

# STATE OF CONNECTICUT



*AUDITORS' REPORT  
DEPARTMENT OF CHILDREN AND FAMILIES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 and 2008*

**AUDITORS OF PUBLIC ACCOUNTS**  
KEVIN P. JOHNSTON ❖ ROBERT G. JAEKLE

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October 22, 2010

**AUDITORS' REPORT  
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FOR THE FISCAL YEARS ENDED JUNE 30, 2007 and 2008**

We have examined the financial records maintained by the Department of Children and Families for the fiscal years ended June 30, 2007 and 2008. This included the records maintained for the Central Office, the local area offices and the facilities operated by the Department.

The financial statement presentation and auditing of the books and accounts of the State are done on a Statewide Single Audit basis to include all State agencies. This audit examination has been limited to assessing compliance with certain provisions of financial related laws, regulations, contracts, and grants and to evaluating internal control policies and procedures established to ensure such compliance. This report on our examination consists of the Comments, Recommendations, and Certification, which follow:

**COMMENTS**

**FOREWORD:**

The Department of Children and Families (DCF) operates primarily under the provisions of Title 17a, Chapter 319, Sections 17a-1 through 17a-83 of the Connecticut General Statutes. In addition, under Sections 17a-90 through 17a-185 of Title 17a, Chapter 319a, and Section 17b-23 of Title 17b, Chapter 319o of the Connecticut General Statutes, the Commissioner and the Department are charged with specific responsibilities in regard to overseeing the welfare of children.

The Department operates as a comprehensive, consolidated agency serving children and families. Its mandates include child protective and family services, juvenile justice services, mental health services, substance abuse related services, prevention and educational services (acting in the capacity of a school district for the children in their care). During the audited period its programs and services were administered through a network of offices and sites located throughout the State consisting of a Central Office, 14 local area offices, four facilities and the Wilderness School.

The Department's Central Office provides business support services for the area offices and the Wilderness School. Business operations of the Department's four facilities are administered by Department personnel located at each of the respective facilities. The Department's four facilities are High Meadows, Riverview Hospital for Children, Connecticut Children's Place (CCP) and the Connecticut Juvenile Training School (CJTS).

High Meadows, located in Hamden, is a 42-bed residential treatment facility for severely emotionally disturbed male adolescents (ages 12 to 20) who require intensive and comprehensive services, but do not require the most restrictive environment available. High Meadows' residential treatment program is for those whose behavioral and emotional disturbances are such that treatment can only be effected in a setting that protects the youth and/or community in a structured program 24-hours a day. The Department is in the process of planning for the closure of this facility.

CCP, located in East Windsor, is a 54-bed residential diagnostic center for children and youth generally ages 12 to 21 in need of protection due to abuse, neglect, abandonment, unmanageable behavior or sudden disruption in their current placement or residence. An emergency component responds to those in need of immediate removal from their current setting and for whom there are no interim placement resources.

Riverview Hospital for Children and Youth, located in Middletown, is the only State supported psychiatric hospital for children and adolescents ages 5 through 18 in Connecticut. Patients are admitted to Riverview when their emotional disturbances, mental illness and/or personality disorder is so severe that they are at high risk or a danger to themselves or others, and intensive 24-hour care and treatment is necessary in a protected environment. Riverview has 98 beds.

CJTS, located in Middletown, is a facility for male adjudicated delinquents committed to the Department by the Superior Court. The facility includes an assessment unit, parole revocation unit, special needs unit, transitional unit, general population buildings and extensive space for education, vocational and recreational programming. All youth receive a comprehensive assessment when they arrive at CJTS including medical, mental health, substance abuse and educational assessments. Reintegration planning and activities occur throughout the youth's stay at the facility.

The Wilderness School, located in East Hartland, provides therapeutic wilderness challenge programs for male and female adolescents who exhibit unacceptable behavior or have family difficulties. The program is designed to teach self reliance and responsibility as well as improve self-esteem. The Wilderness School serves Connecticut adolescents referred by Department social workers, school systems, youth service bureaus, counseling agencies, residential programs and other youth-servicing agencies. The adolescent must choose to attend.

Section 17a-50(b) of the Connecticut General Statutes established a Children's Trust Fund Council (CTFC), which was within the Department of Children and Families for administrative purposes only during the audit period. Effective October 5, 2009, in accordance with Public Act 09-5 of the September Special Session, the Children's Trust Fund was transferred to the Department of Social Services. Operations of the CTFC are audited by us and reported upon in a separate audit report.

**Consent Decree:**

In January of 1991, the Department entered into a consent decree to avoid litigation in response to a lawsuit filed in Federal Court by clients of the Department and others. The decree mandated specific changes to Department management, policies, practices, operations and funding. A court-appointed monitor is responsible for overseeing implementation of mandates in the decree. In December of 2003, the Federal Court approved an Exit Plan which established 22 outcomes for the State to achieve in order to improve services for children and families and to end the Court's jurisdiction. A revised Exit Plan was approved in July of 2004 requiring periodic reporting be performed by both the Department and the Court Monitor on the Department's performance and progress toward achieving the outcome measures. In July 2008, an agreement was approved by the Federal Court that was negotiated in an effort to expedite improvement related to two outcome measures.

The Department must be in compliance with all of the outcome measures, and in sustained compliance with all of the outcome measures for at least two quarters (six months) prior to asserting compliance and shall maintain compliance through any decision to terminate Court jurisdiction. At the time of our review, the most recent quarterly report filed with the Federal Court for the quarter ended September 30, 2009, reported that the Department achieved compliance with a total of fifteen measures and maintained compliance for at least two consecutive quarters with fourteen of the measures.

Darlene Dunbar served as Commissioner of the Department until March of 2007. Brian Mattiello served as acting Commissioner from March of 2007 through May of 2007. Susan Hamilton was appointed Commissioner in June of 2007, and currently serves as Commissioner.

**Hotline:**

Hotline is a unit located in the Department's Central Office. Hotline receives all telephone calls or written information alleging that a child has been abused, neglected, or is in danger of being abused, and other types of calls related to services for children. Based on information received, appropriate action is initiated.

Hotline received more than 186,000 calls during the audited period. These included over 86,562 reports of suspected abuse or neglect, of which over 72,361 were accepted for investigation. Hotline is open 24 hours/7 days a week.

**Census Statistics:**

A summary of client census statistics, as of June 30, 2008, by placement type follows:

<u>Placement Category:</u>	
Adoption	5,330
Foster Care	3,006
Subsidized Guardianship	2,017
Relative Care	947
Residential Care	750
Group Homes	429

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DCF Facilities	175
Safe Home	171
Independent Living Program	139
Shelter	93
Medical	<u>35</u>
Total	<u>13,092</u>

**Per Capita Costs:**

Under the provisions of Section 17b-222 and Section 17b-223 of the General Statutes, the State Comptroller is required to determine annually the per capita costs per diem for the care of all persons in treatment facilities for children and adolescents administered by the Department. The average per capita in-patient costs per diem for the 2005-2006, 2006-2007 and 2007-2008 fiscal years, which are based on the prior fiscal year costs, are summarized below:

	<b><u>Fiscal Year</u></b> <b><u>2005-2006</u></b>	<b><u>Fiscal Year</u></b> <b><u>2006-2007</u></b>	<b><u>Fiscal Year</u></b> <b><u>2007-2008</u></b>
Connecticut Juvenile Training School*	\$ 2,532	\$ 250	\$ 1,192
Connecticut Children's Place	1,118	1,079	1,366
High Meadows Residential Treatment Center	1,029	1,214	1,403
Riverview Hospital for Children and Youth	1,604	1,983	2,369

\* The decrease in the per diem rate for the 2006-2007 fiscal year is primarily due to a large-over-recovery amount generated by an unusually high per capita rate from the prior fiscal year, which was the result of a significant reduction in the facility's population during the year. In fiscal year 2006, the population served at CJTS increased to more typical levels, which also contributed to the lower rate for the facility for the 2006-2007 fiscal year.

**State and Area Advisory Councils:**

Section 17a-4 of the General Statutes provides that the Governor shall appoint a State Advisory Council on Children and Families consisting of seventeen members. The duties of the Council include: recommending programs, legislation or other matters which will improve services for children and youth; reviewing and advising the Commissioner regarding the proposed annual budget; interpreting to the community at large the policies, duties and programs of the Department; and, issuing reports it deems necessary to the Governor and Commissioner. The membership of the Council is to include at least five persons who are child care professionals, one child psychiatrist, and at least one attorney. The balance of the advisory council shall be representative of young persons, parents, and others interested in the delivery of services to children and youth. Members serve without compensation except for the reimbursement of necessary expenses. The Commissioner serves as an ex-officio member of the Council without a vote.

Section 17a-30 of the General Statutes provides that the Commissioner create distinct service areas and create in such area, an area advisory council to advise the Commissioner and the area director on the development and delivery of services in the area and to facilitate the coordination of services in the area. Each council is to consist of no more than twenty-one members appointed by the Commissioner, or the Commissioner's designee, for terms ranging from one to

three years.

**Significant Legislation:**

Public Act No. 06-102, effective June 2, 2006, makes a number of changes to the Department's laws, most of which could speed up the process of placing foster children in permanent homes. It requires the Department to develop care and treatment plans for young adults who choose to remain under the Department's supervision.

Public Act No. 06-182, effective October 1, 2006, requires the Department, in consultation with the Departments of Social Services, Mental Health and Addiction Services and Mental Retardation (currently called Developmental Services), to establish, within available appropriations, a kinship navigator program to help relative caregivers find services and become foster parents. By January 1, 2008, and annually thereafter, the Act requires the DCF Commissioner to report to the Human Services Committee on the program.

Public Act No. 07-4 of the June Special Session, effective January 1, 2010, raises the age for juvenile court jurisdiction. Sections 73-78, 81, 82, 84, 87, 88 and 123 of the Act permit most offenses involving sixteen and seventeen year olds to be adjudicated in juvenile court. Public Act No. 09-7 of the September Special Session delays the implementation of this provision for seventeen year olds until January 1, 2010.

Public Act No. 07-8, effective October 1, 2007, increases short-term unlicensed placement options for foster children. It allows the Department to place half and step-siblings with an unlicensed caregiver who is related to at least one of the children. Prior law required that each child be related to the caregiver. The Act also lowers from fourteen to ten, the minimum age for placing children temporarily with unlicensed family friends or other responsible adults who already know the child.

Public Act No. 07-174, effective October 1, 2007, makes guardians eligible for cash and medical assistance through the Department's Subsidized Guardianship Program. The program was previously restricted to relatives taking care of children whose parents were either deceased or unlikely to be able to care for them within the foreseeable future. Under the Act, caregivers qualify for additional subsidies when they assume guardianship of the child's half or step-siblings to whom they are not related. The Act also gives foster parents, prospective adoptive parents, and relative caregivers the right to be heard at all proceedings concerning an abused or neglected child they are caring for or who was under their care in the last year.

**RÉSUMÉ OF OPERATIONS:**

During the fiscal years under review, funding for the general operations of the Department was provided by budgeted appropriations from the State General Fund and restricted contributions in the form of Federal grants and other restricted contributions.

A significant amount of the Department's operating expenditures are reimbursed by the Federal government under the Foster Care-Title IV-E and Adoption Assistance programs. The Foster Care Title IV-E program provides assistance on behalf of eligible children who are placed away from their families in foster care under the administration of the State. The Adoption

Assistance program provides assistance on behalf of eligible children who are adopted through the State. These programs reimburse the State for a portion of board and care costs, adoption subsidies, and administrative costs incurred by the Department on behalf of eligible children.

**General Fund:**

**Revenue and Receipts**

General Fund revenues and receipts for the past three fiscal years are summarized below:

	<b><u>Fiscal Year 2005-2006</u></b>	<b><u>Fiscal Year 2006-2007</u></b>	<b><u>Fiscal Year 2007-2008</u></b>
Revenues and Receipts	<u>\$ 110,584,534</u>	<u>\$ 100,872,404</u>	<u>\$ 125,026,537</u>

Total General Fund revenue and receipts decreased by \$9,712,130 and increased by \$24,154,133 during the fiscal years ended June 30, 2007 and 2008, respectively, primarily due to the timing of drawdowns for the Federal Title IV-E program.

