

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

909

DEPARTMENT OF AGING'S
PROCESS FOR EVALUATING AND
MONITORING NUTRITION PROJECTS
FOR THE ELDERLY NEEDS IMPROVEMENT

MAY 1979



California Legislature

Joint Legislative Audit Committee

GOVERNMENT CODE SECTION 10500 et al

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RICHARD ROBINSON
CHAIRMAN

June 5, 1979

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report entitled, "Department of Aging's Process for Evaluating and Monitoring Nutrition Projects for the Elderly Needs Improvement".

The most disquieting finding of the report is that there is little assurance that the department is providing quality services in safe environments to the many older Californians who participate in state nutrition programs daily. Based on a review of a sample of the department's project files, it cannot be shown that a significant percentage of the violations of health and safety standards have been corrected. According to the department's files on the sample projects, only some 21 percent of the most cited violations identified in 1978-79 have been corrected.

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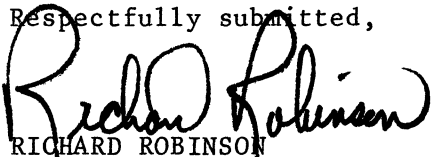
The Auditor General found that project files maintained by the department lack required information and are generally in disorder. Department evaluators do not utilize a required standardized reporting format. Overall, weaknesses in the department's evaluation and monitoring system may jeopardize federal funding of the program.

Although the report notes that the department is attempting to rectify some of these problems, the report identifies a number of specific steps the department should take to ensure a more effective evaluation system.

The Legislature should insist that these steps are taken as soon as practicable to assure that California's older citizens receive safe, high quality, and dignified nutrition services through this program.

The auditors are Robert E. Christophel, Supervising Auditor; Jeffrey L. Mikles, and Richard B. Weisberg, JD. Support staff is Lucy Chin.

Respectfully submitted,

A handwritten signature in cursive script that reads "Richard Robinson". The signature is written in dark ink and is positioned above the printed name.

RICHARD ROBINSON
Assemblyman, 72nd District
Chairman, Joint Legislative
Audit Committee

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SUMMARY

The Welfare and Institutions Code designates the Department of Aging as the single state agency for supervising all programs under the Older Americans Act as amended, including nutrition programs for the elderly. The nutrition program budget for 1978-79 represents approximately 50 percent of the Department's \$79 million total budget.

Our review indicates that the Department of Aging needs to improve procedures for evaluating and monitoring nutrition projects for the elderly. As a result of deficiencies in the current process (1) the effectiveness of the nutrition program cannot be determined, (2) there is little assurance that the department is providing quality services in safe environments and (3) the department may lose federal funds. These conditions have resulted from:

- Absence of some project's quarterly assessment reports
- Inconsistent assessment report formats
- Failure to ensure project compliance with operating standards.

To improve its policies for evaluating and monitoring nutrition projects, we recommend that the Department of Aging develop procedures for assessing all projects quarterly and monitoring and correcting compliance violations. We further suggest that the department initiate staff training to ensure consistent reporting and effective project monitoring.

INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, we examined the California Department of Aging's (CDA) process for evaluating and monitoring nutrition projects for the elderly.¹ The audit was conducted under the authority vested in the Auditor General by Section 10527 of the Government Code.

Purpose of the Department of Aging

The Welfare and Institutions Code, Section 9305 designates CDA as the single state agency responsible for supervising all programs under the Older Americans Act as amended.

In general, CDA is responsible for providing program coordination and activities to California's 3.1 million elderly individuals. These responsibilities include coordinating and assisting in program planning and development, providing technical assistance to agencies with respect to programs for the aging, and conducting research and gathering statistics. In addition, CDA prepares and publishes materials and disseminates information about all aspects of aging. Specifically, CDA is responsible for administering legally required programs and activities, including the nutrition program for the elderly (Welfare and Institutions Code, Sections 9306, 9312).

CDA's Changing Role

Due to the 1978 revision of the Older Americans Act, the Department of Aging's administrative and service roles will change. The revision mandates that Title III and nutrition projects (formerly Title VII projects) be consolidated by October 1, 1980. As of the 1980 deadline, federal funds will funnel through CDA to the designated Area Agencies on Aging (AAAs). These agencies will be responsible for distributing the federal funds and will coordinate all Older Americans Act projects including the nutrition program.

