

# STATE OF CONNECTICUT



*AUDITORS' REPORT  
DEPARTMENT OF DEVELOPMENTAL SERVICES  
FISCAL YEARS ENDED JUNE 30, 2019 AND 2020*

**AUDITORS OF PUBLIC ACCOUNTS**  
JOHN C. GERAGOSIAN ❖ CLARK J. CHAPIN

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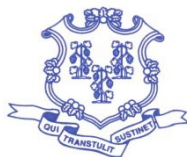
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**EXECUTIVE SUMMARY**

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Department of Developmental Services (DDS) for the fiscal years ended June 30, 2019 and 2020. Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, and policies, and a need for improvement in practices and procedures that warrant the attention of management. The significant findings and recommendations are presented below:

<a href="#"><u>Page 37</u></a>	An employee of a private provider was not referred to the Abuse and Neglect Registry after termination for substantiated neglect. DDS should improve oversight in the review and approval of investigative reports to ensure that the department takes appropriate actions, including referral to its Abuse and Neglect Registry. (Recommendation 17)
<a href="#"><u>Page 38</u></a>	Two contractors providing dental services to DDS individuals were not properly licensed for a combined period of 56 months. Additionally, one contractor worked without a license for approximately three weeks. DDS should verify licenses for contracted health providers to ensure they possess the required credentials and experience, as the department is ultimately responsible for individuals within its care. (Recommendation 18)
<a href="#"><u>Page 40</u></a>	DDS has not received approximately \$1,569,480 in reimbursement for services provided to an ineligible, out-of-state individual. DDS should seek recovery from an individual's state of residency that agreed to reimburse the department for related services. (Recommendation 19)
<a href="#"><u>Page 40</u></a>	DDS currently allows speech and language pathologists and occupational therapists to identify and treat dysphagia, which appears to conflict with the speech and language pathologist scope of practice. DDS should consult with the Department of Public Health to ensure that job duties for occupational therapists and speech and language pathologists are consistent with their state scope of practice. (Recommendation 20)
<a href="#"><u>Page 43</u></a>	During site visits to the DDS Regional Centers, we noted boxes of records for DDS individuals, including medical records, stored in hallways, openly accessible offices, and gymnasiums. DDS should increase security and storage measures to prevent unauthorized access to confidential records, including information protected under the federal Health Insurance Portability and Accountability Act. (Recommendation 21)
<a href="#"><u>Page 44</u></a>	DDS did not complete mortality reviews within the required 90 days of death. The reviews were 34 to 487 days late and did not include explanations for the delays. The DDS should strengthen internal controls to ensure that it promptly performs, adequately tracks, and properly documents its mortality reviews. Additionally, the department should update its policies and procedures to reflect current practices. (Recommendation 22)

# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

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Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

CLARK J. CHAPIN

November 16, 2022

### **AUDITORS' REPORT DEPARTMENT OF DEVELOPMENTAL SERVICES FISCAL YEARS ENDED JUNE 30, 2019 AND 2020**

We have audited certain operations of the Department of Developmental Services in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2019 and 2020. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions. Our testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Résumé of Operations is presented for informational purposes. This information was obtained from various available sources including, but not limited to, the department's management and the state's information systems, and was not subjected to the procedures applied in our audit of the department. For the areas audited, we identified:

1. Deficiencies in internal controls;
2. Apparent non-compliance with laws, regulations, contracts and grant agreements, policies, and procedures; and
3. A need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the Department of Developmental Services.

## COMMENTS

### FOREWORD

The Department of Developmental Services (DDS) operates, generally, under Title 17a, Chapter 319b of the Connecticut General Statutes. The department is responsible for the planning, development, and administration of a complete, comprehensive, and integrated statewide program for persons with developmental disabilities. The department is under the supervision of a commissioner, who is appointed by the Governor. The department is responsible for the administration and operation of all state-operated community and residential facilities established for the diagnostic care and training for persons with developmental disabilities. The department provides an array of residential, day service, and family support programs. These programs may be provided directly by the regions, the Southbury Training School (STS), or through contracts with private provider organizations. In addition, certain individuals within the department's care self-direct the providers for the support services they need. Under this program, called Individual Supports, individuals have authority and responsibility for the funds they receive from the department. If their budget is over \$5,000, individuals are required to use a fiscal intermediary. A fiscal intermediary is a private organization, under contract with the department, which provides administrative and fiscal assistance to individuals, such as completing employment forms, paying staff, ensuring tax compliance, paying vendors, and preparing year-end reports.

### Organizational Structure

DDS is organized into three geographical regions and is administered out of the central office in Hartford. Each region is managed by a regional director, and the Southbury Training School is managed by a director. Within each region, there are also assistant regional directors overseeing individual and family support, and public and private community living arrangements (CLA). The three geographical regions and their headquarters are as follows:

- **North Region:**

The North Region provides support and services to individuals and their families in 57 towns and cities in Hartford, Tolland, and Windham counties. The regional office is in East Hartford, and there are three satellite offices in Newington, Putnam, and Willimantic.

- **South Region:**

The South Region provides support and services to individuals and their families in 63 towns and cities in the New Haven, Middlesex, and New London counties. The regional office is in Wallingford and there are two satellite offices in Norwich and New Haven.

- **West Region:**

The West Region provides support and services to individuals and their families in 49 towns and cities in Litchfield, Fairfield, and New Haven counties. The regional office is in Waterbury, and there are five satellite offices in Cheshire, Stratford, Torrington, Norwalk, and Danbury. There also are three residential campuses, including Northwest Center in Torrington, Lower Fairfield Center in Norwalk, and Southbury Training School in Southbury.

Jordan Scheff served as commissioner during the audited period.

As of June 30, 2020, DDS had 2,202 full-time and 629 part-time filled General Fund positions and 11 filled federally funded positions.

### **DDS Census Statistics**

A summary of census statistics for the various services for individuals within the department's care, for the audited period, as compared to the period ended June 30, 2018, is summarized below:

	<b>Fiscal Year</b>		
	<b>2017 – 2018</b>	<b>2018 – 2019</b>	<b>2019 – 2020</b>
<b>Residential Supports:</b>			
Individuals Living at Home	11,239	11,357	11,540
Individuals in Public Residential Settings	560	504	474
Individuals in Private Residential Settings	4,621	4,674	4,588
Individuals in Other Residential Settings	618	591	576
<b>Total Individuals Receiving Residential Supports</b>	<b>17,038</b>	<b>17,126</b>	<b>17,178</b>
<b>Work and Day Supports:</b>			
Individuals Receiving Public Work and Day Supports	239	179	147
Individuals Receiving Private Work and Day Supports	14,014	13,986	13,726

	Fiscal Year		
	2017 – 2018	2018 – 2019	2019 – 2020
Individuals Self-Directing Work and Day Supports	595	665	729
<b>Total Individuals Receiving Work and Day Supports</b>	<b>14,848</b>	<b>14,830</b>	<b>14,602</b>
<b>Total Individuals with No Work or Day Supports</b>	<b>2,190</b>	<b>2,296</b>	<b>2,576</b>
<b>Total Individuals Utilizing Respite Centers</b>	<b>921</b>	<b>860</b>	<b>801</b>
<b>Total Individuals on Waiting and Planning Lists</b>	<b>2,003</b>	<b>1,838</b>	<b>1,907</b>

Due to the department’s continued efforts to serve individuals in residential settings, the number in public residential settings and programs continued to decline during the audited period. Consequently, there were more individuals in private residential settings and programs.

