



Minnesota Board on Aging: Senior Nutrition Program

Performance Audit

November 2023

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota



Financial Audit Division

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November 13, 2023

Members
Legislative Audit Commission

Jodi Harpstead, Commissioner
Department of Human Services

Kari Benson, Executive Director
Minnesota Board on Aging

This report presents the results of our performance audit of the Senior Nutrition Program administered by the Minnesota Board on Aging (MBA) and Area Agencies on Aging for the period January 2022 through December 2022. The objectives of this audit were to determine if MBA and Area Agencies on Aging had adequate internal controls over the Senior Nutrition Program and complied with significant legal requirements over the program.

This audit was conducted by Valentina Stone, CPA (Audit Director), Shannon Hatch (Audit Team Lead), and auditors Allison Howk, Alec Mickelson, Eric Nguyen, Erick Olsen, and Zakeeyah Taddese, with assistance from David Kirchner (Program Evaluation Manager).

We received the full cooperation of the staff at MBA and the Area Agencies on Aging while performing this audit.

Sincerely,



Judy Randall
Legislative Auditor



Lori Leysen, CPA
Deputy Legislative Auditor



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Introduction

The Senior Nutrition Program is a federal program that provides meals to individuals who are age 60 or older. The meals are provided by service providers or their subcontractors, and the program is administered by the Minnesota Board on Aging and the state's Area Agencies on Aging.¹ Qualifying individuals may receive the meals in their homes or in group settings, such as senior centers, community centers, and restaurants.

As discussed in this report, we examined the oversight of the Senior Nutrition Program provided by the Minnesota Board on Aging and the state's Area Agencies on Aging. In particular, we focused on their internal controls and compliance with finance-related legal requirements.

Internal controls are the policies and procedures that management establishes to govern how an organization conducts its work and fulfills its responsibilities.

A well-managed organization has strong controls across all of its internal operations.

If effectively designed and implemented, controls help ensure, for example, that inventory is secured, computer systems are protected, laws and rules are complied with, and authorized personnel properly document and process financial transactions.

Auditors focus on internal controls as key indicators of whether an organization is well managed. In this audit, we focused on whether the Minnesota Board on Aging and the state's Area Agencies on Aging had sufficient controls to ensure that they administered and managed the Senior Nutrition Program in compliance with good management practices and requirements in state and federal laws.

Minnesota Law Mandates Internal Controls in State Agencies

State agencies must have internal controls that:

- Safeguard public funds and assets and minimize incidences of fraud, waste, and abuse.
- Ensure that agencies administer programs in compliance with applicable laws and rules.

The law also requires the commissioner of Management and Budget to review OLA audit reports and help agencies correct internal control problems noted in those reports.

— *Minnesota Statutes 2022, 16A.057*

¹ Minnesota's seven Area Agencies on Aging consist of the Arrowhead Area Agency on Aging (AAAA); Central Minnesota Council on Aging (CMCOA); Dancing Sky Area Agency on Aging (DSAAA); Minnesota Indian Area Agency on Aging (MIAAAA), administered by the Minnesota Board on Aging; Minnesota River Area Agency on Aging (MNRAAA); Southeastern Minnesota Area Agency on Aging (SEMAAAA); and the Metropolitan Area Agency on Aging, Inc. (MAAA), doing business as Trellis; <https://mn.gov/board-on-aging/about-us/area-agencies/>, accessed October 17, 2023.



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Report Summary

Conclusions

The Minnesota Board on Aging did not have adequate internal controls to ensure compliance with significant legal requirements for the Senior Nutrition Program. Furthermore, the Minnesota Board on Aging generally did not comply with significant legal requirements for the Senior Nutrition Program.

Area Agencies on Aging generally did not have adequate internal controls to ensure compliance with significant legal requirements for the Senior Nutrition Program. Area Agencies on Aging generally did not comply with significant legal requirements for the Senior Nutrition Program. The more significant instances of noncompliance and internal controls weakness were in the areas of program monitoring and recertification of program participants.

The list of findings below and the full report provide more information about these concerns.

Findings and Recommendations

Finding 1. Neither the Minnesota Board on Aging nor the Minnesota Indian Area Agency on Aging had the necessary documentation to support how the Minnesota Indian Area Agency on Aging's service providers calculated meal reimbursement rates. (p. 22)

Recommendations

- The Minnesota Board on Aging or other responsible entity should have supporting documentation that substantiates the meal reimbursement rates for the tribal service providers.
- The Minnesota Board on Aging should ensure that the tribal service providers accurately calculate meal reimbursement rates and follow the Minnesota Board on Aging's requirements.

Finding 2. Some service providers did not have valid contracts with the subcontractors that provided direct services for the program. (p. 23)

Recommendations

- Service providers should have valid contracts with all entities that provide meals for the Senior Nutrition Program.
 - Area Agencies on Aging and the Minnesota Board on Aging should ensure that service providers have valid contracts with all entities that provide meals for the Senior Nutrition Program by reviewing and approving all of these contracts prior to use.
-

Finding 3. Neither the Minnesota Board on Aging nor Area Agencies on Aging reviewed and approved any of the contracts between service providers and subcontractors prior to use. (p. 25)

Recommendations

- The Minnesota Board on Aging should clarify its responsibility for the review of contracts between service providers and subcontractors that are for-profit organizations.
 - Either Area Agencies on Aging or the Minnesota Board on Aging should review and approve all contracts between service providers and subcontractors.
 - The Minnesota Board on Aging should prescribe specific steps for how Area Agencies on Aging should document their review and approval of contracts between service providers and subcontractors.
-

Finding 4. Results of a survey of program participants suggest that the overall quality of participant data in the Minnesota Board on Aging’s participant database is questionable. (p. 27)

Recommendation

The Minnesota Board on Aging and Area Agencies on Aging should ensure that the data in the Minnesota Board on Aging’s participant database are accurate and reliable.

Finding 5. A substantial number of those who responded to a survey of program participants indicated that—contrary to federal program guidance—they were required to pay for program meals. (p. 29)

Recommendations

- The Minnesota Board on Aging and Area Agencies on Aging should ensure that service providers offer program participants an option to contribute but do not require them to pay for the Senior Nutrition Program meals.
 - The Minnesota Board on Aging and Area Agencies on Aging should ensure that service providers clearly communicate payment options to program participants.
-

Finding 6. The Minnesota Board on Aging did not conduct any monitoring activities for the Senior Nutrition Program. (p. 31)

Recommendations

- The Minnesota Board on Aging should complete required monitoring activities.
 - The Minnesota Board on Aging should establish processes for conducting monitoring visits, financial reconciliations, advance payments reconciliations, and grant closeout evaluations.
-

Finding 7. Most Area Agencies on Aging did not perform the required number of site visits of service providers and subcontractors. (p. 34)

Recommendations

- Area Agencies on Aging should perform the required number of site visits.
 - The Minnesota Board on Aging should have effective internal controls, such as clear policies and procedures, over monitoring activities.
 - The Minnesota Board on Aging should provide proper oversight to ensure that Area Agencies on Aging perform the required number of monitoring site visits each year.
-

Finding 8. Service providers did not annually recertify program participants receiving Senior Nutrition Program meals. (p. 37)

Recommendations

- Service providers should recertify program participants annually, as required.
 - Area Agencies on Aging and the Minnesota Board on Aging should perform regular monitoring activities, such as conducting site visits, reviewing recertification forms, and verifying participant data in the system, to ensure service providers annually recertify program participants.
-

Finding 9. The Minnesota Board on Aging did not have documentation to support payments made to tribal service providers for direct program services. (p. 40)

Recommendations

- The Minnesota Board on Aging should update its payment process for direct service payments to tribal service providers.
 - The Minnesota Board on Aging should ensure that it accurately pays tribal service providers based on documented meal counts.
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Background

Senior Nutrition Program Overview and History

The Senior Nutrition Program is a federal program that provides healthy meals to individuals age 60 or older. The meals are delivered to an individual’s home or served in group settings, such as senior centers, community centers, and restaurants. The program is designed to promote the general health and well-being of older individuals by providing services that help to:

1. Reduce hunger, food insecurity, and malnutrition among older individuals.
2. Promote socialization of older individuals.
3. Assist older individuals in gaining access to nutrition and other disease-prevention and health-related services.

These services are not intended to reach every individual in the community and are targeted towards those who are in greatest social and economic need.²

To participate in the Senior Nutrition Program, the federal government requires only that a person is at least 60 years old. The federal government expands eligibility to spouses (of any age) of older adults, people with disabilities living in housing facilities where mainly older adults live, and volunteers who provide services.³ State and local entities use a participant’s date of birth as verification of eligibility, but an individual will not be denied services if they refuse to provide this information.⁴

The United States Department of Health and Human Services oversees the Senior Nutrition Program at the federal level. The Minnesota Board on Aging (MBA), Area Agencies on Aging, and service providers administer the program in Minnesota. Federal regulations generally prohibit MBA and Area Agencies on Aging from providing direct services for the programs they administer.⁵

² Administration for Community Living, Nutrition Services, *Purpose of the OAA Nutrition Program*, <https://acl.gov/programs/health-wellness/nutrition-services>, accessed September 14, 2023.

³ Older Americans Act of 1965, Public Law 116-131, secs. 339 (2)(H) and (I), codified as amended at 42 *U.S. Code*, sec. 3030g-21 (2020).

⁴ Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, D-2 *Obtaining Date of Birth for Eligibility Verification*, Procedure 1, p. 76, revised June 21, 2021.

⁵ Older Americans Act of 1965, Public Law 116-131, sec. 307 (a)(8)(A), codified as amended at 42 *U.S. Code*, sec. 3027(a)(8)(A) (2020), requires “that no supportive services, nutrition services, or in-home services will be directly provided by the State agency or an area agency on aging in the State, unless, in the judgment of the State agency—(i) provision of such services by the State agency or the area agency on aging is necessary to assure an adequate supply of such services; (ii) such services are directly related to such State agency’s or area agency on aging’s administrative functions; or (iii) such services can be provided more economically, and with comparable quality, by such State agency or area agency on aging....”

Key Responsibilities

The Minnesota Board on Aging, Area Agencies on Aging, service providers, and subcontractors perform specific functions for the Senior Nutrition Program.

Minnesota Board on Aging

The Legislature established MBA in 1961 to coordinate and advise on government plans in order to meet the needs of the state's senior citizens.⁶ The board consists of 25 members, with at least one member from each congressional district, who are appointed by the governor.⁷ MBA is a federally designated state unit on aging. Among other things, MBA develops, coordinates, evaluates, and administers federal and state funds for the Senior Nutrition Program. Department of Human Services (DHS) employees staff the board and conduct its administrative duties.⁸

Area Agencies on Aging and Service Providers

Area Agencies on Aging administer a variety of programs for older Americans, including the Senior Nutrition Program. Area Agencies on Aging are designated by MBA per federal regulation, and may be public or private nonprofit agencies or organizations.⁹ Area Agencies on Aging execute contracts with nonprofit or for-profit service providers to perform certain functions.

Some service providers provide congregate and/or home-delivered meal services directly, while other service providers outsource these functions to subcontractors. These subcontractors include restaurants, caterers, grocery stores, nursing homes, or community organizations that prepare meals and/or provide the meal services.

In calendar year 2022, there were seven Area Agencies on Aging across Minnesota. Exhibit 1 shows the regions in which each Area Agency on Aging provided services in 2022.

In December 2021, due to repeated noncompliance with federal and state laws, regulations, and policies, MBA withheld funding from the Minnesota Indian Area Agency on Aging. MBA also assumed administrative responsibility for portions of the agency's work with respect to the Senior Nutrition Program. More specifically, MBA took responsibility for the contracts between the Minnesota Indian Area Agency on Aging and its service providers, and for the payments to those service providers. During calendar year 2022, the Minnesota Indian Area Agency on Aging was on a corrective action plan to resolve issues of noncompliance. While MBA was responsible for the contracts with the service providers, the Minnesota Indian Area Agency on Aging was still responsible for monitoring the service providers.

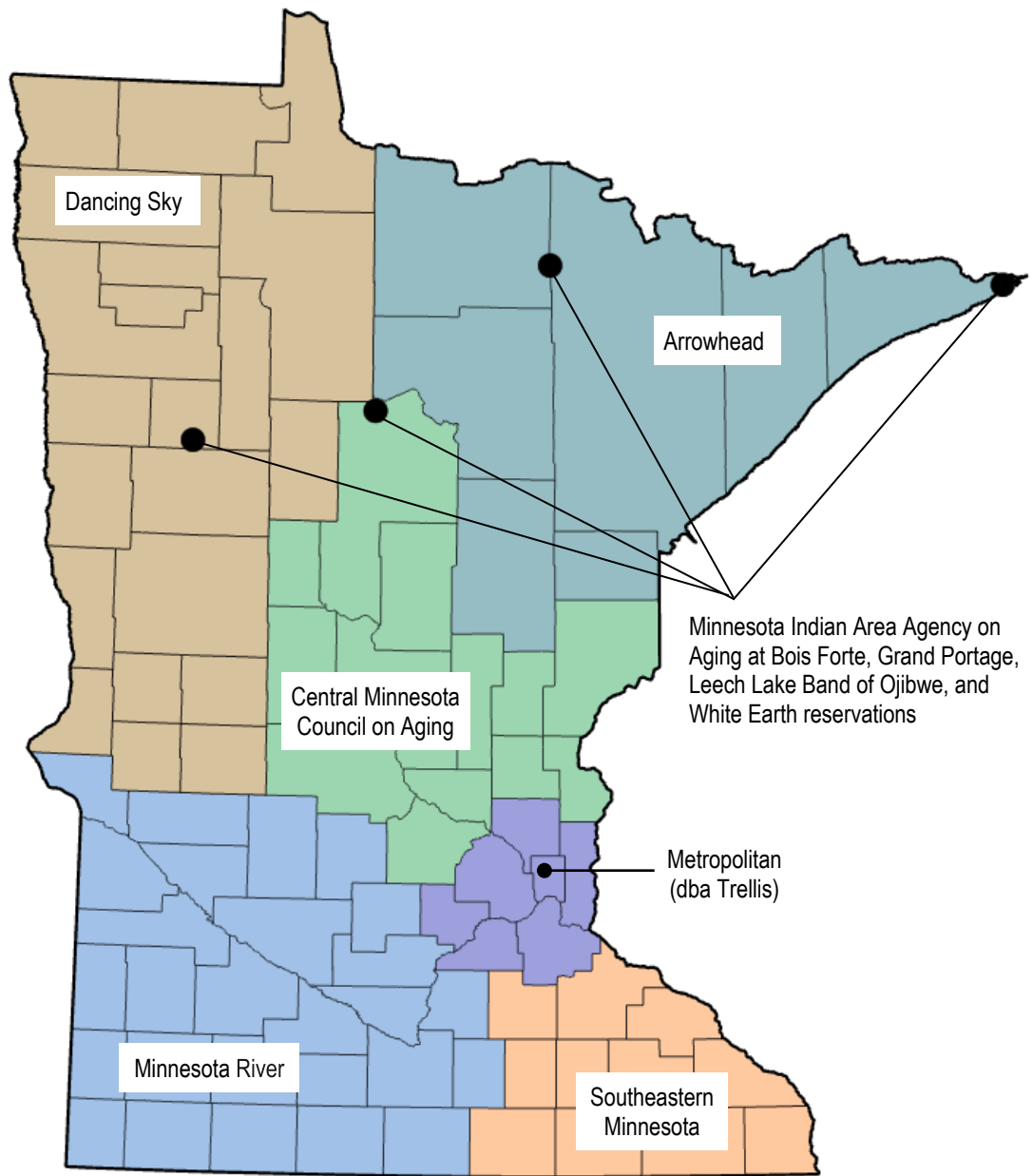
⁶ *Laws of Minnesota* 1961, chapter 466, sec. 1.2, codified as *Minnesota Statutes* 2022, 296.975, subd. 1.