**Expenditures**

General Fund expenditures for the past three fiscal years are summarized below:

	<b><u>Fiscal Year 2005-2006</u></b>	<b><u>Fiscal Year 2006-2007</u></b>	<b><u>Fiscal Year 2007-2008</u></b>
Personal services	\$ 246,743,133	\$ 260,291,227	\$ 274,035,875
Workers compensation payments	9,523,275	9,450,780	9,226,216
Contractual services and commodities	47,067,392	55,799,964	59,609,178
Purchase of service payments/grants	137,690,233	174,742,740	192,260,943
Board and Care payments	293,896,343	289,317,341	304,781,554
Capital outlay	<u>6,473</u>	<u>445,046</u>	<u>393,329</u>
Total Expenditures	<u>\$ 734,926,849</u>	<u>\$ 790,047,098</u>	<u>\$ 840,307,095</u>

Total General Fund expenditures increased by \$55,120,249 and \$50,259,998 during the fiscal years ended June 30, 2007 and 2008, respectively. The increases were mostly attributable to increases in personal services expenditures, purchase of service/State grants and board and care payments made on behalf of foster care and adopted children.

Personal services expenditures increased by \$13,548,094 and \$13,744,649 during the fiscal years ended June 30, 2007 and 2008, respectively. The increases were mainly attributable to collective bargaining increases.

Purchase of service/grant expenditures increased by \$37,052,508 and \$17,518,203 during the fiscal years ended June 30, 2007 and 2008, respectively. The increase was mostly attributable to an increase in the number of therapeutic group homes. In addition, there were cost of living adjustments paid to most of the providers in each of the fiscal years.

Board and care payments increased by \$15,464,213 during the fiscal year ended June 30, 2008. These expenditures primarily consisted of payments made to foster homes, adoptive



homes, and other private providers on behalf of DCF placed children. These expenditures were disbursed through a checking account maintained by the Department. The increase in expenditures was mainly attributable to provider rate increases effective July 1, 2007.

**Special Revenue Funds:**

**Grants and Restricted Accounts Fund:**

**Revenue and Receipts**

Grants and Restricted Accounts Fund revenues and receipts during the audited period are summarized below:

	<b>Fiscal Year <u>2005-2006</u></b>	<b>Fiscal Year <u>2006-2007</u></b>	<b>Fiscal Year <u>2007-2008</u></b>
Revenues and Receipts	<u>\$ 23,238,807</u>	<u>\$ 20,164,114</u>	<u>\$ 19,060,540</u>

Restricted revenues and receipts decreased by \$3,074,529 and \$1,103,738 during the fiscal years ended June 30, 2007 and 2008, respectively. The decrease in revenues was primarily attributable to a net collective decrease in receipts from several Federal programs. The decrease during the fiscal year ended June 30, 2008 was partially offset by an increase in non-Federal grant transfers.

**Expenditures**

The Department made expenditures from the Grants and Restricted Accounts, Capital Equipment Purchase, Grants Tax Exempt Bond Proceeds and Grants to Local Governments and Others Special Revenue Funds during the audited period. Special Revenue Fund expenditures are summarized for the past three fiscal years below:

	<b>Fiscal Year <u>2005-2006</u></b>	<b>Fiscal Year <u>2006-2007</u></b>	<b>Fiscal Year <u>2007-2008</u></b>
Personal services/fringe benefits	\$ 2,804,757	\$ 3,362,292	\$ 3,712,064
Contractual services and commodities	7,519,293	7,142,012	6,833,080
Grants/Transfers	14,619,658	11,947,907	11,068,739
Capital outlay	<u>1,482,056</u>	<u>1,043,172</u>	<u>1,175,437</u>
Total Expenditures	<u>\$ 26,425,764</u>	<u>\$ 23,495,383</u>	<u>\$ 22,789,320</u>

Total Special Revenue Fund expenditures decreased by \$2,930,381 in the fiscal year ended June 30, 2008, compared to the fiscal year ended June 30, 2007. The decrease was mostly attributable to a decrease in grant expenditures made from the Grants to Local Governments and Others Fund offset, in part, by collective increases in personal services.

**Capital Projects Funds:**

Expenditures from various Capital Projects Funds totaled \$218,960 and \$896,007 during the fiscal years ended June 30, 2007 and 2008, respectively. Capital project expenditures were primarily for minor construction and renovation and repair of Department facilities, EDP contractual services and grants.

**Fiduciary Funds:**

The Department administered a number of funds/accounts in a fiduciary capacity during the audited period. A brief description of the funds/accounts and their purpose follows:

**Children's Trust Accounts:**

Under the provisions of Section 46b-129 of the General Statutes, the Commissioner of Children and Families may be appointed guardian of any uncared for, neglected or dependent child committed to the Commissioner by the Superior Court. Further, Section 46b-129(l) provides that the Commissioner may bill to, and collect from, the person in charge of the estate of any child or youth aided by the Commissioner, including his decedent estate, or the payee of such child's or youth's income, the total amount expended for care of such child or youth or such portion thereof as any such estate or payee is able to reimburse.

A child's income is derived primarily from Social Security benefits, survivor benefits, and other contributions received on behalf of some children placed in the Department's care. The Department establishes individual trust accounts for children receiving benefits. These accounts are used to account for the child's income and the cost of care provided by the Department. The Department makes periodic disbursements from these accounts to the Department of Administrative Services (DAS) for the cost of the child's care. Cash receipts and disbursements from these accounts totaled \$5,559,575 and \$6,086,589 for the two-year period ending June 30, 2008.

**Welfare Funds and Activity Funds:**

These funds were established to account for private gifts, donations, and revenue derived from operations that pertain to activities of the children. Funds are used for the welfare and activities of children under the care of the Department. Individual welfare fund accounts are maintained at the Connecticut Juvenile Training School, Connecticut Children's Place and the Central Office. Individual activity fund accounts are maintained at the Connecticut Juvenile Training School, Riverview Hospital and High Meadows.

**Donation Fund – Connecticut Juvenile Training School:**

The Donation Fund was originally established from unexpended public donations and legacies at the time the State acquired the institution from private interests. The purpose of the Fund is to provide recreational, educational and other advantages for the residents at the Connecticut Juvenile Training School. Assets of the Fund consist of cash, investments, equipment, land and buildings. Total assets of the Fund as of June 30, 2008, were \$732,568.

Residents' Cash Fund (Connecticut Juvenile Training School)/Children's Allowance Fund (Connecticut Children's Place):

These funds are maintained to control the custodial accounts of individuals residing at these facilities. Assets belonging to the residents, such as monies in their possession at admission, monetary gifts, and wages earned through the work pay programs, comprise the major source of receipts for these funds. High Meadows and Riverview Hospital administer similar accounts through their petty cash and activity funds.

## CONDITION OF RECORDS

Our examination of the records of the Department of Children and Families identified several areas requiring improvement or further attention as discussed below:

### **Board and Care Disbursements – Criminal Background Checks and Unsupported Payments:**

*Background:* Section 17a-17 of the General Statutes permits the Commissioner of Children and Families to make direct payments for reasonable expenses necessary for the care and maintenance of children in the Commissioner's custody. The Department has established a Board and Care Checking Account to disburse payments to foster and adoptive families and private providers. Payments are processed through the Department's Statewide Automated Child Welfare Information System referred to as LINK. Much of the authority and control over the payments, including entering them into the system, is vested in the local area offices.

*Criteria:* Section 17a-114 of the General Statutes provides that no child in the custody of the Commissioner of the Department of Children and Families shall be placed with any person, unless the Department licenses such person for that purpose. Applicants for licensure must submit to state and national criminal records checks prior to the Department issuing a license to such applicant to accept placement of a child.

Proper internal controls over Board and Care payments dictate that payments should be supported by vendor invoices or other appropriate documentation, that services should be documented as received and that procedures be in place to prevent duplicate payments from occurring.

*Condition:* The Department made payments totaling \$294,795,919 and \$307,466,602 from its Board and Care checking account during the fiscal years ended June 30, 2007 and 2008, respectively. These payments represented monthly board and care payments made to foster homes and private providers, payments for miscellaneous expenses not covered by the monthly foster care payment, and monthly adoption subsidy payments made to adoptive parents.

We selected 192 transactions totaling \$263,468 from the payments noted above to test internal controls and compliance with State laws and regulations. The results of our review identified sixteen exceptions, as summarized below:

- We were unable to determine whether the Department performed criminal record checks for six transactions because the Department could not locate the adoptive parents' (providers') files. The provider files had been transferred to an off-site record storage facility and could not be located.

- Criminal record checks were not adequately documented in the provider's file for four transactions.

For six payments totaling \$2,030, the payments were not adequately supported and/or there was no evidence that services were received. In one instance, the provider billed the Department for dates of service after the services had stopped. Once the Department became aware of this payment and other possible unsupported payments to this particular provider that we had identified, the Department commenced a review of payments. Duplicate payments totaling \$111,267 were identified and have subsequently been reimbursed by the provider. We also noted that the Department has since implemented edits in its LINK system to help prevent duplicate payments from occurring.

*Effect:* The Department has lessened assurance that board and care payments were made in accordance with State laws and regulations, were adequately supported and were for services received.

*Cause:* Administrative and internal controls relative to obtaining and maintaining documentation were inadequate and internal controls preventing payments for services not received were inadequate.

*Recommendation:* The Department should improve its administrative controls relative to the custody and control of provider records, should strengthen internal controls to ensure that criminal records documentation is obtained and on file prior to making board and care payments and strengthen internal controls to ensure that payments are adequately supported. (See Recommendation 1.)

*Agency Response:* "The Department agrees with this recommendation. The Department will be purchasing scanners. The Department's Information Systems Division will provide a SACWIS [Statewide Automated Child Welfare Information Systems] compliant enterprise solution for scanned documentation in order to create the capacity to scan in the FBI and State Police fingerprint results, the Central Registry results, and other background checks. As part of the Enterprise Scanning Solution, business units and individuals will be identified and trained on the new technology. The Department hopes to have full implementation in FY 2011."

### **Foster Care Provider Licensing – Untimely Licensure and Supervisory Approvals:**

*Background:* The Department is responsible for the licensing and re-licensing of foster and adoptive families, including relative homes that will care for children under the custody of the Department. The primary purposes of licensing are to protect children in out-of-home care from abuse and neglect, assure parents and the community that the person, facility, or agency meets specific requirements, improve the quality of child care through regulation and consultation, and to ensure that all service providers meet established

standards of quality.

*Criteria:* Section 17a-114(c) of the General Statutes states that a child may be placed with a relative who is not licensed for a period of up to ninety days. Any relative foster parent who accepts placement of a child in excess of the ninety-day period is subject to licensure. Within the ninety-day time period, a more detailed and thorough assessment to affect licensure must be completed.

The Department uses a comprehensive standard relicensing form that documents the review process. The “Recommendation for License Renewal” form is signed and submitted by the assigned social worker. The social work supervisor and program supervisor responsible for the licensing at each respective office must then approve it.

*Condition:* In order to follow-up on our prior audit recommendations, we reviewed initial relative foster care provider licenses and foster care license renewals that were granted between January 1, 2008 and June 30, 2008. There were 26 relative foster care providers initially licensed and 147 licenses renewed during this period.

Our review of relative foster care providers initially licensed revealed that 16 of the 26 relative foster care providers, who cared for 22 children, were not licensed within ninety days of receiving placement of the children. The number of days exceeding the ninety-day limit ranged from three to 158 days.

Our review of foster care provider license renewals revealed that four of the five licenses reviewed were approved by the social work supervisor and/or program supervisor after the effective date of the license by between eight and twenty days.

*Effect:* Children placed with relatives by the Department were allowed to remain in unlicensed homes longer than what is statutorily allowed. Therefore, there is potential that children may remain in homes that are not appropriate.

The Department has lessened assurance that license renewals are appropriate if responsible supervisory program staff are not reviewing the information in a timely manner.

*Cause:* The Department does not have effective internal controls in place to ensure that relative foster homes are licensed within ninety days and that supervisors review and approve license renewal documentation in a timely manner.

