

*State of New York*  
*Office of the State Comptroller*  
*Division of Management Audit*  
*and State Financial Services*

**STATE OFFICE FOR THE AGING**  
**MONITORING OF SELECTED**  
**PROGRAMS**

**REPORT 96-S-60**



*H. Carl McCall*  
*Comptroller*



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# State of New York Office of the State Comptroller

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## Division of Management Audit and State Financial Services

### Report 96-S-60

Mr. Walter G. Hoefler  
Director  
State Office for the Aging  
Agency Building 2  
Empire State Plaza  
Albany, NY 12223

Dear Mr. Hoefler:

The following is our audit report on the State Office for the Aging's policies and procedures for ensuring that its programs effectively serve New York residents aged 60 or older.

This audit was performed pursuant to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. Major contributors to this report are listed in Appendix A.

*Office of the State Comptroller  
Division of Management Audit  
and State Financial Services*

December 23, 1997

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# Executive Summary

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## State Office For The Aging Monitoring Of Selected Programs

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### Scope of Audit

The State Office for the Aging (SOFA) promotes, coordinates, and administers Federal, State, and local programs and services for the nearly 3.2 million New York residents aged 60 or older. SOFA has established a network of 59 local area agencies on aging (area agencies) to provide services. Most area agencies subcontract with private agencies (mainly not-for-profit agencies) to provide the services, while some provide services directly. The area agencies include 53 sponsored by municipal governments (including New York City), four by not-for-profit organizations, and two by tribal governments.

The major State funded programs are Expanded In-Home Services for the Elderly (EISEP), Supplemental Nutrition Assistance Program (SNAP), and Community Services for the Elderly (CSE). For the 1995-96 State fiscal year, State expenditures totaled \$23.9 million for EISEP, \$13.9 million for SNAP, and \$13.9 million for CSE. These programs place a high priority on reaching low-income, frail, and at-risk New York residents aged 60 or older.

Our audit addressed the following question concerning SOFA's monitoring of major State funded aging programs and services for the period April 1, 1995 through June 30, 1997:

- Are SOFA's policies and procedures adequate to ensure the services that area agencies report to SOFA are being provided to the intended recipients?

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### Audit Observations and Conclusions

We found that SOFA's policies and procedures are generally adequate to ensure the services area agencies report to SOFA are being provided to the State's residents aged 60 or over. However, we found SOFA could improve existing procedures by adding certain requirements. In addition, we found that area agencies and SOFA were not always adhering to existing monitoring procedures.

The area agencies report quarterly to SOFA the number of units of service provided to program recipients, such as meals served. However, SOFA management has not established procedures requiring SOFA staff to verify, even on a test basis, the accuracy of data reported by the area agencies. As a result, SOFA does not have assurance that the information reported is accurate. In addition, adequate procedures are not in place to ensure SOFA staff determine whether the area agencies are meeting their monitoring requirements. Hence, there is increased risk that area agencies and subcontractors are not providing the reported services. Our report recommends that procedures be strengthened in these areas. (See pp. 3-4)

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SOFA requires area agencies to monitor subcontractors to ensure they comply with all applicable statutes, regulations, policies and standards in providing services. We visited four of the larger area agencies in terms of funding (Albany, Monroe, Nassau and Onondaga) to determine whether they were complying with SOFA monitoring requirements and whether area agencies were verifying units of service provided and expenditures claimed. We selected 31 subcontractors for review. We found that the four area agencies did not complete 9 of the 62 required annual visits. The four area agencies identified 124 findings that required an action plan for proper resolution as well as a follow-up review to ensure that corrective actions were taken. However, the area agencies did not ensure that subcontractors completed the required action plan for 19 findings and did not conduct follow-up reviews for 22 findings. In addition, three of the four area agencies we visited were not doing any fiscal monitoring, or verifying the units of services claimed by the subcontractors. Because area agencies were not always complying with SOFA requirements for monitoring subcontractors, they lack assurance that subcontractors are complying with all applicable statutes, regulations, policies and standards in providing services to the State's residents age 60 and over. SOFA needs to ensure that the area agencies are adhering to monitoring requirements. (See pp. 4-6)

