



# AUDITOR GENERAL

## WILLIAM O. MONROE, CPA



### DEPARTMENT OF ELDER AFFAIRS

## ASSESSED PRIORITIZED CONSUMER LIST

### AND ADMINISTRATIVE FUNCTIONS

Operational Audit

**SUMMARY**

This operational audit of the Department of Elder Affairs for the period July 2005 through February 2007 focused on the Department’s actions related to managing the Assessed Prioritized Consumer List, contractual services, and tangible personal property and correcting the deficiencies noted in our prior audit (report No. 2006-042, dated October 2005). Our audit disclosed the following:

With the exception of the following findings, our audit disclosed that for the controls and related transactions tested, the controls were operating effectively, transactions were accurately recorded in applicable records, and the Department demonstrated compliance with applicable significant laws, rules, and other guidelines.

**Finding No. 1:** For the Department’s home and community-based programs, improvements continue to be needed in the management of the Assessed Prioritized Consumer List.

**Finding No. 2:** The Department did not always timely and correctly record property acquisitions in its property records.

**Finding No. 3:** Property deletion records did not always sufficiently describe the details of property dispositions.

**BACKGROUND**

Chapter 430, Florida Statutes, designates the Department to serve as the State’s primary agency responsible for administering human service programs for the elderly and for developing policy recommendations for long-term care. The

Department provides support and oversight for a variety of home and community-based programs and services, including:

- Medicaid Waiver Programs:
  - Aged and Disabled Adult Waiver (MW).
  - Assisted Living for the Frail Elderly Waiver (ALW).
- Older Americans Act (OAA) Programs:
  - Title III B – Supportive Community Care.
  - Title III C – Nutritional Services for the Elderly.
  - Title III E – National Family Caregiver Support Program.
- Emergency Home Energy Assistance for the Elderly Program (EHEAEP).
- Community Care for the Elderly (CCE).
- Alzheimer’s Disease Initiative (ADI).
- Home Care for the Elderly (HCE).
- Local Services Program (LSP).

The Department uses a network of 11 Area Agencies on Aging (AAA) to provide many programs. As shown in Appendix A, each AAA is located in a distinct geographical Planning and Service Area (PSA) established by the Department.

**FINDINGS AND RECOMMENDATIONS**

**Finding No. 1: Assessed Prioritized Consumer List Management**

The Assessed Prioritized Consumer List (APCL) is used to track and prioritize individuals waiting to be served by the Department’s home and community-based programs. The APCL is compiled from information maintained in the Department’s Client Information Registration Tracking System (CIRTS).

To be placed on the APCL, each individual is to receive an assessment that ranks him or her into one of five priority levels based on the need for home and community-based services. Levels are related to the risk of nursing home placement:

- Levels 1 and 2 – well below average.
- Levels 3 and 4 – above average.
- Level 5 – two times above average.

In addition, individuals may be placed in two special high risk categories: Adult Protective Services (APS) referrals and elders identified as being at imminent risk (IM) of nursing home placement.

The Department’s prioritization policy requires service agencies (AAAs, lead agencies, and other service providers) to assign enrollment slots in the following order of priority: APS, Nursing Home Transition (current nursing home residents who want to move back to the community), IM, priority level 5, priority level 4, priority level 3, priority level 2, and priority level 1. All individuals, except those placed in high risk categories and who are required to be served within 72 hours, receive a priority ranking and are included in the APCL.

As shown in Chart 1, the APCL contained the names of 22,626 individuals as of March 21, 2007, in priority levels ranked from 1 through 5.

