# Vocational Rehabilitation Services Manual D-400: Quality Assurance and Continuous Quality Improvement

**New section** added on January 15, 2020

## D-404: Internal Controls

An internal control is a process that helps an entity to achieve its objectives and safeguard public resources as an integral part of every aspect of business.

For the Vocational Rehabilitation Division (VRD), internal controls are one of the mechanisms that help provide reasonable assurances regarding the achievement of VR objectives in the following categories:

* Effectiveness and efficiency of daily operations to produce the intended results in a manner that minimizes the waste of resources
* Reliability of reporting for internal and external use in support of decision-making and for program performance evaluation
* Alignment of VRD policy, procedure, and performance accountability supports and ensures successful program compliance with applicable laws and regulations

The VRD must establish and maintain internal control processes necessary to ensure our ability to comply with federal grants, law, and regulations.

Types of internal controls used by VRD include the following:

* Separation of Duties: More than one individual is needed to complete a process or series of steps.
* Access Controls: Staff members are limited to their user-specific roles within ReHabWorks (RHW).
* Internal Audits: Internal Audit conducts audits of various aspects of the VR service delivery process to ensure compliance with policy and procedures.
* Standardized Documentation: VRD processes are documented and available to staff via the VRSM, guidance memos, and documented standard operating procedures.
* Periodic Reconciliations: Budget checking of service authorizations ensures availability of funds and helps with budget management.
* Approval Authority: Authorization is required for the provision or purchase of services and must be appropriately documented in the customer’s case file.

### D-404-1: Legal Authority and References

Pursuant to requirements for the implementation, operation, and administration of the VR program in accordance with 34 Code of Federal Regulations (CFR) §§361.12, 361.47, and 361.56, and 2 CFR §§200.61, 200.302, and 200.303, internal controls are implemented by VRD to ensure accurate data collection, appropriate data documentation, and financial accountability.

The *US Government Accountability Office’s Standards for Internal Control in the Federal Government*, or the “Green Book,” sets the standards for an effective internal control system for federal agencies.

For more information, reference the Green Book at <https://www.gao.gov/greenbook/overview>.

For Rehabilitation Services Administration guidance and additional supporting information on Internal Controls, reference <https://www2.ed.gov/policy/fund/guid/uniform-guidance/internal-controls.html>.

### D-404-2: What Must Be Covered by Internal Controls

The following are examples of how internal controls apply to VR:

* We must ensure that our data entry in RHW accurately collects the information necessary to support federal reporting.
* We must ensure that VR staff members complete training necessary to ensure the collection and reporting of the required data.
* We must use internal control processes to ensure the accuracy and validity of the data.

### D-404-3: Internal Controls in ReHabWorks

The following are examples of the application of internal controls to the VR process in RHW:

* In the Application Process, completion of the Monthly Financial information is required as a prerequisite to accessing the Application Signature page.
* Edits on the Monthly Financial page help to ensure that basic living requirements (BLR) are addressed with the customer and properly documented.
* Before determining eligibility, the VR counselor must document the level of significance and the relevant disability information to access the Eligibility page—ensuring documentation of information essential to appropriately assessing and planning needed services with the customer—and only staff with an appropriate user role can make and enter the eligibility determination in RHW.
* For caseloads, system data enables VR counselors to manage their cases and be informed as to compliance with eligibility determination and plan development time frames.
* The Purchasing Approval Requests process supports planning, ensures and documents policy compliance, engages active supervision, and helps with caseload budget management.
* For Service Records, edits in the system help ensure the correct use of Basic Support or Preemployment Transition Services (Pre-ETS) budget and the proper categorization of the service.
* For Service Records, the pop-up message about using Medicaid helps support the application of comparable benefits.
* For the purchasing process, new edits in the system direct the Basic Support or Pre-ETS characterization of the service to help ensure allowable use of funds and support accurate fiscal reporting.
* For the purchasing process, system edits support the application of contracts to service authorizations for goods and services requiring contracts.
* For the purchasing process, system edits prevent any one individual from creating or changing, receiving, and/or paying a service authorization to enforce separation of duties. (This is called a compensating control.)
* For the purchasing process, system edits allow vendors to be suspended from providing services when needed based on contract monitoring or other issues.
* For the purchasing process, references associated with the specifications provide staff with a quick guide on where to look in policy for governance and guidance on the service.

When possible, internal controls to support data accuracy, consistency, integrity, reasonableness, and completeness are incorporated into the RHW business process to actively support proper program performance as an integral part of the customer service delivery process.

### D-404-4: Documentation and Data Corrections

Case documentation is essential to showing compliance with applicable requirements and demonstrating the proper use of funds. This applies to all VR customers throughout the case life cycle.

Paper copies of supporting documentation, such as medical records, provider reports, grade reports, transcripts, certificates, diplomas, and other relevant documents, must be obtained from the customer or service provider and used when RHW is updated. Copies of these documents are maintained in the customer's paper case file.

For assistance with situations in which the VR counselor is not able to directly enter, update, or correct data in the system, refer to the ReHabWorks User Guide and Support page for information on submitting data corrections to reconcile fixes, anomalies, and omissions.