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# Program Audit: Monitoring of the Area Agencies on Aging

*Prepared for the Committee on Legislative Research  
by the Oversight Division*

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*Audit Team:*

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*December, 1995*



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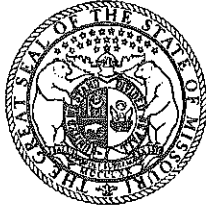
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December, 1995

Members of the General Assembly:

As authorized by Chapter 23, RSMo, the Committee on Legislative Research adopted a resolution in June, 1995 directing the Oversight Division to perform a program audit of the Department of Social Services' monitoring duties of the Area Agencies on Aging which included the examination of records and procedures in the agency to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation.

The accompanying report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates.

Respectfully,

A handwritten signature in cursive script that reads "Donald Prost".

Representative Donald Prost, Chairman






# PROGRAM AUDIT OF THE STATE MONITORING OF AREA AGENCIES ON AGING

## Summary of Oversight Division's Findings

The Department of Social Services, Division of Aging is designated to be the sole state agency responsible for developing, administering, planning and coordinating a state plan to carry out the programs of the Older Americans Act and additionally administers programs included in the Social Services Block Grant and the United States Department of Agriculture. The objectives of these programs include adequate income; physical and mental health; suitable housing; employment opportunities; retirement in health, honor and dignity; meaningful activity; efficient community services, including transportation; benefit from research knowledge; and freedom and independence. Supportive services such as congregate and home-delivered meals, the development and operation of senior centers and legal assistance fall within the program. There are ten Area Agencies on Aging located around the state. During state fiscal year 1994, approximately \$26 million in federal funds were expended by the Area Agencies on Aging, which had been allocated by the Division of Aging. In addition, approximately \$2 million in state general revenue funding was also provided to the AAAs.

**Does the Division of Aging effectively and adequately monitor the expenditure of funds by the Area Agencies on Aging?** The Division of Aging does not have a regular schedule for the monitoring of the ten Area Agencies on Aging. The Division relies on independent audit reports conducted by external auditors rather than performing on-site monitoring to evaluate fiscal operations and the quality and effectiveness of services provided by the AAAs. Separate internal financial reports prepared by the Department of Social Services are not reconciled; specifically the federal reports, administrative costs calculated by the Division and the schedules of federal financial assistance of the AAAs.

Our audit was performed in accordance with generally accepted government auditing standards as they relate to performance audits. With respect to the items tested, the only non-compliance issues related to the DA's monitoring of the AAAs or deficiencies in management controls that the Oversight Division noted are included in the following report. With respect to the items not tested, nothing came to our attention that caused us to believe that the agencies affected did not comply with the provisions of the OAA, SSBG and USDA programs. We did not examine departmental or program financial statements and do not express an opinion on them.

  
Jeannie Jarrett, CPA  
Director



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## Introduction

The Joint Committee on Legislative Research directed the Oversight Division to perform a program audit of the Department of Social Services, Division of Aging (DA), in regard to the DA's monitoring of the ten Area Agencies on Aging (AAAs). The Division of Aging was designated under section 305 of the Older Americans Act of 1965 (OAA), as amended through December 31, 1992, and section 660 of the Missouri Revised Statutes of 1994 to be the sole state agency responsible for developing, administering, planning and coordinating a state plan to carry out the programs included under the OAA. In addition, the DA administers programs under the Social Services Block Grant and the United States Department of Agriculture. This audit informs the General Assembly of the monitoring done by the DA over the AAAs.

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## Background

### Federal Funding

The main purpose of the Older Americans Act of 1965 includes assistance to older individuals to secure equal opportunity. The objectives include adequate income; physical and mental health; suitable housing; employment opportunities; retirement in health, honor and dignity; meaningful activity; efficient community services, including transportation; benefit from research knowledge; and freedom and independence. The majority of the OAA programs are funded from the United States Department of Health and Human Services.

Several programs are included under the OAA, including Titles III, IV, V and VII. Title III grants may be used for supportive services, congregate and home-delivered meals, the development and operation of multipurpose senior centers and legal assistance. Title III covers only eighty-five percent of the costs of these services. The state and the AAAs must cover the remaining fifteen percent. Up to five percent of this grant may be used for administration by the state, and ten percent may be used by the AAAs for administration.