*Recommendation:* The Department should implement procedures to ensure that relative foster families are licensed within ninety days as required by Section 17a-114(c) of the General Statutes. The Department should also establish

internal controls to ensure that supervisors review and approve license renewals prior to the license effective date. (See Recommendation 2.)

*Agency Response:*

“The Department agrees with this recommendation. Placement of children in relative homes will be approved only after an emergency walk-through and background checks have been conducted, reviewed, and approved. These measures address safety concerns and every effort thereafter is made to ensure that homes are licensed within 90 days. There are a host of reasons why the Department is unable to meet these timeframes in all cases. Most often, the issues causing time lines not to be met rest on the part of the relative and not the Department. These instances include:

- Criminal history revealed after initial background checks (i.e. out of state charges)
- Assessment of prior child protective services and family history,
- Financial concerns,
- Lack of medical insurance and lack of follow up with medical examination, and
- Lack of cooperation on family's part

OFAS [Office of Foster and Adoptive Services] staff will continue to document in LINK those reasons why licensing is overdue and demonstrate the progress made toward licensing. In addition, OFAS and the IV-E unit will convene a task focused work group to assess barriers that impede timely relative licensing and will provide recommendations around improvements for timely licensing and potential LINK enhancements.

In order to ensure timely submission of license renewals, the following timeframes will be adhered to:

- OFAS Social Worker to submit license renewal assessment 90 days prior to expiration of license
- OFAS Social Work Supervisor to submit license renewal assessment 60 days prior to expiration of license
- OFAS Program Supervisor to approve renewal prior to license expiration and to ensure that "Effective License From" date matches the hardcopy signature date.”

**Discretionary/Flexible Funds:**

*Background:*

Section 36-100 of the Department’s Policy Manual states that discretionary/flexible funds may be used for the benefit of any child and/or biological, foster, relative or adoptive family that have an open case with the Department. The funds may be used to reduce risk factors and permit children to remain in their own homes, to delay entry or reduce the children’s length of stay in out-of-home care, and to provide timely

support and resources for families. The Department uses these funds to provide children and their families services not covered under traditional contracted services or services offered by another state agency.

The Department's Application and Credentialing Overview document states that effective October 1, 2007, the process of purchasing certain services through flexible funding has been formalized by requiring that only providers with an executed provider agreement may perform assessment, behavior management, temporary care services, supervised visitation, therapeutic support staff and support staff services. The provider agreements provide a detailed description of the service along with the credentials required for service providers. The Department also established a fee schedule, effective July 1, 2007, for these services which also includes restrictions on the number of hours allowed in some cases.

The Department's notification to providers that their provider agreement was approved also informs them that invoices are required to be billed to the area office that authorized the service and should include the name of the client, name of the agency worker who provided the service, and actual dates of service along with the number of service hours for each service day.

*Criteria:*

Proper internal controls over discretionary/flexible fund payments should include the following:

- Services and their costs are properly authorized prior to commencing services.
- Payments are made for authorized services at authorized amounts.
- Documentation, such as provider progress reports, supports that the services were actually received.
- Services are invoiced correctly and in accordance with the Department's fee schedule, if applicable, and correctly paid.
- Payments are made in accordance with the provider agreement for applicable services.
- Payments are supported.

*Condition:*

Our review of twenty-five discretionary/flexible fund payments totaling \$137,161 that were judgmentally selected from two area offices during the fiscal year ended June 30, 2008, disclosed deficiencies related to twenty-two transactions totaling \$125,332 as follows:

- For twelve payments, we could not determine if the services were authorized prior to the commencement of services or whether the payments were made within the authorized amounts because the authorizations could not be located. Three payments were made for services that were not authorized prior to the commencement of services and for two payments, the total payments exceeded the authorized amount.



- Fifteen payments did not have adequate documentation to support that the services were received.
- Twelve payments were not supported by detailed provider invoices.
- Ten payments reviewed were for services which required that the providers meet certain credentialing requirements that varied depending on the type of service being provided. Our review of these payments found that in five instances, the staff member who performed the service could not be determined due to the omission of their name from the invoice or the invoices were not found. Therefore, we could not determine if the person was approved by the Department and met the credentialing requirements (such as a professional license, education, experience, first aid training, and background checks) as evidenced on the provider agreement for the applicable service. We also noted that three providers billed the Department for services that exceeded the number of hours allowed per week as stipulated on the discretionary fee schedule by between three and twenty-two hours.

In a separate review, we noted the following. In October 2007, the Department was notified about potential billing inconsistencies for a provider that is paid from funds transferred by the Department to another state agency for services provided to adopted children in accordance with a memorandum of understanding. As a result of the other state agency's investigation, the Department recouped \$15,000 for payments made on behalf of their clients for billings for services that did not take place or were for a shorter duration than invoiced. The Department also makes payments from its discretionary/flexible funds directly to this provider for services provided to children in its care. Our review disclosed that although the Department initiated an investigation, the Department was unable to provide adequate documentation to support that a thorough review of the provider's invoices was conducted to identify any overbillings and to support the Department's decision to continue to do business with the provider.

*Effect:* Management has lessened assurance that discretionary/flexible funds are being economically and efficiently expended and utilized.

*Cause:* The Department's area offices have not implemented sufficient internal controls over the administration of discretionary/flexible funds. It appears that the Department does not have standardized procedures in place to ensure that all offices appropriately authorize and support payments. We could not determine why the Department did not complete a thorough review of provider billings, as the individuals responsible for the review are no longer employed at the Department.

*Recommendation:* The Department should improve its internal controls over the administration of discretionary/flexible funds. The Department should consider implementing standardized procedures for all area offices to

follow to ensure that payments are appropriately authorized and supported. (See Recommendation 3.)

*Agency Response:* “The Department agrees with this recommendation. The Department will establish an ongoing training program for clerical support staff in the area offices. The training will include identification of the specific documentation needed to properly authorize and support payments for credentialed services.

Deficiencies in the authorization process itself will also be addressed at the monthly Regional Directors meetings. Emphasis will be placed on ensuring that services are authorized prior to delivery and at the appropriate level.

A standards function will be established to monitor the area offices and identify the best practices and duplicate them in order to achieve consistency Department-wide.”

**Residential Treatment Center Payments:**

*Criteria:* Section 17a-17(c) of the General Statutes requires that the Department shall pay private residential treatment centers by purchase of service (POS) agreement the reasonable expenses for room and board and education based on a single cost accounting system.

*Condition:* We reviewed payments made to eighteen in-state residential providers totaling \$53,771,233 and \$45,338,284, for the fiscal years ended June 30, 2007 and 2008, respectively. Our review disclosed that the Department did not engage in POS contracts with seventeen providers and made payments based on rate letters totaling \$47,265,340 and \$38,787,947 for the fiscal years ended June 30, 2007 and 2008, respectively. The rate letters specified the annual and per diem rates at which the providers were paid. They did not specify the mutual obligations of the parties. For one provider, the Department engaged in a POS contract. However, the POS contract stated that payments shall be made in accordance with the per diem rate letter in effect and the Department did not have a rate letter on file to support payments totaling \$6,505,893 for the fiscal year ended June 30, 2007.

*Effect:* There is non-compliance with Section 17a-17(c) of the General Statutes. By not following purchasing procedures required for POS contracts, competitive negotiations or waivers from such, were not obtained. Without a written contract, including a written scope of services, the Department’s interests are not protected.

*Cause:* We were informed that the Department considered the rate letter to serve as a POS contract.

*Recommendation:* The Department should comply with Section 17a-17(c) of the General Statutes. (See Recommendation 4.)

*Agency Response:* “The Department concurs that CGS 17a-17(c) requires us to develop a purchase of service agreement for the purchase of room and board and education expenses from residential treatment centers. We do not agree that this agreement must be in the format of the existing Purchase of Service contract, since the statute precedes the development of this document. The Department will pursue the development of a document that will appropriately support the fee for service purchase of residential treatment services.”

*Auditors’ Concluding Comment:*

Section 17a-17(c) of the General Statutes requires that the Department shall pay private residential treatment centers by purchase of service agreement.

**Core-CT Expenditures:**

*Criteria:* Section 4-98(a) of the General Statutes states that no budgeted agency may incur any obligation except by the issuance of a purchase order and a commitment transmitted to the State Comptroller.

Proper internal controls related to purchasing require that commitment documents be properly authorized prior to receipt of goods or services.

Section 4a-51 of the General Statutes states that the Commissioner of Administrative Services shall purchase, lease or contract for all supplies, materials, equipment and contractual services required by any State Agency. Section 4a-52-9(c) of the State Regulations requires that no alterations or variations of the terms of a contract shall be valid or binding upon the State unless made in writing and signed by the Commissioner of the Department of Administrative Services.

Good business practices dictate that agencies comply with the terms and conditions of fully executed and binding contracts.

*Condition:* Our review of seventy-five expenditure transactions disclosed that in ten instances purchase orders were created after goods or services were received.

In a separate review, we noted that the Department overpaid a vendor by \$7,317 upon terminating a lease agreement. Although the State contract states that all equipment rentals shall be cancelable with a thirty-day written notice to the supplier, the Department paid the vendor for the remaining lease payments that ranged from nine to fifteen months for four equipment items. Simultaneously, the Department entered into a lease with another State contracted vendor who paid the Department \$7,317 for

the prior vendor's settlement costs. The new vendor's lease included an addendum that stipulated the \$7,317 would be added to the overall price of the new lease and must be repaid to the new vendor over the lease period.

*Effect:*

When expenditures are incurred prior to the commitment of funds, there is less assurance that agency funding will be available at the time of payment.

There is non-compliance with the terms of the contract. The Department paid settlement costs of \$7,317 to a vendor for which it was not contractually obligated to pay.

*Cause:*

The Department did not place sufficient emphasis on completing the purchasing process in an orderly manner and the Department paid the remaining lease payments to a vendor based on the vendor's request.

*Recommendation:*

The Department should strengthen its internal controls to ensure that funds are committed prior to purchasing goods and services. The Department should strengthen internal controls to ensure compliance with the terms of State contracts. (See Recommendation 5.)

*Agency Response:*

“The Department agrees with this recommendation. Efforts continue to be made to prepare purchase orders prior to the receipt of goods and services. In the Central and Area Offices, a memo is sent to the person who completed the purchase and their supervisor describing the violations to proper state accounting procedures and purchasing procedures and restating the expectation to contact their buyer prior to making any purchase.

In the case of some of the facility purchases, a letter of credit is used to make nominal purchases at local vendors (haircuts, clothing, etc.) The practice was to issue the purchase order upon return of the receipt for the goods. This practice has been changed and a purchase order is now issued at the same time as the letter of credit which sets a maximum spending limit. Once the receipt is returned, the purchase order is amended to reflect the actual amount of the purchase.

- For services where other state agencies are requesting vendor services on behalf of the Department, we have set up ongoing purchase orders to remedy the condition of payment after the fact.
- The Department will be pursuing recovery of the early termination charges from the original vendor. Purchasing staff will receive training to reinforce concepts regarding being clear on all provisions in a contract while negotiating a change or service or vendor.
- An annual reminder is sent to all agency staff reminding them of these purchasing regulations.”

**Agency Administered Projects:**

*Criteria:* The Department of Public Work’s “Guidelines and Procedures Manual for Agency Administered Projects” requires that a certificate of compliance form must be prepared at the completion of a project and must be submitted to the Department of Public Works and the State Building Inspector for all completed projects in excess of \$50,000. It also requires that contractors for all projects involving labor and material must submit to the administering agency a certificate of insurance form prior to the commencement of work.

*Condition:* The Department did not submit a certificate of compliance form to the Department of Public Works or the State Building Inspector upon completion of two projects at the Connecticut Children’s Place until our inquiries, seven months after the certificate of completion date. A certificate of insurance form was not on file for one contractor for a project started at High Meadows.

*Effect:* The State has lessened assurance that the completed projects were in substantial compliance with the approved plans and specifications of the projects and the requirements of the State’s building code and other applicable codes. The lack of evidence of proper insurance could subject the State to liability.

*Cause:* Department internal controls over agency administered projects were inadequate.

*Recommendation:* The Department should improve its internal controls over agency administered projects to ensure that certificate of compliance forms are submitted to the appropriate State oversight offices in a timely manner and that certificates of insurance are obtained and maintained in the project files. (See Recommendation 6.)

