



OFFICE OF THE
UTAH STATE AUDITOR

News Release

EMBARGOED Until September 12, 2013, 9:00am

**The Office of the Utah State Auditor will present
A Performance Audit of the Division of Rehabilitation Services Cost Controls
To the Legislative Social Services Appropriations Subcommittee**

*Audit and Presentation on September 12, 2013 will Highlight Concerns that the Vocational
Rehabilitation Program Lacks Program Oversight in Four High-Risk Areas*

Salt Lake City, UTAH –

The Office of the Utah State Auditor has conducted *A Performance Audit of the Division of Rehabilitation Services Cost Controls* and will present the findings to the Legislative Social Services Appropriations Subcommittee on September 12, 2013 at approximately 11:35am. The audit and presentation will highlight concerns that the state's vocational rehabilitation program lacks program oversight in four high-risk areas

The Division of Rehabilitation Services ("DRS" or "division") facilitates vocational rehabilitation services to clients whose disabilities prevent them from gaining or retaining meaningful employment. Client disabilities—which constitute or result in "a substantial impediment to employment"—could include either a mental health disorder or a physical disorder.

One of the underlying purposes of vocational rehabilitation is to help clients to become self-sufficient rather than rely on other forms of government assistance. While this eligibility program has proven successful in many individual circumstances, it can also be seen as an entitlement program by some clients who may take advantage of it.

This audit report identifies four deficiencies or findings that, once corrected, will improve the division's cost controls while providing greater counselor and district accountability for the use of program funds. It does not appear that the division has been the subject of a performance audit in its 92 years of existence.

- **Finding 1: Noncompliance with Policy Leads to Questionable Vehicle Modifications**
- **Finding 2: Noncompliance with Direct Authorization Policy Increases Fraud Risks**
- **Finding 3: DRS Could Reduce Costs and Improve Controls by Contracting Medical Functions**
- **Finding 4: Identity Verification Could Support Client Employment and Reduce Potential Fraud**

These finding are particularly concerning because the division expends millions of state and federal dollars annually without adequate controls to prevent and detect wasteful spending. Improved

controls would allow the DRS to further its mission by limiting waste that could be used to assist other citizens who need assistance.

Members of the press are requested not to report on the attached audit until after the embargo period.

The location of the meeting will be at Edison Elementary School (466 S. Cheyenne (1525 W), SLC 84104 – Gymnasium). Details can be found on the subcommittee site at <http://le.utah.gov/asp/interim/Commit.asp?Year=2013&Com=APPSOC> and the morning's agenda can be found at <http://le.utah.gov/Interim/2013/html/00002306.htm>.

About the Office of the Utah State Auditor

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud & compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every 4 years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. Auditor.Utah.gov

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