⁷ *Minnesota Statutes* 2022, 256.975.

⁸ *Minnesota Statutes* 2022, 256.01, subd. 9.

⁹ 45 *CFR*, sec. 1321.7(b) (2023).

Exhibit 1
Area Agencies on Aging by Counties, Calendar Year 2022



Source: Office of the Legislative Auditor, based on information from the Minnesota Association of Area Agencies on Aging, *Minnesota's Area Agencies on Aging*, <https://mn4a.org/agencies/>, accessed September 7, 2023.

Exhibit 2 summarizes the key responsibilities of the Minnesota Board on Aging, Area Agencies on Aging, service providers, and subcontractors.

Exhibit 2
Responsibilities of Various Entities for the Senior Nutrition Program in Minnesota

Entity	Key Responsibilities
Minnesota Board on Aging	<ul style="list-style-type: none"> • Establishes the network of Area Agencies on Aging • Establishes policies, standards, and procedures for programs for seniors • Grants funding to Area Agencies on Aging for administration of the program and direct service costs incurred by service providers • Reviews contracts with for-profit organizations • Monitors performance of Area Agencies on Aging • Provides technical assistance
Area Agencies on Aging	<ul style="list-style-type: none"> • Manage the program at the local level • Contract with service providers • Review contracts between service providers and subcontractors • Monitor service providers and subcontractors • Pay service providers for meals served
Service Providers	<ul style="list-style-type: none"> • Enroll and recertify program participants • Provide and deliver meals to participants at multiple sites, and/or use services of subcontractors • Record participant data and meal counts in MBA's participant database^a • Collect voluntary contributions from participants^b • Verify meal counts provided by subcontractors and reimburse subcontractors for these meals • Manage volunteers and conduct outreach for the program
Subcontractors	<ul style="list-style-type: none"> • Prepare and/or serve meals to program participants • Collect voluntary contributions from participants • Report meal counts to service providers and request reimbursements for meals served

^a MBA uses a participant database, called PeerPlace, to track participant data and meals served.

^b Service providers and subcontractors retain collected contributions and must use these contributions to expand program services. Service providers report the total amount of contributions they collected to Area Agencies on Aging.

Source: Office of the Legislative Auditor, based on information received from the Minnesota Board on Aging, Area Agencies on Aging, and service providers.

Audit Scope, Objectives, Methodology, and Criteria

The Office of the Legislative Auditor (OLA) conducted this audit to determine whether MBA and Area Agencies on Aging had adequate internal controls over the Senior Nutrition Program and complied with significant finance-related legal requirements. We audited the allocation of grant funding among Area Agencies on Aging, grant and purchasing contracts, program expenditures, service delivery to and eligibility of participants, and monitoring processes. The period under examination included calendar year 2022 program activity.

Minnesota Board on Aging

This part of the audit focused on how well MBA administered the Senior Nutrition Program. OLA designed its work to address the following questions:

- Did MBA accurately account for program funding and expenditures?
- Did MBA have controls in place to ensure it accurately accounted for program funding and expenditures?
- Did MBA provide sufficient oversight of Area Agencies on Aging and service providers to ensure that Area Agencies on Aging and service providers (1) spent program funds in compliance with significant legal requirements, and (2) provided program services?

To gain an understanding of internal controls and compliance over this area, OLA interviewed staff from MBA. To determine whether MBA had adequate controls and complied with certain legal requirements, OLA tested the Senior Nutrition Program activity for calendar year 2022. Specifically, OLA:

- Analyzed and recalculated the allocation of federal and state funds between Area Agencies on Aging.
- Reviewed all grant contracts between MBA and Area Agencies on Aging for proper authorizations, and compliance with the Department of Administration's Office of Grants Management (OGM) policies and other required provisions.
- Tested all payments that MBA made to Area Agencies on Aging for the administration of the program for proper authorization, accuracy, and compliance with grant contract terms and conditions. OLA also compared the total expenditures recorded in Area Agencies on Aging general ledgers with payments these agencies received from MBA.
- Tested a separate sample of payments that MBA made to each Area Agency on Aging for program expenditures incurred by service providers for proper authorization, accuracy, and compliance with grant contract terms and conditions.
- Reviewed if and how MBA performed required monitoring activities, such as site visits, financial reconciliations, reconciliations of advance payments, and closeout of grant contracts with Area Agencies on Aging.

Area Agencies on Aging

This part of the audit focused on how well Area Agencies on Aging administered the Senior Nutrition Program. OLA designed its work to address the following questions:

- Did Area Agencies on Aging accurately account for program funding and expenditures?
- Did Area Agencies on Aging have controls in place to ensure they accurately accounted for program funding and expenditures?
- Did Area Agencies on Aging provide sufficient oversight to ensure service providers (1) spent program funds in compliance with significant legal requirements, and (2) provided program services?

To gain an understanding of how Area Agencies on Aging administered the program, OLA interviewed staff from six Area Agencies on Aging and issued questionnaires to all service providers.¹⁰ To answer the questions above, OLA:

- Tested all service providers and a combination of a randomly and judgmentally selected sample of subcontractors to determine if these entities were legitimate businesses.
- Reviewed all contracts between Area Agencies on Aging and service providers for proper authorization, for evidence of consideration of conflicts of interest, and to determine whether contracts were for allowable, program-related services.
- Reviewed and recalculated meal reimbursement rates for all service providers' contracts to determine if meal rates were accurate and included only allowable costs.
- Reviewed all contracts between service providers and subcontractors for proper authorizations, and to determine if contracts were for allowable, program-related services.
- Tested payments that Area Agencies on Aging made to service providers for (1) accuracy and (2) compliance with contract provisions between Area Agencies on Aging and service providers. For this test, we judgmentally selected a month of payments for each service provider and reviewed all payments for that month.
- Reviewed expenditures for all service providers to determine if service provider expenditures were at least equal to the payments they received from Area Agencies on Aging.

¹⁰ We did not interview representatives from the Minnesota Indian Area Agency on Aging, as they did not administer the program in 2022.

- Tested whether Area Agencies on Aging conducted required monitoring site visits.
- Selected a statistically valid, stratified sample of participant records and determined if service providers annually recertified program participants.
- Visited congregate and home-delivered meal sites to determine if sites existed, provided agreed-upon services, and disclosed required information about the cost of meals and voluntary contributions.

Furthermore, OLA identified all calendar year 2022 program expenditures from the state's accounting system and classified these expenditures as either direct service or administrative/management costs to illustrate how MBA, Area Agencies on Aging, and service providers spent program funds. To complete this task, OLA obtained and analyzed accounting records from Area Agencies on Aging and service providers.

Finally, OLA mailed surveys to a sample of program participants that received at least one meal during calendar year 2022 from the Senior Nutrition Program. The purpose of the survey was to understand the accuracy of MBA's data on program participants and to obtain participants' feedback on program services.

OLA conducted this performance audit in accordance with generally accepted government auditing standards.¹¹ Those standards require that OLA plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. OLA believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. When nonstatistical sampling was used, OLA used a sampling method that complies with generally accepted government auditing standards and that supports our findings and conclusions. That method does not, however, allow OLA to project the results we obtained to the populations from which the samples were selected. In circumstances where OLA used a statistically valid sample, we projected results to the populations from which the samples were selected.

OLA assessed internal controls against the most recent edition of the internal control standards, published by the U.S. Government Accountability Office.¹² To identify legal compliance criteria for the activity we reviewed, we examined state and federal laws, and policies and procedures established by the Office of Grants Management and the Minnesota Board on Aging.

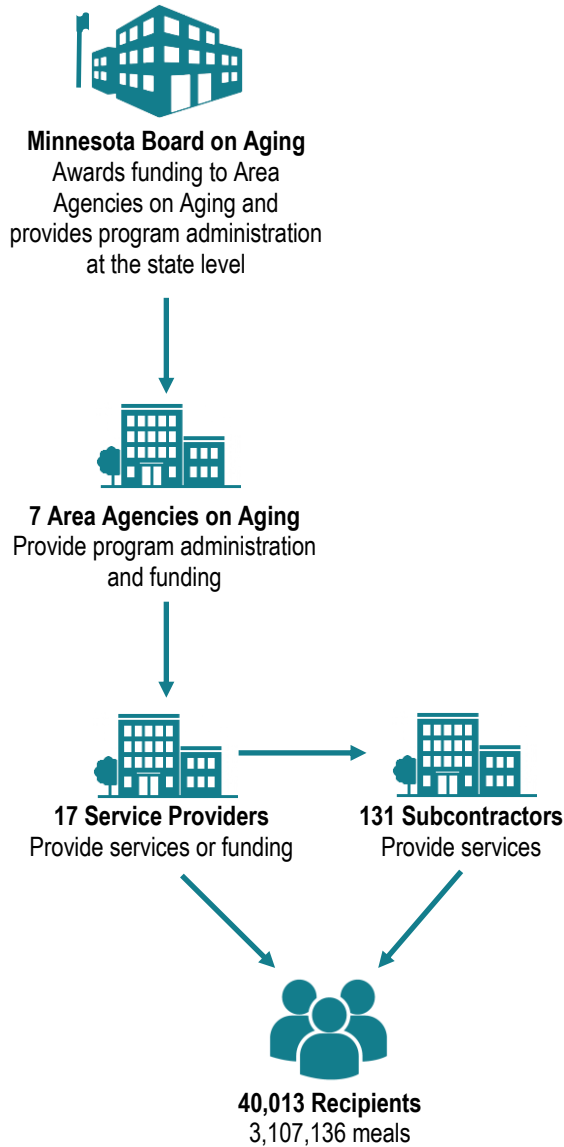
¹¹ Comptroller General of the United States, Government Accountability Office, *Government Auditing Standards* (Washington, DC, July 2018).

¹² Comptroller General of the United States, Government Accountability Office, *Standards for Internal Control in the Federal Government* (Washington, DC, September 2014). In September 2014, the State of Minnesota adopted these standards as its internal control framework for the executive branch.



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Senior Nutrition Program Funding



Source: Office of the Legislative Auditor, based on review of contracts, general ledgers, and participant data.

Funding for the Senior Nutrition Program primarily comes from the federal and state government. The funding is provided to the Minnesota Board on Aging (MBA), which in turn provides administration and program funding to Area Agencies on Aging for further administration of the program. Area Agencies on Aging then pass program funding to service providers, which either provide services or subcontract with other organizations to provide services to the recipients. The image on the left shows how the funding flows from MBA to the program participants.

Funding Allocation

The federal government establishes requirements for how MBA must allocate federal funds for the Senior Nutrition Program. The federal government requires MBA to factor into its allocation formula the number of individuals with the greatest social and economic need and the geographical distribution of older individuals in the state.¹³ To address this requirement, MBA established a federally approved funding formula.

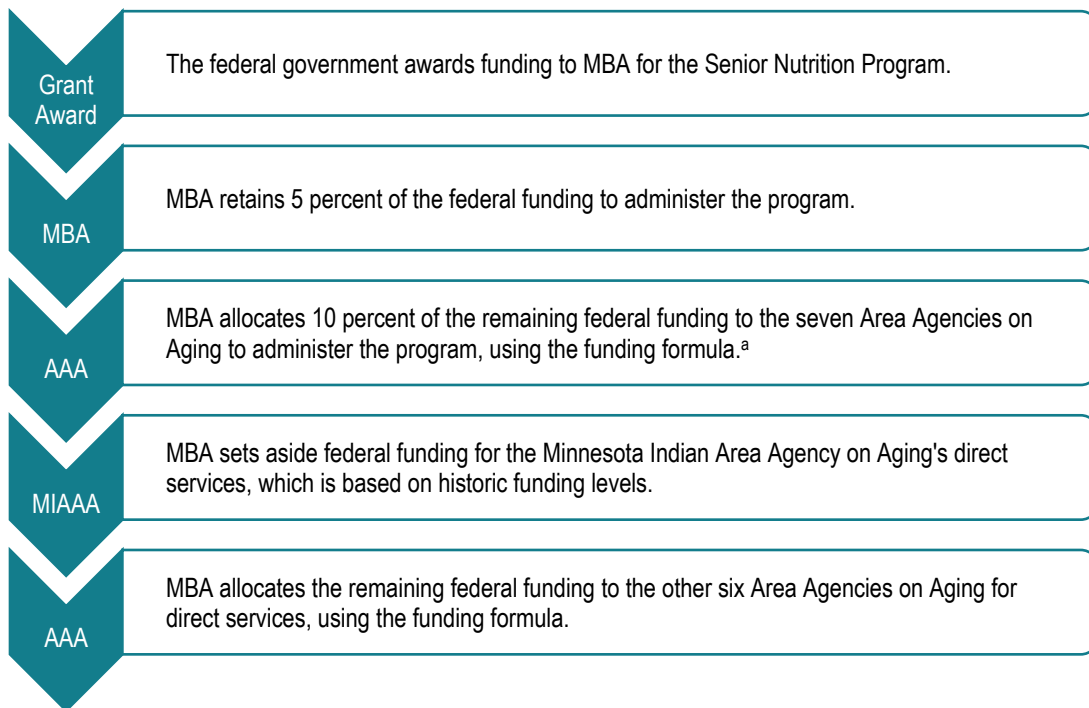
Each federal fiscal year, MBA uses this formula to determine how new federal funding will be allocated to Area Agencies on Aging for the upcoming calendar year. The formula considers factors, such as populations of individuals age 60 and older, persons age 65 and older who have low income, and persons age 65 and older who live in rural areas. Particular attention is given to the needs of older American Indians living on reservations.¹⁴ In fact, MBA calculates the amount of federal funding for the Minnesota Indian Area Agency on Aging before it allocates funds for direct services to the remaining six Area Agencies on Aging.

