



FINAL

City of Albuquerque
P.O. BOX 1293, ALBUQUERQUE, NEW MEXICO 87103

Internal Audit

Interoffice Memorandum

July 16, 2003

Ref. No. 03-00-107F

To: Kim Purdue, Director, Department of Senior Affairs

From: Debra Yoshimura, Director, Office of Internal Audit

Subject: FOLLOW-UP REVIEW OF AUDIT REPORT NO. 00-107, DEPARTMENT OF SENIOR AFFAIRS, NUTRITION PROGRAM

The Office of Internal Audit completed a follow-up review of Management Audit Report No. 00-107, Department of Senior Affairs (DSA), Nutrition Program dated February 14, 2001. The purpose of our review was to determine if the audit recommendations had been implemented. We determined the following:

RECOMMENDATION NO.1:

We recommended that DSA enforce the meal reservation policy at all its meal sites. DSA implemented the meal reservation policy in order to reduce waste; however some of the meal sites were not complying with the policy. They felt it was important to accommodate drop-in participants, staff and guests. This was contributing to waste, and may have reduced the number of seniors served.

ACTION TAKEN:

The recommendation has been partially implemented. Although most of the meal sites have implemented procedures to comply with the reservations policy, the meal sites at the senior centers are not fully complying with the policy.

In the past, there had been meal site managers at the senior centers. This is no longer the case; senior center managers manage the congregate meal programs at their own centers. They do not use the same procedures as the meal site coordinators. The meal sites use participant rosters, where the senior centers use cash registers to track sales. Therefore it is difficult to determine if the centers are complying with a reservations policy.

FOLLOW-UP RECOMMENDATION

DSA should enforce the reservation policy at the senior centers that have meal sites to be consistent with the congregate meal sites, or implement other procedures that will reduce waste.

EXECUTIVE RESPONSE FROM DSA

“DSA concurs. The Department has complied with this recommendation by implementing a reservation system at all meal sites, including those in senior centers, and develops cooking numbers based on reservations for that day.”

RECOMMENDATION NO. 2:

We recommended that DSA require full meal cost payment from ineligible participants. The federal funding provided by the Older Americans Act of 1965 for nutrition programs for seniors has eligibility requirements for participants of the program. The funds are intended to provide nutrition services to participants age 60 and over. Participants under age 60 should pay full cost of meals. At the time of our audit, senior center staff and guests were allowed to purchase meals at less than full cost.

ACTION TAKEN:

The recommendation has been fully implemented. The meal sites are now charging full price to all ineligible participants. In the past volunteers were offered meals at a discounted price. Volunteers are no longer offered the discounted price; they must now pay full price for meals.

Additionally, the meal sites have the prices posted indicating appropriate price levels in compliance with state and federal regulations.

RECOMMENDATION NO. 3:

We recommended that DSA implement additional controls to improve its donation collection procedures on the home-delivery routes. Drivers, delivering meals to homebound seniors, carried a cash pouch or a metal collection box in which seniors deposited donations for the meals. This method involved risks that possibly limited revenues that the Nutrition Program received.

ACTION TAKEN:

The recommendation has been fully implemented. DSA has implemented new donation collection procedures. DSA is currently providing self-addressed envelopes that the

seniors can mail directly to the main DSA fiscal office. Since the new system was implemented, revenues have increased dramatically. The FY2002 revenues were budgeted at \$52,000, based on the prior year's collections; the actual revenues were \$119,000.

RECOMMENDATION NO. 4:

We recommended that DSA make an effort to keep the cost per meal within budget by complying with all the program regulations and all department policies, in order to serve as many seniors as possible with the limited program funding. At the time of the audit, DSA requested budget increases during fiscal year 2000 (FY2000) in order to cover expenses. At the beginning of the FY2000, the budgeted cost per congregate meal was \$3.57. At the end of the second quarter, the congregate meal cost was calculated at \$4.27. Cost increases were partially due to waste and ineligible meals served.

ACTION TAKEN:

The recommendation has been fully implemented. According to the reports maintained by Nutrition Division management, there has been improvement in the budget to actual per meal cost. The budgeted cost is \$3.64 per meal, and the average actual cost is \$3.67 per meal. It appears that there are various factors, including improved enforcement of the reservation policy, which have contributed to the improvement.

RECOMMENDATION NO. 5:

We recommended that DSA ensure that procedures for the cash count/deposit preparation function be put into written form. The home-delivered meals program did not have written procedures for the cash counting nor the bank deposit preparation. The procedures should include very specific steps, including comprehensive balancing procedures, that enable alternate cash handlers to perform the duties when necessary.

ACTION TAKEN:

The recommendation has been fully implemented. DSA has new written, and very detailed cash handling policies, which staff appears to be following.

RECOMMENDATION NO.6:

We recommended that DSA improve cash controls for revenues transported to other collection sites. In an effort to decrease revenue-collection sites, DSA meal sites had meal-delivery drivers transport revenues to other sites, which they were driving to as part of their job assignments. This procedure was implemented in order to combine the monies in the daily revenue transmittals.

Due to the frequent changing of hands with limited control, the transported monies were at risk. We recommended that DSA ensure that appropriate controls be implemented to reduce the risk of revenue loss. We further recommended that the new procedures, establishing appropriate controls, be put into written form.

ACTION TAKEN:

The recommendation has been fully implemented. Previously, the cash was being transported between sites in regular zipper bags, without signing for the bags at acceptance or destination points.