CDA is responsible for training AAA staff members to assume new and increased administrative responsibilities. These agencies will carry out many of CDA's current program management functions, while CDA will assume greater responsibility for policy development, statewide planning, monitoring and regulation.

Implementing effective project evaluation and monitoring procedures will aid in shifting program management responsibility from CDA to the AAAs. This transition will help assure that the nutrition projects given to the agencies in 1980 are operating satisfactorily. Also, this shift will enable AAAs to make informed decisions about new projects and project renewals.

Nutrition Program Delivery

The Department of Aging is currently funding 79 nutrition projects which comprise more than 700 meal sites statewide. CDA awards project grants to local community or county agencies to implement programs in their area. On a daily average, the nutrition projects are serving 50,000 to 55,000 persons 60 years of age or older. The projects provide meals five or more days per week. Many of these projects also provide a variety of support services including transportation, information and referral, counseling, outreach, escort service, shopping assistance, recreation and education programs and related community services for the elderly.

Funding

Ninety-eight percent of the Department of Aging's total 1978-79 budget is federally financed by the Older Americans Act. Nutrition project expenditures account for about 50 percent of the department's current budgeted resources. The following table summarizes the CDA's total budgeted funds and nutrition project expenditures for years 1977-78 through 1979-80.

DEPARTMENT OF AGING'S TOTAL FUNDS
AND NUTRITION PROJECT EXPENDITURES
1977-78 THROUGH 1979-80

| | <u>1977-78</u> | <u>1978-79</u> | <u>1979-80</u> |
|-------------------|---------------------|---------------------|---------------------|
| Source of Funds: | | | |
| Federal | \$49,250,000 | \$77,445,000 | \$90,865,000 |
| State | <u>1,118,000</u> | <u>1,540,000</u> | <u>1,526,000</u> |
| Total | <u>\$50,368,000</u> | <u>\$78,985,000</u> | <u>\$92,391,000</u> |
| Expenditures for: | | | |
| Nutrition | \$23,788,000 | \$39,900,000 | \$42,900,000 |

Source: 1979-80 Governor's Budget.

Scope of Audit

In accordance with the legislative request, this audit focused on assessing the effectiveness of CDA's process for evaluating and monitoring nutrition projects for the elderly. We did not attempt to evaluate individual project or overall nutrition program effectiveness but, rather, we analyzed the department's process for assessing such projects. We interviewed staff from the Department of Aging and the U.S. Department of Health, Education and Welfare (HEW) and reviewed pertinent Department of Finance and HEW reports. In addition, we examined a stratified, nonrandom sample of the 1978-79 nutrition projects currently on file and also visited a local project site.

AUDIT RESULTS

NUTRITION PROJECT EVALUATION AND MONITORING PROCEDURES NEED IMPROVEMENT

The Department of Aging has failed to implement an effective process for evaluating and monitoring nutrition projects for the elderly. Required quarterly assessment reports are absent from some nutrition project files, assessment reports have inconsistent formats and some projects fail to comply with operating standards. Because of these problems, it is difficult to assess the effectiveness of individual projects and the overall nutrition program. Furthermore, there is little assurance that the department is providing quality services to the elderly in safe environments. And because of noncompliance with federal law, CDA may lose federal funds.

Evaluation and Monitoring Requirements

Federal Older Americans Act and Department of Aging policies specify procedures and standards for evaluating and monitoring nutrition projects. The federal law stipulates that the state agency shall:

- (1) Conduct on-site evaluations of each nutrition project at least quarterly (45CFR 1324.17)
- (2) Provide that grantees or contractors will operate in conformance with all applicable fire, health, safety and sanitation standards (45CFR 1324.49)

- (3) Be subject to the withholding of federal funds if there is a failure to comply substantially with the law's requirements (45CFR 1324.10).

Moreover, the U.S. Department of Health, Education and Welfare (HEW) further requires state agencies to develop and implement an assessment follow-up or monitoring plan and maintain assessment reports within project files.

CDA Administrative Policy 10805 requires staff members to determine through project assessments if projects comply with state and federal requirements, conform to contractual agreements and provide services at acceptable levels of quality and cost. The assessments are to be conducted using a standardized assessment guide and reporting format.²

Assessment and Grants Development Branches

The Assessment and Grants Development Branches are responsible for evaluating and monitoring the 79 nutrition projects quarterly. The Assessment Branch currently has eight field staff. The field staff prepares the assessment reports and, following executive staff review, sends copies to the grantee agency, project director and the Grants Development Branch.