*Agency Response:* “The Department agrees with this recommendation. To remedy the finding regarding the certificate of completion, the Department will establish a procedure stating that final payment to contractors will not be requested until all necessary paperwork has been executed.

In regard to the finding regarding the certificate of insurance, a tickler system is being set up indicating when the certificate on file is ready to expire, triggering Agency personnel to contact the contractor and request a new certificate be obtained and filed with the Department.”

**Grant-in-Aid Payment:**

*Criteria:* Sections 12 and 13 of Public Act 07-7 of the June Special Session, effective November 2, 2007, authorize the State Bond Commission to issue bonds of the State, the proceeds of the sale of said bonds shall be

used for various purposes that include, for the Department of Children and Families, a grant-in-aid to a non-profit for expansion, not exceeding \$2,000,000. Section 19 of the Act requires that a lien be placed in favor of the State on the premises for which the grant award was made to ensure that if the premises ceases to be used as a facility for which the grant funds were made, a ten year pay-back provision will be enforced.

*Condition:* Our review of one grant-in-aid payment of \$1,500,000 disclosed the following conditions. Prior to receiving the grant payment, the grantee notified the Department that they would be unable to secure a lien on either property on which the grant award was to be used because the grantee did not own the property on which the majority of the grant award was to be used and did not have sufficient equity in the property it owned. The Department requested an opinion from the Attorney General's Office on whether a waiver from the lien requirement could be granted, but a written opinion was not received. Prior to receiving the grant payment, the grantee also notified the Department that they would be using \$1,330,000 of the grant award to pay off a commercial revolving loan that they had secured to purchase a lease two years prior to the passage of Public Act 07-7. Of the remaining \$170,000 paid, \$161,244 was supported by records for work completed and paid by the grantee prior to the passage of the Act. After the grantee paid off its commercial revolving loan, equity became available in one of the grantee's properties; however, a valid lien was not placed on the property until our inquiries, eleven months after the payment was made.

*Effect:* There is non-compliance with Public Act 07-7.

*Cause:* It appears the Department was directed to make the payment by the Office of Policy and Management.

*Recommendation:* The Department should institute procedures to ensure that grant payments are made in compliance with State laws and regulations. (See Recommendation 7.)

*Agency Response:* "The Department is in agreement that in the instance outlined in the condition explanation, there was a deviation from the established control procedures."

## **Fiduciary Funds**

*Background:* The Department administers a multitude of accounts and/or funds in a fiduciary capacity. The Central Office administers the Our Kids Account, which is used by the area offices. The Central Office also administers the Children's Trust Funds, which are used to account for benefits to which children in the Department's care may be entitled. The Children's Trust Funds include a checking, escrow and dedicated account. Funds and/or accounts are also maintained at each of the Department's four facilities.

*Criteria:*

The State Comptroller's *Accounting Procedures Manual for Activity and Welfare Funds* includes procedures for maintaining all activity and welfare funds operated by State agencies. Internal control procedures identified either explicitly or implicitly in the manual include the following:

- The head of each agency with a welfare/activity fund will be accountable and responsible for the operation of the fund and will designate the degree of responsibility of subordinate employees assigned to such operation and the limit of their authority. Management is responsible for establishing and maintaining effective internal controls.
- Monies received by the State should be accounted for and deposited within twenty-four hours when receipts total \$500 or more. Receipts of lesser amounts may be held until they equal \$500, but not for more than seven calendar days.
- All gifts in the amount of \$250 or more must be submitted for approval to the head of the agency indicating the purpose and any conditions under which the gift is made and proposing the purpose for which it is to be expended or used. Notification to the donor of the approval or disapproval of the acceptance of the gift will be given.
- Payments for goods and services should be substantiated by invoices or receipts.
- Funds shall not be used for routine expenditures such as equipment and supplies.
- Prior approval of the State Comptroller must be obtained for any single expenditure from the Activity or Welfare Fund in excess of \$1,000 or any combination of expenditures in excess of \$1,000 for any single project, contract or event within a twelve-month period.
- Funds should only be used for intended purposes. Policy statements must be established and signed by the agency head to identify suitable uses for the funds that would benefit the clients/residents.
- Financial statement information should be prepared from financial records maintained by the agency.
- If a check is still outstanding after six months, a reverse entry is to be made and accounted for under "unclaimed funds".
- Ledgers/journals must be maintained that record all cash receipts and disbursements of the fund.

Sound business practices dictate that similar internal controls should be in place for the administration of trust funds, including that ledgers should be maintained, bank reconciliations should be prepared, and that the availability of trust funds should be communicated to appropriate individuals.

*Condition:*

Our review of the various funds administered by the Department revealed the following:

- Sixteen receipts totaling \$19,856 from various accounts were deposited between one and sixty-eight business days late. For twenty receipts totaling \$79,341, we could not determine the receipt date and one receipt was deposited into the wrong account. Our review also disclosed that although receipts for the Our Kids Account are primarily collected at the area offices, the area offices did not have a procedure in place to document the date that donations were received. The area offices forward the donations to the Central Office for processing and during the fiscal year ended June 30, 2007, the Central Office did not maintain a cash receipts log.
- The Department accepted and deposited a \$7,500 donation check into the Our Kids account without documenting the name of the donor, which was not printed on the check. We also noted that the Department accepted donation checks and immediately wrote checks from the Our Kids Account back to the donors or social workers prior to deposit and clearance of the donation checks in order to create a paper trail for the donors in four instances reviewed totaling \$4,525.
- Our review of 18 disbursements totaling \$8,913 from the Our Kids account disclosed that a check for \$115 was made payable to a social worker and there was no supporting vendor receipt or purchase approval. One disbursement of \$1,875 was not supported with documented approval or a vendor receipt, and a check of \$100 was issued for a fundraiser that was not for the benefit of the Our Kids Account and no receipts were maintained for how the funds were spent by the recipient organization. We also noted that a purchase of \$375, payable to a gas station, was not supported by a vendor receipt. Although the notation on the check indicated that 15 gift cards were purchased for \$25 each, there were no gift cards in this amount included on the area office's gift card log. Lastly, five payments totaling \$1,450 were used to purchase ten, sixteen, and forty-five gift cards, respectively, at three area offices and the offices did not maintain documentation of the inventory of gift cards, including to whom or what purpose, they were provided.
- We reviewed the gift card log for the Our Kids account for one office that tracked 132 gift cards totaling \$3,000. Our review disclosed that 118 gift cards totaling \$2,650 were not used in accordance with the



purpose of the account or the purpose could not be determined. We were informed that the purpose of the account is to pay for items on behalf of children in the Department's care that cannot be paid through regular channels, such as birthday and graduation gifts and extracurricular activities. We noted the following: (1) for six gift cards totaling \$115, the purpose or person to whom they were distributed was not adequately documented or explained; (2) three gift cards totaling \$75 were used to purchase a car seat and batteries for the office and windshield wipers for a State car; and (3) 109 gift cards totaling \$2,460 were used for purchases that should have been charged to the Board and Care Account or other sources of funding. Such purchases included eighty-two gift cards to needy families for food and clothing, five gift cards to families for household items, nineteen gift cards to parents for gas, and three gift cards were used by a caseworker to provide dinner for children during an after hours emergency removal.

- Of the ten disbursements we reviewed from the CJTS Activity, Donation and Welfare funds, we identified errors or deficiencies in seven disbursements totaling \$4,784 as follows. Requisitions with supervisory approval were not found for four disbursements and two requisitions did not have the appropriate supervisory approval. We could not determine if two disbursements were proper, as there were no written explanations for the disbursements and two disbursements were not supported by vendor receipts. One disbursement was paid from the activity fund that should have been paid from the donations fund. Three disbursements exceeded \$1,000, and it appears that prior approval from the State Comptroller was not sought.
- We reviewed the supporting records for two pay periods for residents' earnings that were posted to the CJTS residents' Fund. Our review disclosed that all 18 residents' timesheets could not be located to support \$2,282 in payroll charges for one pay period. We also noted that the earnings of \$27 for one resident were not posted to his resident account card, which is used to track the residents' cash account balances.
- One disbursement from Riverview Hospital's Activity Fund was \$8 more than the supporting vendor receipt. For one disbursement of \$586 from the CCP Allowance Fund the supporting documentation could not be located. For one disbursement of \$30 from the CCP General Welfare fund the supporting documentation could not be found and we could not determine whether the proper level of approval was obtained. The proper level of approval was not obtained for three additional transactions totaling \$144.

- The Department has not established a written policy statement that identifies suitable uses of the Our Kids Account and the funds administered at CJTS.
- For the Children's Trust Funds, although the Department has a policy on the use of funds in the dedicated accounts, the Department does not have a procedure in place to communicate the availability of funds in a child's dedicated account to the child's social worker. As of June 30, 2008, the children's dedicated accounts fund had a balance of \$37,478 on behalf of 14 children.
- Complete and accurate journals or ledgers were not maintained for CJTS' activity, donation, welfare and resident's cash funds. Ledgers were not maintained and bank reconciliations were not prepared for the children's trust fund dedicated or escrow accounts.
- Certain amounts reported on the financial statements for Riverview Hospital's activity fund, CJTS' activity, welfare, donation and residents' cash funds, CCP's General Welfare Account and Allowance Fund and High Meadows Activity Fund were not adequately supported or accurately reported. In addition, the Residents' Cash Fund Statement of Cash Receipts and Disbursements for the fiscal year ended June 30, 2007, was not prepared.
- There were 11 checks totaling \$847, 278 checks totaling \$1,588 and two checks totaling \$227 outstanding for more than six months for the CJTS Residents Fund, Riverview Hospital's Activity Fund and the Our Kids account, respectively.
- The three individuals authorized as account signers on the bank accounts of CJTS per the bank's records have not been employed at CJTS for over three years.
- A bank account for High Meadow's work program has been inactive since November of 2003. The balance in the account totaled \$2,552.
- The CCP Allowance account balance exceeded the authorized amount during the fiscal year ended June 30, 2007, until the balance was adjusted during the fiscal year ended June 30, 2008. The CCP General Welfare Checking Account was not reconciled during the fiscal year ended June 30, 2007. The Department began reconciling the account during the fiscal year ended June 30, 2008.

*Effect:*

The Department has lessened assurance that funds are being properly used and transacted in accordance with State accounting policies and procedures.

*Cause:* Internal controls and supervisory/managerial oversight of these funds were inadequate.

For the Our Kids account, the area offices have not designated an individual responsible for collecting cash receipts at each area office and the area offices are using the Our Kids funds as a means to circumvent the normal procedures used for payments because it requires less effort and the funds are more readily available.

*Recommendation:* The Department should improve internal controls over fiduciary funds. (See Recommendation 8.)

*Agency Response:* “The Department agrees with this recommendation.

- The Department has implemented a cash receipts log and procedures in the Fall of 2007. We will work with the Area Offices to get procedures implemented in their sites.
- Staff maintaining the ledgers will receive training on proper wording for ledger entries and methods to ensure backup paperwork is complete.
- Donation checks will be deposited and held for 5 days before being transacted against.
- An internal procedures manual will be developed for the Our Kid's Fund with practices guided by the OSC Activity Funds Manual.
- Policy and procedures have been established for all fiduciary accounts at CJTS. These procedures have been reviewed with all staff and will be monitored for compliance on an ongoing basis by an internal audit unit. A custodian has been established for each account and that person is responsible for the activities that take place in the account. Ledgers are being prepared and bank statements are balanced each month. The residents' work for pay timesheets are reviewed each pay period and verified for accuracy. The timesheet is maintained in the file with the reimbursement voucher. Efforts continue to reconcile the individual resident account cards to the ledger balance.
- A \$120.00 cash advance was given to a Rehabilitative Staff person at Riverview Hospital. The receipt that was returned to the business office was extremely difficult to read as the ink had faded. Consequently, the Business Office staff person misread the receipt and didn't realize that there was an \$8.00 balance remaining from the advance. The Rehabilitative Staff person has been notified and the money returned.