¹³ Older Americans Act of 1965, Public Law 116-131, sec. 305 (2)(C), codified as amended at 42 U.S. Code, sec. 3025 (2)(C) (2020).

¹⁴ Minnesota Board on Aging State Plan 2019 – 2022, Attachment C, *Intrastate Funding Formula*, p. 59, https://mn.gov/board-on-aging/assets/State_Plan_FINAL_2019_2022_PP_tcm1141-433852.pdf, accessed September 14, 2023.

Exhibit 3 shows the process for allocating federal funding for the Senior Nutrition Program.

Exhibit 3
Senior Nutrition Program Federal Funding Allocation, Calendar Year 2022



^a MBA allocated funding to the Minnesota Indian Area Agency on Aging to administer programs for seniors. However, MBA did not reimburse the Minnesota Indian Area Agency on Aging for administration of these programs during calendar year 2022. MBA put the Minnesota Indian Area Agency on Aging on a corrective action plan, and the Minnesota Indian Area Agency on Aging was not entitled to receive payments for administration until it complied with federal and state regulations.

Source: Office of the Legislative Auditor, based on information from the Minnesota Board on Aging State Plan 2019 – 2022, Attachment C, *Intrastate Funding Formula*, pp. 59-62.

In addition to the federal funding of \$11,103,492, the Senior Nutrition Program also received \$2,695,000 from the state’s General Fund in calendar year 2022. The Minnesota Board on Aging uses the federal funding formula to also allocate state funding for the Senior Nutrition Program.

Exhibit 4 shows the allocation of state and federal Senior Nutrition Program direct service funding for calendar year 2022.

Exhibit 4
Senior Nutrition Program Direct Service Funding Allocation to Area Agencies on Aging, Calendar Year 2022

Area Agency on Aging	Percentage	Federal Amount ^a	State Amount
Minnesota Indian	N/A	\$ 351,004	\$ 75,210
Metropolitan (dba Trellis)	42%	4,482,700	1,092,191
Central Minnesota Council on Aging	14	1,508,569	367,556
Minnesota River	13	1,436,528	350,004
Dancing Sky	11	1,220,435	297,346
Southeastern Minnesota	11	1,133,309	276,126
Arrowhead	9	970,947	236,567
Total	100%	\$11,103,492	\$2,695,000

^a Amounts do not include carryover funding from the prior year, or funding from the American Rescue Plan, the Coronavirus Aid, Relief, and Economic Security Act, and the Nutrition Services Incentive Program.

Source: Office of the Legislative Auditor, based on information from the Minnesota Board on Aging State Plan 2019 – 2022, Attachment C, *Intrastate Funding Formula*, p. 62, and grant contracts between the Minnesota Board on Aging and Area Agencies on Aging.

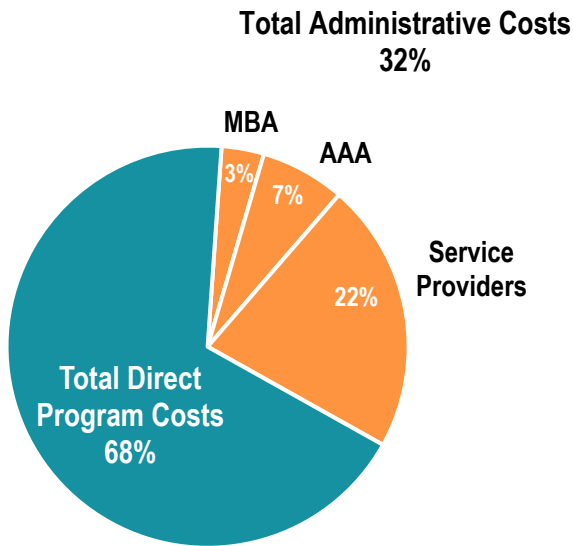
We analyzed and recalculated the allocation of new calendar year 2022 funding for the Senior Nutrition Program. We did not find any issues.



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Senior Nutrition Program Expenditures

The Minnesota Board on Aging (MBA), Area Agencies on Aging, and service providers incur various costs to manage the Senior Nutrition Program.



As we described earlier, the federal regulations generally do not allow MBA or Area Agencies on Aging to provide direct program services. Therefore, all of the program costs that MBA and Area Agencies on Aging incur are for program administration.

Service providers, on the other hand, incur costs for management of the program and for providing program services. These services include program outreach, meal preparation, meal delivery, coordination of volunteers, maintaining program sites, reporting program data to the state, and managing subcontractors, if any.

Approximately one-third of calendar year 2022 total costs was for administration and management of the program.

Exhibit 5 shows calendar year 2022 program expenditures and demonstrates how MBA, Area Agencies on Aging, and service providers spent available program funding.

Exhibit 5

Senior Nutrition Program Expenditures Funded by Federal and State Funds,
Calendar Year 2022

	Administrative/Program Management Costs	Direct Program Costs	Total Costs
MBA and AAA Costs			
MBA	\$ 813,198	\$ 0	\$ 813,198
AAA	<u>1,625,226</u>	<u>0</u>	<u>1,625,226</u>
Total MBA and AAA Costs	\$2,438,424	\$ 0	\$ 2,438,424
Service Providers' Costs (Estimated)			
Payroll ^a	\$2,495,908	\$ 5,423,955	\$ 7,919,863
Food Ingredients	0	5,211,385	5,211,385
Payments to Subcontractors	0	3,323,710	3,323,710
Administration ^b	1,986,893	0	1,986,893
Supplies	84,941	635,028	719,969
Equipment/Repair	116,101	458,098	574,199
Food Delivery	0	475,188	475,188
Utilities	111,777	256,097	367,874
Rent	137,577	120,885	258,462
Travel	24,636	84,043	108,679
Staff Training	5,650	9,508	15,158
All Other Expenditures ^c	<u>220,044</u>	<u>192,592</u>	<u>412,635</u>
Total Service Providers' Costs ^d	<u>\$5,183,526</u>	<u>\$16,190,489</u>	<u>\$21,374,015</u>
Total Overall Costs	<u>\$7,621,950</u>	<u>\$16,190,489</u>	<u>\$23,812,439</u>

^a For this exhibit, we included wages and salaries of cooks, site managers, food transporters, dining coordinators, outreach specialists, and similar occupations in the "Direct Program Costs" category. We classified salaries of program directors and coordinators, human resources and accounting specialists, and other similar positions as "Administrative/Program Management Costs."

^b "Administration" includes mainly allocated administrative costs, such as allocated central and regional support, advertising, shared information technology costs, and management and auditing fees.

^c "All Other Expenditures" include expenditures that did not fit in any other category, such as liability insurance and staff appreciation.

^d "Total Service Providers' Costs" represent the costs that were covered by the funding service providers received from Area Agencies on Aging. Most service providers' accounting records showed much higher amounts of expenditures. These entities provided services for other meal programs for seniors and did not track expenditures at a program level. OLA, with a few exceptions, reduced each expense line item proportionately to the amount of funding each service provider received from the related Area Agency on Aging.

Source: Office of the Legislative Auditor, based on data in the state's accounting system and accounting data obtained from Area Agencies on Aging and service providers.

As part of our audit procedures, we traced payments that MBA made to Area Agencies on Aging in calendar year 2022 to the accounting records of Area Agencies on Aging. Then we traced payments that Area Agencies on Aging made to service providers to service providers' accounting records. Area Agencies on Aging pay service providers based on the negotiated rate per meal. We compared total program expenditures as reflected in providers' records with the payments they received from Area Agencies on Aging to determine if Area Agencies on Aging paid only for expenditures incurred. We did not find any issues.

Grant and Service Contracts

The Minnesota Board on Aging (MBA) enters into grant contracts with Area Agencies on Aging to administer the Senior Nutrition Program. In turn, Area Agencies on Aging enter into service delivery contracts with service providers.¹⁵ Each Area Agency on Aging has an independent board that reviews and approves those contracts.

If service providers cannot provide all services for the program, they utilize subcontractors. Federal law “encourages service providers to enter into contracts that limit the amount of time meals must spend in transit before they are consumed.”¹⁶

We defined a subcontractor as an entity that provided services such as meal preparation, meal delivery, or registration of participants. If an entity provided goods, such as supplies for meal preparation, cleaning supplies, or raw food, we considered those entities as vendors. We did not review contracts between service providers and vendors.

We tested all 17 service providers and a sample of 44 out of 131 subcontractors to determine if these entities were legitimate businesses. We did not find any issues.¹⁷

Grant Contracts

We reviewed all calendar year 2022 grant contracts and related amendments between MBA and Area Agencies on Aging for accuracy, compliance with significant requirements, and proper authorizations. We did not find any issues.

Purchase of Service Contracts

We reviewed all calendar year 2022 Purchase of Service contracts and related amendments between Area Agencies on Aging and service providers for accuracy, authorization, conflict of interest considerations, and support for meal reimbursement rates.

During calendar year 2022, MBA took over the contracts between the Minnesota Indian Area Agency on Aging and their service providers, and executed amendments for these contracts.¹⁸ The Minnesota Indian Area Agency on Aging was responsible for the

¹⁵ 45 *CFR*, sec. 1321.3 (2023), defines service provider as “an entity that is awarded a subgrant or contract from an area agency to provide services under the area plan.”

¹⁶ Older Americans Act of 1965, Public Law 116-131, sec. 339 (2)(C), codified as amended at 42 *U.S. Code*, sec. 3030g-21 (2020).

¹⁷ The president and owner of Community Enhancement Services, a subcontractor for Metro Meals on Wheels, was indicted as part of the Feeding Our Future investigation. Indictment, *United States v. Liban Yasin Alishire, et al.*, No. 0:22-CR-00222 (NEB/TNL) (D. Minn. Sept. 13, 2022). Metro Meals on Wheels terminated the contract with Community Enhancement Services and did not pay for meals reported by this subcontractor for the period from June 2022 through September 2022. This subcontractor was not included in the sample of 44 that we tested.

¹⁸ The Minnesota Board on Aging assumed some administrative authority on behalf of the Minnesota Indian Area Agency on Aging on December 3, 2021, per the Older Americans Act of 1965, Public Law 116-131, secs. 306(f)(3)(A) and (3)(B), codified as amended at 42 *U.S. Code*, sec. 3026 (2020).

execution of the original contracts with these service providers. We reviewed these contracts and related amendments for accuracy, authorization, conflict of interest considerations, and support for meal reimbursement rates.

We reviewed the meal reimbursement rates for accuracy and compliance with requirements from MBA. MBA provided Area Agencies on Aging with guidance on how to calculate these rates. According to this guidance, meal reimbursement rates should include consideration of budgeted program costs, estimated number of meals, anticipated participant contributions, and a required match from other sources. MBA also specified the types of costs that service providers might include as program costs, such as payroll, food ingredients, payments to subcontractors, supplies, utilities, equipment, and space.

Meal reimbursement rates were somewhat consistent among Area Agencies on Aging, except for the rates from service providers of the Minnesota Indian Area Agency on Aging. Exhibit 6 shows the highest and lowest meal reimbursement rates for each region.

Exhibit 6
Meal Reimbursement Rate Ranges by Region, Calendar Year 2022

Area Agency on Aging	Lowest Rate	Highest Rate
Arrowhead	\$6.08	\$ 7.42
Central Minnesota Council on Aging	4.82	8.50
Dancing Sky	4.75	6.50
Metropolitan (dba Trellis)	6.91	11.72
Minnesota Indian	4.65	30.37
Minnesota River	5.30	8.65
Southeastern Minnesota	7.23	8.40

Source: Office of the Legislative Auditor, based on data provided by Area Agencies on Aging and service providers.

FINDING 1

Neither the Minnesota Board on Aging nor the Minnesota Indian Area Agency on Aging had the necessary documentation to support how the Minnesota Indian Area Agency on Aging's service providers calculated meal reimbursement rates.

Neither MBA nor the Minnesota Indian Area Agency on Aging provided us sufficient documentation to show how the meal reimbursement rates for the Minnesota Indian Area Agency on Aging's tribal service providers were developed. The documentation that we received from these service providers and the Minnesota Indian Area Agency on Aging only showed available funding, estimated number of meals, and final reimbursement rates. The documentation did not contain any budgeted or anticipated costs. Without this information, we could not determine whether the rates were reasonable and only included allowable costs. One of these service providers had a reimbursement rate of more than \$30 per meal, which is significantly higher than the rates from any other service providers.

All four tribal service providers told us that the Minnesota Indian Area Agency on Aging told them what rates they should use.

For calendar year 2023, MBA executed contracts directly with those four tribal organizations using the same rates. An MBA representative stated that they prioritized delivery of the services and did not question the reasonableness of the rates.

The rates may contain unallowable costs and could be inflated. Without knowing budgeted or anticipated costs, it is difficult to determine if funding allocated to these service providers is the appropriate amount.

RECOMMENDATIONS

- **The Minnesota Board on Aging or other responsible entity should have supporting documentation that substantiates the meal reimbursement rates for the tribal service providers.**
 - **The Minnesota Board on Aging should ensure that the tribal service providers accurately calculate meal reimbursement rates and follow the Minnesota Board on Aging’s requirements.**
-

Contracts between Service Providers and Subcontractors

Eleven out of 17 service providers providing Senior Nutrition Program services used subcontractors to provide meals during calendar year 2022. We identified a total of 131 subcontractors that provided services for the program during this time period.