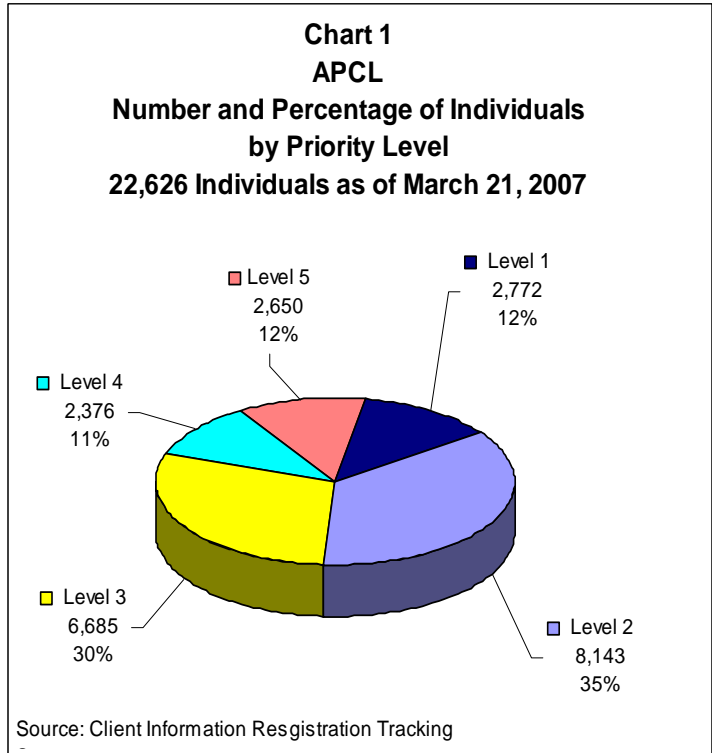
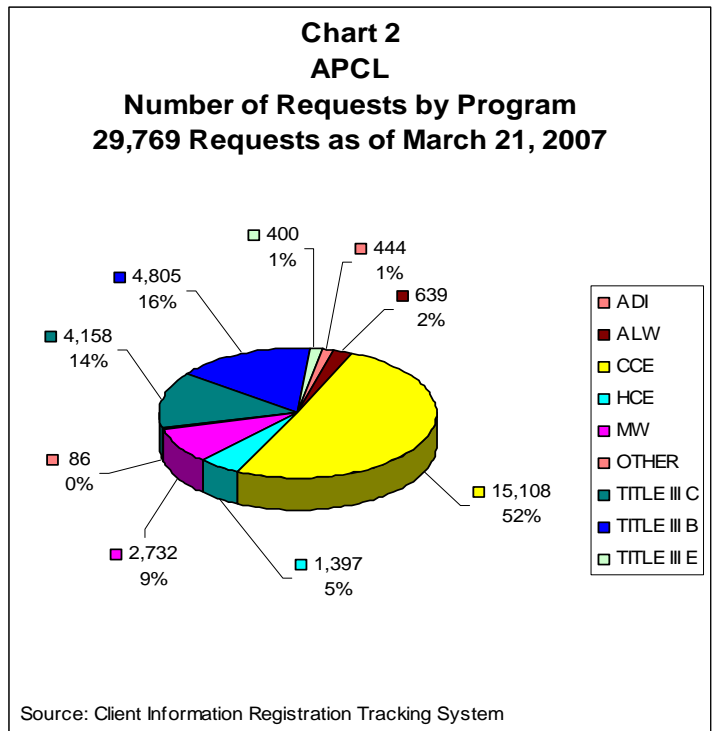


Chart 2 shows for the 22,626 individuals, by program, the number of requests for services that were pending as of March 21, 2007. Individuals included on the APCL may be awaiting services of more than one program.



Since the APCL assists the Department in estimating the resource needs of its programs and helps to ensure that the neediest individuals are first offered services as slots become available, it is important that current and accurate data be maintained in CIRTS. The Department instructed the AAA executive directors that individuals on the APCL, at a minimum, should receive annual re-assessments. Department guidelines also instruct the AAAs to update CIRTS when an individual's APCL status changes, that is, if the individual is no longer interested in waiting for services, is no longer able to receive services, or begins receiving services.

Our audit tests disclosed, as similarly noted in report No. 2006-042, that the CIRTS data used to compile the APCL was not current and accurate. Specifically:

- To provide assurance that data is current and accurate, annual assessments must be conducted for each individual to ensure that the data reflects a recent evaluation of the need for services, if any, and the nature and extent of help required. As shown in Table 1, annual assessments were not completed for more than 25 percent of the individuals on the APCL as of March 21, 2007. We noted that for 37 individuals, the latest recorded evaluations were performed more than 6 years ago.