In addition, SOFA requires its program staff to monitor area agencies' delivery of program services through four types of monitoring activities. These include overall program monitoring, nutrition monitoring, EISEP monitoring and fiscal monitoring. SOFA has set annual monitoring goals for each type of monitoring. We found that SOFA met the EISEP monitoring goals, but did not meet the program, nutrition or fiscal monitoring goals. Staffing shortages helped to explain why the monitoring goals were not being achieved, and SOFA officials indicated that steps have been, or will be taken to address the need to achieve monitoring goals. Since SOFA was not always meeting its area agency monitoring goals, it lacks assurance that area agencies are complying with applicable statutes, regulations, policies and standards. In addition, SOFA lacks assurance that area agencies are reporting actual units of service delivered. SOFA should ensure that annual field visit goals for each type of monitoring are met. (See pp. 6-8)

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## **Comments of SOFA Officials**

SOFA officials agreed with our recommendations and indicated that actions have been initiated to implement them.

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# Introduction

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## Background

The State Office for the Aging (SOFA) promotes, coordinates, and administers Federal, State, and local programs and services for the nearly 3.2 million New York residents aged 60 or older. SOFA has established a network of 59 local area agencies on aging (area agencies) to provide services. While most area agencies subcontract with private agencies (mainly not-for-profit agencies) to provide the services, some provide services directly. The area agencies include 53 sponsored by municipal governments (including New York City), four by not-for-profit organizations, and two by tribal governments.

SOFA spent \$159.4 million in Federal and State funds in fiscal year 1995-96, including \$9.4 million for administration and \$150 million for aid to localities. Federal funds are provided under the Federal Older Americans Act. The major State funded programs are Expanded In-Home Services for the Elderly (EISEP), Supplemental Nutrition Assistance Program (SNAP), and Community Services for the Elderly (CSE). State expenditures for these programs totaled \$23.9 million for EISEP, \$13.9 million for SNAP, and \$13.9 million for CSE. These programs place a high priority on reaching low-income, frail, and at-risk New York residents aged 60 or older.

EISEP provides non-medical in-home services, case management, non-institutional respite, and ancillary services to the functionally impaired New York residents aged 60 or older who need assistance in daily living. SNAP provides funds for home-delivered meals, congregate meals, and other related nutritional services to the nutritionally at-risk New York residents aged 60 or older. CSE fills gaps in services and provides funding to support the needs of the New York residents aged 60 or older, their families, and informal care givers. Examples of locally determined services available include transportation, shopping assistance, adult day care, and homemaking and housekeeping services.

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## Audit Scope, Objective and Methodology

We audited SOFA's policies and procedures for ensuring that its major State funded programs effectively served New York residents aged 60 or older for the period April 1, 1995 through June 30, 1997. Our objective was to determine whether SOFA's monitoring policies and procedures ensure the services that area agencies report are provided to New York residents aged 60 or older. To accomplish our objective, we reviewed applicable laws, rules, regulations, policies, and procedures, and interviewed SOFA officials. We reviewed SOFA's monitoring records and reports for compliance with established criteria. We also visited four of the larger area agencies in terms of State funding (Albany, Monroe, Nassau and Onondaga) to test the accuracy of reported data (expenditures and units of service) and the adequacy of their monitoring of subcontractors and directly provided services. We did

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not test client eligibility for program services or observe the delivery of services. We did not visit the New York City area agency, which is the largest area agency in terms of aging funds received, because its aging programs were reviewed in a separate audit report (Report 96-N-8).

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations which are included within our audit scope. Further, these standards require that we understand SOFA's internal control structure and its compliance with those laws, rules and regulations that are relevant to the operations which are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by agency management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our audit efforts on those operations that have been identified through a preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, little audit effort is devoted to reviewing operations that may be relatively efficient or effective. As a result, our audit reports are prepared on an "exception basis." This report, therefore, highlights those areas needing improvement and does not address in detail activities that may be functioning properly.

