance with 34 C.F.R. § 361.500.

Standard to be met and method of evaluation: DVRS will submit all executed MOUs that were outstanding at the time of the on-site for RSA review.

Planned start date: 11/01/2019

Actual start date:

Projected completion date: 04/01/2020

Actual completion date:

RSA state team comments:

Resolved?

**Corrective action 8.2**

Action: 6.1.2 Finalize IFAs for each of the State’s local workforce areas in accordance with 34 C.F.R. §§ 361.700 through 361.755.

Standard to be met and method of evaluation: DVRS will submit all executed IFAs that were outstanding at the time of the on-site for RSA review.

Planned start date: 11/01/2019

Actual start date:

Projected completion date: 04/01/2020

Actual completion date:

RSA state team comments:

Resolved?