MBA requires Area Agencies on Aging to use contracts with service providers to provide direct services to older adults.¹⁹ MBA also requires that contracts be renewed annually. The total contract length, including amendments, must not exceed five years. Many service providers use subcontractors to provide direct services to older individuals; the requirements from MBA’s operations manual apply to subcontractors as well.²⁰

FINDING 2

Some service providers did not have valid contracts with the subcontractors that provided direct services for the program.

We tested all contracts between service providers and subcontractors. We found that some service providers did not have contracts with all of their subcontractors, and one

¹⁹ Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, D-9 *Direct Provision of Service*, Procedure 1, p. 90, revised June 21, 2021.

²⁰ According to the contracts between Area Agencies on Aging and service providers, the provisions from those contracts should extend to the contracts between service providers and subcontractors: “All subcontracts shall be subject to the requirements of this [contract between an Area Agency on Aging and a service provider’s] contract.”

service provider had eight contracts with subcontractors that exceeded five years. Exhibit 7 shows the results of our testing.

Exhibit 7
Number of Missing Contracts and Contracts Exceeding Five Years, by Area Agency on Aging, Calendar Year 2022

Area Agency on Aging	Number of Missing Contracts	Number of Contracts Exceeding Five Years
Central Minnesota Council on Aging	2	0
Metropolitan (dba Trellis)	6	0
Southeastern Minnesota	<u>1</u>	<u>8</u>
Total	9	8

Source: Office of the Legislative Auditor, based on data provided by Area Agencies on Aging and service providers.

We believe that the main cause of these invalid contracts is a lack of sufficient oversight from MBA and Area Agencies on Aging. As we discuss in Finding 3, neither MBA nor Area Agencies on Aging reviewed contracts between service providers and subcontractors.

Without valid contracts, there is an increased risk that subcontractors may (1) charge inappropriate rates, (2) serve meals that do not meet program nutrition requirements, (3) stop serving meals without notice, or (4) serve meals to persons not eligible for program services. Furthermore, without valid contracts, there is no way to hold the subcontractors accountable.

RECOMMENDATIONS

- **Service providers should have valid contracts with all entities that provide meals for the Senior Nutrition Program.**
 - **Area Agencies on Aging and the Minnesota Board on Aging should ensure that service providers have valid contracts with all entities that provide meals for the Senior Nutrition Program by reviewing and approving all of these contracts prior to use.**
-

MBA or Area Agencies on Aging must review and approve all contracts between service providers and subcontractors before subcontractors start providing services. According to federal regulations, “a state or area agency may not delegate to another agency the authority to award or administer funds.”²¹ As a result, MBA and Area Agencies on Aging are ultimately responsible for these contracts.

²¹ 45 *CFR*, sec. 1321.25 (2023).

The majority of the subcontractors that participated in the Senior Nutrition Program in 2022 were for-profit entities, such as restaurants, grocery stores, and nursing facilities. MBA’s operations manual states that “MBA shall review and take action to approve or disapprove all proposed grants and contracts to profit-making organizations prior to any grant award or contract execution.”²²

FINDING 3

Neither the Minnesota Board on Aging nor Area Agencies on Aging reviewed and approved any of the contracts between service providers and subcontractors prior to use.

We reviewed all contracts between service providers and subcontractors. We found no evidence that either MBA or an Area Agency on Aging reviewed and approved these contracts prior to use. Exhibit 8 shows the number of nonprofit and for-profit subcontractors each Area Agency on Aging used to deliver services for the Senior Nutrition Program.

Exhibit 8
Number of Subcontractors that Provided Senior Nutrition Program Services, by Area Agency on Aging, Calendar Year 2022

Area Agency on Aging	Number of For-Profit Subcontractors	Number of Nonprofit Subcontractors	Total Number of Subcontractors
Arrowhead ^a	14	19	35
Central Minnesota Council on Aging	5	4	9
Dancing Sky	25	7	32
Metropolitan (dba Trellis) ^b	6	15	21
Minnesota Indian	0	0	0
Minnesota River ^c	12	7	19
Southeastern Minnesota	<u>11</u>	<u>5</u>	<u>16</u>
Total	73	57	132

^a Arrowhead Area Agency on Aging had one sovereign government and one state agency that provided services as subcontractors. These two entities are included in the total count.

^b One subcontractor provided services for two service providers. For the purposes of the presentation in the table, we counted that subcontractor twice, as there were two contracts.

^c Minnesota River Area Agency on Aging’s management did approve contracts between one of its service providers and related subcontractors, but the approval was granted after the contracts were executed. Minnesota River Area Agency on Aging did not approve subcontractors between the other service provider and related subcontractors.

Source: Office of the Legislative Auditor, based on data provided by Area Agencies on Aging and service providers.

²² Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, E-1 *Grant and Contract Awards*, Procedure 9, p. 120, revised June 21, 2021.

Representatives from some Area Agencies on Aging indicated that their contracts with service providers included proposed subcontractors and that the approval of these contracts implied the approval of a subrecipient relationship.

Although MBA's operations manual states that MBA is responsible for review of all contracts with for-profit organizations, MBA management told us that MBA is only responsible for the review of contracts with for-profit service providers, and it is a responsibility of Area Agencies on Aging to review all contracts between service providers and subcontractors.

MBA's operations manual does not prescribe how Area Agencies on Aging should document their review and approval of contractual relationships between service providers and subcontractors.²³

Without proper review and approval of contracts between service providers and subcontractors, service providers may sign contracts with organizations that (1) are not able to provide required services, (2) prepare meals that do not meet the program's nutrition requirements, or (3) serve meals to ineligible individuals.

RECOMMENDATIONS

- **The Minnesota Board on Aging should clarify its responsibility for the review of contracts between service providers and subcontractors that are for-profit organizations.**
 - **Either Area Agencies on Aging or the Minnesota Board on Aging should review and approve all contracts between service providers and subcontractors.**
 - **The Minnesota Board on Aging should prescribe specific steps for how Area Agencies on Aging should document their review and approval of contracts between service providers and subcontractors.**
-

²³ Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, E-1 *Grant and Contract Awards*, Procedure 10, p. 120, revised June 21, 2021, requires Area Agencies on Aging to review and approve all contracts, subcontracts, and amendments for the program services prior to use. It does not describe how Area Agencies on Aging should document their review and approval.

Service Delivery

As we have discussed, service providers and subcontractors provide a variety of services for the program. These services include registering participants, preparing and serving meals, and delivering meals. Service providers also accept contributions from participants and report program data to the state using the Minnesota Board on Aging's (MBA's) participant database.

Program participants either consume meals outside of their homes in a group (congregate) setting, for example at a community center or a nursing home, or someone delivers meals to their homes.

We identified 338 sites that served congregate, home-delivered, or both types of meals across Minnesota during calendar year 2022 that were still providing services as of June 15, 2023. We visited 16 of these sites to observe if the sites existed; provided meals to senior citizens; and disclosed information for the cost of meals and suggested voluntary contributions, as required. We selected between one and four sites for each Area Agency on Aging. We also followed volunteer drivers and observed the delivery of meals to program participants at 4 of the 16 sites we visited. We did not identify any concerns during the site visits.

We surveyed program participants to understand the quality and accuracy of the participant data recorded in MBA's participant database, and to receive feedback on program services. We mailed surveys to 1,401 statistically selected individuals out of 39,938 total participants.²⁴ A total of 23 percent of those surveyed responded to the questionnaire. We describe the survey methodology in the Appendix.

While the survey results do not allow us to conclude if specific noncompliance occurred, they do allow us to identify areas of increased risk for noncompliance.

FINDING 4

Results of a survey of program participants suggest that the overall quality of participant data in the Minnesota Board on Aging's participant database is questionable.

Based on the survey results, we found the following:

1. **MBA's participant database contained inaccurate addresses for many participants.** The post office could not deliver 159 out of 1,401 surveys we mailed, due to inaccurate or insufficient addresses. Based on our survey results, we estimated that if we were to survey all program participants, approximately 10 percent of participant addresses in MBA's participant database would be

²⁴ The total population includes participants that received at least one meal during calendar year 2022. We used data from MBA's participant database. This total excludes participants that were solely served by Community Enhancement Services, a subcontractor for Metro Meals on Wheels. The president and owner of Community Enhancement Services was indicted as part of the Feeding Our Future investigation. Indictment, *United States v. Liban Yasin Alishire, et al.*, No. 0:22-CR-00222 (NEB/TNL) (D. Minn. Sept. 13, 2022).

inaccurate. The 95 percent confidence interval for this estimate is plus or minus 2 percentage points.²⁵ The Minnesota Indian Area Agency on Aging had the highest rate of undeliverable surveys at approximately 22 percent, while the Southeastern Minnesota Area Agency on Aging and the Central Minnesota Council on Aging had the lowest at 4 percent.

2. **The type of service recorded in MBA’s participant database frequently did not match the type of service indicated by respondents.** Of those who responded that they received meals through the Senior Nutrition Program, 13 percent indicated that they received a different type of service than what was recorded in MBA’s participant database. The 95 percent confidence interval for this estimate is plus or minus 5 percentage points. For example, some participants indicated on the survey that they consumed meals in a group setting outside of their home, but records in the system showed they consumed meals at home.
3. **Nearly one in five of those who responded indicated that they did not receive meals.** Fifty-nine out of 316 participants who responded to the survey indicated they did not receive meals from the Senior Nutrition Program. We estimated that if we surveyed all participants, approximately 19 percent (plus or minus 5 percentage points) would respond that they did not receive meals. We recognize that participants may not remember if they received meals in calendar year 2022, especially if they received a small number of meals. However, of the 59 respondents who indicated they did not receive any meals, records in MBA’s participant database showed that 6 of them received between 112 and 669 meals each during calendar year 2022.

We believe that the inaccurate data primarily occurred because MBA and Area Agencies on Aging did not ensure that service providers regularly recertified participants and updated participant data in the system.

Without accurate participant data, the reports produced from MBA’s participant database may be inaccurate and incomplete. Without accurate data, it is difficult to estimate the nutrition needs of seniors and ensure that only eligible individuals receive meals.

RECOMMENDATION

The Minnesota Board on Aging and Area Agencies on Aging should ensure that the data in the Minnesota Board on Aging’s participant database are accurate and reliable.

Area Agencies on Aging must ensure that service providers “provide each recipient with an opportunity to voluntarily contribute to the cost of the service” and “clearly inform each recipient that there is no obligation to contribute and that the contribution is purely voluntary.”²⁶

²⁵ A 95 percent confidence interval means that if we drew random samples of the same size repeatedly from the same population of program participants, the true result for the entire population would fall within the measured interval 95 percent of the time. All confidence intervals reported in this section are at the 95 percent confidence level.

²⁶ Older Americans Act of 1965, Public Law 116-131, secs. 315 (4)(A) and (B), codified as amended at 42 U.S. Code, sec. 3030c-2 (2020).

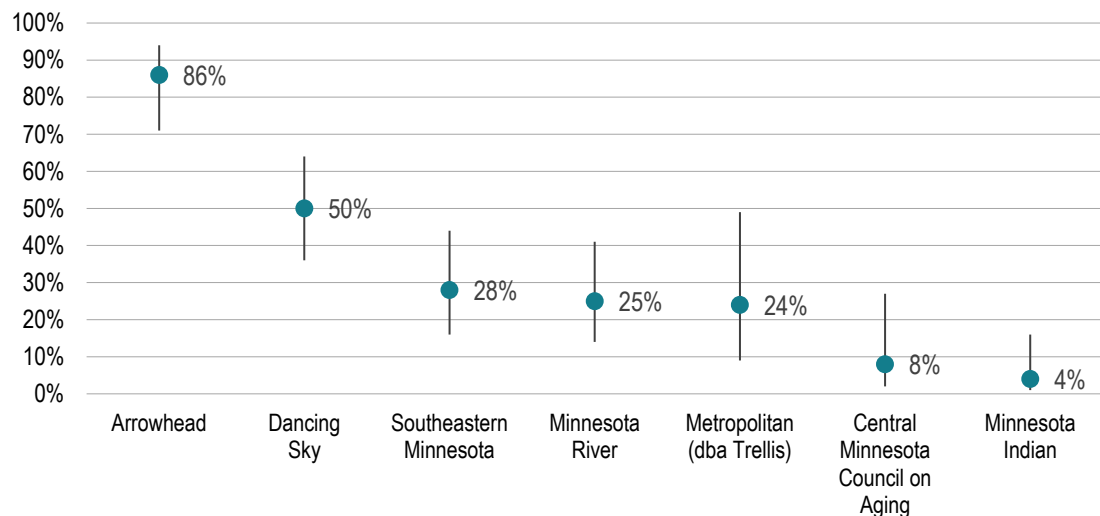
FINDING 5

A substantial number of those who responded to a survey of program participants indicated that—contrary to federal program requirements—they were required to pay for program meals.

We found the following:

1. **More than one-third of survey respondents indicated that they were required to pay for at least some program meals.** Ninety-seven out of 252 of those who responded that they received meals indicated that they were required to pay for at least some of those meals. We estimated that if we surveyed all participants, approximately 37 percent, plus or minus 6 percentage points, would respond that they were required to pay for at least some meals received through the program. Some respondents commented that they were required to pay for *all* meals.
2. **Respondents from certain areas were more likely to respond that they were required to pay for program meals.** We found that respondents from the region served by the Arrowhead Area Agency on Aging were more likely to respond that they were required to pay for meals than respondents from any other Area Agency on Aging. The survey data, as shown in Exhibit 9 below, also suggest that the requirement to pay varied substantially between different service providers.

Exhibit 9
Percentage of Respondents Who Said They Were Required to Pay for at Least Some Meals, by Area Agency on Aging, Calendar Year 2022



Notes: The vertical lines show the 95 percent confidence intervals surrounding each estimate. For example, we estimated that 86 percent of participants served by the Arrowhead Area Agency on Aging would respond that they were required to pay for some meals, with the confidence interval ranging from 71.5 percent to 93.7 percent. The confidence intervals have different sizes due to two factors: (1) we received different numbers of survey responses for each Area Agency on Aging, and (2) when estimates approach 0 percent or 100 percent, the confidence interval skews because it is impossible to include a percentage less than 0 or greater than 100.