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The purpose of the Title IV program is to expand the nation's knowledge of aging, test ideas in programs and disseminate the results of the tests publicly. These objectives are accomplished through training personnel working with older individuals, research and development, demonstration projects and dissemination of aging information.

The Title V program involves community service employment for older Americans. Funding for this program comes from the Department of Labor. The purpose of Title V is to provide part-time community service activities for persons who are at least fifty-five years old and unemployed. This is done by working with public or private organizations. The total administrative allowance allowed for the state and AAAs is 13.5 percent.

Title VII relates to elder rights protection. Title VII establishes a State Long-Term Care Ombudsman Program. The duties of the ombudsman include identifying, investigating and resolving complaints by or on behalf of residents of long-term care facilities. State demonstration projects for outreach to older individuals are also included under Title VII. These projects include benefits counseling and medical assistance information. Additional areas covered by Title VII include programs to prevent abuse, neglect and exploitation of the elderly and legal assistance to ensure elder rights.

In addition to federal funding under the OAA from the United States Department of Health and Human Services and Department of Labor, the DA also passes Social Services Block Grant (SSBG) and United States Department of Agriculture (USDA) funds to the AAAs. The SSBG funds can be used for supportive services, prevention of neglect and abuse, prevention of institutionalization and services to individuals in institutions. Under USDA funding, food or cash is made available for congregate and home-delivered elderly meals.

During state fiscal year 1994, approximately \$26 million in federal funds were expended by the AAAs, which had been allocated by the DA. In addition, during the same year, approximately \$2 million in state general revenue was allocated to the AAAs. The Older Americans Act Unit within the DA includes approximately fourteen employees, including nutrition and aging program specialists, auditors and clerks. The DA is audited annually by the State Auditors Office in compliance with the Office of Management and Budget (OMB) Circular A-128, which is a financial and federal compliance audit.

The Division of Aging and Area Agencies on Aging

The Division of Aging receives federal grant award notifications, based on a federal fiscal year, from the federal Department of Health and Human Services, Department of Labor and Department of Agriculture. Based on the grant notifications, funding formulas and an equitable distribution plan, the DA determines the amounts available to each Area Agency on Aging by preparing planning allotment tables.

According to 13 CSR 15-4.070, no more than one AAA is designated within a planning and service area. An Area Agency on Aging may be a unit of local government or a public or private nonprofit agency.

Area Agencies on Aging prepare area plans in accordance with the OAA, which are submitted to the DA for review. The area plans provide assurances that the AAAs will use funds as intended by the OAA.

The AAAs either contract out services or provide services directly. Many services, like congregate meals, are provided by senior centers. The AAAs submit monthly billings to the DA for reimbursement. The DA reviews the billings, ensuring that AAAs do not exceed their budget, and payment is remitted to the AAAs by the Department of Social Services, Division of Budget and Finance.

The AAAs are audited annually by independent external auditors. These audits are in compliance with the OMB Circulars A-128 and A-133. The main focus of these audits is financial and compliance. The DA procures these audits for eight out of the ten AAAs.

Based on information submitted by the AAAs, the DA prepares a State Program Report for Title III. This report is submitted to the federal Department of Health and Human Services (HHS). The report includes demographic characteristics of the state, participant counts, senior center counts and ombudsman program information. This information is reviewed by the DA and HHS for any changes in services which are not the result of changes in funding levels.

The Department of Health and Human Services conducted a review in 1994 of the DA in regard to the funds allocated to the AAAs. All of their findings were resolved except for one related to DA's monitoring of the AAAs, which is included as a finding in this audit report (see finding #1).