DSA implemented a system for transporting revenues in tamper-proof, sealed, bank bags. The drivers now sign for the cash bags at pick up and drop off points. The revenue cash bags are transported either to another site, where the revenues are combined, or to the Nutrition Division office at John Marshall. DSA stated that they have not had any problems since the new system was implemented.

RECOMMENDATION NO.7:

We recommended that DSA ensure that the DSA Fiscal Division provides financial reports with useful financial information to the program managers on a timely basis. In the original audit report, we stated that the program managers needed and requested detailed fiscal reports for analysis and tracking of program spending. The program managers stated that they were not getting the necessary information.

ACTION TAKEN:

This recommendation has been partially implemented. The program manager for the Nutrition Program is getting timely reports, however, the information is not consistently useful or accurate. The managers have been provided training on the City systems that provide the detailed information for their divisions.

FOLLOW-UP RECOMMENDATION

DSA should ensure the information in the fiscal reports DSA Fiscal Division provides to the program managers is accurate and useful.

EXECUTIVE RESPONSE FROM DSA

“DSA concurs. Summary financial information is provided to division and program managers on a monthly basis. The reports have been accurate and useful. Utilizing these reports, the Department has been able to make adjustments to our service schedule and provide more service to needy seniors. Each division and program manager has been

trained in the use of COGNOS and can ‘drill down’ to individual transactions if they desire.”

RECOMMENDATION NO.8:

We recommended that DSA evaluate which meal sites could be closed to improve program costs and services. Further, DSA should consider closing the necessary meal sites and transport the seniors to other sites.

ACTION TAKEN:

The recommendation has been partially implemented. DSA program managers have made efforts to establish rating criteria to analyze the various meal sites, in order to determine the feasibility of continuing operation. Managers have collected data for all the meal sites, which enables them to determine (among other criteria) cost, attendance, and demographics.

Since the time of the audit, three meal sites have been closed, and three meal sites have transferred management to the Department of Family and Community Services. DSA has performed analyses using the criteria developed to determine if funds could be used more efficiently by closing more sites with low attendance. However, there is political and community resistance to closing additional meal sites. Additionally, the County has some input and also creates resistance, as it provides funding to the senior programs as a whole.

FOLLOW-UP RECOMMENDATION

DSA should continue monitoring site costs associated with low attendance, and take the necessary steps to make the most efficient use of the available funding.

EXECUTIVE RESPONSE FROM DSA

“DSA concurs. DSA has attempted to consolidate the number of meal sites on several occasions. The political reality of the situation is that legislators, County officials, and City Councilors oppose closing meal sites in their district. We will attempt to develop criteria for closing or consolidating meal sites with input from these officials. If we are able to do so, the efficiencies of the operation should improve considerably.”

RECOMMENDATION NO. 9:

We recommended that DSA set realistic and attainable goals. It should make goal setting a priority, since funding requested and received is based on the stated goals. In addition, DSA should ensure that reporting data is accurate and reliable.

ACTION TAKEN:

The recommendation has been partially implemented. In the original audit, we looked at the goals and objectives, which were relevant to the Nutrition Program—specifically the congregate meal and the home-delivered services. The goals set, which were reported in the original audit report were based on numbers that were inaccurate and unreliable.

DSA has begun to use the data system, Senior Assistance Management System (SAMS), required by the New Mexico State Agency on Aging, and the numbers and reports generated are more accurate. Although DSA is using better data to set its performance measures, it does not appear that DSA will meet its goals for number of meals served in the congregate meal or the home-delivered program. Although the numbers are closer, it appears that DSA will fall short again this year on its stated goal numbers with regard to meals served.

FOLLOW-UP RECOMMENDATION

DSA should continue to work on setting realistic performance measures and setting policies that will achieve the measures.

EXECUTIVE RESPONSE FROM DSA

“DSA concurs. The Department of Senior Affairs Nutrition division has developed performance measures for the past two years based on data from previous years and trends regarding the meals programs. The use of SAMs (Senior Assistance Management software) will allow us to generate precise data for many programs including congregate and home delivered meals. This data will in turn be used to generate program goals that are very realistic and achievable.”

RECOMMENDATION NO. 10:

We recommended that DSA ensure that the data system, SAMS, is used as required by the New Mexico State Agency on Aging. We recommended that the participant data be input timely for accurate tracking and reporting.

ACTION TAKEN:

The recommendation has been fully implemented. DSA has created and filled a new position and trained the employee in using the SAMS system. This employee is responsible for client services entry to the system for accurate tracking of information.

This ensures that DSA has the capability of generating the required reports to the state in a timely manner.

Additionally, DSA is now in compliance with the federal record retention requirements for all the participant services source documents.

RECOMMENDATION NO. 11:

We recommended that DSA ensure that the meal sites are reporting services provided to all participants consistently, timely and accurately. The meal sites appeared to be inflating the numbers of meals served.

There were discrepancies between the summaries and the source documents at some of the sites. One of the discrepancies in the past was reporting the number of meals prepared rather than the number of meals served. We also recommended that DSA ensure staff has appropriate training in preparation of the report. DSA should assign accountability for accurate reporting.

ACTION TAKEN:

The recommendation has been fully implemented. DSA has fully implemented the SAMS data system and NAPIS standards and requirements, which provides reporting consistency, timeliness and control.

There is currently a staff member, who is fully trained on the data systems and is accountable for entering the information timely and accurately.

DDY/njt

xc: Mayor Martin Chavez
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