Source: Office of the Legislative Auditor, based on analysis of survey responses.

We recognize that the survey results may not accurately reflect how many program participants actually had to pay for meals. For example, it is possible that the service providers may not have clearly communicated the program rules to participants. However, we find it concerning that large numbers of participants in some regions reported they were required to pay for meals, in violation of program rules.

Individuals with low income may be less likely to participate in the program if they are required to pay for meals.

RECOMMENDATIONS

- **The Minnesota Board on Aging and Area Agencies on Aging should ensure that service providers offer program participants an option to contribute but do not require them to pay for the Senior Nutrition Program meals.**
 - **The Minnesota Board on Aging and Area Agencies on Aging should ensure that service providers clearly communicate payment options to program participants.**
-

Monitoring

Minnesota statutes require a granting agency to “diligently administer and monitor any grant it has entered into.”²⁷ Statutes also require a granting agency to comply with policies established by the Minnesota Department of Administration’s Office of Grants Management (OGM).²⁸ OGM policies and procedures require that agencies carry out certain activities to oversee grants and ensure the grant activities, expenditures, and results align with the objectives and expected outcomes of the grants.²⁹ In addition, the Minnesota Board on Aging’s (MBA’s) operations manual for Area Agencies on Aging provides policies, standards, and procedures for monitoring the Senior Nutrition Program.

Monitoring of Area Agencies on Aging by the Minnesota Board on Aging

OGM establishes policies on how state agencies should monitor grants and requires that state agencies monitor the performance of grants over \$50,000. Monitoring activities include site visits (onsite, in-person, or by phone), financial reconciliations of grantee expenditures before final payment is made, and reconciliations of advance payments.³⁰ State agencies are also required to conduct closeout evaluations on grants over \$5,000 to assess the grant applicant’s performance.³¹ MBA’s operations manual for Area Agencies on Aging provides additional procedures on monitoring and assessment of activities for the state and Area Agencies on Aging, including a requirement for MBA to conduct onsite performance assessments of each Area Agency on Aging at least once every other calendar year.³²

FINDING 6

The Minnesota Board on Aging did not conduct any monitoring activities for the Senior Nutrition Program.

The Minnesota Board on Aging has not conducted monitoring visits since 2017. During in-person monitoring visits, MBA should perform an assessment to ensure compliance with federal and state requirements, as well as help to identify training

²⁷ *Minnesota Statutes 2022*, 16B.98, subd. 6.

²⁸ *Minnesota Statutes 2022*, 16B.97, subd. 2.

²⁹ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-08, *Policy on Grant Payments*, revised April 12, 2021; Operating Policy and Procedure 08-09, *Policy on Grant Progress Reports*, issued December 8, 2008; and Operating Policy and Procedure 08-10, *Policy on Grant Monitoring*, revised December 2, 2016.

³⁰ Office of Grants Management, Operating Policy and Procedure 08-10, 1.

³¹ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-13, *Policy on Grant Closeout Evaluation*, revised December 2, 2016, 1.

³² Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, B-6 *Monitoring and Assessment*, Procedure 3, p. 14, revised June 21, 2021.

needs and potential policy changes, and determine whether a corrective action plan is needed.³³

Without monitoring visits, MBA cannot ensure that the program is being conducted in compliance with federal and state policies.

The Minnesota Board on Aging did not perform financial reconciliations in calendar year 2022 and could not provide documentation for when it last completed a financial reconciliation. Financial reconciliations include comparing a request for payment with supporting documentation for each item in the request, such as purchase orders, receipts, and payroll records.

While reviewing program expenditures, we found several instances of noncompliance that MBA could have identified during timely financial reconciliations. For example:

- One service provider received a reimbursement from MBA for \$249,406 in calendar year 2022. Out of this total, \$38,063 was specifically allocated for food costs and \$5,000 for insulated food containers. We reviewed the service provider's accounting records, which showed that only \$1,119 was recorded for food costs related to the Senior Nutrition Program. Most of the remaining costs were for payroll. The service provider paid the remaining food costs from a different funding source. As for the purchase of insulated containers, the provider did not have records to show that they purchased these items during calendar year 2022.
- Another service provider received \$14,300 from MBA to purchase equipment for the program. The provider purchased the equipment, but recorded it in its general fund instead of the fund designated for the program.

If financial reconciliations are not completed, program funds could be expended improperly.

The Minnesota Board on Aging did not reconcile any advance payments. Although OGM policy recommends that agencies use the reimbursement method when making grant payments, the policy allows agencies to issue advance payments in certain situations. Before making an advance payment, the granting agency "must be confident that the grantee will be able to account for the grant funds and abide by the terms of the grant contract agreement..."³⁴ OGM further requires agencies to reconcile advance payments for grants over \$50,000 within 12 months of issuance or within 60 days of the end of the grant. In calendar year 2022, MBA issued advance payments to five of seven Area Agencies on Aging for their administrative costs and costs that their service providers would incur to provide direct services.³⁵ However, MBA did not reconcile any of these payments.

³³ Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, B-6 *Monitoring and Assessment*, Procedure 1, p. 13, revised June 21, 2021.

³⁴ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-08.

³⁵ The Minnesota Indian Area Agency on Aging and the Arrowhead Area Agency on Aging did not request advance payments from MBA.

Without reconciliations of advance payments, MBA may pay Area Agencies on Aging for costs that they did not incur.

The Minnesota Board on Aging did not perform grant closeout evaluations for calendar year 2022 grant contracts with Area Agencies on Aging. State policy says that a grant applicant's past performance should be considered before it receives additional grants.³⁶ Without records of past performance, MBA may award grants to entities that did not perform in accordance with previous grant agreements or for whom grant managers otherwise had concerns about performance.

These instances of noncompliance occurred because MBA did not establish processes to conduct monitoring visits, financial reconciliations, advance payments reconciliations, or grant closeout evaluations.

RECOMMENDATIONS

- **The Minnesota Board on Aging should complete required monitoring activities.**
 - **The Minnesota Board on Aging should establish processes for conducting monitoring visits, financial reconciliations, advance payments reconciliations, and grant closeout evaluations.**
-

Monitoring of Service Providers by Area Agencies on Aging

MBA's policy requires that Area Agencies on Aging "conduct ongoing monitoring and assessment of contractors...to ensure that funds are expended in keeping with the purposes for which they are awarded."³⁷ This includes conducting onsite monitoring visits to no less than one-third of congregate and home-delivered sites or 20 sites, whichever is less, annually. These visits must be documented in written format and shared with the contractors.³⁸

During onsite monitoring visits, Area Agencies on Aging are required to observe whether sites serve meals to eligible individuals, meals comply with nutritional requirements, and meals are served in a safe and clean environment. In addition, Area Agencies on Aging are required to review whether sites register and recertify program participants in compliance with requirements from MBA. After the visit, Area Agencies on Aging must prepare a written assessment and share it with the relevant service provider.

³⁶ Minnesota Department of Administration, Office of Grants Management, Operating Policy and Procedure 08-13, 1.

³⁷ Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, D-8 *Monitoring and Assessment*, Procedure 1, p. 89, revised June 21, 2021.

³⁸ Minnesota Board on Aging, Operations Manual for Area Agencies on Aging, D-14 *Nutrition Services*, Procedure 9h, p. 101, revised June 21, 2021.

FINDING 7

Most Area Agencies on Aging did not perform the required number of site visits of service providers and subcontractors.

Six of the seven Area Agencies on Aging either did not complete any monitoring site visits or did not complete the required number of site visits in calendar year 2022. Additionally, four Area Agencies on Aging counted one physical site as more than one visit if the site provided both congregate and home-delivered meals, or if the site was a kitchen that provided meals to more than one site. Exhibit 10 shows the number of sites for each Area Agency on Aging, the required minimum number of site visits, and the actual number of site visits completed. For the purposes of our testing, each site was counted as one site, regardless of the services provided.

Exhibit 10

Monitoring Site Visits, by Area Agency on Aging, Calendar Year 2022

Area Agency on Aging	Number of Sites	Minimum Number to Visit	Actual Number Visited
Arrowhead	45	15	10
Central Minnesota Council on Aging	38	13	5
Dancing Sky	107	20	11
Metropolitan (dba Trellis)	75	20	21
Minnesota Indian ^a	4	1	0
Minnesota River	92	20	19
Southeastern Minnesota	78	20	0

^a MBA assumed administrative responsibility for portions of the Minnesota Indian Area Agency on Aging's work with respect to the Senior Nutrition Program. However, the agency was still responsible for monitoring the tribal service providers.

Source: Office of the Legislative Auditor, based on data collected during monitoring site visit testing.

One of the reasons these instances of noncompliance occurred was due to a lack of communication between MBA staff and MBA management on how to count site visits. According to four Area Agencies on Aging, in 2017, MBA staff provided guidance that if a site provided both congregate and home-delivered meals, a single visit to that site could be counted as two visits. Due to this guidance, one Area Agency on Aging counted a single site visit as five, since the site prepared meals for five other locations. Current MBA management did not know about the guidance staff provided in 2017 and explained that a visit to a single location should be counted as one, regardless of the number of services that location provided.

In addition, MBA did not ensure that Area Agencies on Aging performed the required number of site visits each year. MBA has not conducted site visits of Area Agencies on Aging since 2017, as we discussed in Finding 6. Had MBA conducted those site visits as required, they likely would have identified that Area Agencies on Aging were not conducting the minimum number of required site visits.

If monitoring site visits are not performed, it leaves the state and the program susceptible to fraud. Without these visits, Area Agencies on Aging cannot ensure that the sites exist or that the providers are providing the agreed-upon services for the program.

RECOMMENDATIONS

- **Area Agencies on Aging should perform the required number of site visits.**
 - **The Minnesota Board on Aging should have effective internal controls, such as clear policies and procedures, over monitoring activities.**
 - **The Minnesota Board on Aging should provide proper oversight to ensure that Area Agencies on Aging perform the required number of monitoring site visits each year.**
-



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Program Participants

The Senior Nutrition Program is for seniors 60 years or older, but certain other individuals, such as spouses, individuals with disabilities, and volunteers may also participate in the program.

Enrollment and Recertification Process

Service providers are responsible for enrolling and recertifying program participants. Before receiving their first meal through the Senior Nutrition Program, participants must complete an application form. At a minimum, service providers must collect the names and dates of birth of participants.³⁹ The Minnesota Board on Aging (MBA) uses a database to track program participant demographic data and the number of meals served. Service providers are required to enter participant information in MBA's participant database. MBA requires service providers to recertify program participants and update participants' information in its participant database annually, using the same application form.⁴⁰

FINDING 8

Service providers did not annually recertify program participants receiving Senior Nutrition Program meals.

We tested a statistically valid sample of recertification forms for 581 of the 39,938 recorded participants.⁴¹ We found that service providers either did not have annual recertification forms or the forms contained inaccurate information, such as participants' names and/or dates of birth, for 296 out of 581 tested. We estimated that the overall exception rate is 47 percent, with 95 percent confidence that the true exception rate is between 43 and 51 percent. Further analysis showed that the service providers for some Area Agencies on Aging had higher exception rates than others. Exhibit 11 shows the testing results.

There could be multiple reasons why service providers did not recertify participants regularly or did not have recertification forms. For example, service providers may have misplaced these forms or misunderstood the recertification requirements. However, we believe the main cause was that MBA and Area Agencies on Aging did not provide sufficient oversight of service providers and did not ensure that the data in the system

³⁹ Minnesota Board on Aging, Informational Memorandum #13-12, *Payment for Eligible Service Units of Title III Registered Nutrition and Supportive Services*, p. 2, August 10, 2012, says "to receive a unit of title III registered service a participant must provide name and birthdate."

⁴⁰ Minnesota Board on Aging, *Script for Title III Nutrition Program Participants*, p. 1, issued on July 20, 2012, says that "the registration form must be updated annually."

⁴¹ Our sample excluded participants that were solely served by Community Enhancement Services, a subcontractor for Metro Meals on Wheels, that was indicted as part of the investigation of Feeding Our Future. Indictment, *United States v. Liban Yasin Alishire, et al.*, No. 0:22-CR-00222 (NEB/TNL) (D. Minn. Sept. 13, 2022).

was accurate and up to date. For example, the service provider for the Arrowhead Area Agency on Aging did not have any recertification forms for calendar years 2021 or 2022. The service provider indicated that it updated participant data directly in the system, without asking participants to complete the forms.⁴² A representative from MBA told us that they did not know that the service provider implemented this practice. This could have been avoided if Area Agencies on Aging and MBA conducted regular monitoring, including site visits and reviews of recertification forms.

Exhibit 11

Testing Results for Intake/Recertification Forms, by Area Agency on Aging, Calendar Year 2022

Area Agency on Aging	Number of Samples	Missing Forms	Date of Birth or Name on the Form Did Not Match the System	Total Number of Participants
Arrowhead	82	82	0	6,737
Central Minnesota Council on Aging	81	20	0	7,572
Dancing Sky	82	39	3	7,764
Metropolitan (dba Trellis)	84	10	4	6,510
Minnesota Indian	80	65	5	1,080
Minnesota River	85	34	2	6,531
Southeastern Minnesota	87	29	3	3,744
Total	581	279	17	39,938

Source: Office of the Legislative Auditor, based on the testing results of service providers' recertification forms.

The Metropolitan Area Agency on Aging, Inc. (dba Trellis) was the only Area Agency on Aging that conducted the minimum number of required monitoring site visits during calendar year 2022, and it had the lowest number of exceptions in comparison with other Area Agencies on Aging.

Without timely recertification of program participants, the participant data in MBA's participant database is not up to date and may be inaccurate. Furthermore, outdated or inaccurate data can increase the risk of fraud, as participants may no longer be alive or want to participate in the program but are still included in the individuals being served.

RECOMMENDATIONS

- **Service providers should recertify program participants annually, as required.**
- **Area Agencies on Aging and the Minnesota Board on Aging should perform regular monitoring activities, such as conducting site visits, reviewing recertification forms, and verifying participant data in the system, to ensure service providers annually recertify program participants.**

⁴² As this service provider did not have any forms, we reviewed the dates of the last recertifications in the system. We found that the service provider did not recertify 36 out of 82 participants tested to receive services in calendar year 2022. The last recertifications for these 36 participants occurred between 2014 and 2020.