## Objectives

The objectives of the audit are to inform the General Assembly as to whether the DA is effectively and adequately monitoring the AAAs. The focus of the Oversight Division centered on five main objectives to determine if:

- ▶ the DA effectively and adequately monitors the AAAs,
  - ▶ the AAAs are having annual A-128 or A-133 audits,
  - ▶ the DA is in compliance with certain A-128 requirements,
  - ▶ the DA's controls over allotments and reimbursements to AAAs are adequate, and
  - ▶ the DA state plan and AAA area plans are in compliance with the OAA and Code of State Regulations.
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## Scope

The scope of the audit concentrated on the role of the Division of Aging in passing funds on to the Area Agencies on Aging and monitoring the AAAs for the use of the funds. The time periods audited included state fiscal years 1992 through 1995. The main areas considered in the audit were audits already performed of the DA and AAAs, the DA state plan, the AAA area plans, the DA planning allotment tables and billings from the AAAs to the DA.

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## Methodology

The Oversight Division conducted the audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States as those standards relate to performance audits. The methodology used by the Oversight Division included tests of samples of transactions and evaluating management controls to the extent necessary to fulfill audit objectives.

Oversight's main efforts concentrated on the following procedures:

- ▶ examining audit reports of the DA and the AAAs,
- ▶ evaluating charges to the federal programs,
- ▶ reviewing the state plan and area plans for compliance with the Older Americans Act, and
- ▶ evaluating certain compliance requirements of OMB Circular A-128 as they relate to the DA.

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## Findings

## Recommendations

## Agency Responses

<b>FINDING #1:</b>	<b>The Division of Aging does not have a regular schedule for the monitoring of the ten Area Agencies on Aging.</b>
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The Division of Aging (DA) does not have a formal policy and procedures manual currently in place to annually monitor the ten Area Agencies on Aging (AAAs). The DA currently visits the AAAs as the need arises. One area in particular that appears to need attention is the verification of units served as reported to the DA by the AAAs from which reimbursements of federal dollars are based.

The DA has prepared a draft Division of Aging Monitoring Tool For Area Agencies on Aging to become effective in 1996. The draft monitoring tool requires the DA auditors to check that a unit of service complies with state standards. However, it does not indicate that a sample of original documents supporting units served (sign-in sheets, time sheets, etc.) should be reconciled to the related billings submitted to the DA by the AAAs. The billings received by the DA from the AAAs are general and do not include any supporting documentation for units served because of the volume of paper that would be involved every month.

Section 307 (a)(7)(C)(i) of the Older Americans Act requires the state to provide assurances to "maintain the integrity and public purpose of services provided, and service providers, under the State plan in all contractual and commercial relationships". The units served by the AAA or its contractor should be reported by the AAA with integrity by only requesting reimbursement for allowable units served.

The DA relies on the federal Office of Management and Budget Circulars A-128 and A-133 audits of the AAAs by independent external auditors to verify units served to supporting documentation. However, the units served could be inadequately audited for the DA's purposes. The A-128 and A-133 audits are financial and compliance audits. The federal audit programs followed by the external auditors for these audits are comprehensive, but they leave room for auditor judgment. Although some auditors may examine supporting documentation for units served as an audit procedure, the audit programs do not specifically require the auditors to compare original supporting documentation for units served to units reported by the AAA to the DA for reimbursement.

The request for proposal (RFP) and audit criteria prepared by the DA and provided to the external auditors do not specifically address the method of auditing units served to satisfy the DA's needs.

The State Auditors Office (SAO) had a related finding in the Division of Aging's state fiscal year 1994 Single Audit report. The SAO stated that the DA "...does not perform on-site monitoring procedures periodically to evaluate the fiscal operations and the quality and effectiveness of services provided by the Area Agencies on Aging." The Department of Health and Human Services, Administration on Aging, also stated in a 1994 compliance review that the state should consider a "...form of on-site financial review of AAA's...to enhance the State's leadership in the aging network and to strengthen the State's current financial monitoring capacity."

#### **RECOMMENDATION TO FINDING #1**

The Oversight Division recommends that the Division of Aging perform its own monitoring of the AAAs on an annual basis, which includes examining original supporting documentation for units served (sign-in sheets, time sheets, etc.) as well as compliance issues addressed by the Older Americans Act and the Social Services Block Grant.



Although visiting the AAAs as the need arises based on desk reviews can be an effective method of detecting problems, the Oversight Division recommends in addition to this procedure that an annual monitoring be done of each AAA in order to address areas that may not be covered during the desk reviews.