**Per Capita Costs**

Under the provisions of Section 17b-223 of the General Statutes, the State Comptroller is required to annually determine the per capita costs for the care of all persons in state institutions. Due to the closure of intermediate care facilities (ICF) in the South Region during the fiscal year ended June 30, 2017, there are no inpatient rates included in the comparison. Costs for the in-residence population for the audited period are summarized below:

	Fiscal Year Ended June 30, 2018			
	Inpatient Daily	Inpatient Annual	Group Home Daily	Group Home Annual
North Region	\$1,432	\$522,680	\$1,224	\$446,760
South Region	N/A	N/A	\$1,084	\$395,660
West Region	\$974	\$355,510	\$509	\$185,785
Southbury Training School	\$1,009	\$368,285	N/A	N/A

	Fiscal Year Ended June 30, 2019			
	Inpatient Daily	Inpatient Annual	Group Home Daily	Group Home Annual
North Region	\$1,611	\$588,015	\$1,280	\$467,200
South Region	N/A	N/A	\$1,136	\$414,640
West Region	\$1,022	\$373,030	\$924	\$337,260
Southbury Training School	\$1,186	\$432,890	N/A	N/A

	Fiscal Year Ended June 30, 2020			
	Inpatient Daily	Inpatient Annual	Group Home Daily	Group Home Annual
North Region	\$1,614	\$589,110	\$1,380	\$503,700
South Region	N/A	N/A	\$1,275	\$465,375
West Region	\$1,035	\$377,775	\$1,272	\$464,280
Southbury Training School	\$1,227	\$447,855	N/A	N/A

**Significant Legislation**

**Public Act 19-117** (Section 26), effective July 1, 2019, required organizations providing services under contract with the Department of Developmental Services to reimburse the department at 80% of the difference between the actual expenses and the amount the organization received from DDS under the contract. By October 1st of 2020 and 2021, DDS was required to provide the Office of Policy and Management Secretary with a report detailing the amount of funding retained by contracted providers during the previous fiscal year and how they used the funds.

**Public Act 19-118** (Section 25), effective July 1, 2019, amended Section 171-227a of the General Statutes, and now requires that each applicant who has been made an offer of conditional employment by the department be fingerprinted and submit to state and national criminal history records checks. Prior to the amendment, only direct care workers were required to be fingerprinted. Employment by the department is considered conditional until the results of the criminal history records checks are received and reviewed by the department.

The public act also changed requirements for private providers licensed or funded by the department to provide residential, day or support services to persons with intellectual disabilities. Rather than requiring fingerprinting for each applicant for employment, the requirements are now limited to those who have been made an offer of conditional employment. Employment by a provider licensed or funded by the department shall be considered conditional until the results of the background checks have been received and reviewed by the provider.

**Public Act 22-140** (Section 12), effective October 1, 2022, repealed Sections 17a-219a to 17a-219c of the General Statutes, which created the Connecticut Family Support Council. DDS proposed a legislative change to eliminate the council, which had not met since March of 2017.



**Boards, Committees, and Councils**

***Southbury Training School Board of Trustees:***

Section 17a-271 of the General Statutes established the Southbury Training School Board of Trustees. The board consists of seven members appointed by the Governor to four-year terms. The board advises the director of Southbury Training School (STS) on general policies concerning its operation and administration, conducts annual inspections, and may recommend matters to the Council on Developmental Services, as it deems necessary. As of June 30, 2020, the board consisted of the following members:

Eileen Lemay, Chair	Eugene Harvey
Ann Dougherty, Vice Chair	Diana Mennone
Mark A. R. Cooper	Two vacancies

***Intellectual Disability Partnership Advisory Committee***

Public Act 17-2 (Section 222) of the June Special Session, effective October 31, 2017, created the Intellectual Disability Partnership Advisory Committee to assist in the planning and implementation of the work of the Intellectual Disability Partnership, which is comprised of the Department of Developmental Services, the Office of Policy and Management, and the Department of Social Services. As of June 30, 2020, the following individuals were members of the committee:

Jordan Scheff, DDS Commissioner	Kate McEvoy
Andrea Barton-Reeves	Katie Rock-Burns
Adrienne Benjamin	Richard Sebastian
Barry Bosworth	Barry Simon
Marina Derman	Lauren Traceski
Judy Dowd	Elisa Velardo
Collette Langner	Tracey Walker

***Council on Developmental Services:***

The Council on Developmental Services operates under the general provisions of Section 17a-270 of the General Statutes. The council consists of 15 appointed members: eight appointed by the Governor to two-year terms, six appointed by legislative leaders to two-year terms, and one member appointed by the Southbury Training School Board of Trustees to a one-year term. The council was established to advise and consult with Connecticut residents with intellectual disabilities and their families on issues affecting DDS and its programs and services. In consultation with the commissioner, the council recommends legislation to the Governor and the General Assembly that would enhance and improve the quality of DDS programs and services. The council, with input from the public, advocates for all persons with developmental and intellectual disabilities in Connecticut. As of June 30, 2020, the following individuals were members of the council:

Kevin Zingler, Chair  
Karen Hlavac, Vice Chair  
Rick Rothstein, Secretary  
Adrienne Benjamin  
Pamela DonAroma  
Joseph Duffy  
Christine Hainsworth-Straus  
Frederick Lenz, Jr.

Diana Mennone  
Dawn Oduor  
Arlene Reith  
Neil D. Stein, M.D.  
Deborah Ullman  
Lisa Weisinger-Roland  
One vacancy

***Regional Advisory and Planning Councils:***

Section 17a-273 of the General Statutes established the advisory and planning council for each DDS state developmental region. Each regional council consists of at least ten appointed members who serve three-year terms. The regional councils consult and advise each regional director on the needs of persons with developmental disabilities, the annual plan and budget of the region, and other matters it deems appropriate. As of June 30, 2020, the following were members of the councils:

**North Region:**

Richard Rothstein, Chair  
Kathleen Tetreault, Vice Chair  
Donna Clauson  
Donna Cohen  
Collette Bement Langner

Mary Lou O'Connor  
Lori Sandora  
Annette Scully  
Elisa Velardo, Regional Director  
One vacancy

**South Region:**

Leslie Bridges-Parent, Chair  
Lynn Arezzini  
Robin Brewer  
David Cassano  
Carol Cooney

Thomas Dailey, Regional Director  
Heidi Earle  
Erin McGuire  
Two vacancies

**West Region:**

Chuck Bergamo, Chair  
Sue Bastien  
Lori Chiappiniello  
Marina Derman  
Fritz Gorst, Regional Director  
Mickey Herbst

Gil Kellersman  
Roger McNealy  
Karen Simon  
Arlene Steinfeld  
Cindy Stramandinoli

***Camp Harkness Advisory Committee:***

Section 17a-217a of the General Statutes established the Camp Harkness Advisory Committee. The committee consists of 12 appointed members who advise the commissioner with respect to the health and safety of persons who attend and utilize the facilities at Camp Harkness. The committee promotes communication regarding camp services and develops recommendations for

the commissioner regarding the use of Camp Harkness. As of June 30, 2020, the committee consisted of the following members:

Shannon Aiello  
Betsie Danforth  
Heather Dieberger  
April Dipollina  
Beverly Jackson

MaryAnn Langdon  
Victoria Severin  
Stan Soby  
Four vacancies

***Connecticut Council on Developmental Disabilities:***

The mission of the Connecticut Council on Developmental Disabilities is to promote the full inclusion of people with disabilities in community life. The council is 100% federally funded and is assigned to DDS for administrative purposes. The council uses approximately 70% of its funds for grants to various non-profit organizations for projects and studies that support its mission. The council uses the remainder of its funds for salaries and fringe benefits of a director, two staff members, and additional expenses. DDS provides the council office space at the DDS central office as an in-kind contribution.

While the council is mandated by the federal Developmental Disabilities Act of 2000 and has existed in Connecticut since 1971, it had not been officially established by executive order or state statute until July 2012, when Governor Malloy's Executive Order No. 19 formally established the Connecticut Council on Developmental Services as the successor to the Council on Developmental Services. The council consists of 24 members appointed by the Governor to three-year terms.