<b>Table 1 Timeliness of Assessments for Individuals on the APCL as of March 21, 2007</b>		
	<b>Number</b>	<b>Percent</b>
Assessments Completed Within the Last Year	16,881	74.6
Assessments Completed 1-2 Years Ago	3,360	14.9
Assessments Completed More Than 2 Years Ago	2,385	10.5
Totals	22,626	100.0

Source: Client Information Registration Tracking System

- Changes in an individual's status may also become known through means other than the periodic assessments. To provide additional assurance that the APCL is accurate and

complete, CIRTS data must be timely updated to show these changes as soon as they become known. Our test of the case files of 30 individuals listed on the APCL as of March 21, 2007, disclosed that changes in the status for 14 individuals were not timely reflected in the CIRTS database. The individuals had died, been determined to be ineligible for the listed service, entered a nursing home, or indicated that services were no longer needed. The individuals remained on the APCL from 3 days to 36.3 months after their status changed.

- A comparison of APCL records to the death records maintained by the Department of Health, Bureau of Vital Statistics identified the names of 94 individuals, as of March 21, 2007, who were deceased and whose names had remained on the APCL for, on average, 27 months after the date of death.

While we noted that the Department had implemented some procedures to improve the timeliness of re-assessments and the accuracy of APCL data for two Medicaid Waiver programs, the procedures were not comprehensive in nature and did not address all home and community-based programs represented on the APCL. Contributing to the continuing unreliability of the APCL were the following procedural issues:

- During the audit period, the monitoring tool used by the Department's monitoring and quality assurance unit did not address the accuracy of the APCL or the timeliness of re-assessments.
- The Department's procedures during the audit period did not include comparing CIRTS to the Department of Health, Bureau of Vital Statistics, death records.

Absent accurate and current CIRTS information, the APCL may not have reflected actual program needs and resources may not have been efficiently managed.

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**Recommendation:** We recommend that the Department enhance its policies and procedures to ensure that all individuals on the APCL are timely re-assessed and that the data in the APCL is current and accurate. We also recommend that the Department monitor the AAAs' compliance with APCL policies and guidelines. The Department should also consider the feasibility of

comparing its CIRT records to the death file maintained by the Department of Health, Bureau of Vital Statistics, to further ensure the accuracy of the APCL.

**Tangible Personal Property**

Chapter 273, Florida Statutes, and Chapter 10.300, Rules of the Auditor General for State-Owned Tangible Personal Property, provide standards necessary to adequately control, safeguard, and account for State-owned tangible personal property.<sup>1</sup> Property is defined in Section 273.02, Florida Statutes, as equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature, the value or cost of which is \$1,000 or more and the normal expected life of which is one year or more, and hardback-covered bound books, the value of which is \$250 or more. At June 30, 2006, the Department’s tangible personal property totaled \$1.24 million.

Department management had established procedures for the identification, control, and management of property. These procedures had been incorporated in the Department’s Property Management Policy No. 545.70.

Our audit disclosed areas where improvements in compliance with these procedures were needed to appropriately manage Department property.

**Finding No. 2: Property Acquisitions**

Our test of 48 property purchases totaling \$166,839 disclosed:

- Five purchases of computer-related property in March and April 2006 and totaling \$5,391 were not correctly recorded in the property records as of March 19, 2007. The acquisition cost had not been recorded for four of the

<sup>1</sup> Effective July 1, 2006, Chapter 2006-122, Laws of Florida, amended Sections 273.02 and 273.055, Florida Statutes, requiring the Chief Financial Officer (CFO), rather than the Auditor General, to establish rules relating to the recording and inventory of certain State-owned property and the maintenance of records relating to property dispositions. CFO Memorandum No. 02 (2006-07), dated August 17, 2006, directs agencies to abide with pre-existing rules of the Auditor General until new rules are officially established.

items while an incorrect serial number had been recorded for the fifth item

- The acquisition costs of four property items were undervalued in the property records by a total of \$4,085 while another six property items were overvalued by a total of \$7,904.
- A total of 13 property items purchased throughout the audit period and totaling \$56,895 were recorded in the property records more than 30 days after the purchase date. The number of days taken to record the items in the property records ranged from 35 to 123 days.