The DA may also consider adding to the RFP and audit criteria that the external auditors audit units served in a way that satisfies the DA's requirements.

### **Agency Response to Finding #1**

#### ***Department of Social Services:***

*The Division of Aging's (DA's) response to this finding has been divided into two sections. The first section responds to concerns expressed within the text of the finding related to verification of units served as reported by the area agencies on aging (AAAs) to DA. The second section relates directly to the monitoring of the ten area agencies on aging.*

#### **1. Units Served**

*The Oversight Division should consider the structure of the reporting, payment, monitoring, and auditing system utilized by DA and the AAA network in its' entirety, rather than considering the AAA invoicing and expenditure reporting component as a stand alone process. DA believes the internal control processes established as a result of federal and state regulations ensure the integrity of each progressive step in the billing process at each level within the aging services network.*

*Nutrition service providers are required by 13 CSR 15-7.060(4), Nutrition Services Standards, to maintain daily records of signatures of nutrition service recipients. These sign-in sheets are required to be retained by the service provider, at a minimum, for three years for Title III funded services and for five years for Social Services Block Grant funded services.*

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*The AAA, at a minimum, is required by 13 CSR 15-4.220 to conduct a full on-site evaluation of each service provider to monitor compliance with fiscal and program standards including the requirement related to maintenance of signature records. The independent auditors conducting the Office of Management and Budget (OMB) Circular A-128 or A-133 audits of the AAAs subsequently review these AAA conducted service provider monitoring reports as a part of the internal control review process at the AAA level. The independent auditor's review includes consideration of the monitoring process and follow-up procedures related to any service provider findings. When AAAs are operating senior centers under direct service waivers as provided for in 13 CSR 15-4.200(4) then the sign-in sheets are maintained by the AAAs and are reviewed by the independent auditors during the AAA's OMB Circular A-128 or A-133 audit.*

*In those instances, when a subrecipient relationship is established between the AAA and the service provider and when federal funds meeting OMB thresholds are met, the provider is required to have an audit in accordance with OMB Circular A-133 or A-128 and to provide the AAA with a copy of the audit report. At the subrecipient level, supporting documentation for service delivery reviewed by the auditor is the daily sign-in sheets. The auditors conducting the AAA's OMB Circular A-133 or A-128 audit analyze and report on the AAA process for reviewing subrecipient audits including follow-up on reported findings and questioned costs.*

*DA's right to recover funds for units identified through the above process as being inadequately documented is contained within paragraph 8(g) of the contract between DA and each of the AAAs. This paragraph states "Reimbursements under this Contract are earned only when allowable costs are obligated during the funding period and the pro rata match requirement has been met. Receipt of funds by the Agency (either through advancement or reimbursement) does not constitute earning of these funds." Such provisions are also contained within the AAAs' contracts with their service providers.*

*DA believes the system currently in place allows for adequate verification that units provided were sufficient to draw down the available federal funds. In addition, this system avoids unnecessary and duplicative recordkeeping consistent with federal policy*

*guidelines. DA concurs that the annual AAA assessment can be enhanced by a review of documentation related to services provided and will incorporate such a requirement into the AAA assessment tool.*

*Please note, the quotation from Section 307(a)(7)(C)(i) relates specifically to the provision of AAA "Eldercare Services" under contract to private entities and does not relate to verification of service units provided by the AAAs contracted service providers.*

2. Monitoring

*DA's monitoring process includes review of annual budgets and amendments, monthly service and expenditure trends, quarterly line item expenditure reports, and annual independent audits performed in accordance with OMB Circulars A-128 or A-133. Other forms of monitoring exist which DA contends to be highly effective although not as easily verifiable as formal on-site assessment documents. DA's approach includes informal program reviews conducted continuously in every contact made by DA staff with an area agency or subcontractor, as evidenced by the resulting technical assistance on file. These contacts result in the informal evaluation and critique of agency policies, procedures, requests for proposal, investigations of third party inquiries, and complaints. Alternative and complementary techniques are on-site visits to senior centers, board and advisory council meeting attendance and in-house or on-site technical assistance sessions. On-site intensive formal reviews are conducted of individual agencies when indicators of problems with program and/or fiscal operations appear through desk reviews or the other methods mentioned above. With limited DA monitoring staff, our experience has demonstrated these formal reviews consume a great deal of staff time and energy to be conducted properly. The methods mentioned above have alone generated program quality and effectiveness issues above those produced when DA was using prior conventional monitoring methods.*