As of June 30, 2020, the following were members of the Connecticut Council on Developmental Disabilities:

James Hexter, Chair  
Antonia Edwards, Vice Chair  
Charles Bergamo  
April Burke  
Kevin Daly  
Ann Gionet  
Bryan Klimkiewicz  
Gretchen Knauff

Joyce Lewis  
Ellyn Little  
Patricia Richardson  
James Rosen  
Brenda Stenglein  
Louis St. Felix  
Lauren Traceski  
Nine vacancies

**RÉSUMÉ OF OPERATIONS**

**General Fund**

***Receipts:***

The department's General Fund receipts for the audited period, as compared to the period ended June 30, 2018, are summarized below:

	Fiscal Year		
	2017 – 2018	2018 – 2019	2019 – 2020
Refunds of Expenditures	\$476,559	\$736,157	\$562,855
Refunds of Salaries	23,604	(400)	1,633
Recoveries – General	7,884	0	41,460
Cottages or Residences	11,833	13,389	18,415
Facilities Licensure	16,100	4,650	50
Farms, Land and Buildings	13,652	11,562	13,653
All Other	2,056	1,896	661
<b>Total Fund Receipts</b>	<b>\$551,688</b>	<b>\$767,254</b>	<b>\$638,727</b>

During the audited period, the Department of Social Services (DSS) continued to increase its efforts in performing audits of DDS providers, resulting in an increase in recoupments in the refund of expenditures category. The increase in the recoveries category was due to a reimbursement from DSS for a one-time employee garnishment payment. The revenue for cottages and residences is attributed to employees residing on the grounds of Southbury Training School and fluctuates, depending on the number of employees with current lease agreements.

***Expenditures:***

The department’s General Fund expenditures for the audited period, as compared to the period ended June 30, 2018, are summarized below:

	Fiscal Year		
	2017-2018	2018-2019	2019-2020
<b>Personal Services and Employee Benefits:</b>			
Salaries and Wages	\$200,556,994	\$197,166,414	\$194,241,725
Workers’ Compensation	13,649,274	14,467,892	14,179,926
All Other	565,661	601,191	538,714
<b>Total Personal Services and Employee Benefits</b>	<b>214,771,929</b>	<b>212,235,497</b>	<b>208,960,365</b>
<b>Purchased and Contracted Services:</b>			
Professional, Scientific, and Technical Services	4,372,703	4,468,731	4,419,463
Individual Services	266,308,709	286,274,996	285,198,747
Premises and Property Expenses	6,656,796	6,927,294	6,768,612
Purchased Commodities	3,796,039	3,860,808	3,933,868
Motor Vehicle Costs	3,080,376	2,903,964	2,260,068
Fixed Charges	2,599,503	59,361	59,092
All Other	3,441,155	3,309,659	3,389,016
<b>Total Purchased and Contracted Services</b>	<b>290,255,281</b>	<b>307,804,813</b>	<b>306,028,866</b>
<b>Total Fund Expenditures</b>	<b>\$505,027,210</b>	<b>\$520,040,310</b>	<b>\$514,989,231</b>

Personal services expenditures decreased during the audited period; however, the number of positions increased. Full and part-time position counts totaled 2,829, and 2,842 respectively, for the fiscal years ended June 30, 2019 and 2020. This was due to the increase in part-time and temporary positions.

The large increase in the individual services category was due to additional funding received and expended for emergency placements, employment opportunity and day services, and the Intellectual Disability Partnership Initiative. The Intellectual Disability Partnership Innovative Employment Outcomes Pilot Program was launched during the audited period and encouraged individuals and entities to apply for grants to initiate or enhance businesses that employ or encourage the employment of individuals with intellectual disability. The department also received additional funding due to the memorandum of agreement with the New England Health Care Employee Union (1199) to support wage increases, training and orientation costs, holiday pay, and workers' compensation coverage. The large decrease in the fixed charges category was due to a coding change for the family grants, which are now included in the individual services category.

**Federal and Other Restricted Accounts Fund**

***Receipts:***

The department's Federal and Other Restricted Accounts Fund receipts for the audited period, as compared to the period ended June 30, 2018, are summarized below:

	Fiscal Year		
	2017-2018	2018-2019	2019-2020
Federal Aid	\$657,332	\$679,105	\$758,166
Federal Grant Transfers	1,059,020	887,704	-
Non-Federal Aid	36,200	-	39,500
Restricted Aid, Not Grant Transfer	541,861,859	579,797,001	623,155,127
<b>Total Fund Receipts</b>	<b>\$543,614,411</b>	<b>\$581,363,810</b>	<b>\$623,952,793</b>

The federal aid category accounts for the federal aid DDS receives for the Connecticut Council on Developmental Disabilities that is comprised of twenty-four citizens appointed by the Governor to undertake advocacy, capacity building, and systemic change activities consistent with the federal Developmental Disabilities Assistance and Bill of Rights Act of 2000. The fluctuations are due to funding changes.

The federal grant transfers category consists mainly of the federal share of Medicaid revenue. Starting in the fiscal year ended June 30, 2020, these funds are now directly received by the Department of Social Services, the state's Medicaid agency.

The non-federal aid category accounts for donations to the department for Camp Quinebaug, which are typically received in June for the next fiscal year. As funds for the fiscal year ended June 30, 2020 were not received until July 2019, there were no receipts for the fiscal year ended June 30, 2019.

The increase in the restricted aid, not grant transfer category, is attributed to increased funding for the Community Residential Services Program. Funds are appropriated to the Department of Social Services and transferred to DDS restricted fund accounts. This also accounts for the elimination of funds for the federal grant transfer category, as DDS is no longer the direct recipient of the funds.

**Expenditures:**

The department’s Federal and Other Restricted Accounts Fund expenditures for the audited period, as compared to the period ended June 30, 2018, are summarized below:

	<b>Fiscal Year</b>		
	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
<b>Personal Services and Employee Benefits:</b>			
Salaries and Wages	\$177,108	174,175	438,906
Employee Benefits	128,599	597,801	1,169,443
All Other	5,742	6,912	34,674
<b>Total Personal Services and Employee Benefits</b>	<b>311,449</b>	<b>778,888</b>	<b>1,643,023</b>
<b>Purchased and Contracted Services:</b>			
Individual Services	534,676,057	571,404,207	628,869,873
Professional, Scientific and Technical Services	1,286,369	1,352,125	1,484,943
Fixed Charges	7,005,462	7,788,845	27,451,781
All Other	216,575	152,803	378,867
<b>Total Purchased and Contracted Services</b>	<b>543,184,463</b>	<b>580,697,980</b>	<b>658,185,464</b>
<b>Total Expenditures</b>	<b>\$543,495,912</b>	<b>\$581,476,868</b>	<b>\$659,828,487</b>

The department had an increase in federal personal services and employee benefits due to the increase in temporary positions in response to the COVID-19 pandemic.

The increase in the individual services category relates to the approximately \$35 million the department received in Coronavirus Relief Funds and the Community Residential Services program.

The professional, scientific, and technical services category increased during the audited period due to increases in accounting and auditing services related to the Community Residential Services program. The fixed charges category increased due to state grants for the Community Residential Services program.

**Capital Improvements**

Capital improvement expenditures totaled \$1,662,198 and \$694,776 for the fiscal years ended June 30, 2019 and 2020, respectively. The decrease can be attributed to a reduction in expenditures for property maintenance and services, supplies, ground maintenance, and the conversion of DDS group homes to private providers.

**Community Residential Facility Revolving Loan Fund**

The Community Residential Facility Revolving Loan Fund was established by Section 17a-221 of the General Statutes and allows the department to provide loans for the construction, purchase, or renovation of community-based residential facilities. The department can issue loans, which bear interest at a rate of 6%, up to \$350,000 for this purpose. The department can also issue loans up to \$60,000 for the rehabilitation of community-based residential facilities.

As of June 30, 2020, the fund had an outstanding balance of \$17,230,078 in loans for community residential facilities. New loans issued totaled \$809,954 and \$425,097, respectively, for the fiscal years ended June 30, 2019 and 2020.