**Recommendation:** We recommend the Department more closely monitor the performance of procedures designed to reasonably ensure the timely and accurate recording of property purchases. We further recommend that the Department take steps to correct the acquisition costs of the property items incorrectly recorded in the system.

**Finding No. 3: Property Deletions**

Our test of 20 property deletions totaling \$48,885 disclosed:

- Records for seven property items recorded at values totaling \$25,320, did not contain information required by Chapter 10.300, Rules of the Auditor General.<sup>1</sup> The records did not include one or more of the following: 1) the identities of witnesses of cannibalized or scrapped property; 2) documentation evidencing the disposal through one of the means authorized by Section 273.055(3), Florida Statutes; 3) disposal authority and manner; 4) related transactions; 5) the custodian’s certification of property as surplus; 6) the value and condition of property; or 7) the custodian’s approval prior to disposition.
- Contrary to the Department’s Property Management Policy No. 545.70, records relating to five property items, with values totaling \$21,921, did not evidence the removal of confidential or copyrighted information from electronic media.

The Department indicated that better management and changes to the property management policy would improve procedures related to property disposals.

**Recommendation:** We recommend the Department continue efforts to improve controls over property deletions to ensure that future disposals and related records conform to applicable laws, rules, and Department policy.

**OBJECTIVES, SCOPE, AND METHODOLOGY**

This operational audit focused on the Department’s actions related to related to managing the Assessed Prioritized Consumer List, contractual services, and tangible personal property and correcting the deficiencies noted in our prior audit (report No. 2006-042, dated October 2005). Our objectives were:

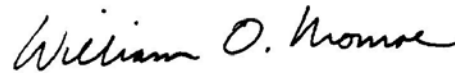
- To evaluate the effectiveness of established internal controls in achieving management’s control objectives in the categories of compliance with controlling laws administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.
- To evaluate management’s performance in achieving compliance with controlling laws administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the validity and reliability of records and reports; and the safeguarding of assets.

Our audit included examinations of various transactions (as well as events and conditions) occurring during the period July 2005 through February 2007, and selected actions through June 20, 2007. In conducting our audit, we:

- Interviewed Department personnel.
- Obtained an understanding of internal controls and observed, documented, and tested key processes and procedures related to managing the APCL, contractual services, and tangible personal property.
- Evaluated Department actions taken to correct the deficiencies disclosed in audit report No. 2006-042.
- Performed various other auditing procedures as necessary to accomplish the objectives of the audit.