*During August 1994, the Administration on Aging (AoA) conducted an on-site assessment of DA. As the attached report indicates, AoA noted DA is not out of compliance regarding financial review of AAAs. AoA stated the fiscal monitoring process could be enhanced by some of on-site financial review. DA concurs that the fiscal*

*monitoring process could be enhanced by implementing periodic formal on-site assessments of AAA fiscal operations. As noted in the text of this finding, DA is currently working on an on-site assessment tool to enhance the existing fiscal monitoring process. During October 1995, the Older Americans Act Unit conducted a pilot monitoring visit at Area Agency on Aging Region X to test a "draft" assessment tool. In November 1995, the Older Americans Act Unit will be conducting the second monitoring visit to the Northwest Missouri Area Agency on Aging to further refine the assessment tool.*

<b>FINDING #2:</b>	<b>The Division of Aging and the Division of Budget and Finance (DBF) do not reconcile the federal reports prepared by the DBF to the administrative costs calculated by the DA and the Schedules of Federal Financial Assistance of the AAAs.</b>
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The Division of Budget and Finance (DBF) prepares the quarterly federal SF 269 "Financial Status Report" based on billings submitted from the AAAs and administrative charges calculated by the DBF. The Schedule of Federal Financial Assistance By State Agency for the Division of Aging for program funds allocated to the AAAs included in the State of Missouri Single Audit is prepared from the SF 269s. However, for state fiscal year 1994, the Oversight Division attempted to reconcile the Schedules of Federal Financial Assistance for the AAAs in total to the state's schedule (excluding the Social Services Block Grant and program funds not allocated to AAAs), after considering administrative costs incurred by the Department of Social Services, as calculated by the DA from the allotment tables. Even though the billing periods used by the AAAs and the federal reports appear to coincide, approximately \$680,000 more appeared on the state schedule than the AAA schedules, which could not be readily reconciled by the Division of Aging or the Division of Budget and Finance.

Based on grant award notifications received by the DA from the federal government, the DA calculates the allowable administrative allowances that can be retained by the Department of Social Services in order to determine how much each AAA can be allotted for program funds.

The Schedules of Federal Financial Assistance at the AAA level could include audit adjustments that may not be reflected on the SF 269s until the subsequent year. The timing of the administrative charges as calculated by the DA for a given year and when they are actually charged by the DBF could be different. The SF 269s with detail summarizing administrative charges by the DBF are not submitted to the DA for reconciliation to the allotment tables and AAA Schedules of Federal Financial Assistance.

Differences could exist in the method the DA uses to calculate administrative expenditures in determining how much in program funds to allot each AAA and the method the DBF uses to charge actual administrative expenditures to the program. These differences would only be in classification between program and administrative charges since the grant amounts are set by the federal government.

### **RECOMMENDATION TO FINDING #2**

The Oversight Division recommends that the Division of Aging and the Division of Budget and Finance reconcile the information contained in the SF 269s and the expenditures included in the AAAs' Schedules of Federal Financial Assistance to ensure consistency in reporting of expenditures and methods of calculations of administrative expenditures.

The reconciliation could detect clerical errors or differences in methods of calculations used by the two divisions. The reconciliation would also provide a clear trail that the state's Schedule of Federal Financial Assistance includes the information from the AAAs' Schedules of Federal Financial Assistance to ensure completeness of both schedules.