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## **Response of SOFA Officials to Audit**

A draft copy of this report was provided to SOFA officials for their review and comment. Their comments have been considered in preparing this report and are included as Appendix B.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Director of the State Office for the Aging shall report to the Governor, the State Comptroller and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein and where recommendations were not implemented, the reasons therefor.

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# Monitoring of Major State Funded Programs and Services

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SOFA has established two levels of monitoring for its programs for New York residents aged 60 or older. First, SOFA requires area agencies to monitor directly provided and/or subcontractor provided services. In addition, SOFA requires its program staff to monitor area agencies' delivery of program services.

We found that SOFA has developed extensive policies and procedures that provide for adequate monitoring of its major State funded programs. For example, SOFA officials have issued Technical Assistance Memorandums and Program Instructions to assist area agencies in carrying out program objectives and SOFA staff in evaluating program results. Also, SOFA has developed an annual evaluation guide that provides guidance to SOFA staff in their evaluation of area agencies' implementation of programs for New York residents aged 60 or older. However, we found SOFA could improve existing procedures by adding certain requirements. In addition, we found area agencies and SOFA were not always adhering to existing monitoring procedures.

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## Strengthen Existing Procedures

We found SOFA could strengthen its existing procedures by requiring staff to verify the accuracy of units of service reported by area agencies. In addition, SOFA should revise its annual evaluation questionnaire to include whether area agencies are performing all required monitoring activities.

The area agencies report quarterly to SOFA the number of units of service provided to New York residents aged 60 or older. An example of a unit of service is a home-delivered meal, which would be a hot or other appropriate meal that meets nutritional requirements and is provided to an eligible person for home consumption. SOFA's monitoring procedures should ensure that the number of units of service reported by the area agencies is accurate and based on actual results of their operations. SOFA's Aging Services Representatives (ASRs) are the primary liaisons to the area agencies and are responsible for providing technical assistance and program oversight to an assigned group of area agencies. The ASRs conduct annual program evaluations of the area agencies. We found, however, that SOFA management has not established procedures that require the ASRs to verify, even on a test basis, the accuracy of the units of service data that is reported to SOFA. As a result, SOFA lacks assurance that the units of service reported by area agencies are accurate.

The annual evaluation guide contains questions concerning the area agencies' procedures for ensuring that the units of service data reported to SOFA are accurate. However, the guide does not require the ASRs to verify the accuracy of any units of service data by comparing the information to supporting

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documentation maintained at the area agency. As a result, SOFA lacks assurance that area agencies are reporting the actual units of service delivered.

The annual evaluation guide format is a question/answer checklist where the ASRs check “yes” or “no” to answer each question. In addition, space is provided for the ASRs to add narrative comments. The annual evaluation covers a wide range of subjects and includes questions concerning the area agencies’ monitoring of direct and/or subcontractor provided services.

When conducting annual evaluations, the ASRs should ensure that the area agencies’ monitoring requirements are met. However, the annual evaluation questions concerning area agencies’ monitoring of direct and/or subcontractor services do not ask the ASR to determine whether the area agency is meeting its monitoring requirements.

For example, the questions on subcontractor monitoring ask whether the area agency has a system for monitoring subcontractors on an annual basis and whether documentation of on-site monitoring activities by the area agency meets the standards included in SOFA procedures. Neither question asks whether the area agency has monitored each subcontractor annually as required. In fact, all the annual evaluations we reviewed for the area agencies we visited had all questions concerning subcontractor monitoring answered “yes”, although we determined that none of the area agencies monitored all subcontractors as required. The question on directly provided services asks how the area agency conducts internal monitoring of directly provided services. The question does not ask whether the area agency has monitored all of its directly provided services annually as required or whether the monitoring provided meets the standards.

Since the ASRs are not determining that the area agencies are meeting their monitoring requirements, there is an increased risk that the area agencies and subcontractors are not providing the reported services.

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## **Area Agency Monitoring**

SOFA requires area agencies to monitor subcontractors to ensure they comply with all applicable statutes, regulations, policies and standards in providing services to New York residents aged 60 or older. At a minimum, area agency staff must make at least one on-site visit to each subcontractor annually. During these site visits area agency staff should document their monitoring activities, including the dates of each review and the areas reviewed. In addition, area agencies should detail each review finding and ensure development of a corrective action plan for each finding. Area agencies should conduct follow-up reviews to ensure that corrective actions were taken. Finally, area agencies should be doing fiscal monitoring (ensuring that accounting records agree with amounts reported on vouchers) in addition to verifying the units of service claimed by the subcontractors.