- Procedures have been reinforced at CCP for the disbursement of funds from the Allowance Account. All transactions require proper documentation and authorization which will be maintained in the file with the receipts.
- Purchase and Procedure statements have been written and reviewed for all accounts at CJTS.
- Ledgers are being prepared and bank statements are balanced each month for all accounts.
- The facility business managers have been directed to prepare an annual comparative balance sheet for every activity/welfare account that is managed through their respective office. There was miscommunication and a misunderstanding as to which accounts required an annual balance sheet. A Statement of Cash Receipts and Disbursements is also being prepared for each account.
- All outstanding checks will be researched and returned to the Treasurer or voided according to the Activity Fund Manual rules. This procedure will take place on an ongoing basis once a check has been outstanding for 90 days.
- New signature cards are on file with Webster Bank for all accounts established at CJTS.
- With regard to the High Meadow's work program account, there were several attempts made to close this account. However, each time it was decided to close the account, a new program was established that would operate out of this account (holiday wreaths, Christmas tree sales, etc.). Sometimes these programs never made it to fruition causing the account to remain dormant. Due to the closure of the High Meadows facility, these funds will be transferred back to the main account at Central Office.
- Excess funds from the CCP Allowance Account were returned to the Office of the State Comptroller and the account was balanced as of 01/31/08. The General Welfare Fund was reconciled as of 03/31/08 and both are now reconciled on a monthly basis.
- The Department disagrees with this finding regarding the Children's Trust Funds. The Social Security Administration specifically states what dedicated account funds may be used for. The Department's policy currently provides for the needs of the child covered by these restrictions. Therefore it is not necessary to notify the social worker of the availability of these funds.

*Auditors' Concluding Comments:*

The Department's Policy 50-3 requires that money in a dedicated account shall be used to offset costs of care for such things as medical treatment and education or job skills training, items or services related to the child's disability, etc. Although the Department will pay for such services regardless of whether the child has funds in a dedicated account, such funding should be communicated to the child's social worker so that SSI payments are used instead of General Fund appropriations. Since the dedicated account funds cannot be used for the regular costs of care, it is the child's social worker who would have first hand knowledge of how the funds could be spent. If the funds are not spent, they are returned to SSA, the child, or the child's family when the child leaves from the care of DCF.

**Petty Cash Funds:**

*Background:* The Department's authorized petty cash was \$54,800 as of June 30, 2008. The Department's Central Office allocates portions of the amount to its various local area offices, units and facilities. Each location receiving funds is responsible for administering the funds and is accountable for the allocated amount.

*Criteria:* The State Accounting Manual (SAM) provides policies and procedures State agencies should use for administering petty cash funds. Internal control procedures identified in SAM include the following:

- Cash on hand, cash in bank, advances and unreplenished vouchers should be in balance with the total amount authorized (allocated).
- A petty cash journal or register must be maintained in which all fund receipts and expenditures are recorded.
- The Petty Cash Fund custodian should have no other cash handling responsibilities.
- Payments for goods and services should be substantiated by invoices or receipts.
- Petty cash purchases should not exceed \$50 except for emergencies and specific exemptions granted by the State Comptroller
- An annual Petty Cash Fund Report as of April 30th is required to be submitted to the State Comptroller for each petty cash advance authorized.
- Checks should be cashed or deposited promptly.

Section 4-32 of the General Statutes requires that an agency shall account for receipts within twenty four hours and if the total receipts are \$500 or more, deposit the same within twenty-four hours of receipt. Total daily receipts of less than \$500 may be held until the receipts total \$500, but not for a period of more than seven calendar days.

*Condition:*

We reviewed the petty cash accounts maintained at three area offices, Riverview Hospital, the Connecticut Juvenile Training School, High Meadows, Connecticut Children's Place, and we reviewed the administrative petty cash and Hotline child welfare petty cash accounts at the Central Office. Our review disclosed the following.

Connecticut Juvenile Training School (CJTS)

- Cash in bank reported in the Petty Cash Reports as of April 30, 2007 and 2008, was under-reported. CJTS was over its allocated petty cash amount of \$3,000 by \$7,818 and \$4,741 as of April 30, 2007 and 2008, respectively. The overage for both years included a total of \$3,498 of resident's funds that were not appropriately transferred to the Resident's Fund checking account. The Petty Cash Fund is used to receive funds from the General Fund for resident wages which are then manually transferred to the Resident's Fund checking account for distribution to the residents.
- A petty cash journal or register was not maintained by CJTS for the fiscal year ended June 30, 2007. CJTS began maintaining a petty cash journal effective July 1, 2007, however, the journal did not reflect all receipts and disbursements of the fund.
- Our review of ten disbursements at CJTS disclosed that one disbursement should have been paid from the facility's activity or welfare account, one disbursement exceeded the \$50 limit without obtaining approval from the State Comptroller, and we could not determine if two disbursements were used properly, as there were no written explanations.
- CJTS has four petty cash fund custodians who also oversee the cash handling responsibilities of three other funds.

Connecticut Children's Place (CCP)

- Our review of ten disbursements at CCP disclosed that two disbursements were not supported by receipts and one disbursement exceeded the \$50 limit without obtaining approval from the State Comptroller. We also noted that the CCP petty cash custodian held and performed other cash handling responsibilities during the audit period.

Hotline child welfare petty cash

Although the Hotline petty cash account experiences low and infrequent activity, our review revealed the following:

- Cash on hand reported in the Annual Petty Cash Report as of April 30, 2007, did not tie to the ledger and was over the authorized amount by \$173. The petty cash count revealed that cash on hand was \$50 over the authorized amount.
- Five petty cash reimbursement checks that were issued between September 2006 and November 2007 were not cashed. A stop payment was processed in April 2008 and the checks were reissued. We also noted two checks that were issued in October and November 2009 that had not been cashed at the time of our review in February 2010.
- We could not determine if the petty cash funds were properly used for two petty cash disbursements.
- The petty cash ledger was not current at the time of our review. One disbursement from three months earlier and one replenishment check that was cashed and placed into the petty cash box one month earlier, were not logged into the ledger.
- The Department was aware that incorrect service codes were used to charge petty cash expenditures in the Department's LINK system and they were not corrected at the time of our review or at the time of our follow-up three months later.

*Effect:* The Department has lessened assurance that funds are being properly used and transacted in accordance with State accounting policies and procedures.

*Cause:* Internal controls over these funds were inadequate.

*Recommendation:* The Department should improve its internal controls over petty cash funds. (See Recommendation 9.)

*Agency Response:* “The Department agrees with this recommendation. An internal audit of the Residents' Work for Pay Program and the petty cash account at CJTS has been ongoing for several months. Staff have been retrained in the policies and procedures for both accounts. An Agency internal audit has taken place and a final reconciliation of both accounts should take place in the near future.

- Ledgers are being prepared and bank statements are balanced each month for all accounts.
- Staff have been retrained in the policies and procedures for all accounts at CJTS.

- Custodians have been assigned to the various cash funds at CJTS and segregation of the cash handling and reconciliation has been established.
- New procedures were established in FY 2008 which requires a supervisory response if receipts are not received within 5 days of a petty cash advance.
- All facility business managers were reminded of the \$50 petty cash limit and the need to seek OSC approval to exceed that limit.
- Although every attempt is made to maintain the segregation of cash handling duties, it is sometimes not possible in an office with 3 staff. Ongoing efforts will continue to maintain the segregation of duties.”

### **Property Inventory and Reporting:**

*Background:* The Department’s Central Office and four facilities maintain their own inventory records and prepare separate annual CO-59 Fixed Assets/Property Inventory Reports. Central Office inventory records include inventory located at each of the Department’s local area offices. The facilities submit their reports to the Central Office. The Central Office then prepares a consolidated Fixed Assets/Property Inventory Report and submits the report to the State Comptroller.

*Criteria:* Section 4-36 of the General Statutes requires that each State Agency establish and keep an inventory account in the form prescribed by the State Comptroller. The State Property Control Manual requires that all State Agencies have policies and procedures in place to ensure that the State’s property, plant and equipment are properly managed. The Property Control Manual specifies requirements and standards that State Agencies’ property control systems must comply with including the reporting of surplus property to the State and Federal Property Distribution Center (PDC), and maintaining a software inventory to track and control all agency software media, licenses or end user license agreements, certificates of authenticity, documentation and related items.

The Agency is required to transmit annually, on or before October first, to the Comptroller a detailed inventory, as of June thirtieth, of all property, real or personal, owned by the State and in custody of such department.

*Condition:* Our review of the CO-59 Fixed Assets/Property Inventory Report prepared by the Central Office and facilities for the fiscal years ended June 30, 2007 and 2008, disclosed that amounts reported for several reportable categories were misstated, unsupported or could not be traced to underlying subsidiary records. We also noted instances in which items were surplused without obtaining approval from the PDC or the PDC



authorization form did not contain sufficient information such as the tag number or serial number to properly identify the item.

Our review also disclosed that the Department's software inventory did not include all of the information that is required by the State Property Control Manual, that software at certain locations was not included and that software no longer in use was not removed from the listing.

We performed a physical inventory inspection at the Department's Central Office, two area offices and the Department's four facilities. Although we noted improvement in the Department's internal controls over its equipment inventory as compared to the prior audit period, our review disclosed that that five items could not be located. Although Agency personnel indicated that three of these items had been destroyed, in two instances there was no approved disposal authorization from PDC, and in one instance, the disposal authorization did not include sufficient identifying information to determine if it was the same item in our sample.

*Effect:* Deficiencies in the control over the equipment inventory result in a decreased ability to properly safeguard State assets. The Department is not in compliance with the requirements of the State Property Control Manual and the Department's report of inventory to the State Comptroller was unsupported.

*Cause:* Internal controls over fixed assets and personal property were inadequate.

*Recommendation:* The Department should improve its internal controls over the custody and reporting of its property inventory. (See Recommendation 10.)

*Agency Response:* "The Department agrees with this recommendation. In June 2007, the Department contracted with a private vendor to perform a physical inventory of all capital equipment and controllable items. The vendor made site visits to all DCF offices and placed new tags on all equipment and controllable inventory items. Due to a lack of recordkeeping for many years, it was challenging and, at times, an insurmountable challenge to reconstruct the data elements required populating all of the required fields of information to make these records accurate in the two periods covered by this audit. An additional challenge to overcome was the discovery late in the year of '08, of an apparent problem with the upload of our data records which we were not aware of.

As identified in the report, the Department has improved its control over its assets and recordkeeping practices, and continues to make strides in perfecting its processes and oversight of its assets. There are staff dedicated to asset management and surplus activities at each site and those staff have, and will continue to receive training in the Asset Management modules and PDC procedures.

The Department has also improved its understanding of the software inventory requirements and will be compliant with those requirements for FY2010.”

**Personnel Policies: Medical Certificates and Longevity**

*Criteria:* Section 5-247-11 of the State Regulations and several collective bargaining contracts require the submission of an acceptable medical certificate from a licensed physician to substantiate the use of sick leave for a period of more than five consecutive working days.

Section 5-213(b) of the General Statutes states that semiannual longevity lump-sum payments shall be made on the last regular pay day in April and October of each year, except that a retired employee shall receive, in the month immediately following retirement, a prorated payment based on the proportion of the six-month period served prior to the effective date of his or her retirement.

Sound business practice requires that overpayments made to employees should be collected.

*Condition:* Our review of medical certificates, longevity and pay rates for the fiscal years ended June 30, 2007 and 2008, disclosed the following.

- Two of ten employee personnel records reviewed did not contain a medical certificate on file substantiating a medical absence of more than five consecutive work days.
- The Department had the incorrect longevity service time on file for two of ten employees reviewed. In one instance, the employee’s longevity service time was understated by more than two years resulting in three underpayments totaling \$3,362 during the audit period. In the second instance, the employees’ longevity service time was overstated by more than one year. This did not result in overpayments during the audit period.
- One of ten employee separation payments reviewed was overstated by \$106 for prorated longevity upon retirement.

*Effect:* When medical certificates are not on file, employees could be abusing their sick leave benefits. One employee was not paid the correct longevity amounts and the overstatement of eligible longevity service time could result in employees receiving longevity payments and increases in longevity payments prior to being eligible.

*Cause:* Administrative controls over medical certificates are insufficient. In one instance, the Department omitted prior service at other State agencies in calculating the employee’s years of service and in the second instance, did not reduce the employees’ longevity service time due to unpaid leaves

of absence. The Department miscalculated the employee's prorated longevity payment at separation.