Receipts of the fund, consisting primarily of principal repayments and interest income on residential community loans, totaled \$1,857,941 and \$1,858,281, for the fiscal years ended June 30, 2019 and 2020, respectively. The fund had a cash balance of \$11,469,116, as of June 30, 2020.

### **Trustee Accounts**

In accordance with Section 4-52 of the General Statutes, the DDS trustee accounts derive revenue from vending machine commissions, DDS individual workshops, fundraisers, and donations which are to be used to benefit DDS individuals and staff.

Individual funds include the custodial accounts for personal monies of those within the department's care.

The assets comprising the department's trustee accounts totaled \$3,990,045 as of June 30, 2020.

### **Southbury Training School Foundation**

The Southbury Training School (STS) has an affiliated foundation, the Southbury Training School Foundation, Inc. A public accounting firm performed a financial statement audit of the foundation for the fiscal years ended October 31, 2019 and 2020 and noted no findings in either year.

According to the foundation's financial statements for the fiscal year, ended October 31, 2020, revenues and expenses for the fiscal year were approximately \$42,181 and \$172,695, respectively, and net assets totaled \$1,076,575.

## STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Developmental Services disclosed the following 22 recommendations, of which 13 have been repeated from the previous audit:

### **Questionable Regional Director Position**

*Criteria:* Section 17a-272 of the General Statutes states that the Commissioner of Developmental Services shall appoint and remove directors of the training school or state developmental services regions. Each director shall be a trained administrator of services and facilities engaged in the care, custody, treatment, and training of persons with intellectual disability. Each director shall be subject to the direction of the DDS commissioner and shall be responsible for the operation and administration of the training school or state developmental services region. Each regional director may appoint and remove four assistant directors with the approval of the DDS commissioner.

Section 17a-273 requires the appointment of at least one advisory and planning council for each DDS developmental services region, which shall consult with the director of the region.

The Department of Administrative Services (DAS) has formal procedures for establishing a new class that requires a thorough review of the position, consultation with the agency's DAS Human Resources Liaison, and submission of required documents.

*Condition:* The department continues to maintain an additional director position, which appears to be outside the position's statutory intent. The position presides over a type of program rather than a DDS region. While it was approved by the necessary parties, there is no evidence that DAS conducted a required review of the position to document its impact on the DDS organizational structure.

*Context:* DDS is comprised of three geographic regions (North, South, and West), each with its own regional director.

*Effect:* The new regional director position appears to conflict with the statutory language, as the position manages a program rather than a geographic region.

*Cause:* With the changes to Public Programs within the department, the position was created to have one administrator oversee all activity, which the department believes conforms to the legislative intent.

*Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years ended June 30, 2017 through 2018.



*Recommendation:* The Department of Developmental Services should request legislative review of the regional director position to verify that it complies with Section 17a-272 of the General Statutes. (See Recommendation 1.)

*Agency Response:* “The agency disagrees with the finding. State statute does not define what shall constitute a region. The organizational structure was reviewed and agreed to by the appropriate bodies, as evidenced by the position approval in Core-CT by DAS and OPM. Justification for the position exists in Core-CT. If either sister agency requires additional information or supporting documentation prior to position approval, they reach out to the agency to request it.”

*Auditors’ Concluding Comment:* The Core-CT approval process includes Office of Policy and Management sign off on funding and DAS review of the position’s impact on the DDS organizational structure. DDS did not provide requested documentation supporting the DAS analysis.

**Lack of Hiring and Promotion Documentation**

*Criteria:* A DDS supervisor or manager authorized to fill a position vacancy must complete the employee selection report, which includes an applicant tracking form. The supervisor or manager must complete the form whether a position is filled via hire, promotion, transfer, layoff list, or any other employment selection process.

At the beginning of the COVID-19 pandemic during the fiscal year ended June 30, 2020, the Department of Administrative Services notified agencies that they could hire additional employees, on an as needed basis, under an emergency appointment process outlined in Section 5-235(c) of the General Statutes. These emergency appointments had a stipulated duration and hiring provisions, such as an emergency confirmation letter accompanying their employment.

Section 171-227a of the General Statutes, amended July 1, 2019, requires that each applicant who has been made an offer of conditional employment with the department be fingerprinted and submit to a criminal history records check. Prior to the amendment, only direct care workers were required to be fingerprinted.

*Condition:* We reviewed ten new hires and ten promotions and noted the following:

- Employee Selection Report: The agency did not provide the full employee selection report for four new hires detailing the number of applicants, candidates interviewed, and justification for their selection.

- Interview documentation: The agency did not provide certain documentation, including the interview panel information and notes for four new hires and one promotion.
- Fingerprinting: The agency did not provide documentation for ten new hires to verify that the agency completed the fingerprinting requirement of the criminal history records check.

*Context:* During the fiscal year ended June 30, 2019, there were 124 employees hired, 141 promotions, and 180 new position approvals. During the fiscal year ended June 30, 2020, there were 247 employees hired, 108 promotions, and 309 new position approvals.

*Effect:* Without the required documentation, it is difficult to determine whether the department selected the most appropriate candidates for hire or promotion. Additionally, the department did not complete the required security checks to ensure those working with the DDS population were properly verified.

*Cause:* The incomplete promotion documentation and lack of fingerprinting appears to be the result of a lack of management and Human Resources oversight.

*Prior Audit Finding:* This finding has been previously reported in the last two audit reports covering the fiscal years ended 2014 through 2018.

*Recommendation:* The Department of Developmental Services should strengthen internal controls to ensure that the hiring and promotion process is adequately supported in accordance with DDS and the Department of Administrative Services procedures. Additionally, the department should perform security checks to help ensure the safety of those individuals receiving services from the department. (See Recommendation 2.)

*Agency Response:* “The agency agrees in part with the finding. The agency agrees with the findings regarding employee selection reports and interview notes. The agency agrees in part with the finding regarding fingerprinting. Fingerprinting for one out of ten identified employees was completed; fingerprint results for two out of ten identified employees are pending; two out of ten identified employees are no longer with the agency; fingerprinting for three out of ten identified employees was not required or allowable, per federal direction. Overall, other background and security checks were completed for all ten identified employees to ensure that safety of the individuals within the department’s care. To address missing documentation in the remaining transactions, the transition to a centralized statewide Human Resources structure will

help to ensure that workflow and processes are streamlined and consistent.”

*Auditors’ Concluding  
Comment:*

Our office repeatedly requested supporting employee fingerprinting information, but DDS did not provide any.

**Lack of Separation Documentation**

*Criteria:*

According to Section X of the DDS Employee Handbook, employees who terminate from the agency through retirement, voluntary resignation, or transfer to another state agency, must provide Human Resources with written notice via a letter of intent.

Prior to separation, Human Resources requests that employees complete the DDS Separation Data Form, which indicates any state property in their possession. The form is used as a tool to properly account for and collect state property.

*Condition:*

DDS did not have a letter of intent or a data separation form on file for seven employees to document written notice of their separation and whether they returned state property to the department. Also, a letter of intent was missing for an additional four employees.

*Context:*

During the fiscal year ended June 30, 2019 and 2020, there were 731 employee terminations. We selected 20 employee terminations for review.

*Effect:*

Management was unable to provide documentation verifying the employee’s intent to separate from the department as required by DDS policy. The lack of separation data forms increases the risk that state property will not be returned to the department upon an employee’s separation.

*Cause:*

The DDS regions do not uniformly process and document employee separations.

*Prior Audit Finding:*

This finding has been previously reported in the last two audit reports covering the fiscal years ended 2014 through 2018.

*Recommendation:*

The Department of Developmental Services should review current separation procedures to ensure that it consistently obtains completed separation documentation. (See Recommendation 3.)

*Agency Response:*

“The agency agrees with the finding. The transition to a centralized statewide Human Resources structure will help to ensure that workflow and processes are streamlined and consistent. However, the agency also

maintains a separate state property inventory process to ensure that state property is accounted for under all circumstances.”