Grant and Contract Payments

The Minnesota Board on Aging (MBA) reimburses Area Agencies on Aging for their administrative costs and for the direct service costs incurred by the service providers. Area Agencies on Aging then reimburse service providers for Senior Nutrition Program meals. Grants and Purchase of Service contracts specify terms and conditions for these payments.

Payments to Area Agencies on Aging

MBA pays Area Agencies on Aging for direct services provided by service providers and for the costs that Area Agencies on Aging incur to administer the program. Area Agencies on Aging pass through all payments for direct services to service providers.

We tested 55 out of 137 of these direct service payments and all payments for Area Agencies on Aging administrative costs, including advances.⁴³ We did not identify any significant issues.

Payments to Service Providers and Subcontractors

Area Agencies on Aging pay service providers based on the verified number of meals the service providers served during the reimbursement period, multiplied by the contract rates. Before making payments, Area Agencies on Aging validate the number of meals on the reimbursement request from service providers against the number of meals reported in the participant database. We judgmentally selected one month for each of the six Area Agencies on Aging and reviewed all payments that Area Agencies on Aging made to service providers for that month.⁴⁴ We did not identify any significant issues.

During calendar year 2022, MBA made direct payments to four tribal service providers for program services.⁴⁵ These organizations provided meals to program participants in the region served by the Minnesota Indian Area Agency on Aging. We tested all payments for calendar year 2022 for proper authorization and whether these payments were supported by sufficient documentation.

⁴³ We tested between 6 and 17 direct service payments for each Area Agency on Aging. For one Area Agency on Aging, we tested all payments; and for the remaining five, we tested a random sample.

⁴⁴ The Minnesota Indian Area Agency on Aging was excluded from the total count. In calendar year 2022, MBA made payments directly to the service providers that provided meals in the Minnesota Indian Area Agency on Aging's service area.

⁴⁵ In December 2021, MBA assumed responsibility for administration of grants to tribal service providers; the Minnesota Indian Area Agency on Aging performed these tasks before that date.

FINDING 9**The Minnesota Board on Aging did not have documentation to support payments made to tribal service providers for direct program services.**

MBA authorized payments to tribal service providers without having sufficient documentation to support meal counts. Tribal service providers submitted reimbursement requests that only contained the dollar amount requested, without specifying the number of meals served during the reimbursement period.

As there was no supporting documentation for the meal counts, we calculated the meal counts by dividing the payment amounts by contracted rates. We then compared the calculated number with the number of meals that tribal service providers recorded in MBA's participant database. We found large variances between the number of meals in the participant database and our calculations. In most cases, the calculated meal counts were substantially lower than the meal counts the tribal service providers recorded in the participant database.

MBA representatives could not explain these variances and told us that a staff person validated meal counts before MBA authorized payments to these service providers. MBA did not provide any documentation to show that anyone reviewed the meal counts.

When MBA started making payments directly to the tribal service providers, MBA did not modify its payment procedures to require these service providers to submit support for meal counts. Instead, MBA followed the same payment process it used to make payments to Area Agencies on Aging. This process does not require detailed, documented support for meal counts from Area Agencies on Aging because, typically, Area Agencies on Aging have already verified meal counts in the system and reviewed detailed documentation from service providers. When MBA became responsible for payments to tribal service providers, it should have done the same.

MBA paid \$635,168 to tribal service providers for nutrition services in calendar year 2022. Without supporting documentation and reviews of meal counts, there is an increased risk that payments may have been made for unallowable expenditures.

RECOMMENDATIONS

- **The Minnesota Board on Aging should update its payment process for direct service payments to tribal service providers.**
 - **The Minnesota Board on Aging should ensure that it accurately pays tribal service providers based on documented meal counts.**
-

Appendix:

Survey Methodology and Questions

Survey Methodology

Population. Using a Minnesota Board on Aging (MBA) database, we compiled a list of 39,938 individuals that Area Agencies on Aging had recorded as receiving meals from the Senior Nutrition Program during calendar year 2022. From this population, we drew a random sample of approximately 200 individuals per Area Agency on Aging, stratified by service provider and type of service (congregate or home-delivered meals).

Administration. We sent a mail questionnaire with four questions, which were also translated in Spanish, Russian, Somali, Hmong, and Vietnamese, to each of the individuals in our survey population. The mailing included a postage-paid return envelope, which respondents could use to return the survey. Of the 1,401 surveys that we mailed, 159 (11 percent) were returned as undeliverable. We estimated that had we sent surveys to the entire population of 39,938 individuals, 10.2 percent would have been returned as undeliverable, with a 95 percent confidence interval of plus or minus 1.7 percentage points.

Response. We received responses from 316 individuals, for an overall response rate of 23 percent. If we consider only the mailings that were not returned as undeliverable, our response rate was 25 percent. Individuals served by most Area Agencies on Aging responded at a rate similar to the overall response rate. However, those served by the Minnesota Indian Area Agency on Aging responded to our survey at a much lower rate (12 percent), and those served by the Dancing Sky Area Agency on Aging responded at a much higher rate (38 percent).

Analysis. Our survey sample was not proportionate to the number of individuals served by each Area Agency on Aging—we sampled approximately 200 individuals served by both the Central Minnesota Council on Aging, which reported serving meals to 7,572 unique individuals, and the Minnesota Indian Area Agency on Aging, which reported serving 1,080 unique individuals. As a result, individuals had a different probability of being selected for the sample based on which agency provided them meals. To account for these unequal probabilities, all survey percentages we present have been statistically adjusted (weighted).

When we present survey results for the entire sample, the 95 percent confidence interval is plus or minus 5 percentage points. When we present survey results for smaller subgroups (for example, individual Area Agencies on Aging), the confidence intervals are larger.

Survey Questions

Did you receive any meals from the Senior Nutrition Services program (also known as Senior Meals) during calendar year 2022?

(Please select one response below)

- Yes
- No
- Don't know

On average, how many times per week did you receive these meals during calendar year 2022?

(Please select one response below)

- 1 time per week
- 2-3 times per week
- More than 3 times per week
- I don't know how many times per week I received meals last year
- I did not receive any of these meals last year

In 2022, where did you receive the meals?

(Please select one response below)

- Someone delivered all of the meals to my home
- I received all of the meals at a central location outside of my home (congregate dining)
- I received some of the meals at a central location outside of my home (congregate dining), and someone delivered the other meals to my home
- I do not remember
- I did not receive any meals last year

Did you pay for the meals you received through this program in 2022?

(Please select all that apply)

- Yes, I was required to pay for at least some of the meals
- Yes, I voluntarily contributed to cover the cost of at least some of the meals
- No, I did not pay for any of the meals
- I do not remember
- I did not receive any meals last year



Executive Director Kari Benson
Elmer L. Andersen Building
Post Office Box 64976
St. Paul, Minnesota 55164-0976

November 8, 2023

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155

Dear Ms. Randall:

Thank you for the opportunity to review and comment on the draft report issued by your office, titled *Minnesota Board on Aging: Senior Nutrition Program*. The findings identified in this report will help guide us as we continue improving our grant management tools and processes. We appreciate the timely review of this important issue and generally agree with the report's recommendations.

While the report establishes that the Minnesota Board on Aging (MBA) struggled to consistently meet the Office of Grant Management guidance, it's important to consider the report's findings in context. During the audit period of 2022, the MBA – in partnership with the Area Agencies on Aging (AAAs) and nutrition service providers – was continuing to administer the significantly increased funding level that Minnesota received during the pandemic. The MBA has been administering more than double the amount of funding because of this influx.

The senior nutrition program is a federal program that has been funded since 1965. The state funding, which was first authorized in 1996, comprises 16 percent of the program funding. We have administered the program with very limited federal administrative funding, and no state administrative funding until recently. We appreciate the time-limited investment made by the 2023 Legislature to provide administrative funding for state staff in the administration of the senior nutrition program. The MBA will also be able to allow the Area Agencies on Aging to allocate a portion of the funding they receive to administrative expenses.

On December 15, 2021, the MBA assumed administrative authority for the Minnesota Indian Area Agency on Aging (MIAAA) due to a history of administrative deficiencies. During that time, the MBA worked closely with the four tribal nations served through the MIAAA to improve processes and increase compliance. Due to a continued concerning level of non-compliance, the MBA received a waiver from the federal government to serve as the MIAAA in 2023. The MBA is working with the tribal nations to restructure the MIAAA and will transition it to a new entity in 2024 while continuing to provide strong oversight and support.

It is because of our historical limited administrative capacity and the demands on our network to serve older adults in need of nutrition services, that we are proud of the number of areas for which your audit did not have findings. We attribute this to the exchange of information at our virtual weekly check-ins and monthly meetings with our AAA partners. We have a solid foundation on which to strengthen Minnesota's Senior Nutrition Program, and this report supports these efforts.

Since the audit period, and as we transition out of the pandemic, we have been making strong progress on addressing the issues identified in your report. We leveraged some of the one-time pandemic-related funding to hire an outside contractor who will be completing very soon a review of our processes and procedures for the Senior Nutrition Program, including identifying gaps in our processes, and implementing new protocols to address those gaps. Additional efforts that we have underway are detailed below.

Finding 1:

Neither the Minnesota Board on Aging nor the Minnesota Indian Area Agency on Aging had the necessary documentation to support how the Minnesota Indian Area Agency on Aging's service providers calculated meal reimbursement rates.

Recommendation 1-1:

The Minnesota Board on Aging or other responsible entity should have supporting documentation that substantiates the meal reimbursement rates for the tribal service providers.

Recommendation 1-2:

The Minnesota Board on Aging should ensure that the tribal service providers accurately calculate meal reimbursement rates and follow the Minnesota Board on Aging's requirements.

Response for Recommendation 1-1:

The Minnesota Board on Aging (MBA), in its role serving as the Minnesota Indian Area Agency on Aging (MIAAA), will continue to provide technical assistance and training to the four tribal service providers under contract for senior nutrition services to collect the necessary documentation for the meal reimbursement rates.

Beginning in first quarter of 2024, the MBA will transition the Area Agency on Aging responsibilities to the new MIAAA. During this transition, MBA staff will provide technical assistance and training to the new MIAAA to facilitate their oversight and monitoring of meal reimbursement documentation.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: June 30, 2024

Response for Recommendation 1-2:

MBA staff will continue to provide training and technical assistance to the four tribal service providers regarding calculation of the meal reimbursement rates during the fourth quarter of 2023.

Beginning in first quarter of 2024, the MBA will transition the Area Agency on Aging responsibilities to the new MIAAAA. During this transition, MBA staff will provide technical assistance and training to the new MIAAAA to facilitate their oversight and monitoring of meal reimbursement rate calculations.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: June 30, 2024

Finding 2:

Some service providers did not have valid contracts with the subcontractors that provided direct services for the program.

Recommendation 2-1:

Service providers should have valid contracts with all entities that provide meals for the Senior Nutrition Program.

Recommendation 2-2:

Area Agencies on Aging and the Minnesota Board on Aging should ensure that service providers have valid contracts with all entities that provide meals for the Senior Nutrition Program by reviewing and approving all of these contracts prior to use.

Response for Recommendations 2-1 and 2-2:

The MBA will seek consultation from the Attorney General's Office regarding its responsibilities and scope of review of pending contracts by the MBA, including the legal contracts compliance capacity it would require at the MBA as compared to the responsibilities of the Area Agencies on Aging. This consultation will inform the development of a process through which the MBA and AAAs will review pending contracts. Once developed, MBA staff will determine a launch date for this process. It is tentatively scheduled to be launched for review of pending CY2026 contracts.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: Sept. 30, 2025

Finding 3:

Neither the Minnesota Board on Aging nor Area Agencies on Aging reviewed and approved any of the contracts between service providers and subcontractors prior to use.

Recommendation 3-1:

The Minnesota Board on Aging should clarify its responsibility for the review of contracts between service providers and subcontractors that are for-profit entities.

Recommendation 3-2:

Either Area Agencies on Aging or the Minnesota Board on Aging should review and approve all contracts between service providers and subcontractors.

Recommendation 3-3:

The Minnesota Board on Aging should prescribe specific steps for how Area Agencies on Aging should document their review and approval of contracts between service providers and subcontractors.

Response for Recommendations 3-1, 3-2 and 3-3:

The MBA will seek consultation from the Attorney General’s Office regarding its responsibilities and scope of review of pending contracts by the MBA, including the legal contracts compliance capacity it would require at the MBA as compared to the responsibilities of the Area Agencies on Aging. This consultation will inform the development of a process through which the MBA and AAAs will review pending contracts. Once developed, MBA staff will determine a launch date for this process. It is tentatively scheduled to be launched for review of pending CY2026 contracts.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: Sept. 30, 2025

Finding 4:

Results of a survey of program participants suggest that the overall quality of participant data in the Minnesota Board on Aging’s participant database is questionable.

Recommendation 4-1:

The Minnesota Board on Aging and Area Agencies on Aging should ensure that the data in the Minnesota Board on Aging’s participant database are accurate and reliable.

Response:

MBA and the AAAs will ensure accuracy and reliability of participant name, address and date of birth fields in the National Aging Program Information Systems (NAPIS) form and PeerPlace® database. MBA will invest in enhancements to the existing database to ensure a complete and reliable data set. In consultation with the Attorney General’s Office, guidance will be sought on acceptable documentation

required to ensure the information is accurate and reliable. MBA will issue updated policy and conduct trainings.

By Dec. 31, 2023, at least one nutrition provider in each Area Agency on Aging region will begin implementation of the new participant bar code scanning technology. This technology will reduce errors in participant and meal count data collection.

In January 2024, MBA staff will launch a process to review a random sample of participant data and compare it to the participant assessment forms. This will be reviewed at the monthly MBA-AAA Nutrition Meetings. MBA will require the Area Agencies on Aging to ensure that all nutrition providers are conducting in-person assessments of each participant of the program. MBA will complete, through its contractor, enhancements to the participant data system that will allow for automated participant data accuracy review. AAAs will be required to submit request for payment for service contingent on a review and confirmation of complete and accurate participant data from each service provider.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: September 30, 2024

Finding 5:

A substantial number of those who responded to a survey of program participants indicated that—contrary to federal program guidance—they were required to pay for program meals.

