

Mailing address: P.O. Box 30676 Lansing, MI 48909-8176	MICHIGAN OFFICE OF SERVICES TO THE AGING Compliance Assessment Feedback Report	Area Agency: The Senior Alliance (1C) Assessment Date(s): 7/15/09, 7/16/09 Feedback Report Date: July 30, 2009	
(1) Reference to:	(2) Current	(3) Due date	(4) AAA Attach copies as needed.
AAA Minimum Operating Standards, The Senior Alliance Organizational By-Laws Area Agency on Aging Compliance Assessment Guide: Section A – E	<p>The current structure of The Senior Alliance (TSA) Board of Directors appears to be out of compliance with AAA Minimum Operating Standards, and The Senior Alliance Organizational By-Laws and poses potential risk to TSA and the State of Michigan. Based on review of documentation during on-site formal review process with Area Agency on Aging (AAA) Compliance Assessment Guide for 2009, OSA noted the following findings:</p> <p>Finding 2009-01. Finance Committee Chair is also the director of a service provider (senior center direction) and signs checks for vendors, including their facility. This finding does not indicate evidence of any financial misconduct or neglect from the current practice, but seeks to resolve any appearance of potential risk. Documentation review included verification as follows:</p> <ul style="list-style-type: none"> - Chair of Finance Committee is also Executive Director of contractor agency, receiving funding from TSA. As the Executive Director of that contractor, submits cash requests to TSA for reimbursement of services provided. - Subsequently, the person who holds both the role for executive director of the contract agency and is finance chair, signed checks from TSA in payment of the cash requests submitted under her signature as executive director of the contract agency. This action poses a significant potential risk and is a direct conflict of interest. <p>Corrective Action for Finding 2009-01:</p> <ul style="list-style-type: none"> - 1) Current Finance Chair should be removed from signing of checks for contractors, including DPO service providers/contracts, for TSA. - 2) TSA to revise authorized signatures procedures and policies to include TSA staff signature; - 3) Authorize TSA directors as authorized signature for signing of checks; subsequent approval of check register by Board of 	1) Immediate 2) by 9/1/09 3) by 9/1/09	<div style="border: 1px solid black; padding: 5px; text-align: center;"> RECEIVED AUG 4 2009 By _____ </div>

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Directors Finance Committee, and full Board

- **4) Research/review development of electronic signature policy for authorized signature(s); electronic fund transfer (EFT).**

Finding 2009-02. Organization - Board of Directors' structure: The 37-member board of directors is composed of townships, cities, villages in out-Wayne County. 34 communities are represented from cities/townships, etc., and 3 members from corporate and consumer organizations. City officials have appointed designees to attend the board meetings. Of these designees serving as board members, 23 have self-identified themselves as senior center directors, or similar designation/responsibility. These members are either currently receiving funding as vendor/contractor (service providers), or are potential contractors/vendors (service providers) with ability to receive opportunity to be funded with service funds as allotted by TSA. This issue is considered a conflict of interest with the resulting non-compliance of the current board of directors at TSA.

The size of the board appears to contribute to confusion in roles and responsibilities for the AAA. Difficulty obtaining quorum without conflict of interest of board members is an issue.

The Senior Alliance Organizational By-Laws, Article X, Section 1., states "Board members, Advisory Council members, or staff members shall not participate in the selection, award or administration of a contract if the individual has any interest in the applicant agency and contractor..."

Additionally, BusinessDictionary.com defines conflict of interest which illustrates the issue at hand:

"1 – Situation that has the potential to undermine the partiality of a person because of the possibility of a clash between the person's self-interest and professional interest OR public interest; 2 – Situation where a party's responsibility to a second-party limits its ability to discharge its responsibility to a third party."

Corrective Action for Finding 2009-02:

- **TSA policy board should be reduced to manageable size , possibly no more than 17. (Suggestion for size based on study of other AAA policy board structure).**
- **Remove current board members with an appearance of current, or**

4) as time permits – OSA will review in July 2010

DRAFT plan for board restructure by 11/1/09.

FINAL Implementation of

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potential conflict, between their position as contractors/vendors/service providers receiving funding from TSA. No board member should be in a position to receive financial gain while serving as board member.

- **Revise current By-laws of the Board to reflect new structure, and reflect approved Roberts' Rules of Order in duties and position of board.**
- **A "Special Condition" will be placed on FY 2010 Area Implementation Plan, regarding the restructuring of TSA Policy Board. Correction Action Plan Status Report will be required for submission from TSA to OSA by 15th of each month, beginning October 15, 2009. These conditions will remain until corrective actions have been completed to the satisfaction and approval of the Commission on Services to the Aging.**

Finding 2009-03. Attendance by both board member AND alternate board member or committee member AND alternate committee member is allowed, but voting privileges are only for board members OR alternate in case of board member absence. ONLY ONE VOTE. According to The Senior Alliance Organizational By-Laws, Article III, Section 2, "...voting alternate who may serve in the absence of the designated Board member at any and all meetings." One (1) vote per designation is valid. Alternates are allowed to attend meetings, but only as part of the general audience, not in attendance as voting member at the table. There have been several occasions where both the voting member and their alternate were at the table, made motions and voted which is a non-compliance issue. Most recent example was the July 9, 2009 Executive Committee Meeting when both the designated committee member and her alternate were present. At this same meeting, the OSA field representative and OSA Community Services Division Director witnessed that the designated member, AND the alternate, both presented motions AND both voted for all motions presented.

Corrective Action for Finding 2009-02:

- **Reinforce bylaws stating that board and/or committee alternates are only allowed to participate at meetings where the designated board or committee member is not in attendance. This includes bringing motions to the body, voting on any motions and/or expressing any opinions [unless permitted in public comment].**
- **Assurance that only one vote per meeting should be on record for board member designated OR the alternate representing the board**

board restructure no later than 12/31/09.

Beginning FY 2010 – October 1, 2009. First report due 10/15/09

Immediate

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<p>Meeting Ground Rules</p> <p>Area Agency on Aging Compliance Assessment Guide: Section G, Section C</p>	<p>member.</p> <p>Recommendation: Consider setting "ground rules" for Board of Directors, Advisory Council and other committees that may include the following :</p> <ul style="list-style-type: none"> - One meeting conversation at a time – no sidebars; Stay focused and committed to the purpose of the meeting; Listen for understanding before reacting; Check personal agendas at the door; Everyone is responsible for keeping the meeting on track; All ideas are valued; Be committed to being action/outcomes oriented and expedient; Be patient, sensitive and respectful to the diversity of the meeting participants <p>Finding 2009-04: "Gatekeeper" special item needs to be reviewed and action plan developed that assures TSA's efforts working with utilities and the utility company's older customers to avoid disruption of service and life threatening circumstances. OSA Director required that all AAAs submit, to her attention, an action plan for their specific regions by March 31, 2009. TSA did not comply with this request because such a plan does not exist. TSA does work very closely with utility companies, however, but needs to develop the plan and incorporate into their structure. OSA will assist with provision of other AAA's procedures for this requirement.</p> <p>Corrective Action for Finding 2009-04:</p> <ul style="list-style-type: none"> - Development of an action plan to assure that older customers of utility companies in the PSA are working with TSA to avoid disruption of services, in order to prevent life-threatening situation as occurred in 2009 . Draft of this plan should be available no later than 10/1/2009. - Assurance that information and assistance workers, especially, are aware of the 'gatekeeper' plan in order to provide accurate information to their consumers. 	<p>It is suggested that ground rules be established which may be helpful as restructure of policy board begins.</p> <p>DRAFT - 10/1/09</p> <p>FINAL - 1/1/2010</p>	
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