### **Inadequate Documentation Supporting Medical Leave**

- Criteria:* According to Section 5-247-11 of the state personnel regulations and most collective bargaining agreements, employees must submit a medical certificate to substantiate a period of sick leave of more than five consecutive working days. The statewide Family and Medical Leave Policy sets forth procedures for requesting a leave under the Family and Medical Leave Act (FMLA). The policy outlines the required forms and submission deadlines.
- Condition:* Required medical certificates and FMLA forms were missing for 14 employees on medical leave, totaling 2,486 hours, or 319 days.
- Context:* During the fiscal years ended June 30, 2019 and 2020, 601 employees were on medical leave for more than five consecutive days, totaling 69,602 hours. We reviewed 20 employees’ medical leaves with a total of 3,173 hours.
- Effect:* A lack of required documentation increases the risk that medical leave and use of accruals may be improper.
- Cause:* The instances of inadequate documentation to support medical leave appear to be the result of a lack of management oversight.
- Prior Audit Finding:* This finding has been previously reported in the last two audit reports covering the fiscal years ended 2014 through 2018.
- Recommendation:* The Department of Developmental Services should strengthen internal controls to ensure that medical leave is administered in accordance with collective bargaining agreements and Family and Medical Leave Act guidelines. (See Recommendation 4.)
- Agency Response:* “The agency agrees with the finding. The transition to a centralized statewide Human Resources structure will help to ensure that workflow and processes are streamlined and consistent for medical leave documentation.”

### **Inadequate Workers’ Compensation Claim Documentation**

- Criteria:* Workers’ compensation is a statutory program designed to provide benefits to Connecticut workers in the event of occupational injury or illness. The DAS Workers’ Compensation Manual requires the use of the DAS Workers’ Compensation Claim Reporting Packet to document

the facts of reported claims. The manual outlines the required forms and submission deadlines.

*Condition:*

Our review of workers' compensation claims disclosed the following discrepancies:

- Ten claims had incomplete, missing, or late documentation, including 19 missing forms, five completed three to 522 days late, three not properly completed, two that did not include the date of injury, one that did not have the Third-Party Liability section completed, and two that were not dated so we could not determine their timeliness.
- Four claims did not have adequate documentation on file for the initial medical treatment. Three workers were not treated by a medical provider in the approved managed care network. One claim did not have required medical documentation on file, including a visit summary or an initial worker status report.
- Three claims did not have adequate documentation supporting net wages. Wage audit report totals did not match the DDS calculation, and the department did not provide documentation to support the difference.
- Two claims lacked explanations for \$4,212 in indemnity payments.

*Context:*

During the fiscal years ended June 30, 2019 and 2020, 849 workers' compensation claims were filed, resulting in charges totaling \$8,598,847. We selected ten workers' compensation claims that resulted in charges totaling \$467,483.

*Effect:*

Workers' compensation forms and payments are not adequately documented, which increases the risk of errors, untimely processing, or unjustified payments.

*Cause:*

The inadequate documentation to support workers' compensation claims appears to be the result of a lack of management oversight.

*Prior Audit Finding:*

This finding has been previously reported in the last two audit reports covering the fiscal years ended 2014 through 2018.

*Recommendation:*

The Department of Developmental Services should strengthen internal controls to ensure that workers' compensation claims are supported by adequate documentation. (See Recommendation 5.)

*Agency Response:* “The agency agrees with the finding. The transition to a centralized statewide Human Resources structure will help to ensure that workflow and processes are streamlined and consistent for workers’ compensation claim documentation.”

**Inadequate Review of Overtime Hours Worked**

*Criteria:* DDS utilizes daily sign-in sheet for various worksites to document employee overtime. The sign-in sheet includes the employee’s printed name and signature, whether the shift was voluntary or mandatory, and the times worked along with the supervisor’s signature authorizing the overtime.

Sound internal controls dictate that there should be an adequate segregation of duties between the recording and approving of overtime.

*Condition:* We reviewed overtime earned for 20 DDS employees, totaling \$123,463, and noted the following:

- Overtime worked for three employees differed between the Core-CT timesheet and the department’s overtime sign-in sheets, resulting in a \$744 overpayment for two employees and a \$9 underpayment for one employee.
- One employee approved their own overtime shifts on the department sign-in sheets.
- Management did not provide support for one employee’s overtime hours.

*Context:* During the fiscal year ended June 30, 2019, 2,105 employees earned \$39,729,543 of overtime. During the fiscal year ended June 30, 2020, 2,134 employees earned \$38,781,857 of overtime.

*Effect:* The lack of properly reviewed and approved overtime records increases the risk of undetected losses and improper overtime payments.

*Cause:* The exceptions noted appear to be the result of a lack of management oversight in verifying overtime hours worked.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should strengthen internal controls to ensure that overtime hours are accurately recorded and verified by appropriate personnel. (See Recommendation 6.)

*Agency Response:* “The agency agrees with the finding. Discrepancies were due to manual processes and human error. It should be noted that the coding errors represented less than 1% of the dollars sampled. Payroll will be adjusted for the individuals accordingly. The missing timesheet for one employee was due to a name change and it has been located.

There are plans to transition all DDS employees to self- service in 2023. This should eliminate some of these issues, which are inherent with the use of manual timesheets.”

### **Lack of Documentation for Telework Program**

*Background:* Telework is a voluntary arrangement that allows employees to work from home or other approved location on a scheduled basis. Telework is intended to increase worker productivity and efficiency, benefit the environment, and reduce traffic congestion.

Section 5-248i of the General Statutes authorizes the Department of Administrative Services to develop and implement guidelines for authorizing telecommuting and work-at-home programs for state employees. In 2010, DAS issued General Letter No. 32 establishing the guidelines for telecommuting by executive and legislative employees.

The State of Connecticut and the State Employee Bargaining Agent Coalition (SEBAC) established a Statewide Telework Committee to create a telework policy for state employees in the 2017 SEBAC agreement. The Interim Telework Program went into effect July 1, 2019.

Due to the Covid-19 pandemic, on March 13, 2020, the Office of Policy and Management approved the Department of Administrative Services’ request to extend the 2019 Interim Telework Guidelines to all executives, managers, and confidential executive branch employees.

*Criteria:* The Interim Telework Program includes the Interim Telework Guidelines, a telework application, an IT Telework Security Addendum, a telework work plan and, as applicable, and a telework agreement.

The telework work plan is a mutual agreement that specifies the work to be completed by the employee at the remote location.

Appendix A of the Interim Telework Program lists those job classes approved for telework under the program. Employees in classifications identified on Appendix A may apply to telework. Approval is contingent on satisfaction of the criteria established in Part III of the Interim Telework Guidelines.

The state agency must submit a copy of each approved telework application and related documentation within one week of approval to the Department of Administrative Services. Each fiscal year, DAS reports statewide participation in the Interim Telework Program to the legislature as required by statute.

*Condition:* Our review of 20 employees who were approved to participate in the Interim Telework Program disclosed that documentation was missing, incomplete, or late for 13 employees, including the following:

- Seven employees had incomplete or were missing documentation. DDS could not locate its email to DAS with the Telework Agreement approval for four employees; work plans for three employees were missing the supervisor’s signature; and DDS could not locate the work plan for two employees.
- For eight employees, DDS did not send completed telework agreements to DAS within one week of approval.

*Context:* During the fiscal year ended June 30, 2020, DDS approved 117 employees to participate in the Interim Telework Program.

*Effect:* Without documenting specific remote job duties and measurable products, employees and managers may not have adequately communicated and agreed upon work activity.

Without proper agency documentation, the telecommuting section of the Department of Administrative Services’ annual report to the legislature could be incomplete and inaccurate.

*Cause:* The missing, incomplete, and late telework documentation appears to be the result of a lack of management oversight.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should review the Department of Administrative Services telework policy and enforcement tools to support measurable productivity and detailed recordkeeping. Additionally, the department should promptly and completely report its newly approved telecommuting arrangements to the Department of Administrative Services. (See Recommendation 7.)