*Recommendation:* The Department should improve administrative controls to ensure that required medical certificates are obtained and should strengthen internal controls regarding the processing of longevity payments. (See Recommendation 11.)

*Agency Response:* "The Department agrees, in part, with the recommendation on medical certificates. Of the two instances cited by the auditors, one of the medical certificates was in fact located in the employee's medical file. In the other instance it appears a medical certificate was not provided by the employee upon their return to work. Human Resources frequently reminds supervisors and managers of the requirement for an employee to provide a medical certificate upon their return to work following an absence of more than five consecutive days. In addition, we send a yearly reminder memo to all supervisors and managers about the medical certificate protocol. Human Resources also reminds employees of their obligation to provide a medical certificate following an absence of more than five consecutive days. Human Resources will investigate if there is a report available through Core-CT which will provide information on employees who have five or more consecutive sick days. This would enable the Human Resources associates to monitor sick leave usage for their respective assignments. If not, we will continue to remind supervision and employees of their responsibility.

With regard to the finding on longevity, the Agency disagrees with the finding. One individual was reportedly underpaid over two years. This is not correct. This individual was a Student Worker over several years and such time is not credited toward Retirement or Longevity. The other individual was incorrectly loaded into the system by the BOSS Time and Attendance system. This error has since been corrected. The Agency does check the longevity date of all transfers from other agencies to ensure we have the correct date. If we receive an incorrect date from another agency it is a difficult process to audit. In addition, we have found instances in the past where transfers were credited with periods of student employment by other agencies which is an incorrect application of time. Also, we receive a report from the Comptroller's Office which shows longevity payments which are correct according to them and a list of longevity payments which might be questionable. We review this information and make corrections as necessary.

The Agency agrees with the recommendation an employee's separation payment was overstated by \$106 for prorated longevity. The employee in question was only entitled to a payment of \$106 and it was processed twice resulting in an overpayment. The individual is deceased."

*Auditors' Concluding Comments:*

The medical certificates were not on hand at the time of our review and the Department was unable to provide us with the medical certificate that the Department reported was located in the employee's medical file.

Section 5-213(c) of the General Statutes states that part-time, seasonal or intermittent state service shall be credited as service for longevity purposes. Employment as a student worker is not specifically excluded from state service.

**Personnel Policies: Compensatory Time, Overtime, Timesheets**

*Criteria:*

Department of Administrative Services' (DAS) Management Personnel Policy 06-02 states that compensatory time may be granted to managers if the agency head or his/her designee has given prior written authorization for the extra work. The written authorization must outline the reasons for compensatory time and proof of advance authorization must be retained in the employee's personnel file for audit purposes. The amount of extra time worked must be significant in terms of total hours and duration and does not include the extra hour or two a manager might work to complete normal work assignments in a normally scheduled workday. Compensatory time shall not accumulate for travel purposes.

Section 8-7 of the DCF Policy Manual states that managers shall record accrued compensatory time on Form DCF-706, "Request for Approval to Accrue Compensatory Time", submit the form to the supervising manager for signature, and submit the approved form with the official timesheet at the end of the bi-weekly pay period.

The collective bargaining contract for the Paraprofessional Health (NP-6) employees states that when an employee earns holiday compensatory time, the employer shall attempt to schedule a mutually agreeable day off within six months of the holiday. If no mutually agreeable day off is scheduled, in the next thirty days the employer shall either schedule a compensatory day off or pay the employee his/her regular daily rate in lieu of the compensatory day.

Section 8-4 of the DCF Policy Manual states that employee time shall be recorded on a timesheet and submitted to the employee's supervisor for review and approval for accuracy and completeness.

Section 8-5 of the DCF Policy Manual states that notations for overtime shall be recorded on the employee's timesheet and initialed by the manager to indicate authorization for payment. The reason for the overtime shall also be indicated on the timesheet.

*Condition:*

Our review of the annual attendance records of four managers who earned compensatory time disclosed that advanced written authorization,

including the reason for the compensatory time, was not on hand for all four managers in 15 instances totaling over 70 hours. Three managers had forty-eight instances of earning compensatory time in increments that were not considered significant extra time totaling over eighty-one hours and two managers earned compensatory time for travel purposes in four instances totaling thirty-six hours.

Our review of the annual attendance records of ten employees disclosed that the holiday compensatory time earned by one employee was allowed to expire without payment in the amount of \$399.

Our review of twenty-five timesheets disclosed three instances in which supervisors approved timesheets two to three days prior to the conclusion of the pay period. We also noted six instances in which timesheets had changes made to them that were not initialed by the supervisor.

Our review of sixteen timesheets that included overtime charges disclosed that thirteen timesheets lacked supervisor initials to indicate authorization for overtime payments and lacked a reason for overtime charges for 115 hours totaling \$5,091.

*Effect:* Without proper oversight and documentation, the Department has less assurance that the services it has compensated its employees for have actually been received. Employees are receiving compensatory time accruals for insignificant amounts of time and for ineligible purposes. The Department paid one employee an additional \$71 because the holiday compensatory time payment was not paid in a timely manner and the employee's rate of pay at the time of payment was higher.

*Cause:* The Department did not have adequate procedures in place to ensure that compensatory time, overtime and timesheet policies were followed. The Department does not use Form DCF-706, "Request for Approval to Accrue Comp-time" because the Department's compensatory time policy for managers is outdated.

*Recommendation:* The Department should strengthen internal controls over compensatory time and update its compensatory time policy for managers. The Department should establish procedures to ensure that all timesheets are properly approved by supervisors. (See Recommendation 12.)

*Agency Response:* "The Agency agrees with the recommendation regarding lack of advanced written authorization for managerial compensatory time. We are in the process of revamping some of our payroll policies and Policy 8-7 is one of those. We will remind all managers of the requirement to have advanced written authorization for managerial compensatory time when it appropriate and complies with Management Personnel Policy 06-02.

The Agency disagrees with the finding on holiday compensatory time. It is the employee's responsibility to monitor their compensatory time and to use it before it expires. The Payroll Unit does not check this information. The employee may request a payout of compensatory time if it is about to expire.

The Agency does not dispute timesheets may have been approved two or three days ahead of time. While it is not common practice, there are occasions where this may occur. The Agency will remind supervisors and managers that timesheets should not be approved ahead of payday Thursday unless there is a strong underlying reason.

The Agency disagrees, in theory, with the finding on compensatory time being granted for travel purposes. While this is non-compliant with Management Personnel Policy 06-02, the Payroll Unit does not know the reason for compensatory time and therefore did not question it. The Agency will ensure our Payroll polices are revised and inform managers and supervisors to follow policy.”

*Auditors’ Concluding Comments:*

With regard to holiday compensatory time, Article 21 of the NP-6 bargaining unit contract requires that if the employee wishes to use compensatory time, the Employer shall attempt to schedule a mutually agreeable day off within six months of the holiday. If no mutually agreeable day off is scheduled, in the next thirty days, the Employer shall either schedule a compensatory day off or pay the employee his/her regular daily rate in lieu of the compensatory day.

The Department is responsible for ensuring compliance with Management Personnel Policy 06-02.

**Connecticut Juvenile Training School – Control Environment:**

*Background:*

The control environment of an organization reflects agency management’s awareness and commitment to the importance of controls throughout the organization and encompasses management integrity, ethical values and operating philosophy. The key to successful internal control is having a control environment that sets a tone of integrity which influences the ethical and control consciousness of employees.

*Criteria:*

Section 8-4 of the DCF Policy Manual requires that employees shall record and report employee time on the standard Department timesheet. The timesheet must be completed accurately and reviewed and approved by the supervisor for accuracy and completeness.

The Administrative and Residual Bargaining Unit contract requires that the standard workweek for all full-time employees shall be forty hours, normally eight hours per day. Alternative work schedules are also

permissible. Employees will be scheduled to receive a fifteen minute rest period in each half shift. Employees are entitled to meal periods.

The DCF Employee Manual states that bargaining unit employees receive two fifteen minute paid rest breaks during the workday, one in the morning and one in the afternoon. Breaks cannot be “saved up” in order to shorten the workday or extend a lunch period.

*Condition:* During our review of records at the Connecticut Juvenile Training School (CJTS), we observed that business office staff did not appear to be working their regularly scheduled hours. For a four week period, we compared the hours recorded on employee timesheets to our observations and reports that document the time that employees obtained and returned keys used to access the business office and other areas of the facility.

Our review disclosed that a supervisory business office employee worked an average of twenty minutes less per day than the hours recorded on his timesheet. For one business office employee working an alternative work schedule, the hours worked did not match the hours recorded on the timesheet and varied between fifteen minutes to one hour for eleven of the twenty days reviewed. We also noted frequent extended breaks and lunches among the business office staff.

*Effect:* When policies and procedures are not adhered to or enforced by supervisory staff, the Department’s control environment is weakened. When the hours worked are not accurately recorded for employees on alternative work schedules, there could be confusion about the number of hours worked. Employees are being compensated for time not worked.

*Cause:* The CJTS business office supervisor reports to a manager who oversees the business office staff at all of the Department’s facilities. At the time of our review, the manager split her time among the four facilities and therefore, may not have had the ability to closely monitor the staff at the various locations.

*Recommendation:* The Department should institute procedures to ensure that all employees accurately complete their timesheets and work the number of hours for which they are paid. (See Recommendation 13.)

*Agency Response:* “The Department agrees in part with this recommendation. Although the Keykeeper device has been used as a time checking tool under agreements with specific collective bargaining units, it was not designated as such with the bargaining unit of the employees mentioned in this recommendation and therefore there was no effort to make sure the Keykeeper was accessed immediately upon entering the facility or as the employee left the facility for the day. Keys were removed as convenient after other work arrival activities had taken place and keys were returned to the Keykeeper before the employee finalized other activities in the Administration Building at the end of the work day. All employees at this

location have been notified that Keykeeper is being used as a time record keeper and they should begin utilizing it in this manner. To ensure that employees are reporting their time correctly, all timecards presented for payment are now accompanied by the Keykeeper record for the pay period and matched to the time reported on the timecard.

All Fiscal employees at the various locations in the Department have been made aware of this recommendation and have put in place various record keeping methods verifying the employees' attendance at work and these records are being matched to the timecard submissions.

All Fiscal employees have been reminded regarding the allowable break schedule and lunch periods. Monitoring of break and lunch periods for adherence has been put in place.

*Auditors' Concluding Comment:*

Our review was not based on key reports only, but was also based on our observations of a daily recurring pattern by the business office supervisory staff member. During our audit of CJTS and subsequent discussions with management, there was no evidence or mention of any business that the supervisor would need to attend to twice daily in the administration building of CJTS.

**Revenue Maximization:**

*Background:*

The Department may apply for reimbursement under the Federal Title IV-E Foster Care program or apply for Social Security benefits on behalf of children in its care in order to offset the cost of care. The Title IV-E Foster care program is an entitlement program through which the Federal government shares in the room and board costs of supporting foster care children who meet certain eligibility requirements. The typical social security benefits available to children are Title XVI Supplemental Security Income (SSI), available to disabled children. The Department applies for SSI benefits on behalf of out of home children or applies to become the representative payee for the benefits if a child is already receiving benefits upon placement with the Department.

On an annual Federal fiscal year basis, the Department performs a review to determine which source of revenue is more beneficial to the Department. If the Title IV-E reimbursement is more beneficial, the child's SSI benefits are suspended. The Social Security Administration (SSA) requires that the SSI benefits be suspended for no longer than eleven consecutive months; otherwise SSI benefits are permanently discontinued. Therefore, the Department collects SSI benefits for all eligible children annually in September to prevent permanent discontinuance of benefits.



*Criteria:* Section 46b – 129(1) of the General Statutes authorizes the Department to collect income received by children in its care to offset the cost of care provided to such children.

A component of the Revenue Enhancement Division’s mission is to maximize Federal reimbursement for child welfare services for the State of Connecticut. Section 16-6-1 of the Department’s Policy Manual states that the Revenue Enhancement Unit shall be designated as coordinator of Social Security benefits and shall request the SSA to suspend SSI benefits whenever it is more advantageous to claim funds under the Title IV-E program. This determination is based on Title IV-E eligibility and cost of the placement. Good internal controls require that such determinations be adequately supported.

