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STATE COMPTROLLER



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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

July 2, 2009

Mr. Michael J. Burgess  
Director  
New York State Office for the Aging  
Two Empire State Plaza  
Albany, NY 12223-1251

Re: Report 2009-F-4

Dear Mr. Burgess:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the New York State Office for the Aging (SOFA) to implement the recommendations contained in our audit report, *Ombudsman Program* (Report 2006-S-76).

**Background, Scope and Objective**

The SOFA administers the Long Term Care Ombudsman Program (Program) which is overseen by a State Ombudsman. The Program trains and certifies volunteers at the State and community levels to investigate and resolve complaints made by, and on behalf of, residents in long-term care facilities, such as nursing homes. The State Ombudsman appoints 46 local Ombudsmen Coordinators to oversee the Program at 58 localities throughout the State (some are responsible for more than one area). SOFA reported for Federal fiscal year ending September 2008 there were approximately 990 certified ombudsman volunteers and 162,239 beds in 1,599 long-term care facilities. For Federal fiscal year 2007-2008, the Program received \$2,298,421 in Federal funding and for the 2007-2008 State fiscal year the Program received \$746,000 in State funding.

Our initial audit report, which was issued on August 16, 2007 examined whether Program funds were being spent on their intended purposes. We found payroll expenditures for the Program were appropriate and employees paid with Program funds were working on the Program. Additionally, we found that the two contractors we reviewed generally complied with contract requirements regarding non-payroll expenditures. However, we found that 88 percent (\$44,841) of a sample of general office account charges to the Program by SOFA's central office were not Program-related. The objective of our follow-up was to assess the extent of implementation as of May 4, 2009 of the recommendation included in our initial report.

## **Summary Conclusions and Status of Audit Recommendation**

We found SOFA officials have implemented the recommendation contained in our prior audit report.

### **Follow-up Observations**

#### **Recommendation 1**

*Use Program funds only for goods or services that meet the Federal criteria of being allocable, reasonable and necessary.*

Status - Implemented

Agency Action - We found SOFA has adjusted their practices to use Program funds only for goods or services that are allocable, reasonable and necessary to the Program. SOFA officials provided us with a breakdown of their central office spending for the 2007-2008 Federal fiscal year. From this breakdown, we selected three spending categories for review; office equipment, supplies and travel. For each category, we examined supporting documentation to determine whether Program funds were only used for goods or services that met the Federal criteria of being allocable, reasonable and necessary. We found all sampled charges were Program related and consistent with the Federal criteria.

Major contributors to this report were Todd Seeberger, Vicki Wilkins and Andrew Davis.

We thank SOFA management and staff for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Donald D. Geary  
Audit Manager

cc: Jack Lynch, Audit Liaison  
Thomas Lukacs, Division of the Budget