The Grants Development Branch consists of two units, each with seven field staff, one of whom is a nutritionist. In addition to processing project application renewals, this branch

is responsible for monitoring or acting upon assessment recommendations and rendering technical assistance for implementing them.

Significant Nutrition
Program Violations

CDA assessment staff members have detected many nutrition project violations. In a review of 24 nutrition project files, we found that CDA consultants had identified 12 program standards which were violated at least 11 different times during 1978-79. To determine if the project violations were corrected, we attempted to trace each reported violation through a series of quarterly assessment reports. Our efforts, however, were hampered because some required quarterly assessment reports were missing and information on the report forms was not standardized. The required assessments may have been conducted but we were unable to find any evidence that they had been done. Furthermore, because the report formats were so varied we were unable to determine if many of the reported violations were brought into compliance.

The following table summarizes the identifiable reported violations, and denotes the number of violations reportedly brought into compliance.

STANDARDS MOST FREQUENTLY VIOLATED
IN 24 SELECTED NUTRITION PROJECTS*

| <u>Standard</u> | <u>Number of Violations</u> | <u>Subsequent Compliances</u> | <u>Percent of Subsequent Compliances</u> |
|--|---------------------------------|-----------------------------------|--|
| Inadequate staff training | 16 | 6 | 37.5 |
| Inadequate number of staff | 15 | 2 | 13.3 |
| Inadequate facilities | 13 | 1 | 7.7 |
| Unqualified project director | 11 | 3 | 27.3 |
| Insufficient outreach effort | 11 | 3 | 27.3 |
| Improper food preparation | 11 | 2 | 18.2 |
| Improper sanitation in food storage and preparation | 11 | 4 | 36.4 |
| Inadequate and improper delivery of meals from central kitchen to meal sites | 11 | 1 | 9.1 |
| Improper sanitation in the distribution of meals | 11 | 2 | 18.2 |
| Improper delivery of meals to seniors' homes | 11 | 2 | 18.2 |
| Inadequate in-service training | 11 | 2 | 18.2 |
| Inadequate nutrition education | <u>11</u> | <u>2</u> | <u>18.2</u> |
| Total | <u>143</u> | <u>30</u> | <u>21.0</u> |

* Each nutrition project generally contains more than one meal site. If in reviewing the project files, we noted the same violation at several of the projects' sites, we counted it as a single project violation.

The previous table illustrates that approximately 21 percent of the most frequently reported violations have been brought into compliance. This lack of compliance could undermine the quality of food and services provided to the project participants.

Assessment Reports Missing

Our review of 24 project files indicates that required quarterly assessment reports were missing from 25 percent of the files. Moreover, we could not find evidence within these files that all the required assessments had been conducted. Without such reports, it is impossible to measure whether these projects conform with standards and stated objectives. This finding, coupled with the limited number of reported violations brought into compliance, offers little assurance that quality services are being provided to the elderly.

Past HEW and Legislative Analyst reports emphasize the lack of quarterly assessment reports as an ongoing concern. An April 1978 letter from the federal Commissioner on Aging states that if CDA fails to comply with the law's evaluation and monitoring requirements, state agency administrative funds must be withheld. State agency administrative funds for both 1978-79 and 1979-80 are approximately \$1.5 million.

Assessment Reporting Formats Inconsistent

CDA policy prescribes an assessment reporting format that the assessment consultants do not use consistently. The reporting format requires a statement of criteria (standards or policy), conditions, problem analysis (cause), alternatives and recommendations.

Our review of the 24 project files indicates that the CDA staff uses standardized assessment guides; however, the assessment results are not reported in a consistent manner. Some staff cite the specific standard violated, then the condition and recommendation, while others note only the condition and recommendation. The information on the latter format is insufficient; it is difficult, even impossible to determine from this report whether the assessment recommendations have been implemented and the specific violation corrected. Due to this problem, in 1978 HEW recommended that CDA adopt more uniform assessment procedures.

In 14 project files examined, we were unable to determine if assessment recommendations were implemented to correct violations. As a consequence of this ineffective reporting process, follow-up on assessment recommendations is inhibited and some violations could escape prompt correction.