We visited four of the larger area agencies in terms of funding (Albany, Monroe, Nassau and Onondaga) to determine whether they were complying with SOFA monitoring requirements and to determine whether area agencies were verifying units of service provided and expenditures claimed. At these four area agencies we judgementally selected 31 subcontractors receiving the largest grants to determine whether area agencies made the 62 required monitoring visits for the 1995-96 and 1996-97 fiscal years and whether other monitoring requirements were met. As shown in the following chart, these area agencies did not always make the required number of site visits and did not always comply with other monitoring requirements.

<b>AREA AGENCY MONITORING</b>					
<b>Item</b>	<b>Albany</b>	<b>Onondaga</b>	<b>Monroe</b>	<b>Nassau</b>	<b>Total</b>
# of subcontractors	5	8	9	9	31
# of required visits	10	16	18	18	62
# of visits not done	3	0	4	2	9
# of findings	42	34	31	17	124
no action plan	9	0	1	9	19
no follow-up review	7	5	3	7	22

As shown in the chart above, the four area agencies did not complete 9 of the 62 (15 percent) required annual visits. At Monroe two of the four visits were supposedly done, but not documented in writing as required. The four area agencies identified 124 findings during the 53 monitoring visits done. The area agencies did not ensure completion of a required action plan for 19 (15 percent) of these 124 findings. In addition, the area agencies did not conduct follow-up reviews for 22 (18 percent) of the findings to ensure that corrective actions were taken. Finally, we found that three of the four area agencies we visited were not doing any fiscal monitoring, or verifying the units of services claimed by the subcontractors. Officials at these three area agencies told us they believed SOFA guidelines were not clear in articulating that such fiscal monitoring and units of service monitoring were required. Therefore, these three area agencies did not do these types of monitoring. Because area agencies were not always complying with SOFA requirements for monitoring subcontractors, they lack assurance that subcontractors are complying with all applicable statutes, regulations, policies and standards in providing services to the State's residents aged 60 or over.

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## **SOFA Monitoring of Area Agencies**

SOFA determines that the area agencies provide program services according to established laws, rules and regulations through four types of monitoring

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activities: ASRs provide program monitoring, Aging Services Nutrition Consultants (ASNCs) provide nutrition monitoring, EISEP liaisons provide EISEP specific monitoring (these activities are performed by the Division of Local Program Operations), and Grants Management Budget Specialists (GMBSSs) of the Division of Finance and Administration provide fiscal monitoring.

SOFA management establishes the annual monitoring goals for each monitoring type in SOFA's Division Management Plans. The Division of Local Program Operations also transmits its goals to the area agencies in annual Goals for Field Presence memorandums. SOFA should meet its monitoring goals to maintain its field presence at the area agencies and to ensure program services are provided according to established laws, rules and regulations. For both the 1995-96 and 1996-97 fiscal years, the annual monitoring goals were as follows:

- Program monitoring - a minimum of four visits, including an annual evaluation of the area agency.
- Nutrition monitoring - visits to approximately half of the area agencies.
- EISEP monitoring - for 1995-96, visits to all area agencies and for 1996-97, visits to approximately half of the area agencies.
- Fiscal monitoring - visits to each area agency every two years; perform a voucher verification review once every two years; and, perform a more comprehensive fiscal assessment once every four years.

We found that SOFA did not always meet its monitoring goals. SOFA met the EISEP monitoring goals each year but did not always meet the program, nutrition, or fiscal monitoring goals, as follows.

