



Department of Aging

Subrecipient Monitoring Audit

Audit Period: March 2011 through December 2011



Executive Summary

Background

The Ohio Department of Aging (ODA) is charged with monitoring its subrecipients to which it passes-through funding from the Older Americans Act. These are referred to as Area Agencies on Aging (AAA). AAAs were created to respond to the needs of the elderly in the communities they serve. They are advocates, planners, funders and educators, as well as providers of information and referral services. AAAs work with public and private partners to respond to the unique needs of older citizens and families in their areas. AAAs distribute federal, state, and local funds. AAAs are the primary vehicles for organizing and coordinating community based services for older adults. Services to Ohioans are conducted by a network of twelve AAAs, each serving a multi-county planning and service area. Agencies create local plans based on the population and resources in their communities.

While many state and federally funded programs operate the same way across the state, AAAs often have latitude in customizing their service delivery to provide the most appropriate system of care for their communities. ODA monitors the AAAs who in turn monitors their local partners that provide the direct services.

With few exceptions, AAAs do not provide direct in-home and community-based services. Instead, they assess perspective consumers' needs, provide case management, and make referrals to public and private agencies that provide the services. Many also make available educational trainings and workshops for the citizens and professionals in their areas. The area agencies also house or coordinate with regional long-term care ombudsman programs, which assist consumers of long-term care services with choices and concerns.

During the audit, OIA identified opportunities for ODA to strengthen internal controls and improve business operations. A summary, along with detailed observations, have been provided. OIA would like to thank ODA staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.



Scope and Objectives

OIA staff was engaged to perform assurance work related to the subrecipient monitoring of the Older American Act Program. This work was completed between February 2012 and March 2012.

The following summarizes the objectives of the review along with a conclusion on the effectiveness of management’s internal controls.

Objective	Conclusion ¹
Evaluate the adequacy of Aging’s subrecipient monitoring policies and procedures to determine if significant functions and requirements are included.	Well-Controlled with Improvement Needed
Evaluate the adequacy of the subrecipient monitoring planning process to determine if Aging uses a coordinated fiscal and programmatic methodology that is risk-based to schedule the order, timing, extent, and frequency of the audits to be performed.	Well-Controlled
Evaluate the adequacy of the subrecipient monitoring documentation Aging prepares to evidence and support the monitoring conclusions reached.	Well-Controlled
Evaluate the design and effectiveness over the reporting process of the subrecipient monitoring results to the auditee and Aging's management.	Well-Controlled
Evaluate the design and effectiveness of Aging’s subrecipient monitoring audit comment remediation process.	Well-Controlled

¹ Refer to Appendix A for classification of audit objective conclusions.

Summary of Observations

The Summary of Observations includes only those risks which were deemed high or moderate. There were no high or moderate risk observations and recommendations identified as a result of the audit, however, low risk observations and recommendations were considered as part of the audit objective conclusions above.



Appendix A – Classification of Audit Objective Conclusions

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Major Improvement Needed	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.
Improvement Needed	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
Well-Controlled with Improvement Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.