Noncompliance with Operating Standards

Some nutrition projects are reportedly not operating in compliance with federal nutrition project standards. The federal standards require that grant or contract recipients will fully conform with all applicable state and local standards, including fire, health, safety and sanitation standards.

While inspecting the 24 project files for project-wide certifications only, we found that:

- Eight files contained the required fire, health and building certifications
- Seven files contained only two of the required certifications
- Two files contained only one of the required certifications
- Seven files contained none of the required certifications.

As a result of these compliance deficiencies, there is a lack of assurance that nutrition projects are serving participants in safe environments.

CONCLUSION

The Department of Aging has not implemented an effective process for evaluating and monitoring its nutrition program. Some project files lack required

quarterly assessment reports, and assessment consultants do not consistently use CDA's standardized reporting format. In addition, some individual projects do not comply with operating standards.

The nutrition project evaluation and monitoring process needs improvement so that CDA can (a) accurately assess project effectiveness, (b) assure that quality services are provided in safe environments and that violations are corrected and (c) avoid loss of federal funds.

RECOMMENDATION

We recommend that the Department of Aging act to improve nutrition project evaluation and monitoring procedures by:

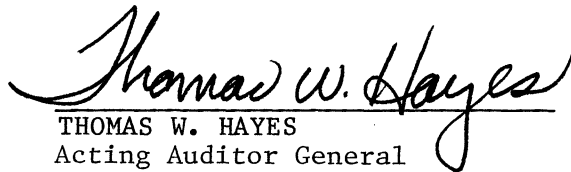
- Developing uniform procedures to assess all projects quarterly
- Implementing policies to continually monitor and correct compliance violations
- Providing staff training to assure reporting consistency and effective project monitoring.

CORRECTIVE ACTION
THE DEPARTMENT HAS TAKEN

Despite past problems with assessing and monitoring nutrition projects, HEW officials report that CDA has made significant progress in correcting many of its weaknesses.

Since our audit has begun, the department has initiated two improvements. Its Grants Development Branch is implementing a new monitoring system for rapid follow-up of assessment recommendations. Also, the Legal Services Branch has adopted a procedure to disallow the awarding of project grants to those agencies without current fire and health certifications.

Respectfully submitted,


THOMAS W. HAYES
Acting Auditor General

Date: May 22, 1979

Staff: Robert E. Christophel, Supervising Auditor
Jeffrey L. Mikles
Richard B. Weisberg

FOOTNOTES

- 1 Elderly is defined as those persons age 60 or older.
- 2 This guide is entitled, "A Guide for the Assessment of Projects Under Title VII of the Older Americans Act."

DEPARTMENT OF AGING918 J STREET
SACRAMENTO, CALIFORNIA 95814

May 14, 1979

Mr. Thomas W. Hayes, Acting Auditor General
Office of the Auditor General
925 L Street
Sacramento, CA 95814

Dear Mr. Hayes:

This letter is to acknowledge receipt of the Draft report from the Office of the Auditor General to the Joint Legislature Audit Committee concerning this Department's process for evaluating and monitoring nutrition projects. It will also provide the response of the Department to the major issues identified in the report.

INTRODUCTION

The report identifies three areas of deficiency in the Department's operations:

1. The absence of some project's quarterly assessment reports.
2. Inconsistent assessment report formats.
3. Failure to ensure project compliance with operating standards.

The conditions to result from these deficiencies are, according to the report:

1. The effectiveness of the nutrition program cannot be determined.
2. There is little assurance that the Department is providing quality services in safe environments and;
3. the department may lose federal funds.

At the outset it is necessary to state that we take grave exception to the statement of conditions that are stated to result from the areas of deficiency identified in the report. The conditions cited have no association with the identified areas of deficiency. As such, the very basis for analytical reasoning has been violated in that the conclusions are based on speculation rather than factual data. Furthermore, the choice of language is inflammatory, and most probably pejorative to the many public and private agencies statewide which are responsible for the provision of nutrition and related social services to California's senior citizens.

Regarding specific components of the report, we make the following observations.

Methodology

The methodology employed by the Auditor General's Office in conducting this audit consisted of an examination of a stratified, non random sample of the 1978-1979 nutrition projects currently on file and also a visitation to a local project site.

Mr. Thomas W. Hayes, Acting Auditor General

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In addition interviews were conducted with staff of the Department of Aging and the U.S. Department of Health, Education and Welfare (HEW) and a review of pertinent Department of Finance and HEW reports.