*Agency Response:* “The agency agrees in part with the finding. The agency agrees with the findings regarding incomplete documentation (primarily missing emails of final plans to DAS), except for one of the twenty identified staff, who initially requested telework during the early days of the COVID-19



pandemic. As telework approvals were just beginning to be handled differently at that time, this employee's request was handled under the new process instead. Overall, the missing documentation was not tracked down during the remainder of FY20, as the final third of the year was spent focused on pandemic response and under a different telework approval process. In general, the agency measures work product in ways other than the former telework Work Plan, to ensure that each employee's work is completed appropriately, regardless of telework status. Moving forward, the agency will ensure compliance with the requirements in the new telework agreement."

### **Overtime While on Workers' Compensation Light Duty**

- Background:* The State of Connecticut Department of Administrative Services Workers' Compensation Manual defines light duty as work prescribed by an employee's attending physician to fall within certain physical restrictions while the employee continues to heal from a compensable work-related injury or occupational disease.
- Criteria:* According to the DDS Employee Handbook, accommodations will be made whenever possible to return employees to light duty if recommended by their physician. While on light or restricted duty, the employee cannot work any overtime.
- Condition:* We reviewed 25 employees who were assigned light duty workers' compensation assignments and worked overtime in the same pay period. We noted that 13 employees worked a total of 192 hours of overtime.
- Context:* During fiscal year ended June 30, 2020, 37 employees worked overtime during the same pay period they worked regular light duty for 1,312 light duty and 740 overtime hours. During fiscal year 2021, 25 employees worked overtime during the same pay period they worked regular light duty for 849 light duty and 502 overtime hours. As of August 23, 2021, during fiscal year 2022, 15 employees worked overtime during the same pay period they worked regular light duty for 484 light duty and 221 overtime hours.
- Effect:* Employees on light duty workers' compensation assignments may risk further injury by working additional hours or performing work duties beyond their physician's restrictions.
- Cause:* The allowance of overtime while on workers' compensation light duty appears to be the result of a lack of management oversight.
- Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should monitor employees assigned to workers' compensation light duty to ensure that they do not earn overtime while working in a limited capacity. (See Recommendation 8.)

*Agency Response:* "The agency agrees with the finding. We will review current processes and enhance monitoring controls accordingly."

**Late Encumbrance of Funds and Lack of Expenditure Documentation**

*Criteria:* In accordance with Section 4-98 of the General Statutes, except for emergency purchases, no state agency shall incur any obligation except by the issuance of a purchase order or any other documentation approved by the State Comptroller. Sufficient funds should be encumbered to cover the estimated purchases.

Sound business practice requires expenditures to be adequately supported.

The DDS Rent Subsidy Program's policy and procedures requires documentation to be signed and approved by the designated staff to support rent subsidy payments to individuals. The program also requires updated personal liability insurance to be on file.

*Condition:* Our review of 20 expenditure transactions totaling \$137,242 disclosed the following:

- DDS encumbered purchase orders for six vouchers totaling \$42,959 two to 15 business days late.
- Required documentation was either not on file or not properly documented for five expenditure transactions totaling \$3,586. This included one payment in which a residential school agreement was signed 25 business days late and four rent subsidy payments in which the designated staff did not sign required forms. In addition, the required personal liability insurance had expired for two rent subsidy payments.

*Context:* During the fiscal years ended June 30, 2019 and 2020, there were 101,982 regular expenditure transactions totaling \$1,827,151,611.

*Effect:* There is reduced assurance that funds will be available for payments when purchase orders are not promptly encumbered. The lack of support increases the risk of misuse of funds.

*Cause:* The late encumbering of purchase orders and lack of expenditure supports appear to be the result of a lack of management oversight.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should strengthen internal controls to ensure that purchase orders are issued in accordance with Section 4-98 of the General Statutes. In addition, the department should ensure that it adequately supports its expenditures. (See Recommendation 9.)

*Agency Response:* “The agency agrees with the finding. The latency for three vouchers was due to the volume of purchases orders for the new fiscal year and the remaining three was due to the lack of available funds. DDS will continue to work towards committing funds prior to processing and paying vouchers.

DDS has enhanced its rent subsidy documentation processes. Since January 2022, Rent Subsidy Coordinators statewide have been focused on ensuring all documentation is current and on file. This includes leases, renter’s insurance, and monthly submission documents.”

### **Lack of Contract Documentation and Monitoring**

*Criteria:* The Office of Policy and Management (OPM) Procurement Standards for Personal Services Agreements (PSA) and Purchase of Service (POS) Contracts require that state agencies establish a project file that contains essential documents related to the contractor selection process. If an agency conducts a request for proposal (RFP) process to select a contractor, the project file must include a list of all participants, proposals received, final rating and ranking of proposals, screening committee’s recommendations to the agency’s head, and documentation of the agency head’s selection.

The standards also state that contractors must not begin work until a contract is fully executed, amendments must be executed before the original end date of the contract, and written contractor performance evaluations must be submitted within 60 days of the completion of work.

DDS contracts require providers to submit eight-month expense reports no later than March 31st and annual financial or end-of-year expense reports no later than October 15th or by a granted extension date. The contracts also require that, after the end of each fiscal year or the termination of a contract, DDS shall recoup any excess funding (the difference between the provider’s DDS funding and the provider-reported actual allowable expenditures) by issuing a cost settlement report to the provider. In addition, various contract terms outline different audit requirements.

Sections 4-230 through 4-236 of the General Statutes require that a state single audit report (if applicable) shall be submitted no later than six months after the end of the provider's fiscal year or OPM-granted extension. Section 4-236-21 of the Regulations for CT State Agencies requires a state agency to work with the cognizant agency (OPM) to ensure that audits are completed, and reports are received on time.

Sound business practice requires that a contract amendment be approved before an amended budget becomes effective and the timely review of financial and audit reports to promptly recoup any unexpended funds or address audit findings and recommendations.

*Condition:*

Our review of 19 contracts, including five personal services agreements and 14 purchase or service contracts, totaling \$117,680,703, disclosed the following:

**Contract Selection, Execution, and Payments**

- DDS did not provide documentation to support that it conducted a proper request for proposal process for six privatized public group homes. Missing documentation included the list of participants in the RFP process, final ratings and ranking of proposals, and the screening committee's recommendations to the DDS commissioner.
- Three contracts were executed 16 to 20 business days late.
- Twenty amendments in eight contracts were executed one to 29 business days late.
- Evaluations were required for six of the 19 contracts reviewed. However, two were not on file and four were completed between five and 243 business days late.

**Contract Fiscal Monitoring**

- Ten out of 15 eight-month purchase of service contract expense reports were filed three to 22 days late, and DDS did not review any of the 15 reports submitted.
- Annual reports and/or end of the year expenditure reports were required for eight purchase of service contracts in each year reviewed. One contractor did not file an annual report in either fiscal year, and another contractor submitted one annual report seven business days late.

Additionally, although there are no specific DDS guidelines, the department did not review five out of the seven annual reports for each fiscal year until three to ten months after submission.

- Cost settlement reports were missing for ten out of 16 contracts. Additionally, six reports were missing documentation to support the minimum wage revenue.
- We identified ten contracts that require a state single audit (SSA), financial statement audit, or agreed-upon procedure review for both fiscal years reviewed. We noted seven were missing the required reports for one or both fiscal years. Additionally, single audit reports were submitted late for seven out of 13 contracts with delays ranging from 15 to 64 business days. In one instance, we were unable to determine whether the report was submitted on time due to the lack of a submission date. We were unable to determine whether DDS reviewed seven single audit reports and if reviews were timely for six reports submitted.

*Context:* During the fiscal years ended June 30, 2019 and 2020, there were 215 purchase of service and personal services agreement contracts with payments totaling \$1,591,153,721.

*Effect:* Lack of contract monitoring and timely review of financial reports increases the risk of financial loss, improper use of funds, and possible use of contractors with poor performance.