Recommendation 5-1:

The Minnesota Board on Aging and Area Agencies on Aging should ensure that service providers offer program participants an option to contribute but do not require them to pay for the Senior Nutrition Program meals.

Recommendation 5-2:

The Minnesota Board on Aging and Area Agencies on Aging should ensure that service providers clearly communicate payment options to program participants.

Response for Recommendations 5-1 and 5-2:

MBA staff will update and reissue the sample language for providers to use in communications to potential and existing program participants. MBA staff will create a statewide protocol that nutrition providers will be required to follow to communicate that meals are provided without charge and a contribution is requested. MBA and AAAs will conduct a random sampling of communications. AAAs will monitor at provider site visits.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: March 31, 2024

Finding 6:

The Minnesota Board on Aging did not conduct any monitoring activities for the Senior Nutrition Program.

Recommendation 6-1:

The Minnesota Board on Aging should complete required monitoring activities.

Recommendation 6-2:

The Minnesota Board on Aging should establish processes for conducting monitoring visits, financial reconciliations, advance payments reconciliations, and grant closeout evaluations.

Response for Recommendations 6-1 and 6-2:

By November 2023, MBA will complete financial reconciliations and advance payment reconciliations to date and will have conducted a training of AAA staff to conduct the same reconciliations with providers. MBA will monitor AAA completion of financial reconciliations and advance payment reconciliations with the service providers.

The MBA, through its contractor, will complete a comprehensive review of its current monitoring activities, comparison with current federal and state requirements, review of best practices, identification of gaps and strategies to address the gaps. MBA staff and contractor will develop updated protocols and related trainings for MBA and AAA staff regarding monitoring visits and grant closeout evaluations. MBA staff and AAAs will receive training on monitoring visits and grant closeout evaluations implement the new protocols during 2024.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: December 31, 2024

Finding 7:

Most Area Agencies on Aging did not perform the required number of site visits of service providers and subcontractors.

Recommendation 7-1:

Area Agencies on Aging should perform the required number of site visits.

Recommendation 7-2:

The Minnesota Board on Aging should have effective internal controls, such as clear policies and procedures, over monitoring activities.

Recommendation 7-3:

The Minnesota Board on Aging should provide proper oversight to ensure that Area Agencies on Aging perform the required number of monitoring site visits each year.

Response to Recommendations 7-1, 7-2 and 7-3:

MBA will update protocols and related trainings for MBA and AAA staff regarding monitoring visits. Trainings will be conducted with the AAAs and monitoring visits will be conducted with each nutrition provider. MBA staff will monitor completion of site visits by receiving and reviewing site visits reports submitted by the AAAs.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: December 31, 2024

Finding 8:

Service providers did not annually recertify program participants receiving Senior Nutrition Program meals.

Recommendation 8-1:

Service providers should recertify program participants annually, as required.

Recommendation 8-2:

Area Agencies on Aging and the Minnesota Board on Aging should perform regular monitoring activities, such as conducting site visits, reviewing recertification forms, and verifying participant data in the system, to ensure service providers annually recertify program participants.

Response for Recommendations 8-1 and 8-2:

MBA will reissue its policy to require annual recertification of program participants to the AAAs and nutrition providers and provide training regarding the process to conduct recertification. MBA will provide guidance to the AAAs regarding submittal of documentation to MBA of recertifications and will review and monitor completion of this activity.

MBA will invest in technologies to ensure a complete data set and consult with the Attorney General's office to ensure accuracy and verification of certain data elements.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: June 30, 2024

Finding 9:

The Minnesota Board on Aging did not have documentation to support payments made to tribal service providers for direct program services.

Recommendation 9-1:

The Minnesota Board on Aging should update its payment process for direct service payments to tribal service providers.

Recommendation 9-2:

The Minnesota Board on Aging should ensure that it accurately pays tribal service providers based on documented meal counts.

Response to Recommendations 9-1 and 9-2:

MBA will update its payment process for direct service payments to tribal service providers and will implement this process while it is serving as the MIAAA. As the MBA transitions the AAA responsibilities to a new entity, MBA will share this payment process and provide training and technical assistance to the new entity to implement this process going forward. MBA will issue payment to tribal service providers only for meals that are documented and verified and will train the new MIAAA entity on this process during the organizational transition.

Responsible Person(s): Jacqueline Peichel, Manager

Estimated Completion Date: June 30, 2024

We appreciated your staff's professionalism and dedicated efforts during this audit. Our policy and practice is to follow up on all audit findings to evaluate our progress toward resolution. If you have further questions, please contact Gary L. Johnson, Internal Control and Accountability Office director, Minnesota Department of Human Services at (651) 431-3623.

Sincerely,



Kari Benson
Executive Director



**Arrowhead Area
Agency on Aging**



ARDC

Arrowhead Area Agency on Aging a division of ARDC

OLA Audit Response

Judy Randall, Legislative Auditor,

Thank you for the opportunity to review and respond to the draft audit report entitled *Minnesota Board on Aging: Senior Nutrition Program*. Please see our response to the findings discussed in our exit meeting. We appreciate your guidance throughout this process.

Please see the responses below:

Finding #3. Neither the MN Board on Aging nor Area Agencies on Aging reviewed and approved any of the contracts between service providers and subcontractors prior to use (p 25).

The AAAA/ARDC will immediately implement a review of all subcontracts incurred by subrecipients for the use of Title III funding as part of ARDC's internal controls. We will adjust as needed once MBA has updated their operations manual and released clear guidance on contract review. AAAA will seek assistance or funding from MBA to ensure that administrative compliance can be met for our regional needs and to ensure access throughout our rural region.

Finding #4. Results of a survey of program participants suggest that the overall quality of participant data in the Minnesota Board on Aging 's participant database is questionable (p.27).

The AAAA/ARDC will work with our nutrition provider, AEOA, to ensure recertifications happen. MBA and the aging network are in transition to implement bar code scanner technology. Once this is implemented, we anticipate fewer data discrepancies. As of October 2023, our grant manager has started sending AEOA a list of needed recertifications pulled from the Peer Place Database. We will follow this up by pulling files and checking for recertification at our annual risk assessment and site assessment visit. AAAA will also check files to ensure addresses and required data have been entered correctly into Peer Place. AAAA will work with MBA to ensure specific guidelines are attached to data entry (for instance, we have found that at times a mailing address for a child or caregiver has been entered, instead of the participants primary address). We will request clarity on these types of details in MBA's final



**Arrowhead Area
Agency on Aging**



ARDC

guidance. AAAA will also request a data pull from MBA at least 1x per year to ensure that information is reflected accurately all the way through provider, AAA partner and MBA.

Finding #5. A substantial number of those who responded to a survey of program participants indicated – contrary to federal program requirements – that they were required to pay for program meals.

Upon reading this finding, AAAA requested a copy of AEOA's cost share statement. We found that it was labeled 'billing statement' because of their software's standard form. It also did not contain the OAA language around no requirement to pay. AEOA has modified this statement to read 'contribution' statement instead of 'billing statement' and added the language 'no one will be denied services for inability to contribute'. AAAA has asked them to also add 'contributions are optional'. AAAA will request a copy of this statement at our risk assessment and project assessments annually to ensure the communication is clear to participants.

Finding #7: Most Area Agencies on Aging did not perform the required number of site visits of service providers and subcontractors.

AAAA had scheduled the correct number of visits, according to the guidance we had. One visit was cancelled in December due to a provider request and was not rescheduled. With the cancellation, we would have been one visit short of the requirement according to our interpretation. We had one 'kitchen' site preparing meals for multiple distribution sites and counted the inspection of that site for each distribution site according to our interpretation of the guidance and MBA staff interpretation. We now have a clear understanding of the guidance and will assess the kitchen preparing the meals as well as the distribution sites including ride along for home delivered meals. Site Assessments will be included/uploaded with Area Plan reporting unless otherwise directed by the MBA.

Finding #8: Service providers did not annually recertify program participants receiving Senior Nutrition Program meals.

Since this finding, AAAA/ARDC has been discussing this with our providers. AEOA was entering directly into the database and not saving these forms, therefore there were no forms to pull. AEOA is now keeping the paper forms scanned and on file. The 'in person' recertification process is daunting to AEOA because of the size of our region,



**Arrowhead Area
Agency on Aging**



ARDC

making travel cost daunting. We are considering multiple options to find a way to do applications/recertifications on a rolling basis, in person, without severely impacting service numbers. As noted in Finding #4 we have started sending a list of participants that need recertification monthly to AEOA. As of October 2023, our grant manager has started sending AEOA a list of needed recertifications pulled from the Peer Place Database. We will follow this up by pulling files and checking for recertification at our annual risk assessment and site assessment visit. AAAA will also check files to ensure addresses and required data have been entered correctly into Peer Place. Moving forward we will include the review of recertification forms as part of our grantee site assessment and risk assessment process along with verification of participant data. AAAA will make modifications to comply with MBA new requirements as they are implemented.

Sincerely,

A handwritten signature in cursive script that reads "Kristi Kane".

Kristi Kane, Aging Director

Arrowhead Area Agency on Aging a division of ARDC



OLA

November 8, 2023

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
658 Cedar Street, Room 140
St. Paul, MN 55155
Sent via e-mail: Legislative.Auditor@state.mn.us

Dear Ms. Randall:

Attached is the Central Minnesota Council on Aging's response to the findings and recommendations included in the Minnesota Board on Aging's Senior Nutrition Program audit report dated October 18, 2023. It is our understanding that our response will be published in the Office of the Legislative Auditor's final audit report.

Central Minnesota Council on Aging is committed to addressing issues promptly and comprehensively with the goal of enhancing the oversight and accountability in the Senior Nutrition Program. If you have any further questions, please contact me at 320-253-9349 or lori@cmcoa.org.

Sincerely,



Lori Vrolson
Executive Director

Enclosure

Central MN Council on Aging
Response to the Legislative Audit Report of the Minnesota Board on Aging's Senior Nutrition
Program for the
Period from January 1, 2022 through December 31, 2022

Audit Finding #2:

Some service providers did not have valid contracts with the subcontractors that provided direct services for the program.

Audit Recommendation #2

- Service providers should have valid contracts with all entities that provide meals for the Senior Nutrition Program.
- Area Agencies on Aging (AAAs) and the Minnesota Board on Aging (MBA) should ensure that service providers have valid contracts with all entities that provide meals for the Senior Nutrition Program by reviewing and approving all of these contracts prior to use.

Response to #2:

We agree with the recommendations. We have established a process to ensure proper review and approval of all contracts between service providers and subcontractors prior to use.

Audit Finding # 3:

Neither the MBA nor AAAs reviewed and approved any of the contracts between service providers and subcontractors prior to use.

Audit Recommendations #3:

- The MBA should clarify its responsibility for the review of contracts between service providers and subcontractors that are for-profit entities.
- Either AAAs or the MBA should review and approve all contacts between service providers and subcontractors.
- The MBA should prescribe specific steps for how AAAs should document their review and approval of contracts between service providers and subcontractors.

Response to #3:

We acknowledge the importance of improving oversight and accountability in the review and approval of contracts between service providers and subcontractors. In response to these findings and recommendations, Central Minnesota Council on Aging (CMCOA) is taking the following actions:

- We will work with the MBA to seek detailed guidelines outlining the documentation requirements and timelines for the review and approval of contracts between service providers. This will ensure that standardized and consistent approval is followed by all parties involved.
- CMCOA is implementing a streamlined process to ensure that all contracts between service providers and subcontractors are thoroughly examined and approved before they are utilized. This will be a collaborative effort involving all relevant parties to maintain accountability.

Audit Finding #4:

Results of a survey of program participants suggest that the overall quality of participant data in the MBA's participant database is questionable.

Audit Recommendation #4:

The MBA and AAAs should ensure that the data in the MBA's participant database are accurate and reliable.

Response #4:

CMCOA is seeking guidance from the MBA to determine what percentage of 7,500+ program participant National Aging Program Information System (NAPIS) forms should be reviewed on an annual basis. CMCOA will provide sufficient oversight, such as regular monitoring site visits and review of program participant forms to ensure compliance with program requirements.

Audit Finding #5:

A substantial number of those who responded to a survey of program participants indicated that, contrary to federal program guidance, they were required to pay for program meals.

Audit Recommendations #5:

- The MBA and AAAs should ensure that service providers offer program participants an option to contribute but do not require them to pay for the Senior Nutrition Program meals.
- The MBA and AAAs should ensure that service providers clearly communicate payment options to program participants.

Response #5:

The survey found that 8% of respondents from the CMCOA region said they were required to pay for at least some meals. We are committed to ensuring that the Senior Nutrition Program remains a vital resource for older adults in our community and that they have the choice to contribute without any requirement to pay for their meals. We are committed to rectifying any discrepancies that may exist in this regard by reviewing a copy of the client contribution letter annually and the outreach materials periodically throughout the year.

Audit Finding #7:

Most AAAs did not perform the required number of site visits of services providers and subcontractors.

Audit Recommendations #5:

- AAAs should perform the required number of site visits.
- The MBA should have effective internal controls, such as clear policies and procedures, over monitoring activities.
- The MBA should provide proper oversight to ensure that Area Agencies perform the required number of monitoring site visits each year.

Response #7:

The MBA had indicated to the AAAs that congregate dining and home-delivered meals route site visits could be suspended during the COVID pandemic. In 2023, we are once again conducting the required

number of congregate dining and home delivered meal route visits in accordance with guidance provided in 2017 by the MN Board on Aging.

Audit Finding #8:

Service providers did not annually recertify program participants receiving Senior Nutrition Program meals.

Audit Recommendations #8:

- Service providers should recertify program participants annually, as required.
- AAAs and the MBA should perform regular monitoring activities, such as conducting site visits, reviewing recertification forms, and verifying participant data in the system, to ensure services providers annually recertify program participants.

Audit Response #8:

CMCOA will provide sufficient oversight, such as regular monitoring site visits and review of program participant forms to ensure compliance with program requirements.