*Condition:* During Federal fiscal years ended September 30, 2007, 2008, and 2009, the Department determined that it was more beneficial to suspend 54, 54, and 49 children’s SSI benefits, respectively, and claim Title IV-E reimbursements. The Department could not provide records to support the cost benefit analysis performed to determine whether the agency should accept a child’s SSI or suspend a child from SSI and claim the child under the Federal Title IV-E program.

We were informed that, effective October 1, 2009, the Department discontinued performing reviews to determine the most beneficial revenue source for children eligible to receive either SSI or Title IV-E benefits and the Department began solely collecting revenue from SSI for all eligible children. In order to estimate the amount of revenue lost by the State by not performing such reviews, we performed the following analysis. Since all clients receive SSI benefits in September to prevent permanent discontinuance, we compared the total SSI amount received in September 2008 to the IV-E reimbursement amount covering the month of August 2008, for all of the children on the Department’s SSI suspension list. We noted that the total Title IV-E reimbursements exceeded the total SSI receipts by \$99,876. Therefore, the Department could be losing revenue of approximately \$1,098,636 on an annual basis.

*Effect:* The Department is losing revenue by not suspending SSI benefits when Title IV-E reimbursements are more beneficial and internal controls are weakened when supporting documentation is not maintained.

*Cause:* We were informed that no staff was available to coordinate the SSI suspension process due to the retirement of two employees and that coordination problems exist between DCF and the Social Security Administration. Records could not be located because the employee who was responsible for the cost benefit analysis retired.

*Recommendation:* The Department should strengthen and implement procedures to ensure maximum Federal revenue collection and should improve internal controls

to ensure that supporting documentation is maintained. (See Recommendation 14.)

*Agency Response:* “The Department is in agreement with this recommendation. The Department has developed the following corrective action planned: with the replacement of one of the two accountants who retired from the Revenue Enhancement Division, we are reinstating the SSI suspension analysis program for any child who is eligible for both IV-E and SSI. With the new process, we will maintain all cost benefit documentation rather than just the details supporting the children who had their SSI benefits suspended. We are currently coordinating this plan with the Social Security Administration and plan to have it operational by July 2010.”

**Electronic Data Processing – Access to LINK:**

*Background:* LINK is the Department’s Statewide Automated Child Welfare Information System (SACWIS). LINK is used for various Department functions including child protective services, intakes and referrals, investigations, case narratives, child placement histories, central registry, facility case management, provider licensing, payment generation, budgeting, and Federal reimbursability. There are approximately 3,400 LINK users and 57 user groups from which access is assigned. When an employee is hired, the supervisor selects the user group and submits a DCF-2116 Network/Security Change Request Form to the Information Systems (IS) Unit for processing. When an employee leaves employment with the Department, a DCF-2116 form must also be submitted by the employee’s supervisor to notify IS to terminate the employee’s access.

*Criteria:* Documentation of a well-controlled system should be complete and current to help ensure that controls are fully understood and adequately applied.

Sound business practice requires that the ability to view or change data be restricted to only those employees whose direct job responsibilities require such access. Such access should be granted only after a review to determine that the employee for whom the access has been requested has the requisite responsibilities. Access granted over sensitive areas should be reviewed to ensure that employees with such access continue to have job responsibilities that require it.

Proper internal control procedures require that terminated employees have their access to the data in information systems disabled in a timely manner.

*Condition:* Our review of LINK access granted to five employees and one consultant disclosed that for two employees and the consultant, supervisory approval of the users’ access was not found. Furthermore, we could not determine if the employees’ access was appropriate for their job responsibilities as

the Department does not maintain detailed documentation describing the information to which each user group would have access. Therefore, supervisors and managers may not be fully knowledgeable of the level of access that they are approving.

Our review of five employees who separated from the Department during the fiscal years ended June 30, 2007 and 2008, revealed that two DCF-2116 forms were not submitted by the employee's supervisor until 41 and 124 days, respectively, after the employee was terminated. In three instances, the DCF-2116 forms were not on hand. In all five instances, we were unable to determine the date that the employee's LINK access was terminated by IS as we were informed that the system does not capture this information. In all five instances, the employee's access status was inactive at the time of our review.

*Effect:* There is potential that supervisors may approve LINK access that is unnecessary in performing the user's job responsibilities and that appropriate separation of duties may not exist. The risk of unauthorized access to the LINK system is increased when prompt deactivation of user accounts does not take place.

*Cause:* The Department indicated that there have not been many changes to the user groups and associated data windows, and therefore, employees are typically assigned the same access as other employees in similar positions. The Department does not regularly reassess the structure of the access granted. Internal controls over the prompt deactivation of LINK access are lacking.

*Recommendation:* The Department should strengthen internal controls to ensure that those responsible for approving access for LINK users have sufficient information available to them to enable them to select appropriate access levels. The Department should periodically reassess users' LINK access to ensure that the access granted is still needed for their job responsibilities. The Department should strengthen internal controls to ensure that LINK access is promptly deactivated for individuals no longer working at the Department. (See Recommendation 15.)

*Agency Response:* "The Department does not believe the current control system is inadequate but will perform an internal audit of the system and the records on hand to cross check the current system and potential weaknesses."

**Policy Manual:**

*Criteria:* Section 1-3-1 of the Department's Policy Manual states that the purpose of the manual is to provide specific instructions and guidance to employees to assist them in effecting their responsibilities, aid in providing standardized, uniform procedures in responding to the needs of children and their families, provide basic information about all other Department

operations and services and to serve as a tool for auditing and quality assurance activities.

Section 6-2 of the Department's Policy Manual states that all official Department policy and forms shall be issued through the Policy Unit. The role of the Policy Unit is to develop and issue Department policies and forms, maintain policy in the Department's official Policy Manual and in an electronic format, maintain records of policy development, and provide consultation and assist Department staff regarding policy topics.

*Condition:*

We noted that various policy manual sections have not been updated in a timely manner when there have been significant changes in information and/or procedures. Examples of policies with significant changes that were not updated in a timely manner are as follows:

- Policies 36-55-25.2 and 48-18-5 provide the rates for foster care, subsidized guardianship, and subsidized adoption. Although the rates were revised effective July 1, 2007, at the time of our review in March 2010, the policies had not been updated to reflect the revised rates.
- Policy 41-16-3.1, regarding protective service and criminal history records searches for foster and adoptive families, has not been updated to include the change in procedures relating to the process of performing Federal and State background checks.
- Policy 13-6, regarding the Fiscal Ethics Committee, was included in the Policy Manual for several years after the committee was no longer active.

We also noted that some forms used in the process to license foster and adoptive families have been developed and implemented by the Foster and Adoption Services Unit independently from the Policy Unit, replacing official forms previously used and referenced in the Policy Manual.

The Policy Unit does not maintain or coordinate the revision of the policies for the four facilities – Riverview Hospital, Connecticut Juvenile Training School, Connecticut Children's Place and High Meadows. Each facility independently maintains and revises its own policies.

*Effect:*

When policies and forms are not kept current, are not officially approved through the Policy Unit, or not available Department-wide, there is potential for inaccuracies or misinterpretation of information by employees while performing duties to accomplish the Department's mission of serving children and families.

*Cause:*

The Department does not have a process in place to review policies and forms on a regular basis to ensure that the policies are current.

It appears that the Department's divisions and units may not be aware of the requirement to formalize policies and forms prior to their distribution and use.

*Recommendation:* The Department should implement procedures to ensure that policies and forms are regularly reviewed, officially approved, and updated in a timely manner. (See Recommendation 16.)

*Agency Response:* “The Department agrees with this recommendation. The Policy Unit was transferred to the Office of Legal Affairs in July 2009. The Program Supervisor now reports directly to the Agency Legal Director. After the transfer, all outstanding policy was listed on a "Pending Policy Chart" in order to organize, prioritize and streamline the policy promulgation process. Since July, the following has been accomplished (note that most of these are significant revisions encompassing multiple sections, not just minor changes):

- 9 policies approved and published
- 3 policies recently delivered to the Commissioner for review and approval
- 43 policies in various stages of development

The Policy Unit sits on all the drafting committees and is an integral part of moving the process forward.

The Department's divisions and units are aware of the requirement to formalize policies and forms prior to their distribution and use. The entire Foster Care section of the Policy Manual is currently being re-written. All forms in use will become "official" and staff will be advised not to create informal forms.

At the time the Policy Unit transferred to the Office of Legal Affairs, the Agency administration determined that all policy, including that of facilities, should be maintained by the Policy Unit. CJTS has submitted its complete draft policy and we are in the process of formatting and editing. Riverview Hospital is working on finalizing their draft. Connecticut Children's Place will follow when CJTS and Riverview are finished. (High Meadows is now closed.)

Policies noted in audit findings with significant changes that have not been updated are as follows:

- Policies 36-55-25.2 and 48-18-5 provide the rates for foster care, subsidized guardianship, and subsidized adoption. These will be updated immediately.
- Policy 41-16-3.1, regarding protective service and criminal history records searches for foster and adoptive families. The entire Foster Care section of the Policy Manual is in the process of being re-written.

- Policy 13-6, regarding the Fiscal Ethics Committee. This was removed in the fall of 2009.”

**Reports Required by Statute:**

*Criteria:* Section 17a-91 of the General Statutes requires the Department to report, on February 15<sup>th</sup> annually, to the Governor and General Assembly the status as of the preceding January 1<sup>st</sup> of all children committed to the Department, including the date of commitment with respect to each child, and the status of the central registry and monitoring system established in accordance with subsection (c) of Section 17a-110.

Section 17a-98a of the General Statutes requires, not later than January 1, 2008, and annually thereafter, the Department report on the implementation of the kinship navigator program to the General Assembly.

*Condition:* The Department did not submit the annual reports on the status of children committed to the Department and the status of the central registry and monitoring system to the Governor and General Assembly for the fiscal years ended June 30, 2007 and 2008.

The Department did not submit a report on the implementation of the kinship navigator program to the General Assembly for the fiscal year ended June 30, 2008.

*Effect:* There is non-compliance with Sections 17a-91 and 17a-98a of the General Statutes.

*Cause:* We were informed that the Department has proposed legislation repealing the reporting requirements of Sections 17a-91 and 17a-98a.

*Recommendation:* The Department should prepare and submit reports required by Sections 17a-91 and 17a-98a of the General Statutes until superseding legislation is passed. (See Recommendation 17.)

*Agency Response:* “The Department agrees with this recommendation. It had been determined that these reports were no longer useful or in demand. The repeal of these two statutory reporting requirements was contained in Senate Bill 152, which passed the Senate, but died in the House Calendar on the last day of the legislative session. We intend to resubmit this as part of our legislative package for the 2011 session.”

## RECOMMENDATIONS

### *Status of Prior Audit Recommendations:*

- The Department should ensure that criminal records documentation is obtained and on file prior to making board and care payments. The Department should also improve its administrative controls relative to the custody and control of Department case records. This recommendation is being repeated. (See Recommendation 1.)
- The Department should establish appropriate internal controls over the subsidized guardianship program to prevent, deter and detect fraud. Our current audit did not identify any payments made to guardians on behalf of children who were no longer living with the guardian. Thus, the recommendation has been resolved.
- The Department should improve its internal controls over the administration of flexible/discretionary funds. The Department should also recover duplicate payments made to providers. This recommendation is being repeated in part. (See Recommendation 3.)
- The Department should improve its internal controls over the processing of expenditure transactions. This recommendation is repeated to reflect current conditions. (See Recommendation 5.)
- The Department should implement internal controls that reasonably ensure that cell phones are being appropriately used by its employees. In addition, the Department should amend its procedures for determining its service plan minutes pool keeping in mind that an undetermined number of minutes used are for non-business purposes. The Department should also eliminate, or alternatively share, cell phones that are not being used by its employees. This recommendation has been resolved.
- The Department should improve its internal controls over the purchase of motor vehicle fuel by ensuring that State-owned gas stations are used when available and using the appropriate octane gasoline recommended by the vehicle's manufacturer. The Department has complied with this recommendation.
- The Department should establish internal controls over overtime costs by implementing a forecasting program that management can effectively use to monitor and contain such costs. The Department has developed tools to aid in the management of overtime costs. Therefore, this finding is not repeated.
- The Department should improve administrative controls that ensure that required medical certificates are obtained. This recommendation is being repeated. (See Recommendation 11.)
- The Department should improve its internal controls over the custody and reporting of its property inventory. This recommendation is being repeated. (See Recommendation 10.)