It is not at all clear what is meant by 'a stratified non-random sample', especially in reference to a review of only nutrition project files. In addition non random sampling is likely to produce information which may be biased and in any event is inconclusive.

Conditions

1. The effectiveness of the nutrition program cannot be determined. A clarification of this statement would be helpful. Does the report of the Auditor General make reference to program effectiveness, cost effectiveness or perhaps overall program impact. If in fact the statement is made in reference to overall program impact, then it is largely irrelevant since the assessment program in use by the Department is not designed to measure the overall effectiveness of the nutrition program. Such information could only be derived by conducting a highly sophisticated evaluation study over a protracted period of time. The Department does not have the resources to engage in this kind of study, nor has any such expectation been communicated by the federal Administration on Aging.

Nothing in the audit report documents what was found that could possibly lead to such an all-inclusive indictment of a program which is providing 50,000 to 55,000 hot meals per day to needy older persons in this state.

2. There is little assurance that the Department is providing quality services in safe environments. It is inconceivable to us that such an inference could be drawn by the Office of the Auditor General from what is essentially a record-keeping problem identified by the audit team. This inference which questions both the quality and safety of nutrition services is based on speculation rather than on any actual data uncovered in the audit. What exactly are the measures used by the audit team to decide either the presence or absence of "quality" or "safe environments" in reference to the nutrition program?

It is a fact, that many projects have historically had difficulty in acquiring annual health, building and fire certifications. In some instances in the past, contracts were let in order to continue services when CDA staff had assurance that projects were safe and continuing efforts were being made to elicit the required inspections. Since November 1978 the CDA staff counsel will not process a contract unless the contract package contains the required hazard certifications. On very rare occasions, and under compelling circumstances, the Department may clear some contracts after securing reasonable assurances from responsible persons, e.g., Project Directors, that the certifications would be forthcoming shortly.

On further fact worth noting in this regard is that there has not been any instance of illness related to any of the now 55,000 meals per day being served in over 600 nutrition sites throughout the state.

The Department may lose federal funds:

This statement is absolutely inconsistent with the findings of the Administration on Aging in its assessment report for the first quarter of FY 1979 which deals with 'State Agency Capacity for Monitoring and Assessment.' (This report is the latest report received from AoA).

These findings include: "It was found that 73 nutrition projects were scheduled to be assessed, 58 assessments were actually conducted, and 58 reports were written. A comparison of these statistics with those obtained for the second quarter of FY 78 shows that CDA continued to improve and came close to complying with AoA assessment regulations which pertain to nutrition programs."

The Auditor General's report makes no reference to the quality of the assessment reports on file. The Administration on Aging's report referenced above does note, however, that 'Although there was some tendency for the assessment reports to focus on issues involving compliance with regulations, the emphasis was generally placed on significant rather than trivial issues. In general, the reports were well written and candid, and reflected an unusual ability to identify important findings in a relatively short period of time.'

There suggestion that CDA may lose federal funds is without foundation either in direct findings of the Auditor General or in supplemental documentations.

Absence of required reports from project files.

The Auditor General's report notes that "of 24 project files reviewed, required quarterly assessment reports were missing from 25% of the files. Prior to the visit of the audit team the Department initiated measures to remedy deficiencies in its filing systems, especially problems related to files being removed without clear identification of who has the materials. As an interim strategy, access to project files is now being controlled by a designated filing secretary. It should also be noted, however, that the project files examined are working files, and that on any given day materials e.g. assessment reports may be absent and in use by staff.

Inconsistent report formats:

The Departments assessment reporting format as outlined in the CDA Administrative Manual requires that for each standard assessed a five step procedure be followed, i.e. a statement of criteria, condition, problem analysis, alternatives (5) and recommendations. This format which is thorough and uniform was designed to provide a total compliance assessment. Unfortunately, it is extremely time consuming. After field tests, it was found to be impossible to adhere precisely to this format if 8 consultants were going to be able to complete the 438 (Approx.) quarterly assessments required by federal regulations. In some instances these five elements are contained in a narrative form rather than outlined in a uniform five step format. This modification poses little problem for staff familiar with the philosophy and requirements of the Older Americans Act.

Mr. Thomas W. Hayes, Acting Auditor General
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The Department is planning to develop a consistent reporting format which is programmatic and will also readily verify the follow-up to assessment recommendations.