Program monitoring - During the 1995-96 fiscal year, the ASRs made four or more program monitoring visits to 48 of the 59 area agencies (81 percent). During the 1996-97 fiscal year, the ASRs made four or more program monitoring visits to 37 of the 59 area agencies (63 percent). Although their monitoring goals were not always attained, each area agency received at least one monitoring visit each fiscal year and the average number of visits to each area agency exceeded four each year (5.9 visits in 1995-96 and 4.5 visits in 1996-97). Additional visits above the requirement are often made based on the area agencies' need for technical assistance and to resolve problems they are experiencing. During the 1995-96 fiscal year, 38 area agencies (64 percent) received more than four visits, and during the 1996-97 fiscal year, 21 area agencies (36 percent) received more than four visits.

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According to SOFA officials, the primary reason for the program monitoring goals not always being attained is significant staffing shortages in the ASR position. Between September 1994 and June 1996, five of the 13 ASR positions were vacant due to retirements and resignations, with no positions being filled until October 1996. To adjust to these staff shortages, ASRs were assigned additional area agencies to monitor and ASR supervisors were assigned the responsibility of monitoring some area agencies. This stretching of resources significantly reduced the ASRs ability to make four monitoring visits to each area agency.

SOFA does an annual evaluation of each area agency as part of its program monitoring requirements. SOFA's annual evaluation procedures state that ASRs should record in the annual evaluation guide specifically what documents were reviewed to verify the answers to questions in the annual evaluation guide. This ensures that an auditor or area agency oversight person would be able to go back to the same document used by the ASR and find what the ASR found.

We reviewed ten randomly selected annual evaluations for the 1996-97 fiscal year and found that the ASRs are not always adequately documenting what specific records they reviewed to support their conclusions. Only 4 of the 10 annual evaluations had specific information that identified what records were reviewed to answer the question on subcontractor monitoring and only 5 of the 10 had specific information that identified what records were reviewed to answer the question on directly provided services monitoring. For example, often the narrative states the ASR reviewed a report of a subcontractor monitoring visit on a certain date. However, the information provided does not state which subcontractor was monitored. Therefore, it can not be determined which if any records were reviewed to document the answers to the monitoring questions.

Nutrition monitoring - During the 1995-96 fiscal year, the ASNCs made nutrition monitoring visits to approximately half of the area agencies - 25 of the 59 area agencies (42 percent). However, during the 1996-97 fiscal year, the monitoring goal was not met as visits were made to only 15 area agencies (25 percent). According to SOFA officials, the primary factor in not meeting the monitoring goal was that one of the three ASNCs was on medical leave.

Fiscal monitoring - The GMBSs made no fiscal monitoring visits to seven of the 59 area agencies (12 percent) in either the 1995 or 1996 calendar years. Again, the primary reason for not meeting their monitoring goals was staffing shortages. At one time, the Division of Finance and Administration had six teams of two employees each (12 employees in total) to perform the monitoring activities. Currently, they have three teams of two employees each and two teams consisting of only one employee, a total of eight employees, to perform the monitoring.

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Since SOFA was not always meeting its area agencies monitoring goals, it lacks assurance that area agencies are complying with applicable statues, regulations, policies and standards. In addition, SOFA lacks assurance that area agencies are reporting actual units of service delivered.

### **Recommendations**

1. Strengthen existing monitoring procedures by:
  - requiring staff to test the accuracy of data related to units of service reported by area agencies; and,
  - revising the annual evaluation questionnaire to include whether area agencies are performing all required monitoring activities.
2. Ensure the area agencies are monitoring subcontracted and directly provided services as required.

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### **Recommendations (continued)**

3. Provide technical assistance to the area agencies to ensure they understand all monitoring requirements.
4. Ensure the annual field visit goals for each type of monitoring are met.
5. Ensure ASRs are complying with the requirement for documenting what specific records were reviewed to answer questions on area agencies' annual evaluations.



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## Major Contributors to This Report

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Jerry Barber  
Kevin McClune  
Michael Solomon  
Lawrence Wagner  
Michael Cantwell  
Michael Filippone  
Leonardo Milano  
Paul Bachman

# NEW YORK STATE OFFICE FOR THE AGING

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George E. Pataki  
*Governor*  
Walter G. Hoeller  
*Director*

November 19, 1997

Kevin M. McClune  
Audit Director  
Office of the State Comptroller  
A. E. Smith State Office Building  
Albany, NY 12236

Re: Draft Audit Report 96-S-60

Dear Mr. McClune:

I am pleased that the recently completed audit (96-S-60) recognized that SOFA's policies and procedures ensure that services area agencies report to SOFA are being provided to the State's residents aged 60 or over. I am proud of the work that has been done by SOFA and area agencies; and I appreciate the impartial review of that work by the Office of the State Comptroller.

