

DEPARTMENT OF SOCIAL SERVICES

CURRENT AUDIT FINDING AND RECOMMENDATION

Federal Compliance Audit Finding:

Finding No. 2017-008: Inadequate Controls over Subrecipient Monitoring – Aging Cluster
Type of Finding: Significant Deficiency

CFDA Title: Special Programs for the Aging – Title III-B; Special Programs for the Aging – Title III-C; and Nutrition Services Incentive Program

CFDA Number: 93.044; 93.045; and 93.053

Federal Award Number: 14AASDT3SS, 14AASDT3CM, 14AASDT3HD, 15AASDT3SS, 15AASDT3CM, 15AASDT3HD, 16AASDT3SS, 16AASDT3CM, 16AASDT3HD, 14AASDT3SS, 14AASDT3CM, 14AASDT3HD, 17AASDT3SS, 17AASDT3CM, 17AASDT3HD, 15AASDNSIP, 16AASDNSIP, and 17AASDNSIP

Federal Award Year: FFY14, FFY15, FFY16, and FFY17

Federal Agency: Department of Health and Human Services (DHHS), Administration for Community Living

Type of Finding: Significant Deficiency

Category of Finding: Subrecipient Monitoring

Criteria:

The Committee on Sponsoring Organizations of the Treadway Commission (COSO) in the Internal Control – Integrated Framework (2013 Framework) defined internal control as: ...a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The 2013 Framework in the U.S. Government Accountability Office Green Book – Standards on Internal Control goes on to say “[m]anagement should establish and operate monitoring activities to monitor the internal control system and evaluate the results” as well as “[m]anagement should remediate identified internal control deficiencies on a timely basis.”

Part 4 of the March 2017 U.S. Office of Management and Budget Compliance Supplement states:

“The State Agency is required to develop policies governing all aspects of programs operated under the state plan and to monitor their implementation, including assessing performance for quality and effectiveness and specifying data system requirements to collect necessary and appropriate data.” It references 45 CFR 1321.11.

The Aging Program regulation 45 CFR 1321.11 states:

“(a) The State agency on aging shall develop policies governing all aspects of programs operated under this part.

(b) The policies developed by the State agency shall address the manner in which the State agency will monitor the performance of all programs and activities initiated under this part of quality and effectiveness.”

The state plan applicable to state fiscal year (FY) 2017 states that the Division of Adult Services and Aging (renamed to Long Term Services and Supports – LTSS) provides many services including “onsite assessments and ongoing monitoring of nutrition, adult day services, and transportation projects to ensure compliance with the Administration on Aging”.

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Condition:

Department of Social Services (DSS) policy requires LTSS staff to perform monitoring assessments for each adult day and transportation site at least every two years and at least every three years for nutrition sites.

Title III Aging Cluster providers that contract with DSS for grant funding operate multiple sites. During testing, we selected a judgmental sample of 16 sites out of a population of 147 sites. DSS was unable to provide documentation of monitoring assessments for three sites. For an additional two sites, DSS was unable to provide documentation that monitoring assessments had been completed within three years per DSS policy. Per documentation received from DSS, one of these two sites had not been reviewed since FY 2012.

We verified that DSS monitoring assessments considered provision of services, quality and effectiveness, voluntary contributions, and coordination of services. For four of the monitoring assessments in our sample, we were unable to verify that concerns noted within the monitoring assessments were communicated to the sites so that they could be addressed and corrected.

Cause:

The controls in place over subrecipient monitoring within the Aging Cluster failed. We noted turnover and a short vacancy of the Nutrition Specialist position which may have contributed to this failure.

Effect:

As a result of the control failure over subrecipient monitoring, LTSS was not able to ensure that every site had a monitoring assessment on a timely basis, ensure that issues arising from monitoring assessments were communicated to and addressed by subrecipients, or ensure that all subrecipients complied with federal regulations.

Questioned Costs:

None

Further Information:

None

Recommendation:

We recommend that LTSS implement procedures over the subrecipient monitoring process to ensure that controls remain effective in the event of turnover.

Views of Responsible Officials:

The Department of Social Services concurs with the finding.