### **Agency Response to Finding #2**

#### ***Department of Social Services:***

*While agreeing in spirit with the recommendations, we disagree that the reconciliations would be worthwhile, timely, or necessary. While it is an ideal goal to achieve consistency in the amounts reported as audited by the respective agencies, the practicalities of such a review are not feasible. The amounts reported on the state's schedule of federal financial assistance are audited by the state auditor as part of the annual statewide single audit. The amounts reported on that schedule are the cumulative amounts reported on*

*the quarterly SF-269 expenditure reports. The SAO has found no reportable deficiencies or conditions regarding the amounts expended for the Older Americans Act programs.*

*As to the issue of calculating the amount of allowable administrative costs, federal regulations prescribe the percentage of the grants that can be used for administrative purposes. In the Division of Budget and Finance, total costs are accumulated at the end of each fiscal quarter, and the costs chargeable to the Administration on Aging programs are computed in accordance with the cost allocation plan approved by the US Department of Health and Human Services.*

<b>FINDING #3:</b> Some of the personal service costs for the Division of Aging's Older Americans Act Unit appear to be misclassified between programs.
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The OAA Unit was reorganized in October, 1995. All of the people in the OAA Unit work on Title III and related programs; however, certain staff in the OAA Unit performing the same duties are paid from different federal funding sources.

The Division of Budget and Finance accounts for expenditures to federal programs. Personal service expenditures are charged to programs based on position codes assigned to the employees.

The DA assigns position codes to their staff, which are used by the DBF in charging personal services to federal programs. The DA should change the position codes when employee duties change. However, the position codes are rarely changed to reflect a change in duties and subsequently to reflect a change in funding source.

The Oversight Division noted two fiscal officers, both working on Title III and related programs with essentially the same duties, having different position codes (002 and 018). This resulted in one of them being charged to the Title III program and one of them being primarily charged to the Social Services Block Grant (SSBG). Although the personal service expenditures appear to be allowable under both programs, employees with the same duties should be charged consistently to the same programs.

Additionally, an account clerk II, reporting to a fiscal officer in the OAA Unit, has a position code of 002, which means personal services are being charged primarily to SSBG. Her personal service expenditures should also be charged to Title III, along with the other employees of the OAA Unit.

The Oversight Division also noted one secretary, with a position code of 001, was charged to the indirect cost pool. Because her primary duties involve OAA programs, it appears she should be charged directly to Title III.

Because the criteria for allowable expenditures chargeable to the federal awards are very broad, these personal service charges may not be considered unallowable under the funding sources they are currently charged against. However, when program costs are misclassified, the resulting financial information, from which future programmatic or funding decisions would be based, is less reliable.

Personal service costs should be charged to the programs receiving the benefit. Additionally, all costs associated with a program should be accurately accumulated and accounted for to reflect an individual program's expenditures.

The DA indicated there may be a need to do a comprehensive review of the position codes within the division to make the position codes accurately reflect employee duties.

### **RECOMMENDATION TO FINDING #3**

The DA should review the position codes of the staff working on the OAA and SSBG programs. Position codes should be changed, as necessary, to reflect employee duties so that the appropriate funding sources are charged. This will ensure accurate and consistent accounting for all program costs.

### **Agency Response to Finding #3**

#### ***Department of Social Services:***

*As noted within the text of the finding, the Older Americans Act Unit was reorganized in October 1995. DA concurs with the finding and recommendation and has begun discussions with the Division of Budget and Finance to initiate a process to review the position codes of staff working*

*within the Older Americans Act Unit.*

<b>FINDING #4:</b> Three of the ten AAA area plans were missing documentation required by the Older Americans Act.
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The following information was missing from the state fiscal year 1994 AAA area plans:

- ▶ The Mid-East AAA was missing documentation identifying the number of and methods for serving low-income minority individuals from the previous fiscal year.
- ▶ The Mid-America Regional Council (MARC) AAA was missing documentation identifying the number of and methods for serving low-income minority individuals from the previous fiscal year. The MARC area plan was also missing documentation of assurances that service providers would meet specific objectives for providing services to low-income minority individuals.
- ▶ The Central Missouri AAA was missing documentation that they had established a grievance procedure for individuals who are dissatisfied or denied service.

Section 306(a) of the OAA requires each AAA to prepare a uniform plan for providing service in the area. This section further details specific documentation to be included in the plans.