The Department has recognized the need for a system to ensure rapid follow-up to assessment findings. In early January of this year several alternatives were considered, and the process contained in the attached memo dated was subsequently selected and implemented.

Role of the California Department of Aging

The audit report has also identified the changing role of the California Department of Aging as mandated by recent Amendments to the Older Americans Act. In response to newly mandated responsibilities, the Department has re-evaluated the skills necessary for field representatives, implemented a planned and systematic process for designation of planning and service areas and local units under its jurisdiction and implemented procedures to assure the functional capability of local units to assume responsibility for administering nutrition programs. In these policy and programmatic areas, decisions for significant changes have been based in part on the assessment findings.

The centralization of regional offices, completed in January 1979, has provided the opportunity to re-structure the Program Operations Division, separating Grants Development and Assessment functions. Consolidation of field staff, project files, fiscal control and nutrition consultation constitutes the first step in applying uniform and consistent grants management procedures. The re-organization accomplished in the fall of 1978 has created the Program Administrator position, formally linking the Program Operations Division with Planning and Policy Development. The continued dialogue between these two divisions as a result of centralization, has enabled the Department to determine actual project performance based upon assessment criteria developed by AoA.

Conclusion:

Contrary to the conditions cited by the Auditor General's report, we would suggest that the assessment reports demonstrate that the Department is effectively monitoring and assessing the nutrition program. The areas of projects not in compliance noted in the Auditor General's report are directly lifted from the Department's assessment reports. The key question relates to what the Department does to assure that non-compliance issues are corrected. This is a problem of CDA's reporting system.

The reporting system of the Department fails to identify that there is an effective follow-up to assessment findings. This lack results from the fact that until the summer of 1978, staff were located in different regional offices where follow-up was conducted in a more informal manner by staff who were thoroughly familiar with projects within an assigned region. With the centralization of staff, the Department has found it necessary to strengthen systems to assure that follow-up of identified problem areas is accomplished. The records do not yet reflect the strengthened system. But the inference of the Auditor General that therefore no follow-up was accomplished is undocumented speculation and in fact without actual basis.

Mr. Thomas W. Hayes, Acting Auditor General

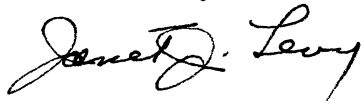
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It is necessary to state emphatically again that the Department takes grave exception to the conclusions reached by the audit team as a result of its one finding. These conclusions are wildly speculative, pejorative to the Department of Aging and service providers throughout the State, and could conceivably cause unnecessary and unfounded concern to the older persons who participate in the state's senior nutrition program.

If you require additional information please contact me at any time.

Most sincerely,

A handwritten signature in cursive script that reads "Janet J. Levy". The signature is written in dark ink and is positioned above the typed name.

Janet J. Levy
Director

(916) 322-5290

AUDITOR GENERAL'S COMMENTS CONCERNING
DEPARTMENT OF AGING'S RESPONSE

We normally do not comment on agency responses to our audit reports. However, in this instance, we find it necessary to comment on the Department of Aging's response to provide perspective and clarity.

The Department of Aging, like any public entity responsible for administering public resources, is accountable for the use of those resources. The department is responsible for administering \$39.9 million for support of the nutrition program throughout the State during fiscal year 1978-79. Further, the department is responsible for monitoring and evaluating the performance of these projects and is accountable for its activities and actions.

We were requested to assess the department's process for evaluating and monitoring nutrition projects. We found that the department could not demonstrate that it has effectively performed this function for all 79 nutrition projects operating in California. This lack of accountability leads us to the conclusion that there is little assurance that the department is meeting its responsibility of assuring that nutrition projects are being administered properly.

The department's response indicates that we have "indicted" its nutrition program. Our report, however, states that due to a lack of documentation and reporting deficiencies we are unable to determine project and program effectiveness. Our findings concern the effectiveness of nutrition project evaluation and monitoring procedures, not the effectiveness of the projects and programs themselves.

Beyond the general misconception cited above, the department took exception to some specific items in our report. The following comments address the department's specific concerns. Our comments and conclusions are based upon data obtained from department and HEW staff and official nutrition project files which the department is responsible for maintaining.