SOFA is in general concurrence with the recommendations made in the Draft Audit Report 96-S-60, and SOFA's responses to the five recommendations shown on Page 9 of the report are summarized below.



**Recommendation #1.** "Strengthen existing monitoring procedures by: requiring staff to test the accuracy of data related to units of service reported by area agencies; and revising the annual evaluation questionnaire to include whether area agencies are performing all required monitoring activities."

In SFY 92-93, SOFA staff conducted reviews of the reporting systems and procedures that were in place in the local area agencies on aging. As part of these reviews, area agencies were asked, on a test basis, to produce records that supported the data on a recent monthly report submitted to SOFA. In this way, the accuracy of data was checked and a number of discrepancies were uncovered. SOFA staff then followed up with area agencies to ensure that measures were taken to correct the problems that created the discrepancies.

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As noted by OSC staff, since that time, units of service have not been routinely checked by SOFA personnel either through focused reviews or through the annual evaluation process. SOFA concurs with the Comptroller's opinion that such verification is an important operational control and should become part of the annual evaluation. Thus, the annual evaluation guide currently being used by staff in 1997 has been so modified. Question #3 in the monitoring section of the annual evaluation guide now specifically asks the Aging Services Representatives (ASRs) to determine "Does the AAA monitor each subcontractor annually, as required?" The section on monitoring of directly provided services asks about the AAA's procedures for such reviews and Question #10 asks for a review of " . . . the degree to which the procedures for monitoring directly provided services are: a) adequate (i.e., meet EISEP and nutrition requirements); b) sufficiently documented; and c) cover all major service programs."

This modified language for the annual evaluations was reviewed and approved by the OSC Audit staff while they still were on site.

Recommendation #2. "Ensure the area agencies are monitoring subcontracted and directly provided services as required."

Through the annual evaluation process, SOFA has examined the area agency's monitoring of directly provided and subcontracted services. In many instances, these reviews **have** successfully identified areas of non-compliance.

However, the Comptroller's review has pointed out the need to strengthen the language in the annual evaluation guide and to clarify with staff the purpose of the questions. To that end, the questions in the annual evaluation guide concerning subcontractor monitoring and monitoring of directly provided services have been revised. A review of the revisions to these questions was provided to field staff during a July 7, 1997 Bureau of Field Operations (BFO) meeting. Further, supervisory staff within BFO will review the reports on the annual evaluations to ensure that these areas are properly addressed.

Recommendation #3. "Provide technical assistance to the area agencies to ensure they understand all monitoring requirements."

During the past seven years, considerable time and effort **has** been given to providing information and guidance to area agencies concerning monitoring requirements. Program Instruction 90-PT-47 described the basic monitoring requirements, including the necessity of doing annual monitoring. Further, this Program Instruction specified that documentation maintained to support requests for reimbursement

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and documentation in support of reported units of service were to be examined.

In 1991, SOFA conducted focused assessments of area agencies directed at their administration of subcontracts. One of the conclusions drawn from the forty-one completed assessments was that area agencies needed to strengthen their subcontractor monitoring procedures. These findings were shared with area agency directors at the June, 1992 Association of Area Agencies on Aging meeting, and a full day of training was provided on area agency self-assessment, subcontractor monitoring and the use of reporting data for monitoring.

Between 1994 and 1996, SOFA conducted more routine monitoring of the area agencies' subcontractor monitoring processes. This initially included focused reviews through which SOFA field staff accompanied area agency field staff as they monitored subcontractors. One of the questions that SOFA personnel examined was whether area agency monitors were verifying primary source data on reported units of service, client data and expenditure data. If they were not, this finding was addressed in follow up activities. Since 1993, SOFA has included questions about area agencies' subcontractor monitoring procedures in its annual evaluation guide.