Heather Pender
Dancing Sky Area Agency on Aging
109 South Minnesota Street,
Warren, Minnesota 56762

October 8th, 2023

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155

Dear Ms. Randall,

Thank you for the opportunity to review and respond to the report issued by your office. The recent findings will provide us with an opportunity to internally improve our processes and compliance. Dancing Sky Area Agency on Aging will continue to strive to maintain the highest level of performance by addressing the following findings:

Item 1: NAPIS forms missing and/or inadequate information. Dancing Sky will internally increase our monitoring oversight by randomly reviewing NAPIS forms on a quarterly basis. We will offer support to those completing the forms to educate on gathering and maintaining the required data with our providers.

Item 2: Insufficient number of in-person site monitoring visits. Dancing Sky did not complete the required number of in-person site monitoring visits based upon email communication from a state employee stating that each site visit counted as two if the site was both a Congregate and Home-Delivered Meal site. The Dancing Sky leadership and grants management team now has clarification of the site monitoring requirements. As a result, we have internally assigned staff to complete the required number of Home Delivered and Congregate site monitoring visits.

Item 3: Review and approval of all contracts. Dancing Sky is aware of the need to document the approval process as it relates to the Minnesota Board on Aging's regulations with subcontractors. We have internally adjusted our process moving forward to ensure subcontracts are fully reviewed and the process is formally documented internally for each contract.



Dancing Sky
Area Agency on Aging

www.dancingskyaaa.org

Dancing Sky appreciates the professionalism and support during the audit process. Our practice is to follow up on the findings and modify our internal process to meet minimum standards. I can be reached at heather@nwrdc.org or 218-850-8579.

Warmly,

A handwritten signature in black ink that reads "Heather Pender". The signature is written in a cursive style with a large initial 'H'.

Heather Pender Aging Director
Dancing Sky Area Agency on Aging

Warren Office

109 South Minnesota Street, Warren, MN 56762 | (218) 745-6733

MINNESOTA RIVER AREA AGENCY ON AGING, INC.

201 North Broad Street, Suite 102
Mankato, MN 56001



November 8, 2023

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
Centennial Office Building
658 Cedar Street
St. Paul, Minnesota 55155

Dear Ms. Randall:

The Minnesota River Area Agency on Aging, Inc. (MNRAAA) appreciates the opportunity to review and comment on the report issued by your office titled Minnesota Board on Aging: Senior Nutrition Program. The findings from the audit provide an opportunity for MNRAAA to improve internal controls and compliance requirements as stated in state and federal laws.

The audit period was Calendar Year 2022. The COVID-19 pandemic and public health emergency were still in place. The pandemic introduced additional funding for MNRAAA's nutritional programs. The funding levels increased by 92% (1.7 million dollars) while administrative staff levels remained the same.

Area Agencies on Aging rely on the Minnesota Board on Aging (MBA) for guidance on program administration, monitoring activities, and compliance. MNRAAA looks forward to working closely with the MBA to improve controls around programming.

The Office of Legislative Auditor (OLA) observed that meals were provided in the MNRAAA service area under the program parameters. Unannounced site visits to providers found no concerns, and no instances of fraud were found. As always, MNRAAA takes responsibility for program management and your findings very seriously. Steps have already been implemented to ensure compliance.

Finding 3. Neither the MBA nor Area Agencies on Aging (AAA) reviewed and approved any of the contracts between service providers and subcontractors prior to use.

Recommendation. Either Area Agencies on Aging or the Minnesota Board on Aging should review and approve all contracts between service providers and subcontractors.

Response. MNRAAA will review and approve all contracts between service providers and subcontractors before implementation of services. MNRAAA will use the MBA's prescribed steps for how AAAs should document their review and approval of contracts between service providers and subcontractors. MNRAAA staff will continue to review this process through regular assessments.

Finding 4. Results of a survey of program participants suggest that the overall quality of participant data in the Minnesota Board on Aging's participation database is questionable.

MINNESOTA RIVER AREA AGENCY ON AGING, INC.

201 North Broad Street, Suite 102
Mankato, MN 56001



Recommendation. The MBA and AAAs should ensure that the data in the Minnesota Board of Aging's participation database are accurate and reliable.

Response. Nutrition providers report data via PeerPlace monthly. MNRAAA will continue to work closely with the nutrition providers to ensure the accuracy of the data. Through monthly MBA Nutrition meetings, MNRAAA can report on any issues or concerns. MNRAAA staff will continue to review how data is inputted through regular assessments with nutrition providers.

Finding 5. A substantial number of those who responded to a survey of program participants indicated that – contrary to federal program guidance – they were required to pay for program meals.

Recommendation. The MBA and AAAs should ensure that service providers communicate payment options to program participants.

Response. Through regular meetings with consumers, this concern has not been expressed in the MNRAAA area. MNRAAA will meet with the nutrition providers to review the policies around voluntary contributions. During that meeting, MNRAAA will remind the nutrition providers that payment is optional for consumers, and no one can be denied for not contributing. The providers will be instructed to update their staff and subcontractors on this matter.

Finding 7. Most AAAs did not perform the required number of site visits of service providers and subcontractors.

Recommendation. AAAs should perform the required number of site visits.

Response. MNRAAA will ensure the required number of site visits of service providers and subcontractors are performed, per MBA guidance.

Finding 8. Service providers did not annually recertify program participants receiving Senior Nutrition Program meals.

Recommendation. AAAs and the MBA should perform regular monitoring activities, such as conducting site visits, reviewing recertification forms, and verifying participation data in the system, to ensure service providers annually recertify program participants.

Response. The practice of recertifying clients was challenged during the COVID-19 pandemic. This has been re-engaged and providers are completing the procedures to recertify participants. MNRAAA will regularly monitor the provider's annual recertification of program participants through regular monitoring activities, i.e. site visits, reviewing forms, and verifying participation data.

MINNESOTA RIVER AREA AGENCY ON AGING, INC.

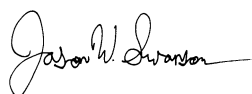
201 North Broad Street, Suite 102

Mankato, MN 56001



MNRAAA is committed to administering the Senior Nutrition Program in the best way possible to assist older adults to thrive.

Sincerely,



Jason W. Swanson, HSE
Executive Director



OLA

Serving the 11 Counties of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona

November 8, 2023

Judy Randall
Legislative Auditor

On behalf of the Southeastern Minnesota Area Agency on Aging (SEMAAA), I would like to thank you for the opportunity to work with a highly competent audit team with the Office of Legislative Auditor (OLA). The team worked with us to take an in-depth review of internal controls and compliance through the Minnesota Board on Aging's Senior Nutrition Program for the period of January 1, 2022, through December 31, 2022.

SEMAAA staff and our nutrition providers appreciate the guidance and recommendations provided in the finding's summary presented to us during our exit interview on November 1, 2023. We will work collaboratively with the MBA and our nutrition providers to make improvements in service provision and overall administration of senior nutrition services that support older adults in southeastern Minnesota. Some of the areas that we will focus on include:

- Work closely with MBA staff to seek uniform guidance and direction, along with improving grants management tools.
- Provide increased oversight to our nutrition providers to review and ensure that valid contracts are in place with all entities, along with ensuring legal contract compliance.
- Review protocols for monitoring activities including training and best practices.
- Ensure the collection of client data is accurate.
- Provide improved communication to providers regarding best practices for explaining voluntary contributions from participants.

We appreciate the time that was spent with us to go over the summary findings that will help guide us to improved services to older adults in southeastern MN.

Kind Regards,

[Laurie Brownell](#)

Laurie Brownell
SEMAAA Executive Director



OLA



November 8, 2023

Judy Randall
Legislative Auditor
Office of the Legislative Auditor
658 Cedar St. Room 140
Centennial Office Building
St. Paul, MN 55155-1603

Dear Legislative Auditor Randall:

Thank you for the opportunity to respond to the findings and recommendations of the Office of Legislative Auditor's (OLA) audit of the Minnesota Board on Aging Senior Nutrition Program. Trellis is responding to this report as our organization has responsibility for some elements of Senior Nutrition Program administration included in this audit. The following are our responses to the findings and recommendations in the audit report for which Trellis is accountable.

- I. **Finding:** Some service providers did not have valid contracts with the subcontractors that provided direct services for the program. Neither the MBA nor AAAs reviewed and approved any of the contracts between service providers and subcontractors prior to use.

Recommendations:

- Service providers should have valid contracts with all entities that provide meals for the Senior Nutrition Program.
- Area Agencies on Aging (AAA) and the Minnesota Board on Aging (MBA) should ensure that service providers have valid contracts with all entities that provide meals for the Senior Nutrition Program by reviewing and approving all of these contracts prior to use.
- The MBA should clarify its responsibility for the review of contracts between service providers and subcontractors that are for-profit entities.
- Either AAAs or MBA should review and approve all contracts between service providers and subcontractors.
- The MBA should prescribe specific steps for how AAAs should document their review and approval of contracts between service providers and subcontractors.

Trellis Response:

We acknowledge that six contracts were missing in 2022 between metro-based service providers and their subrecipients or subcontractors. Of these six contracts, two were between a service provider and their non-profit subrecipient and four were between a service provider and their for-profit subcontractor. Based on our understanding of federal Uniform Guidance, we determined that the four subcontractor relationships did not require Trellis to review and approve those contracts. Our oversight of Senior Nutrition Program providers was focused on subrecipient relationships with our providers who determine eligibility, have programmatic decision-making responsibilities, and use federal Title III funds to carry out the Senior Nutrition Program for a public purpose specified in the Older Americans Act (OAA). We understand that the OLA does not distinguish between a subrecipient and subcontractor.

Thus, in 2023, Trellis will review, approve and retain in accordance with requirements of the MBA and our internal document retention policy, all contracts as defined by the OLA between our service providers and their subrecipients and subcontractors.

For contracts with providers beginning in 2024, we will add a required field in our grants management tool, SmartSimple, that requires our providers to upload their subrecipient and subcontractor contracts for review and approval by Trellis. We will also add additional internal processes to verify that the documents have been received, reviewed and approved prior to executing contracts with providers.

Trellis staff will continue to engage with MBA staff to define and clarify roles, responsibilities, and expectations for review and approval of service providers' contracts.

- II. **Finding:** Results of a survey of program participants suggest that the overall quality of participant data in the MBA's participant database is questionable.

Recommendation:

- The MBA and AAAs should ensure that the data in the MBA's participant database are accurate and reliable.

Trellis Response:

We agree that inaccurate data in the MBA's participant database, PeerPlace, is a concern, and Trellis is committed to minimizing and eliminating inaccuracies whenever possible. It is reasonable to expect that due to the service population's age and health status, letters sent for services in the prior year would not reach some of the participants and would be returned. We can expect attrition from the program due to declining health and cognitive status and subsequent moves by program participants to an adult child's home, assisted living, skilled nursing facilities or upon the death of the program participant.

Worth noting, the timing of a written survey mailed in 2023 for meals provided in 2022 may be confusing for meal recipients with memory loss. It may be difficult for them to remember if they received meals and what type of meal (congregate versus home delivered) they had received several months before being surveyed. The confusion around meal type is likely a result of reporting nuances that emerged during the COVID-19 pandemic. For example, if an older adult who generally participates as a congregate diner chooses to bring that meal home, it would be

reported and paid as a home delivered meal, though the diner may believe they attended a congregate dining site.

Also, the survey refers to “Senior Nutrition Services Program,” a program name which participants may not recognize. Participants are more likely to remember the name of their meal provider, such as Metro Meals on Wheels, Open Arms or Volunteers of America, than to recall if they received meals from the “Senior Nutrition Services Program.” In addition, a meal recipient may receive seven meals per week through the Senior Nutrition Services Program and receive supplemental food assistance from a food shelf and/or local faith community. They may not distinguish which organization is the “Senior Nutrition Services Program” provider among the two or more organizations that are supporting them with food.

Trellis will look to the MBA to determine if there are additional steps that should be taken to reinforce the program’s identity with program participants and will comply with any new requirements that the MBA issues for AAAs.

- III. **Finding:** A substantial number of those who responded to a survey of program participants indicated – contrary to federal program requirements – that they were required to pay for program meals.

Recommendations:

- The MBA and AAAs should ensure that service providers offer program participants an option to contribute but do not require them to pay for the Senior Nutrition program meals.
- The MBA and AAAs should ensure that service providers clearly communicate payment options to program participants.

Trellis Response:

Survey respondents reported that they were required to pay for meals, which indicates that there is confusion about the voluntary nature of contributions to the program. We believe this confusion by meal recipients is inherent in the Older Americans Act voluntary contribution model, specifically for home delivered meals. Per the OAA, someone receiving home delivered meals must be given the opportunity to make a voluntary contribution. Providers of home delivered meals make that request via a document mailed to the recipient that could be mistaken for an invoice. Generally, meal recipients receive a letter every month that details the number of meals they receive, and as required by the OAA, they are asked for a voluntary contribution. Trellis staff review all contribution materials prior to the start of a provider’s contract to ensure that participant-facing documents state that service will not be denied based on the participant’s ability to pay for the service.

A provider’s repeated request for a voluntary contribution may be interpreted by some meal recipients to be a “payment request or bill” for the meals.

Trellis will comply with any new requirements that the MBA issues for standard language and processes to collect voluntary contributions.

In 2024, we will work with our service providers to test standardized language about voluntary contributions with older adults and family caregivers to define more clear language and inform process improvements.

IV. **Finding:** Service providers did not annually recertify program participants receiving Senior Nutrition Program meals.

Recommendations:

- Service providers should recertify program participants annually, as required.
- AAAs and the MBA should perform regular monitoring activities such as conducting site visits, reviewing recertification forms, and verifying participant data in the system, to ensure service providers annually recertify program participants.

Trellis Response:

Beginning in 2024, Trellis will review OAA eligibility certification (NAPIS) forms of program participants through a sampling process conducted every three months versus at the historic annual provider monitoring visit. We believe that the increased frequency will result in timely recertification. For any provider that is out of compliance this more frequent monitoring will shorten the length of time that they are non-compliant. We will provide technical assistance to reduce barriers that providers may face in conducting recertification.

Thank you again for the opportunity to respond to the audit findings and recommendations. We are committed to implementing the corrective actions we have described within the timelines we have noted.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dawn Simonson".

Dawn Simonson
President and CEO

Financial Audit Staff

Judy Randall, *Legislative Auditor*
Lori Leysen, *Deputy Legislative Auditor*

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