*Cause:* These conditions appear to be the result of a lack of management oversight and staffing shortages.

*Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years ended June 30, 2017 through 2018.

*Recommendation:* The Department of Developmental Services should strengthen internal controls over contract processing to ensure compliance with purchasing laws and regulations. The department also should enhance its monitoring procedures to establish a reasonable timeframe for review of the required fiscal and audit reports to ensure that it promptly addresses any findings or recommendations. In addition, the department should adequately document its monitoring efforts. (See Recommendation 10.)

*Agency Response:* “The agency agrees in part with the finding. Contract executions and amendment delays were due, in part, to numerous revisions by the Attorney General’s Office. The contract dates reflect the correct onset of services and there were no financial losses.

RFPs for six group homes privatized in fiscal years 2017 and 2018 were conducted in accordance with agency policies and procedures and approved by OPM. Hard copy RFP files have been located for three of the six group homes. For future RFPs, the agency will ensure required documents are electronically stored in a central location.

There are multiple fiscal monitoring processes in place for DDS contracted services that are being managed adequately by the Regions, Operations Center, and Audit. Fiscal report monitoring and reviews are completed as soon as practical and may fluctuate based on agency workloads and resources. Providers are contacted to resolve missing or late audit reports. Provider's corrective action plans for SSA findings are also evaluated. Additionally, OPM monitors SSAs for timely filing and approves extensions.

Fiscal Year 2019 cost settlements reports was not required for one contract because the provider submitted end of year expense reports rather than an annual report. Reports for the fiscal year 2020 cost settlements were completed in September 2021.

The agency agrees that an audit report was missing for one contract for fiscal year 2020. DDS was aware of the issue and was following up with the provider. Audit reports were not required to be submitted to DDS for PSA contracts referenced as missing. They are not grant contracts and are not considered major programs.

SSA reviews were conducted for all providers. There are multiple electronic documents and records used to support the reviews. The agency will consider enhancing tracking logs for improved documentation.”

*Auditors' Concluding  
Comment:*

The missing audit reports included in the finding were for purchase of service contracts and not personal services agreements as noted in the agency response.

**Untimely Posting of Deposits**

*Criteria:*

The Office of the State Comptroller State Accounting Manual requires each agency to post deposits in Core-CT the same day the deposit information is available in Core-CT.

*Condition:*

Our review of 20 deposits revealed that DDS posted 12 deposits totaling \$114,085, to Core-CT between one to 14 business days late.

<i>Context:</i>	During the audited period, there were 574 deposits totaling \$4,143,564. We selected 20 deposits, totaling \$135,634, for review.
<i>Effect:</i>	Funds were not promptly posted to Core-CT in accordance with the State Comptroller’s State Accounting Manual.
<i>Cause:</i>	The untimely posting appears to be due to lack of management oversight.
<i>Prior Audit Finding:</i>	This finding has been previously reported in the last audit report covering the fiscal years ended 2017 through 2018.
<i>Recommendation:</i>	The Department of Developmental Services should strengthen internal controls to ensure that the department promptly posts its deposits in accordance with the Office of the State Comptroller's State Accounting Manual. (See Recommendation 11.)
<i>Agency Response:</i>	“The agency agrees with the finding. While, most importantly, funds were deposited to the bank account, the transactions were not always posted to CORE on the same day as required. In some cases, additional information was needed to complete the transaction. The agency has been working with staff and stressing the importance of posting daily.”

### **Lack of Oversight Regarding Asset Management**

*Criteria:* Section 4-36 of the General Statutes requires each state agency to establish and maintain inventory records in the form prescribed by the Office of the State Comptroller.

The State Property Control Manual provides guidance to state agencies on the requirements and internal controls that need to be implemented, including capitalization thresholds for personal property, use of the Core-CT Asset Management Module, maintaining a controllable asset listing for theft-prone assets, completion of physical inventories, and disposal of surplus inventory items.

*Condition:* We performed various inventory tests, which identified the following:

**Asset Purchases:** We selected 18 asset purchases, totaling \$122,750, from the fiscal years ended June 30, 2019 and 2020, and noted the following:

- Four purchases included assets that were inappropriately grouped as independent equipment items. As the individual assets are under the capitalization threshold, DDS overstated its CO-59 by \$40,426.

- Four purchases, totaling \$11,876, included assets that were incorrectly entered into Core-CT, causing a delay in processing and a late service deployment of one year. An additional 13 assets, totaling \$19,902, were incorrectly coded to capital purchase accounts, as they did not meet the capitalization threshold.
- One piece of land, totaling \$98,000, was added to inventory records a year and a half after acquisition.

**Annual Physical Inventories:** We reviewed the physical inventories for the fiscal years ended June 30, 2019 and 2020 and noted the following:

- Two assets were placed into service ten months late, due to incorrect entry into Core-CT at time of payment.
- Three assets were received prior to June 30, 2020 but were not included in the fiscal year 2019-2020 annual physical inventory.

**Inspection of Assets:** We judgmentally selected 72 assets at various DDS locations, totaling \$392,297, and noted the following:

- We found five out of 37 assets in a location different from that stated on the agency's inventory in Core-CT. We also found that five assets were not properly tagged, three were not tagged, one tag was lost and not replaced, and one worn tag could not be read.

**Asset Disposals:** We selected ten asset disposals during the fiscal years ended June 30, 2019 and 2020, totaling \$717,496, and noted the following exceptions:

- DDS removed one \$11,777 asset from inventory records a year and a half after approval to scrap and one \$3,400 asset six months before receiving approval to scrap. The department also removed one \$25,000 building (gifted to the town of Bridgeport in 2015) from inventory five years late.

**CO-59 Property Records:** We reviewed CO-59 property records for the fiscal years ended June 30, 2019 and 2020, and noted the following:

- DDS could not provide supporting documentation for the Stores & Supplies category on the CO-59 totaling \$290,548 for both fiscal years. Due to layoffs, this figure has not been updated, nor has the inventory been maintained since the fiscal year ended June 30, 2016. Furthermore, DDS only recorded this category for supplies on hand at Southbury Training School, one of the agency's many locations.



As the overall supplies on hand balance exceeds the capitalization threshold, the agency should maintain a supplies inventory for all locations.

*Context:* As of February 2021, DDS had 5,365 capital and controllable assets totaling \$12,602,989. The department spent \$988,756 and \$568,535 on asset related purchases during the fiscal years ended June 30, 2019 and 2020, respectively. DDS disposed of 439 assets during the fiscal years ended June 30, 2019 and June 30, 2020, totaling \$1,540,083.

*Effect:* Noncompliance with State Property Control Manual guidelines may lead to inaccurate recording and reporting of state property, misstatement of asset balances, and a decreased ability to safeguard assets.

*Cause:* The issues noted appear to be a result of a lack of management oversight and inadequate internal controls over the recording and reporting of assets. We also noted that one employee is responsible for the department's assets, which encompass numerous locations.

*Prior Audit Finding:* This finding has been previously reported in the audit report covering the fiscal years ending June 30, 2017 through 2018.

*Recommendation:* The Department of Developmental Services should strengthen internal controls over the recording, reporting, and processing of assets to ensure compliance with the State Comptroller's Property Control Manual. Also, the department should assign additional staffing to maintain assets and conduct annual physical inventories. (See Recommendation 12.)

*Agency Response:* "The agency agrees with the finding. Department operations were affected by unavoidable situations; COVID-19 pandemic, group home closures, emergency moves, and unforeseen staffing issues without replacement staff. The agency has assigned job duties to additional staff to assist in maintaining and conducting assets during the annual physical inventories. The additional staff will help close the gap for improved internal control, reporting of assets, and maintaining state processes.

### **Outdated Department Policies and Procedures**

*Criteria:* Sound internal controls dictate that departmental policies and procedures should reflect current practices. They should be available to all users and presented and organized in a user-friendly manner. Program-specific policies should be implemented consistently across different regions.

