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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

SEP 23 1970

CIVIL DIVISION

GAO 00451



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Dear Mr. Twine:

We have reviewed the administration of certain projects funded under title III of the Older Americans Act, as amended (79 Stat. 218); the act is administered by the Administration on Aging (AOA), Social and Rehabilitation Service (SRS), HEW. During this review--which was limited to selected projects in Maryland--we observed that some projects were not achieving their projected goals and that certain administrative matters were in need of improvement. AOA officials with whom these matters were discussed generally concurred with our findings and observations. The purpose of this letter is to bring our findings and observations to your attention so that appropriate corrective action can be taken.

General information

Title III of the Older Americans Act authorizes Federal funds for use by the States to provide, for older persons (1) community planning and coordination of programs, (2) demonstration of programs or activities, (3) training of special personnel needed to carry out programs and activities, and (4) establishment of new or expansion of existing programs. Each State is required to have a State plan approved by the Secretary of HEW, and a single State agency responsible for administering the plan and for coordinating State programs and activities for older persons. During fiscal year 1969, HEW reported that there were 786 active projects in 49 States and jurisdictions. Expenditures totaled about \$15.6 million in fiscal year 1969; the Federal share was about \$8.8 million. These projects and expenditures served about 816,000 older persons.

Project participation low in relation to its estimated potential

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We reviewed 6 of the 21 active title III projects in Maryland at the beginning of fiscal year 1970. In the six projects visited, we found that three were substantially short of achieving their estimated potential in serving the number of senior citizens in the community. For example, at one Senior Center established in an area which had about 2,000 senior citizens, project records showed that fewer than 50 persons were served in each of its first 2 years of operation. Another project, a woodworking shop, had a capacity to serve seven senior citizens at one time; however, at the time of our visit the project was operating at only one-half of this capacity. At a third project, we observed that although the average annual expenditures increased about 150 percent over the grant period--compared to the pregrant period--the number of persons served had a corresponding increase of only about 8 percent.

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Justification for funding a project is based to a great extent on the number of senior citizens planned to be served in the project area. Accordingly, in making decisions to initially approve a project or to continue or expand projects, consideration should be given to the project's ability to reach and provide services to the number of citizens for whom the project was established. During our review we found little evidence to indicate that such consideration was given in the case of these three projects.

SRS regional administration needs improvement

The SRS regional staff at the HSW regional office is responsible for ensuring that State programs and their projects are operated and administered according to the approved State plan and the policies and procedures of AOA. The regional office is responsible for making a continuing review and assessment of State agencies and their programs. The review and assessments are to be made through

- analysis of reports submitted by State agencies;
- regular visits to the State agencies; and
- periodic visits to title III project sites.

We found that regional personnel made visits to project sites to check on compliance with civil rights requirements and occasionally a visit was made to evaluate the project's compliance with administrative and program policy. However, visits were not made to the State agency on a regular basis to review and evaluate State operations. SRS regional officials informed us that visits to the State agency were usually made only at a State's request for assistance in resolving a specific problem.

Reporting practices need improvement

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The State agency responsible for administering title III programs in Maryland had not established procedures for project reports to be submitted to AOA on a timely basis. For example, more than half of the 21 projects in operation had not submitted their quarterly expenditure report within 30 days after the close of the quarter ending September 30, 1969.

We also found that yearend reports needed by AOA to determine whether funding of the project should continue were not being submitted on a timely basis. Fourteen of 29 projects which had completed 1 year of operation had not submitted their yearend project financial report within the 30-day period specified by AOA. Further, only 7 of the 29 projects were able to provide documentation to support reported expenditures when requested to do so by the State agency to whom the reports were first submitted.

Conclusions

The components for control and effective administration of the grant management system appear to be adequately stated by AOA in its title III Manual of Policies and Procedures. In our opinion, however, proper implementation of these policies and guidelines can best be achieved by having SRS regional personnel actively participating with the State and the project personnel in the operation and management of the program.

We believe that the effectiveness of the administration and operation of the title III program in Maryland was lessened by the conditions discussed in this letter.

Recommendation

We recommend that the Administrator, SRS, have the Commissioner, AOA, review and evaluate on a selective basis the States' implementation of the title III program and projects of the Older Americans Act, as amended. The review should be made to determine whether projects are meeting their projected goals, and whether the States are administering their respective programs according to the applicable State plan and the policies and procedures of the AOA.

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Thank you for the cooperation and courtesy given to our representatives during the review. Copies of this report are being sent to the Assistant Secretary, Comptroller, HEW, and to the Commissioner, Administration on Aging. We would appreciate your comments and advice on any action taken or planned on the matters discussed in this report.

Sincerely yours,

John D. Heller

John D. Heller
Assistant Director

Mr. John D. Twinsame, Administrator
Social and Rehabilitation Service
Department of Health, Education,
and Welfare

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