**AUTHORITY**

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



William O. Monroe, CPA  
Auditor General

**MANAGEMENT RESPONSE**

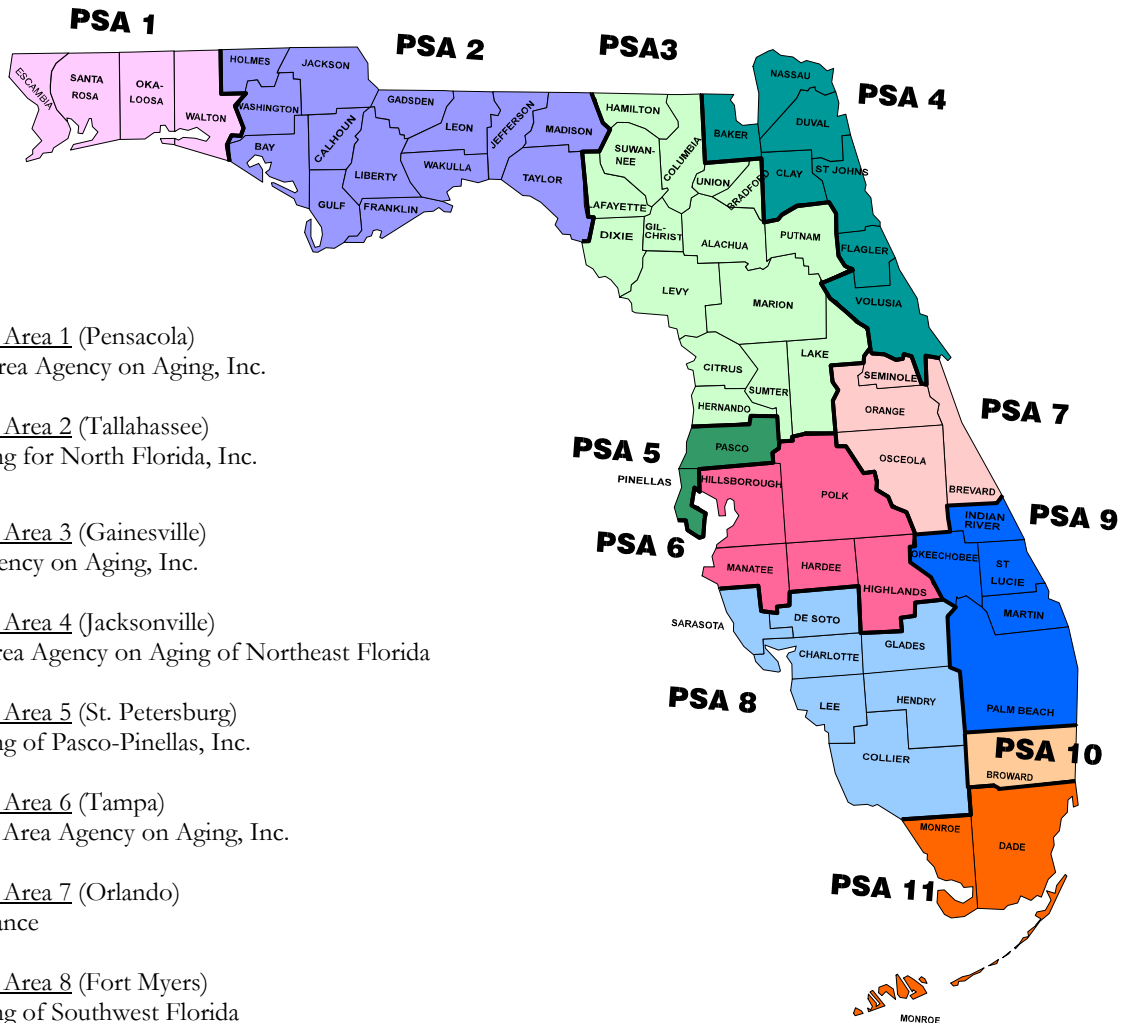
In a letter dated August 29, 2007, the Secretary provided a response to our preliminary and tentative audit findings. The letter is included at the end of this report as Appendix B.

To promote accountability in government operations, the Auditor General makes operational audits of selected programs, activities, and functions of State agencies. This operational audit was conducted in accordance with applicable **Generally Accepted Government Auditing Standards**. This audit was conducted by Anne Fairchild, CPA, and supervised by Mary Stewart, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail ([janeflowers@aud.state.fl.us](mailto:janeflowers@aud.state.fl.us)) or by telephone (850-487-9136).

This report and other audit reports prepared by the Auditor General can be obtained on our Web site (<http://www.state.fl.us/audgen>); by telephone (850-487-9024); or by mail (G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450).

**APPENDIX A  
DEPARTMENT OF ELDER AFFAIRS  
PLANNING AND SERVICE AREAS**

Each Planning and Service Area (PSA) is served by an Area Agency on Aging that contracts with agencies for services.



Planning and Service Area 1 (Pensacola)  
Northwest Florida Area Agency on Aging, Inc.

Planning and Service Area 2 (Tallahassee)  
Area Agency on Aging for North Florida, Inc.

Planning and Service Area 3 (Gainesville)  
Mid-Florida Area Agency on Aging, Inc.

Planning and Service Area 4 (Jacksonville)  
Elder Source, The Area Agency on Aging of Northeast Florida

Planning and Service Area 5 (St. Petersburg)  
Area Agency on Aging of Pasco-Pinellas, Inc.

Planning and Service Area 6 (Tampa)  
West Central Florida Area Agency on Aging, Inc.

Planning and Service Area 7 (Orlando)  
Senior Resource Alliance

Planning and Service Area 8 (Fort Myers)  
Area Agency on Aging of Southwest Florida

Planning and Service Area 9 (West Palm Beach)  
Area Agency on Aging of Palm Beach/Treasure Coast, Inc.

Planning and Service Area 10 (Ft. Lauderdale)  
Aging and Disability Resource Center of Broward County, Inc.

Planning and Service Area 11 (Miami)  
Alliance for Aging, Inc.

SOURCE – DEPARTMENT OF ELDER AFFAIRS

APPENDIX B  
MANAGEMENT RESPONSE

DEPARTMENT OF

August 29, 2007



CHARLIE CRIST  
GOVERNOR

Mr. William O. Monroe, C.P.A.  
Auditor General  
State of Florida  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Mr. Monroe:

Pursuant to section 11.45(4)(d), Florida Statutes, the Department is submitting its response to the preliminary and tentative findings and recommendations regarding the Operational Audit for the Department of Elder Affairs for the period of July 2005 to February 2007.

**Finding No. 1: Assessed Priority Consumer List Management**

E. DOUGLAS BEACH, PH.D.  
SECRETARY

**Recommendation:** We recommend that the Department enhance its policies and procedures to ensure that all individuals on the APCL are timely re-assessed and that the data in the APCL is current and accurate. We also recommend that the Department monitor the AAAs' compliance with the APCL policies and guidelines. The Department should also consider the feasibility of comparing its CIRT records to the death file maintained by the Department of Health, Bureau of Vital Statistics, to further ensure the accuracy of the APCL.

**Response:** The Department concurs with this recommendation. The Department has made reports available to the Area Agencies on Aging (AAAs) listing the most recent assessment date for each individual on the assessed priority consumer lists. This information was provided to assist the AAAs in complying with the Department's policy regarding the frequency of reassessments. To further assist the AAAs, the Department recently requested from the Department of Health's Office of Vital Statistics a list of all individuals who died within the previous 12 months. The Department also requested on an ongoing basis monthly files that list the individuals who died during the previous month. The Department will compare this information to the assessed priority consumer lists and share any matches with the AAAs to further assist them in keeping their assessed priority consumer lists accurate. In addition, a new monitoring step will be added to the Department's annual reviews of AAAs that will focus on this issue. A partial or complete list of the individuals on the assessed priority consumer lists who appear to have not been reassessed according to the Department's policy will be provided to each AAA. The AAA will be instructed to provide an explanation or course of action for each individual listed.

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APPENDIX B  
MANAGEMENT RESPONSE (CONTINUED)

Mr. William O. Monroe, C.P.A.  
August 27, 2007  
Page Two

**Finding No. 2: Property Acquisitions**

**Recommendation:** We recommend the Department more closely monitor the performance of procedures designed to reasonably ensure the timely and accurate recording of property purchases. We further recommend that the Department take steps to correct the acquisition costs of the property items incorrectly recorded in the system.

**Response:** The Department concurs with this recommendation. A process improvement team has been established to address procurement, invoicing, payment, receipt and recording of computer related property. An initial meeting of all key stakeholders took place on July 24, 2007, and new procedures and processes will be developed to ensure the timely and accurate recording of property purchases.

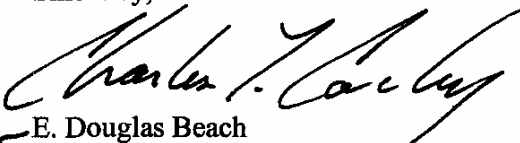
**Finding No. 3: Property Deletions**

**Recommendation:** We recommend the Department continue efforts to improve controls over property deletions to ensure that future disposals and related records conform to applicable laws, rules, and Department policy.

**Response:** The Department concurs with this recommendation. We will continue to improve controls to ensure that property disposal and surplus records conform to applicable laws, rules and Department policy.

In closing, we appreciate the professionalism displayed by your audit staff. Please let us know if we can provide any additional information.

Sincerely,

  
For E. Douglas Beach  
Secretary

- CC: Chuck Corley, Deputy Secretary and Chief of Staff
- Carol Carr, Director of Internal and External Affairs
- Fran Brooks, Chief of General Services and Human Resources
- George Zimmerman, Director of Auditing