Furthermore, the Standard Assurances which are part of the Four Year Plan for 1996-2000 and the Annual Implementation Plans and which must be signed by each area agency director, contain the assurance that the area agency will: "Conduct internal monitoring of directly provided services and monitoring of subcontracted services. At minimum, the AAB must conduct at least one on-site monitoring of each subcontractor every year. Such monitoring shall include ensuring that subcontractors comply with all applicable statutes, regulations, policies and standards, including the non-discrimination requirements, in their provision of services to the client population."

Given these past efforts SOFA believed that it **had** adequately spelled out for area agencies the standards around subcontractor monitoring. However, in light of CSC's findings, we plan to take the following actions: a) issue a program instruction reiterating the monitoring requirements for subcontracted and directly provided services to address any misunderstandings which may exist; b) explore the possibility of distributing model monitoring documents; and c) as noted above, focus additional attention on these areas in the annual evaluation process.

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Recommendation #4. "Ensure the annual field visit goals for each type of monitoring are met."

As the Comptroller's preliminary findings indicate, SOFA experienced significant staff shortages during the period of the audit review. Despite these shortages, SOFA was able to maintain its field presence and 81% of the area agencies on aging received the four annual visits that represented SOFA's field visit goals for SFY 95-96. During SFY 96-97, 83% of the area agencies received four visits. Every area agency received the required annual evaluations during these two years.

It is important to note that the audit did not measure SOFA's field visit performance against any mandated standards. Rather, performance was measured against SOFA's self-identified goals. In fact, the Older Americans Act, through which SOFA receives most of its Federal funding, sets forth standards for monitoring of area agencies that are considerably less ambitious than those assumed by SOFA. The Act and related regulations require only that an annual evaluation be conducted and, as noted above, compliance with this Federal mandate was achieved.

It is also important to note that the staffing shortages which resulted in fewer program and nutrition monitoring visits during the OSC review period have been addressed. Additional ASRs were hired during October, 1996; and the nutritionist who was on leave during SFY 96-97 has since returned to full time work.

The Deputy Director for the Division of Local Program Operations, in which both units are located, has reiterated the program and nutrition field visit goals for SFY 97-98 and has reinforced with supervisory staff the need to track field work to ensure that all visits are made. Field visit logs and regular supervisory meetings are in place to aid supervisory staff in this effort.

All of the EISEP visits planned for SFY 95-96 and SFY 96-97 were completed, and this was noted in the audit report. For future reference, you should know the EISEP Unit has undergone reorganization and, as of January 1, 1997, the primary responsibility for monitoring of EISEP programs rests with ASRs.

Concerning fiscal monitoring, the Division of Finance and Administration (DFA) intends to continue to make efforts to meet its self-imposed field monitoring goals. However, as acknowledged by OSC, DFA's 33% reduction (from 12 positions to 8) in fiscal field staff is the primary reason for not meeting the monitoring goals.

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Recommendation #5. "Ensure ASRs are complying with the requirement for documenting what specific records were reviewed to answer the questions on area agencies' annual evaluations."

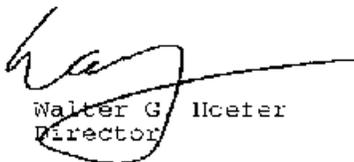
SOFA has already taken the following steps to address this finding. It has:

- a) reformatted the annual evaluation guide to make it easier for ASRs to record documentation in the forms they take with them in the field; that is, lines have been provided in the spaces directly following the listing of suggested sources of documentation;
- b) revised the section of the evaluation procedures to highlight that documentation **must** be specified;
- c) provided training to ASRs at their July 7, 1997 meeting on the need to specify documentation; and,
- d) implemented reviews by supervisory staff of all draft annual evaluation reports to ensure that documentation is properly noted before the report is finalized.

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If you have any questions concerning this response to the audit findings, please contact Cynthia Marshall of SOA's Bureau of Operational Standards & Systems Development at (518) 474-7706.

Sincerely yours,



Walter G. Hoeter  
Director

cc: Patricia P. Pine, Ph.D.  
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