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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

November 19, 2019

Ms. Lorraine Cortés-Vázquez  
Commissioner  
New York City Department for the Aging  
2 Lafayette Street  
New York, NY 10007

Re: Congregate Meal Services for the  
Elderly  
Report 2019-F-3

Dear Ms. Cortés-Vázquez:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Department for the Aging to implement the recommendations contained in our prior audit report, *Congregate Meal Services for the Elderly* (Report [2016-N-5](#)).

**Background, Scope, and Objective**

The New York City Department for the Aging (DFTA) is the City agency primarily responsible for addressing public policy and service issues for the aging. It is the largest agency in the federal network of Area Agencies on Aging in the United States. DFTA's mission is "to work to eliminate ageism and ensure the dignity and quality-of-life of New York City's diverse older adults, and for the support of their caregivers through service, advocacy, and education." DFTA's planned spending for the fiscal year ended June 30, 2019 was approximately \$387 million, including \$270 million and \$40 million in City and State funding, respectively, with the remainder from federal funds.

As of May 2018, there were nearly 1.59 million adults aged 60 and older (defined as senior citizens) residing in New York City. This number is expected to increase to 1.86 million by 2040. The federal Older Americans Act (OAA) requires the provision of various services for senior citizens, including access to nutrition, benefits counseling, employment opportunities, legal assistance, and in-home services. The majority of DFTA-funded services are provided through contracts with community-based organizations (sponsors). DFTA contracts with these sponsors to operate 249 senior centers throughout the five boroughs – many sponsors operate multiple senior centers. The senior centers are attended by nearly 30,000 individuals daily. For the fiscal year ended June 30, 2019,

contracts with sponsors to operate these 249 senior centers were valued at \$137 million. All senior centers provide congregate meals, various recreational and cultural activities, as well as information on and assistance with benefits. The contracts indicate the number of budgeted congregate meals a sponsor is expected to provide. The utilization rate is the number of congregate meals actually provided by the sponsor divided by the number of budgeted meals. On August 6, 2018, the Administrative Code of the City of New York was amended to require DFTA to report information on senior centers, such as total participants per day, total congregate meals served per day, and total participants served.

Both the OAA and State law require that nutritional services be provided to individuals aged 60 years and older who want to participate in a congregate meal program. Consequently, DFTA plans to allocate approximately \$97 million, or more than half of contracted amounts, for the provision of congregate meals, which can either be catered or prepared at the senior center. For the fiscal year ended June 30, 2019, the senior centers planned to serve 8.9 million congregate meals.

Our initial audit report, which was issued on January 11, 2018, found that DFTA needed to improve its oversight of senior centers. For example, officials could not demonstrate that they contracted with optimally located senior centers to maximize the number of eligible senior citizens who had access to congregate meals. In addition, we found that prior to approving contracts, DFTA did not determine whether sponsors' proposed costs or proposed number of meals were reasonable for the district served.

The objective of our follow-up review was to assess the extent of implementation, as of October 18, 2019, of the seven recommendations included in our initial report.

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

DFTA officials have made some progress in addressing the issues identified in our initial report. Of the report's seven recommendations, one was implemented, three were partially implemented, and three were not implemented.

### **Follow-Up Observations**

#### **Recommendation 1**

*Ensure that the contracts for senior centers are aligned with the needs of the City's senior citizen population, and maintain documentation supporting the rationale for these decisions.*

Status – Partially Implemented

Agency Action – DFTA informed us that it was developing a new senior center request for proposal (RFP) that will consider the needs of the elderly in each of the City's 59 Community Districts. It expects to release the concept paper for this new RFP in December 2019, with the RFP coming out in the fall of 2020. The new contracts would start on July 1, 2021 and would specify the target service levels, including the number of meals that would be set for each contract, based on DFTA's analysis

and the proposals submitted by RFP respondents. In addition, DFTA is utilizing various data sources, including U.S. Census data and internal budget and program data, to determine patterns of senior center usage. Further, it has reviewed senior diversity and population projections and studied factors that attract people to attend senior centers nationally in preparation for its concept paper and RFP.