Methodology (Response Pages 1-2)

The Department of Aging's management was kept fully apprised of our sampling and study methodologies and the performance indicators for which we were searching. We used a nonrandom sampling technique, meaning that we selected projects from the files that were available and not then being used by

department staff. We reviewed a 30-percent sample of nutrition project files which we stratified into Northern and Southern California projects. This sampling method was not developed to generalize or imply that all the project files were deficient but rather was used to identify systemic deficiencies or weaknesses. This methodology allowed us to conserve time, avoid disrupting department staff, and still come to reasonable conclusions as to the department's performance. The results of our sample sufficiently demonstrate that systemic deficiencies do exist.

Effectiveness of the Nutrition Program Cannot Be Determined
(Response Page 2)

The department and HEW require the use of a standardized assessment instrument to determine if nutrition projects are complying with federal project standards and effectively providing services. Quarterly assessment reports provide the mechanism for identifying project compliance and for maintaining the department's accountability for evaluating and monitoring nutrition projects. Due to the absence of some required quarterly assessment reports, there was insufficient data available to determine if individual projects were effectively providing services, if violations were being corrected, or if the department was adequately performing its monitoring function. The mere lack of reports does not necessarily indicate that the department was not meeting its assessment responsibility; however, we could find little additional evidence to assure that the department was meeting all of its obligations.

If we cannot determine the effectiveness of numerous individual projects, it is therefore impossible to determine the effectiveness of the overall program or the success of the department in meeting its responsibility to assure that projects are being properly evaluated. While we did not state that the projects or the overall program are ineffective we did state that the department lacked sufficient documentation to be accountable to an outside observer regarding the effectiveness of its program administration.

Absence of Required Reports (Response Page 3)

In addition to the conclusion from our review of nutrition project files, previous HEW audits have continually cited the department for not assessing all nutrition projects on a quarterly basis. An April 1979 letter from the Regional HEW Director on Aging to the department enumerates these deficiencies and identifies progress that the department is making toward remedying these problems. However, the department records show that, as of the first quarter of fiscal year 1979, of the 73 nutrition projects scheduled for assessment, fifty-eight or 79 percent were actually subjected to assessment.

In light of the fact that designated Area Agencies on Aging will assume responsibility for nutrition projects on October 1, 1980, it is incumbent upon the department to meet its responsibilities in establishing an effective monitoring and evaluation system.

Department May Lose Federal Funds (Response Page 3)

The department takes exception to the statement that it could lose federal funds if it remains out of compliance with federal standards. Correspondence from the federal Commission on Aging to the department and to the Governor during 1978 noted that the department is not closely monitoring the performance of its grantees. In a 1978 HEW audit letter, the federal Commissioner on Aging states:

In accordance with Section 705(c) of the Older Americans Act, failure to comply with the evaluation and monitoring requirement must result in withholding State Agency administrative funds from the State.

In April 1979 we discussed this issue with the Regional HEW Director on Aging who told us that Section 705(c) of the Older Americans Act is still operational and can be invoked any time there is substantial noncompliance with the Act.

Inconsistent Reporting Formats (Response Pages 3-4)

We pointed out in our report that the absence of any consistent assessment reporting format precludes analysis to determine if deficiencies that have previously been cited have been corrected. A uniform reporting format, including a specific standard code number providing an indication of specific violations cited and their ultimate disposition, would enhance the monitoring and evaluation process and facilitate follow-up action to ensure that violations are corrected. The department thinks this would take too much time. In our opinion, such a system would enable the department to better meet its mandated responsibilities and would ensure that the department is accountable for the actions that it takes.

In summary, the deficiencies noted above result in a lack of assurance that the Department of Aging is meeting its responsibilities in evaluating and monitoring its nutrition projects. Consequently, the department fails to be accountable for its performance or the performance of the nutrition projects for which it is responsible. We therefore conclude that the department's nutrition project evaluation and monitoring process needs improvement.

In order to correct the deficiencies cited in our report we still recommend that the department implement the recommendations outlined. Further, in light of the importance of ensuring that nutrition projects are functioning effectively and in the best interests of the aged, we recommend that the Legislature consider requiring the Department of Aging to report on its progress by November 1, 1979. Such a report should address such factors as:

- The number of nutrition projects assessed
- The number of nutrition projects found to be out of compliance with standards
- The number of nutrition projects brought back into compliance with standards
- The most frequently cited standard violations
- The specific action taken by the department to improve its monitoring and evaluation system.

Office of the Auditor General

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
Legislative Analyst
Director of Finance
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
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