Section 306(a)(5)(A)(ii) addresses providing assurances that the Area Agency on Aging will include with each agreement made with a provider of any service under the title a requirement that such provider will:

- ▶ specify how the provider intends to satisfy the service needs of low-income minority individuals in the area,
- ▶ to the maximum extent feasible, provide services to low-income minority individuals in accordance with their need for such services, and
- ▶ meet specific objectives established for the area agency on aging for providing services to low-income minority individuals within the area.



Section 306(a)(5)(A)(iii) states that with respect to the fiscal year preceding the fiscal year for which the plan is prepared, the AAA will:

- ▶ identify the number of low-income minority older individuals in the area,
- ▶ describe the methods used to satisfy the service needs of such minority older individuals, and
- ▶ provide information on the extent to which the Area Agency on Aging met certain objectives.

Section 306(a)(6)(P) requires the establishment of grievance procedures for older individuals who are dissatisfied with or denied services.

The area plans are reviewed when they are submitted to the DA. The DA requested the information missing from the MARC area plan. MARC failed to submit it by the requested date. Items missing from the other two plans were apparently overlooked.

Without obtaining the documentation required in section 306(a) of the OAA, the state cannot be certain the AAAs are carrying out essential objectives of the OAA.

#### **RECOMMENDATION TO FINDING #4**

We recommend the Division of Aging obtain the documentation missing from the area plans.

#### **Agency Response to Finding #4**

##### ***Department of Social Services:***

*Copies of the documents missing from the three area plans during the Oversight Division's fieldwork were subsequently submitted to the Oversight Division. Please note, DA only received clarification from the Administration on Aging (AoA) during their August 1994 review as to the required low income minority data and objectives required for presentation within area plans. AoA agreed to allow DA to collect this information for the first time with the AAAs submission of the agency's fiscal year 1996 area plan update. Bear in mind, the data related to provision of services to low-income minority individuals was available for consideration by DA during*

*the area plan approval process through analysis of the agency's quarterly program reports.*

*Further, the finding indicated the Central Missouri AAA area plan was missing documentation that established a grievance procedure for individuals who are dissatisfied or denied service. Central Missouri Area Agency on Aging overlooked providing a copy of the attached grievance procedure which had appeared in earlier area plans.*

**Oversight Division's Comment to Finding #4**

*The missing area plan information submitted by the Department of Social Services to the Oversight Division was not approved by the DA until after presentation of the audit findings by the Oversight Division to the Department of Social Services, based on dates included on correspondence between the DA and area agencies on aging.*

<b>FINDING #5:</b>	<b>The Division of Aging has not prepared an annual report for the ombudsman program pursuant to a requirement of the Older Americans Act.</b>
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The State Long-Term Care Ombudsman was established by the DA in accordance with the OAA to identify, investigate and resolve complaints on behalf of residents of long-term care facilities.

The State Ombudsman is required by Section 712 (h) of the Older Americans Act to prepare an annual report. This report should describe the activities carried out by the office, evaluate problems and complaints on behalf of residents of long-term care facilities, include recommendations for improvement of the quality of residents' care and analyze the program's successes. The report should be made available to the public, the federal Commissioner on Aging, the chief executive officer of the state, the state legislature, the state agency responsible for licensing or certifying long-term care facilities and other appropriate governmental entities.

**RECOMMENDATION TO FINDING #5**

We recommend that the Division of Aging, through the State Ombudsman, prepare the annual report in order to be in compliance with Section 712 (h) of the Older Americans Act. This report could provide necessary information to the public, as well as government officials.

**Agency Response to Finding #5**

***Department of Social Services:***

*Since reauthorization of the Older Americans Act (OAA) in 1992, the Administration on Aging (AoA) has yet to finalize and in some cases, publish for comment implementing regulations for changes occurring within the OAA amendments. Normally, AoA through the implementing regulation process or through the provision of program instructions provides guidance to states regarding content and format of standard reports required under the OAA. While DA continues to provide information to the general public and AoA related to the Ombudsman program, no specific annual report is prepared to meet the requirements contained within Section 712(h). DA will confer with AoA Regional Office regarding this report and initiate a process appropriate to meet the AoA requirement.*