### **Recommendation 2**

*Determine the appropriate number of budgeted congregate meals for each senior center based, in part, on the eligible senior citizen population in the area, and measure performance based on the percentage of meals actually served.*

Status – Not Implemented

Agency Action – DFTA claimed that it would consider previous budgets and patterns of expenditures when determining demand for meals in Community Districts and for each senior center. However, it did not provide supporting documentation for this or a timetable for when such an analysis will be completed.

### **Recommendation 3**

*Immediately review the food costs for centers that provide less than the budgeted number of meals and determine whether the costs claimed are reasonable. Going forward, establish a mechanism to limit reimbursement where the utilization rate is below a set threshold.*

Status – Not Implemented

Agency Action – According to DFTA, the contracts that will begin on July 1, 2021 will reflect the analysis described in Recommendations 1 and 2, which includes a review of current budgets and expenditures and any changes in projected meals to be provided. DFTA officials have not provided any documentation to show that such an analysis has been performed since our prior audit.

### **Recommendation 4**

*Move ahead with plans to increase the frequency and scope of senior center audits.*

Status – Partially Implemented

Agency Action – In response to our initial report, DFTA officials said they began a comprehensive redesign of their audit practices. Rather than increasing the number of audits, DFTA's audit focus is now on improved audit quality and depth, covering all programs within a sponsor organization during an engagement. DFTA has also increased audit staff from two to six (one supervisor, three auditors-in-charge, and two staff auditors). In addition, in 2019, DFTA began using TeamMate – an audit management and tracking system – to improve the planning, management, scheduling, and supervision of audits.

DFTA has 118 prospective programs it plans to audit on its fiscal years 2017-20 audit dashboard. According to DFTA, each in-depth audit will now take an average of 12 days to perform. DFTA officials indicated that they give priority to audits based on referral sources (e.g., New York City Department of Investigation referrals get first priority).

#### **Recommendation 5**

*Recover the \$12,006 claimed for reimbursement as direct expenses for items that were already included in indirect administrative expenses, and review the propriety of the \$120,570 in budgeted direct expenses for the fiscal year ended June 30, 2016.*

Status – Not Implemented

Agency Action – DFTA officials said they will address this specific issue in the first quarter of fiscal year 2020. However, officials did not provide evidence of any actions taken.

#### **Recommendation 6**

*Employ analytic techniques to assess the reasonableness of the amounts of senior contributions being reported.*

Status – Implemented

Agency Action – DFTA provided us with documentation of the new analytical and audit testing procedures that have been implemented to assess the reasonableness of contributions reported and to improve the testing of the controls over such contributions. DFTA also provided evidence that these new procedures are being used during its audits. We noted an instance where DFTA found that participant contributions at a senior center were diverted due to weak internal controls; it subsequently moved this program to a new sponsor.

#### **Recommendation 7**

*Ensure that all senior centers take corrective actions on non-compliance issues found during visits by DFTA nutritionists.*

Status – Partially Implemented

Agency Action – DFTA implemented its Program Assessment System (PAS) to generate and track Corrective Action Plans (CAPs), which are sent to senior centers that were found to have non-compliance issues during nutrition and program assessments. We randomly selected ten programs and requested the program assessments and CAPs. DFTA's Director of Nutrition informed us that one CAP was not sent to a senior center due to human error.

Of the ten programs we reviewed, nine had non-compliance issues; CAPs were sent to eight. While the program assessments were mostly completed in September 2018, six of the eight programs still had unmet/pending CAPs as of July 2019. In

addition, DFTA said it did not track communication (e.g., letters or emails) with senior centers regarding unmet/pending CAPs. DFTA claimed the programs in our sample were mostly covered by staff who have retired, so it is not able to provide any communication records. However, DFTA officials also informed us that, going forward, senior centers will be asked to send emails with supporting documentation (e.g., pictures or purchase receipts) as evidence the deficiencies have been corrected. A new feature will also be created in PAS to upload these documents.

Major contributors to this report were Keith Dickter and Manna Zhen.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of DFTA for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Michael Solomon  
Audit Manager

cc: J. Jones, DFTA  
G. Davis, Mayor's Office