

LAC

February 1996

A Limited-Scope Review of the SC Commission for the Blind

Members of the General Assembly requested that we conduct a limited review of the South Carolina Commission for the Blind (SCCB). This review focused on administrative operations, the use of federal and other funds, and client services. In several areas, we recommend ways to improve agency operations. The results of our review are summarized below.

Administrative Issues

We reviewed administrative operations of the commission which may affect compliance with federal reporting requirements and the delivery of services. Our review revealed the following.

□ A client information system which SCCB began developing in 1984 had not been completed as of January 1996, more than nine years after the projected completion date. Between 1984 and 1988, the commission spent approximately \$667,000 to develop this system. In 1990, a new commissioner was appointed to SCCB. From 1990 to 1995, the commission spent approximately \$286,000 to develop the system. Further, as of August 1995, commission officials estimated that an additional \$268,000 was needed to complete the system. According to these officials, the client information system will be fully implemented in May 1996.

- SCCB overpaid the Budget and Control Board's Division of Information Resource Management (DIRM) approximately \$69,000 to develop a client information system from 1991 to 1994. The commission paid DIRM \$354,339 when costs amounted to \$285,712. This amount was repaid during the course of this audit.
- The commission has not always paid vendors in a timely manner. Our sample of vouchers showed that 4 (25%) of 16 vendors were not paid within 30 days of the receipt of goods.
- The commission collects sales tax from clients for the Business Enterprise Program (BEP). We found that an allegation concerning the return of an SCCB check for sales tax due to "insufficient funds" was unfounded. Instead, checks from vendors participating in the BEP have been returned due to "insufficient funds" in the individual vendors' accounts.

— Expenditures for the Client Information System —

Time Period	Costs
1984 - 1988	\$666,533
1991 - 1995	\$553,370 ^a
Total	\$1,219,863

^a Includes projected costs to complete the system.

Agency comments to the audit begin on page 25.

Use of Federal and Other Funds

Federal regulations provide that a percentage of profits from vending stands operated by non-blind vendors on federal property be distributed to blind vendors. These profits are remitted to the commission for distribution.

As of January 1996, the commission was conducting administrative proceedings to resolve a dispute concerning the distribution of profits from vending stands at the Savannah River Site (SRS) in Aiken, South Carolina. The dispute focuses on whether vending machine funds (approximately \$528,000 as of September 1995) should be distributed only to the 6 vendors at SRS or to the approximately 122 vendors throughout the state. In addition, as of September 1995, the commission had expended approximately \$11,000 of these funds for legal services to resolve this dispute. Depending on the outcome of this dispute, these expenditures may have to be reimbursed.

We were also asked to determine if SRS vending machine funds could be used as the "state match" to receive federal funds. We found that federal law allows use of these funds as the "state match" for certain expenditures. In FY 91-92 and FY 92-93, the commission purchased eligible services totalling at least the amount reported as the "state match."

We found no material problems with the commission's use of federal 110 and social security reimbursement funds which are intended to assist clients in the areas of job training and independent living. Further, a federal official confirmed that the commission did not exhaust its federal 110 allotment and thereby stop providing client services in April 1995, as alleged.

Copies of all LAC audits are available to the public at no charge. If you have additional questions, please contact George L. Schroeder.

Client Services

We reviewed commission programs which are intended to provide employment to and to encourage the independence of blind clients, and found the following.

- For three years, the commission has renewed an annual contract with the Rocky Bottom Camp for rural orientation and mobility training despite low attendance. The commission paid a total of \$114,000 to renew this contract. According to the contract, the camp can accommodate a minimum of 12 clients per training session. From September 1991 to September 1995, fewer than 12 clients attended the camp in 15 (47%) of the 32 training sessions held. Continuation of the contract for rural orientation and mobility training may not be an effective use of commission funds.
- The commission selects blind clients to be operators of vending stands but maintains only limited information on how these vendors are chosen. Based on available information, we found no evidence that the business enterprise vendor's selection committee had made inappropriate placements. We recommended that the commission maintain documentation on selection decisions, including the basis for selecting one vendor from a group of vendors bidding on the same state.
- From FY 91-92 to FY 93-94, the commission's closures for successfully rehabilitated clients decreased by 61% (from 286 to 111). We concluded that the decrease was primarily due to three factors: a change in the practice of closing a client's case when the primary service provided to the client is a medical procedure; the turnover of three of the ten vocational rehabilitation counselors in FY 93-94; and the lack of written procedures to determine the budget allocation for client services by district.