- The Department should improve its internal controls over petty cash funds. This recommendation is being repeated. (See Recommendation 9.)
- The Department should improve its internal controls over fiduciary funds. In addition, the Department should discontinue the practice of administering State employee gift/award activities through such funds. This recommendation is being repeated in part. (See Recommendation 8.)
- The Department should improve its internal controls over agency administered projects to ensure that certificate of compliance forms are prepared and submitted to the appropriate State oversight offices. This recommendation is being repeated. (See Recommendation 6.)
- Relicensing forms should be approved/signed by all responsible staff prior to the effective date of the license. This recommendation is being repeated. (See Recommendation 2.)
- The licensing units throughout the local area offices need to obtain information concerning new foster parent placements in a more timely manner and complete the process of assessing relative foster homes within the timeframes required by Section 17a-114 of the General Statutes. This recommendation is being repeated. (See Recommendation 2.)

*Current Audit Recommendations:*

- 1. The Department should improve its administrative controls relative to the custody and control of provider records, should strengthen internal controls to ensure that criminal records documentation is obtained and on file prior to making board and care payments and strengthen internal controls to ensure that payments are adequately supported.**

Comment:

Criminal record checks were not adequately documented in the provider's file for four transactions and an additional six provider files could not be located. Six payments were not adequately supported and/or there was no evidence that services were received. Duplicate payments made to one provider totaling \$111,267 were identified and subsequently reimbursed.

- 2. The Department should implement procedures to ensure that relative foster families are licensed within ninety days as required by Section 17a-114(c) of the General Statutes. The Department should also establish internal controls to ensure that supervisors review and approve license renewals prior to the license effective date.**

Comment:



Sixteen of the twenty-six relative foster care providers licensed between January and June 2008, were not licensed within ninety days of receiving placement of the children. The number of days exceeding the ninety-day limit ranged from three to 158. Four of the five foster care provider licenses reviewed were approved by the social work supervisor and/or program supervisor after the effective date of the license by between eight and twenty days.

- 3. The Department should improve its internal controls over the administration of discretionary/flexible funds. The Department should consider implementing standardized procedures for all area offices to follow to ensure that payments are appropriately authorized and supported.**

Comment:

We noted deficiencies in twenty-two of twenty-five payments reviewed that included instances of unsupported payments, services that were not authorized prior to the commencement of services, services for hours that exceeded the maximum allowed per the discretionary fee schedule, and instances where we could not determine if the credentialing requirements were met for the individual providing the service. The Department was unable to provide adequate documentation to support that a thorough review of a particular provider's invoices was conducted to identify any overbillings and to support the Department's decision to continue to do business with the provider after billing inconsistencies were identified by another State Agency.

- 4. The Department should comply with Section 17a-17(c) of the General Statutes.**

Comment:

Our review disclosed that the Department did not engage in purchase of service (POS) contracts with seventeen providers and made payments based on rate letters totaling \$47,265,340 and \$38,787,947 for the fiscal years ended June 30, 2007 and 2008, respectively. The rate letters specified the annual and per diem rates at which the providers were paid. They did not specify the mutual obligations of the parties. For one provider, the Department engaged in a POS contract. However, the POS contract stated that payments shall be made in accordance with the per diem rate letter in effect and the Department did not have a rate letter on file to support payments totaling \$6,505,893 for the fiscal year ended June 30, 2007.

- 5. The Department should strengthen its internal controls to ensure that funds are committed prior to purchasing goods and services. The Department should strengthen internal controls to ensure compliance with the terms of State contracts.**

Comment:

We noted instances in which purchase orders were created after goods or services were received. We also noted that the Department overpaid a vendor by \$7,317 upon terminating a lease agreement.

- 6. The Department should improve its internal controls over agency administered projects to ensure that certificate of compliance forms are submitted to the appropriate State oversight offices in a timely manner and that certificates of insurance are obtained and maintained in the project files.**

Comment:

The Department did not submit a certificate of compliance form to the Department of Public Works or the State Building Inspector upon completion of two projects at the Connecticut Children's Place until our inquiries, seven months after the certificate of completion date. A certificate of insurance form was not on file for one contractor for a project started at High Meadows.

- 7. The Department should institute procedures to ensure that grant payments are made in compliance with State laws and regulations.**

Comment:

Our review disclosed one grant-in-aid payment of \$1,500,000 that was not in compliance with the terms of Public Act 07-7.

- 8. The Department should improve internal controls over fiduciary funds.**

Comment:

We noted several instances of late depositing of receipts, lack of recording of receipts, improper transactions, inadequate supporting documentation for transactions, financial statements that were not prepared and/or were not supported with underlying accounting records, lack of reconciliations, lack of written policy statements, checks outstanding for more than six months, lack of internal controls over the purchasing of gift cards.

- 9. The Department should improve its internal controls over petty cash funds.**

Comment:

We noted instances of petty cash accounts that did not reconcile with allotted amounts, instances of inadequate segregation of duties and inadequate record keeping practices.

- 10. The Department should improve its internal controls over the custody and reporting of its property inventory.**

Comment:

Our review of the CO-59 Fixed Assets/Property Inventory Report disclosed that amounts reported for several reportable categories were misstated, unsupported or could not be traced to underlying subsidiary records. We also noted instances in which items were surplused without obtaining approval from the Property Distribution Center (PDC) or the PDC authorization form did not contain sufficient information to properly identify the item. Our review also disclosed that the Department's software inventory was incomplete. Our physical

inventory inspection revealed that five items could not be located. Although Agency personnel indicated that three of these items had been destroyed, in two instances there was no approved disposal authorization from PDC, and in one instance, the disposal authorization did not include sufficient identifying information to determine if it was the same item in our sample.

**11. The Department should improve administrative controls to ensure that required medical certificates are obtained and should strengthen internal controls regarding the processing of longevity payments.**

Comment:

We noted that medical certificates were not on file for two of ten employees reviewed and we noted errors in the processing of longevity payments.

**12. The Department should strengthen internal controls over compensatory time and update its compensatory time policy for managers. The Department should establish procedures to ensure that all timesheets are properly approved by supervisors.**

Comment:

Our review of compensatory time disclosed instances in which four managers earned compensatory time without advanced written authorization. We also noted instances of compensatory time earned in increments that were not considered significant extra time and instances in which compensatory time was used for travel purposes. We noted that one employee's holiday compensatory time expired without compensation. We also noted instances in which timesheets were approved two to three days prior to the conclusion of the pay period and changes were made that were not initialed by the supervisor. We noted that the reason for overtime was not documented and initialed by the supervisor in several instances.

**13. The Department should institute procedures to ensure that all employees accurately complete their timesheets and work the number of hours for which they are paid.**

Comment:

Our review disclosed that a supervisory business office employee at the Connecticut Juvenile Training School worked an average of twenty minutes less per day than the hours recorded on his timesheet. For one business office employee working an alternative work schedule, the hours worked did not match the hours recorded on the timesheet and varied between fifteen minutes to one hour for eleven of the twenty days reviewed. We also noted frequent extended breaks and lunches among the business office staff.

**14. The Department should strengthen and implement procedures to ensure maximum Federal revenue collection and should improve internal controls to ensure that supporting documentation is maintained.**

Comment:

The Department could not provide records to support the cost benefit analysis performed to determine whether the Department should accept a child's Supplemental Security Income (SSI) or suspend a child from SSI and claim the child under the Federal Title IV-E program. Effective October 1, 2009, the Department discontinued performing such reviews and began solely collecting revenue from SSI for all eligible children, possibly resulting in a loss of revenue to the State of approximately \$1,098,636 per year.

- 15. The Department should strengthen internal controls to ensure that those responsible for approving access for LINK users have sufficient information available to them to enable them to select appropriate access levels. The Department should periodically reassess users' LINK access to ensure that the access granted is still needed for their job responsibilities. The Department should strengthen internal controls to ensure that LINK access is promptly deactivated for individuals no longer working at the Department.**

Comment:

Our review of LINK access granted to six individuals disclosed that in three instances, supervisory approval of the users' access was not found. Furthermore, we could not determine if the employees' access was appropriate for their job responsibilities as the Department does not maintain detailed documentation describing the information to which each user group would have access. Our review of five employees who separated from the Department revealed that two DCF-2116 forms were not submitted by the employee's supervisor until 41 and 124 days, respectively, after the employee was terminated. In three instances, the DCF-2116 forms were not on hand. In all five instances, we were unable to determine the date that the employee's LINK access was terminated by IS as we were informed that the system does not capture this information.

- 16. The Department should implement procedures to ensure that policies and forms are regularly reviewed, officially approved, and updated in a timely manner.**

Comment:

We noted that various policy manual sections have not been updated when there have been significant changes in information and/or procedures. We also noted that some forms used in the process to license foster and adoptive families have been developed and implemented by the Foster and Adoption Services Unit independently from the Policy Unit, replacing official forms previously used and referenced in the Policy Manual. The Policy Unit does not maintain or coordinate the revision of the policies for the Department's four facilities

- 17. The Department should prepare and submit reports required by Sections 17a-91 and 17a-98a of the General Statutes until superseding legislation is passed.**

Comment:

The Department did not submit the annual reports on the status of children committed to the Department and the status of the central registry and monitoring system for the fiscal years ended June 30, 2007 and 2008. The Department did not submit a report on the implementation of the kinship navigator program for the fiscal year ended June 30, 2008.

## **INDEPENDENT AUDITORS' CERTIFICATION**

As required by Section 2-90 of the General Statutes, we have audited the books and accounts of the Department of Children and Families for the fiscal years ended June 30, 2007 and 2008. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements and to understanding and evaluating the effectiveness of the Agency's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the Department of Children and Families for the fiscal years ended June 30, 2007 and 2008, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Department of Children and Families complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

### **Internal Control over Financial Operations, Safeguarding of Assets and Compliance:**

In planning and performing our audit, we considered the Department of Children and Families' internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Agency's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing assurance on the effectiveness of the Agency's internal control over those control objectives.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance requirements was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial operations, safeguarding of assets and compliance with requirements that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis unauthorized, illegal, or irregular transactions or the breakdown in the safekeeping of any asset or resource. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to

properly initiate, authorize, record, process, or report financial data reliably, consistent with management's direction, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is more than a remote likelihood that a financial misstatement, unsafe treatment of assets, or noncompliance with laws, regulations, contracts and grant agreements that is more than inconsequential will not be prevented or detected by the Agency's internal control. We consider the following deficiencies, described in detail in the accompanying "Condition of Records" and "Recommendations" sections of this report, to be significant deficiencies in internal control over financial operations, safeguarding of assets and compliance with requirements: Recommendation 1 board and care disbursements, Recommendation 2 foster care provider licensing, Recommendation 3 discretionary/flexible funds, Recommendation 8 fiduciary funds, Recommendation 9 petty cash funds, Recommendation 10 property inventory and reporting, and Recommendation 12 personnel policies – compensatory time, overtime, timesheets.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with certain provisions of laws, regulations, contracts, and grant agreements or the requirements to safeguard assets that would be material in relation to the Agency's financial operations, noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions, and/or material financial misstatements by the Agency being audited will not be prevented or detected by the Agency's internal control.

Our consideration of the internal control over the Agency's financial operations, safeguarding of assets, and compliance with requirements, was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

### **Compliance and Other Matters:**

As part of obtaining reasonable assurance about whether the Department of Children and Families complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Agency's financial operations, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we reported to Agency management in the accompanying "Condition of Records" and "Recommendations" sections of this report.

The Department of Children and Families' response to the findings identified in our audit are described in the accompanying "Condition of Records" section of this report. We did not audit the Department of Children and Families' response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Agency management, the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

**CONCLUSION**

We wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Children and Families during the course of our examination.

Lisa G. Daly  
Principal Auditor

Approved:

Kevin P. Johnston  
Auditor of Public Accounts

Robert G. Jaekle  
Auditor of Public Accounts