



Department of Developmental Disabilities

SELF Waiver Program Audit

Audit Period: July 2013 through June 2014

Results Summary:

Objective	Conclusion*
SELF Waiver Eligibility Determination	Well-Controlled with Improvement Needed
SELF Waiver Program Requirements	Well-Controlled
SELF Waiver Claims Processing	Well-Controlled
Invoicing County Boards for SELF Waiver Matching	Well-Controlled with Improvement Needed

* Please refer to Appendix A for classification of audit objective conclusions.



Executive Summary

Background

The Medicaid Home and Community-Based Services (HCBS) waiver program is authorized in section 1915(c) of the Social Security Act. The program permits a state to furnish an array of home and community-based services that assist Medicaid beneficiaries to live in the community and avoid institutionalization. Waiver services complement and/or supplement the services that are available to participants through the Medicaid State Plan and other federal, state and local public programs. The Self Empowered Life Funding (SELF) Waiver, effective since July 2012, allows participants to make decisions about their waiver services and accept responsibility for taking a direct role in managing services. Approximately 350 participants are currently enrolled in the waiver program.

During the review, OIA identified opportunities for the Department of Developmental Disabilities (DODD) to strengthen internal controls and improve business operations. OIA conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank DODD staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

Scope and Objectives

OIA staff was engaged to perform an assurance audit related to the controls over the SELF Waiver program. This work was completed December 2014 through March 2015. The audit period covered July 2013 through June 2014. The following summarizes the objectives of the engagement:

- Evaluate the design and effectiveness of controls over the initial and ongoing eligibility determination processes.
- Evaluate the design and effectiveness of controls over compliance with SELF waiver program requirements.
- Evaluate the design and effectiveness of controls over claims processing for SELF waiver services.
- Evaluate the design and effectiveness of controls over the invoicing process to county DD Boards for SELF waiver matching.

The scope did not include a review of the systems used in the administration of the SELF Waiver program as they will be reviewed in a separate engagement.



Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. There were no high or moderate risk observations on this engagement. Low risk observations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.



Appendix A – Classification of Conclusions and Observations

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
Well-Controlled with Improvement Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Improvement Needed	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
Major Improvement Needed	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

Classification of Audit Observations

Rating	Description of Factors	Reporting Level
Low	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
Moderate	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
High	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee