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Office of the Inspector General
Miami-Dade County

Memorandum

To: Mr. George Burgess, County Manager

From: Christopher Mazzella,
Inspector General

Date: January 22, 2004

Re: OIG Final Audit Report Community Action Agency, Meals on Wheels Program,
District 11

Please find attached the Office of the Inspector General's (OIG's) Final Audit Report in reference to the Community Action Agency's (CAA) administration of the Meals on Wheels Program for District 11. The OIG initiated this audit based on the discrepancies noted and reported to the OIG by Commissioner Joe A. Martinez.

The OIG requests an update on the status of our recommendations in 60 days.

If you have any questions, please do not hesitate to contact me.

The OIG appreciates the cooperation and courtesies extended by all County personnel who were involved in our audit of the Meals on Wheels Program.

cc: Honorable Chairperson Barbara Carey-Shuler, Ed.D., Board of Commissioners
Honorable Joe A. Martinez, Board of County Commissioners
Ms. Barbara Jordan, Assistant County Manager
Ms. Ophelia E. Brown Lawson, Executive Director, Community Action Agency
Mr. Tony Crapp, Assistant County Manager

Clerk's Office (copy filed)

NOTE: Exhibits are not posted on the website due to privacy concerns.

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FINAL AUDIT REPORT
Meals on Wheels Program – District 11**

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RESULTS SUMMARY

Miami-Dade County's Community Action Agency (CAA) has not been administering the Commission District 11 Meals-on-Wheels (MOW) program in a manner that ensures: (1) that program expenditures contain proper documentation and (2) that deliveries are made on a timely and reasonable basis.

There are 415 meals valued at over \$1,200 that are "missing" and whose absence is indicative of poor record keeping, at best, but may represent lost funds or wasteful spending. The missing meals represent 20% of the total meals purchased for the period of August 1, 2003 through October 31, 2003. In addition, CAA meal deliveries are irregular in their frequency and often consist of large quantities of meals delivered at one time to the individual clients. For example, CAA delivery records show that two (2) clients received 20 meals each in a two-day period and then no meals over the next 30-day period. In another example, CAA delivery records show that two (2) clients received 30 meals over a two-week period and then no meals over the next 30-day period.

CAA Response (Attached in its entirety as Appendix I).

CAA states, "There appears to be some inconsistencies in logging protocol both relating to delivery, storage of meals, redelivery of meals and discarded meals." The CAA explained that 300 out of the 415 "missing" meals were "discarded due to expiration dates and to ensure client safety." In addition, CAA states, "It remains a major concern that 115 meals are unaccounted for although the program supervisor stated that those meals were redelivered and proper documentation was not secured neither in terms of logging of deliveries or signed confirmation of delivery." CAA included, in its response, a listing of corrective actions "to ensure accountability." CAA says that it implemented these new procedures on December 1, 2003. CAA's response, in its entirety, has been included as an attachment to this report.

OIG Rejoinder

The OIG believes the listed corrective actions, as designed, will bring accountability to the program, as well as improve the completeness and accuracy of program records. While the CAA is applauded for quickly responding to the conditions identified, it is important to note that drafting a corrective plan alone is ineffective without proper enforcement from management.

This report was initially circulated for comment in draft form on December 22, 2003. The draft report identified 415 meals valued at over \$1,200 as "missing." The OIG received CAA's response to this draft report on January 7, 2004.

However, subsequent to releasing the draft report, OIG auditors conducted additional fieldwork. The OIG auditors had serious concerns about the accuracy and authenticity of the

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records reviewed during their original audit fieldwork. Thus, OIG auditors continued their fieldwork after issuing the draft report. The auditors obtained additional original source documents, re-interviewed CAA personnel and interviewed MOW program clients. The result of this additional fieldwork is described later in this report. This additional information serves to reinforce the critical need for change at the CAA. As a result of this additional fieldwork, the auditors increased their number of “missing” meals from the previously specified 415 meals (as reported in the draft report) to 1,065 meals valued at over \$3,100.

The CAA has not reviewed the additional information and, accordingly, its response does not address the specific conditions described. However, the corrective actions listed in CAA’s response to the original findings would, nonetheless, still be considered responsive corrective actions.

GOVERNING AUTHORITY

In accordance with Section 2-1076(c)(1) of the Code of Miami-Dade County, the Office of the Inspector General shall have the authority and power to review past, present, and proposed County and Public Health Trust programs, accounts, records, contracts and transactions.

INTRODUCTION AND BACKGROUND

This review was performed at the request of District 11 Commissioner Joe A. Martinez. Commissioner Martinez’s office became aware of discrepancies and irregularities in the manner in which MOW program meal deliveries were being distributed to District 11 residents. Consequently, Commissioner Martinez contacted the Inspector General and requested that the OIG review the District 11 program.

District 11 MOW program services are provided as a partnership between the Miami-Dade CAA and Commission District 11. The MOW program provides for the delivery of frozen meals to frail, disabled, homebound persons.¹ District 11 meal deliveries started in August 2003 and remain in effect as of the date of this report.

The MOW program provides frail, disabled, homebound persons with nutritious meals five (5) days a week. CAA manages the District 11 program through funding received from The Office of Community and Economic Development (OCED), which provided \$60,000 (expires 12/31/03)² and Commission District 11, which provided \$50,000 (expires 9/30/04).

¹ The OIG did not review client’s eligibility for the Meals-on-Wheels Program.

² The OIG did not review compliance requirements associated with the award of federal monies.

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For the period audited, program expenditures totaled \$9,326 under both funding sources, not including an outstanding invoice amount of \$1,421 (received, but unpaid).

CAA has a contract with Construction Catering, Inc. (CCI) to prepare the meals for the County's various MOW programs.³ CAA places orders with CCI two (2) weeks in advance of the future delivery dates. CAA picks up the meals from CCI and generally delivers them to the clients the same day. All meals prepared by CCI are listed on "pick-up slips," which are signed by the individual making the deliveries for that day. CAA personnel deliver to the individuals listed on the CAA-prepared delivery logs.⁴

CAA personnel told the OIG auditors that all meals picked up from CCI are delivered to the clients on the same day. If the client is not home at the time of delivery, the meals are stored in the CAA freezer and are delivered later, however, CAA did not provide any support to show that the undelivered meals are delivered at a later date.

CCI bills CAA on a bi-weekly basis for the meals provided. CAA's fiscal department processes the invoices. The invoices are supported by: (1) a spreadsheet detailing the delivery dates, number of meals picked up per day and the number of clients served; and (2) the "pick-up slips," which are signed by the CAA individual making the deliveries.

AUDIT OBJECTIVES AND SCOPE

The purpose of this audit was to evaluate CAA's administration of District 11's MOW program, including whether it maintains documentation of program expenditures (see footnotes 1 and 2 previously referenced). The OIG auditors reviewed CAA records of funds received and services provided for the District 11 Meals-on-Wheels program for the period of August 1, 2003 through October 31, 2003.

During this period, CAA spent \$9,326 on the MOW program. Funding for this program totaled \$110,000, leaving an unexpended balance of \$100,674. OIG auditors interviewed CAA program personnel to gain an understanding of program policies, procedures and practices, and examined program records including delivery logs, pick-up slips, invoices and journal entries to program accounts. Initially, the OIG did not verify the accuracy or completeness of the meal delivery logs and did not interview any of the client population to obtain their feedback, concerns, etc., about services received and/or the effectiveness of the MOW program. However, as previously explained, subsequent to the issuance of the draft

³ CAA also maintains other MOW programs throughout the County, in such areas as Naranja, Northwest Miami and Opa Locka.

⁴ The delivery logs contained the following fields: (1) client's name (2) client's address (3) number of meals delivered (4) donation (5) client's signature; and (6) comments.

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report. The report states that the report of the audit was conducted by the report of the audit conducted additional fieldwork. (See Additional Fieldwork section). Thereafter, the report states that the report of the audit did interview MOW clients about the accuracy and completeness of the delivery logs and whether they were satisfied with program services.

FINDINGS

Missing Meals

CCI invoices reflect that CAA purchased 2,045 meals from August 1, 2003 through October 31, 2003. However, CAA delivery logs show 1,630 meal deliveries for the same period. Thus, there is an unexplained difference of 415 meals valued at over \$1,200 reflected in the two sets of records. The variance in quantity results from the differences between the invoiced quantities and the delivered quantities, which is multiplied by the invoice prices to determine the value of the missing meals.

August 1, 2003 - October 31, 2003					
Meals per CCI Invoice	Meals per CAA Delivery Logs	Quantity Variance		Unit price per Invoice	Cost of Quantity Variance
650	585	65	x	\$ 2.85	\$ 185.25
1,395	1,045	350	x	\$ 2.96	\$ 1,036.00
2,045	1,630	415			\$ 1,221.25

Questionable Deliveries

CAA delivers meals to the individuals listed on its delivery logs. The MOW program provides clients with five (5) frozen meals weekly. However, the program guidelines do not clearly specify meal delivery frequency, i.e., one meal delivered five times per week, five meals delivered once a week, ten meals delivered once every other week, etc. CAA has had its staff deliver anywhere from five (5) to twenty (20) meals at a time to an individual client, on an irregular basis.

OIG auditors could not find a pattern or a rational basis to CAA's delivery schedule. For example, CAA delivery records showed that two (2) clients received 20 meals each in a two-day period and then no meals over the next 30-day period. In another example, CAA delivery records showed that two (2) clients received 30 meals over a two-week period and then no meals over the next 30-day period. As part of the additional fieldwork, the irregular delivery schedule and quantities were analyzed to determine whether the five meals weekly requirement was ultimately met.

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CAA personnel told the OIG auditors that all meals picked up from CCI are delivered to the clients on the same day. If the client is not home at the time of delivery, the meals are stored in the CAA freezer and delivered at a later date. This may account for the fact that the dates of delivery and the number of meals stated on the logs do not match the dates of delivery and the number of meals stated on the “pick-up slips. However, CAA failed to provide documentation reflecting these subsequent deliveries.

CAA also acknowledged that it has delivered up to 20 meals at a time to an individual client. CAA explained to the OIG auditors that it currently lacks a qualified driver.

OIG INSPECTION

On November 24, 2003, the OIG inspected two (2) freezers located at CAA and counted 85 meals that CCA had picked-up from CCI but had not yet delivered. CAA personnel were unable to determine whether the 85 meals were charged to the District 11 program since CAA administers other MOW programs.

A further review of the meals revealed that some of the milk products had past-due expiration dates (i.e., 10/31/03). This product “expired” over three (3) weeks before our inspection.

ADDITIONAL FIELDWORK

Subsequent to releasing the draft report, the OIG auditors conducted additional fieldwork. The auditors had serious concerns about the accuracy and authenticity of the records reviewed during their original audit fieldwork. Thus, OIG auditors continued their fieldwork after issuing the draft report. The auditors obtained additional original source documents, re-interviewed CAA personnel and interviewed MOW program clients.

Questionable documentation/CAA Interviews

In order to determine whether the number of meals purchased (2,045) coincided with the number of meals delivered, the OIG requested the delivery logs. CAA staff did not provide the OIG with complete records upon the first or second site visit. Three weeks later, CAA staff faxed the logs to the OIG. Upon receipt of the faxed logs, OIG auditors noticed that several delivery logs appear to have been altered in order to coincide with the delivery dates stated on the invoices. As a result, OIG auditors requested to review the original logs, and after numerous attempts, the logs were obtained.

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In addition, the CAA provided a *Meals Not Delivered* log to the auditors. This record was not provided to the auditors during their initial fieldwork. However, either this record was grossly inaccurate or the CAA delivery logs were grossly inaccurate. **The record keeping was so poor as to preclude the auditors from determining which, if either, record was the more accurate and complete record of meals undelivered.** For example, eight (8) of the thirteen (13) dates shown on the *Meals Not Delivered* log did not reflect the same undelivered meal amounts shown on CAA’s delivery logs.⁵

Also, an examination of the original delivery logs revealed that several dates had been altered with correction fluid (“white-out”) in an apparent attempt to show dates that coincided with the delivery dates reflected on the invoices. In one example, a log dated 8/12/03 was altered from its original delivery date of 10/10/03. Another example was a log sheet with the date field covered with correction fluid that showed the date of 9/3/03. Upon closer examination, it was revealed that the log sheet was originally dated 12/3/03. (Examples attached as Exhibit A and B, respectively).

OIG auditors were only able to make these observations from the original documents once they were obtained. By holding each piece of paper to a light source, one is able to see the original date hidden beneath the correction fluid.

These findings serve to reinforce the critical need for change at the CAA. As a result of this work, the auditors increased their number of “missing” meals to 1,065 meals valued at over \$3,100.

August 1, 2003 - October 31, 2003					
Meals per CCI Invoice	Meals per CAA Delivery Logs	Quantity Variance		Unit price per Invoice	Cost of Quantity Variance
650	505	145	x	\$2.85	\$ 413.25
1,395	475	920	x	\$2.96	\$ 2,723.20
2,045	980	1,065			\$ 3,136.45

Also, OIG auditors analyzed the delivery logs to determine if CAA met the five (5) meals weekly program requirement. The clients typically received bi-monthly deliveries of 10 meals each delivery. However, as stated earlier, the program guidelines do not clearly

⁵ In the *Meals Not Delivered* log, the CAA admits to discarding 300 meals due to expiration dates and to ensure client safety. The OIG does not take issue with the discarding of expired meals, as it is indeed a safety concern, but the OIG questions why the meals were allowed to expire. Additionally, this log demonstrates that there was ample time to redeliver the meals and not allow the food to go to waste (i.e., date the meals placed in freezer with a date to discard).

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specify meal delivery frequency, i.e., one meal delivered five times per week, five meals delivered once a week, ten meals delivered once every other week, etc. Thus, whether the “typical” delivery met the MOW program standard was not determinable.

Client Interviews

OIG auditors conducted interviews for 23 (or 42%) of the 55 District 11 MOW clients to obtain their feedback, concerns, etc., about services received and/or the effectiveness of the MOW program. The majority of clients are generally satisfied with the meals delivered. However, the major concern among the clients is the irregularity of meal deliveries.

Clients said that there is no established delivery day, no notice of delivery provided by CAA, and a history of deliveries on various weekdays. Importantly, clients stated that they sometimes have to forgo receiving the meals in order to keep scheduled [doctor] appointments. Clients also stated that too many meals are delivered at one time, therefore making meal storage extremely difficult. One client stated that meals are simply left on his front porch if he is not there, and upon his arrival, the meals are no longer frozen.

In order to determine the accuracy of the delivery logs, selected clients were asked to verify the delivery dates, number of meals received and signatures on the delivery logs. Several clients indicated that there were discrepancies in the number of meals received and/or the delivery dates. Furthermore, some clients were unable to identify the signature as their own or as someone signing on their behalf. In another example, two (2) delivery logs dated 9/3/03 and 9/4/03 were presented to the clients for verification. The clients stated that they never received a delivery on a day-to-day consecutive basis.

CONCLUSION & RECOMMENDATIONS

In summary, these weaknesses have created a situation where the question of missing meals (regardless of whether is it 1,065 or 415 meals) and the alteration of delivery logs readily suggests an overall lack of accountability and potentially the inappropriate use of funds or wasteful spending. The OIG recommends that CAA management:

1. Review how it administers the MOW program to include considering whether Construction Catering, Inc. (CCI) should handle the delivery of the meals to the homebound clients.
2. Determine the whereabouts of the unexplained meals.
3. Ensure that all documentation regarding the program is consistent and accurate.

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EXHIBITS

- A. Meals on Wheels delivery log dated 8/12/03 - faxed to OIG on 12/5/03.
- A1. Photocopy of *original* Meals on Wheels delivery log dated 8/12/03 - analyzed by OIG auditors (front page).
- A2. Photocopy of *original* Meals on Wheels delivery log dated 8/12/03 - analyzed by OIG auditors (back page).
- B. Meals on Wheels delivery log dated 9/3/03 faxed to OIG on 12/2/03.
- B1. Photocopy of *original* Meals on Wheels delivery log dated 9/3/03 - analyzed by OIG auditors (front page).
- B2. Photocopy of *original* Meals on Wheels delivery log dated 9/3/03 - analyzed by OIG auditors (back page).

APPENDIX

- 1. Draft notification letter to CAA, dated December 22, 2003.
- 2. Response received from CAA.