*Condition:* The DDS policies and procedures manual is not current, and the department has not posted the administration section on its website. Our

current review also noted that the various DDS regions do not consistently implement rent subsidy program policies, and some regions followed a draft policy.

*Context:* The DDS policies and procedures manual has two sections – service delivery and administration. They provide guidelines over agency operations for the three DDS regions (including satellite offices), Southbury Training School, and the central office.

*Effect:* Internal controls are weakened when policies and procedures are not made available to users and are not promptly updated to reflect current practices and changes in laws and regulations. Significant time lags in finalizing revisions to procedures may also lead to improper actions by employees.

*Cause:* Management does not promptly revise policies due to time and staffing constraints.

*Prior Audit Finding:* This finding has been previously reported in the last three audit reports covering the fiscal years ended June 30, 2012 through June 30, 2018.

*Recommendation:* The Department of Developmental Services should ensure that its policies and procedures are current, available to all users, and presented and organized in a user-friendly manner. (See Recommendation 13.)

*Agency Response:* “The agency agrees with the finding. Multiple employees continue to work on revisions to the agency’s numerous service delivery and administration policies and procedures. DDS also makes regular revisions to policies and procedures in response to changing external conditions. DDS will continue to devote resources to these reviews and revisions.”

### **Non-Compliance with Reporting Requirements**

*Criteria:* The Department of Developmental Services is required to comply with numerous reporting requirements set forth by the Office of the State Comptroller and various sections of the General Statutes.

*Condition:* Our review of 65 required reports disclosed that DDS did not submit five reports, submitted eight reports five to 129 business days late, appeared to prepare two annual reports biennially, and did not document report submission dates. Further details are as follows:

- DDS submitted the annual petty cash report (due May 31, 2020) required by the State Comptroller 42 days late.

- DDS submitted the quarterly status reports for small and minority contractor set aside program (due on October 31, 2019, January 31, 2020, April 30, 2020, and July 31, 2020) between five and 129 days late. The reports are required by Section 4-60g(m) of the General Statutes.
- DDS submitted the 2019 and 2020 affirmative action plans (due December 30) 12 and 31 days late, respectively. The plans are required by Section 46a-68 of the General Statutes.
- DDS prepared the 2019 and 2020 annual ombudsperson reports biennially rather than annually. These reports are required by Section 17a-210a(d) of the General Statutes. In addition, DDS lacked documentation to support that it submitted the reports to the General Assembly.
- DDS did not submit one of the semi-annual notices regarding employees placed on the Abuse and Neglect Registry for fiscal year ended June 30, 2020. The notices are required by Section 17a-247c of the General Statutes.
- DDS submitted the annual report on intellectual disability residential services pilot programs (due on January 1, 2019) 56 days late. The report is required by Section 2 of the Special Act 18-2. Additionally, DDS had not filed the report due on January 1, 2020 as of April 9, 2021.
- DDS did not file the report on cost settlements with private and nonprofit providers, due on October 1, 2020. The report is required by Section 26 of Public Act 19-117. The agency requested an extension to submit the report on March 15, 2021 but had not submitted it as of May 13, 2021.
- DDS did not file the annual mortality reports (due in March 2020 and 2021) as required by Executive Order No. 57.

*Context:* During the audited period, there were 65 reporting requirements.

*Effect:* Intended recipients of the reports may not have the current information required to make informed decisions regarding the department and its operations.

*Cause:* The lack of compliance appears to be due to the COVID-19 pandemic, limited staff resources, and a lack of management oversight.

*Prior Audit Finding:* Except for the Ombudsperson report, the finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should strengthen internal controls to ensure compliance with its statutory reporting requirements. (See Recommendation 14.)

*Agency Response:* “The agency agrees with the finding. Several factors contributed to the delays including but not limited to; the COVID-19 pandemic, and the August 2020 Human Resources statewide centralization, which resulted in the reassignment of key DDS staff and duties effecting multiple state agencies and DDS divisions.

DDS will remind responsible parties of the importance of filing required reports timely.”

### **Untimely Return of Excess DDS Individual and Trustee Funds**

*Criteria:* Section 4-32 of the General Statutes requires each agency receiving revenue for the state to deposit and account for the funds within 24 hours of receipt if the total received amounts to \$500 or more. Total receipts of less than \$500 may be held until they amount to \$500, but not for more than seven calendar days.

DDS receives an annual waiver extension from the Office of the State Treasurer to deposit funds beyond the 24-hour rule required by Section 4-32 of the General Statutes. The additional days are based upon group home location. The extension grants an additional two days for residences located within 25 miles of the Hartford Central Business Office, four days for residences within 25 to 40 miles, and nine days for residences over 41 miles away.

Section D.3. of the DDS Service Delivery Procedure No. I.F.PR.007, effective February 1, 2007, requires checks from accounts of those individuals within the department’s care to be cashed and spent, and any change and receipts returned to the Business Office within ten calendar days. If a check is not cashed and spent within the ten calendar days, it must be returned to the Business Office and voided. The same guidelines apply to trustee fund disbursements.

*Condition:* Our review of disbursements from the accounts of those individuals within the department’s care and trustee accounts identified the following conditions:

- For four disbursements from the accounts of individuals within the department’s care, totaling \$2,550, \$49 in excess cash was returned to the Business Office between four and seven days late.

- For four trustee account disbursements totaling \$6,645, \$113 in unspent cash was returned to the Business Office between one and 29 days late.
- During our review, we noted a conflict between the statutory requirements regarding the deposit of funds and DDS policy. Statutory requirements, including the granted deposit extensions, require unspent funds to be deposited within three to 16 days. The DDS policy requires unspent funds to be returned to the Business Office for deposit within ten days.

*Context:* During the audited period, DDS made 7,276 disbursements totaling \$1,829,847 from DDS individuals' accounts. Of the 30 disbursements, five had unspent cash of \$74 that was returned to the Business Office.

During the audited period, DDS made 1,366 disbursements, totaling \$1,089,047, from trustee accounts. We selected 20 disbursements, totaling \$182,987, for testing. Of the 20 disbursements, six had unspent cash of \$541 that was returned to the Business Office.

*Effect:* Late return of DDS individual and trustee funds increases the risk of loss of funds. In addition, conflicting deposit policies may lead to increased noncompliance with statutory requirements.

*Cause:* The untimely return of excess funds appears to be the result of a lack of management oversight. We note that the Business Office has also experienced difficulty in obtaining excess funds and supporting documentation from group home staff, case managers, and DDS individuals' families.

DDS did not update its policy and accompanying forms to reflect the annual deposit waivers and extensions.

*Prior Audit Finding:* This finding was previously reported in the last audit report covering the fiscal years ended June 30, 2017 and 2018.

*Recommendation:* The Department of Developmental Services should strengthen internal controls over DDS individual and trustee funds to ensure that excess cash is promptly returned. In addition, the department should update its policies and forms regarding DDS individuals' funds to ensure compliance with statutes and applicable waivers. (See Recommendation 15.)

*Agency Response:* "The agency agrees with the finding. The Business Office relies on staff from public group homes and facilities to forward funds spent within the required timeframe. This work was impacted by the pandemic and

related staffing shortages. The Business Office and Directors of Public Programs will continue to work together to make the timely return of funds a priority for public staff.

Revisions to DDS Personal Funds Policy – Public I.F. PR.007 have been drafted and are pending approval from DDS Leadership.”

**Inadequate Support for DDS Individual and Trustee Fund Disbursements:**

*Criteria:*

In accordance with the Accounting Procedures Manual for Trustee Accounts issued by the State Comptroller, purchases should be made at the best prices obtainable, utilizing state contracts or obtaining competitive bids, and using a purchase order system.

According to the DDS Policy and Procedures Manual for Trustee Funds, payments for goods or services are to be initiated by preparing a purchase requisition. Staff requesting funds are to use the DDS funds withdrawal request form. All payments for goods and services should be substantiated by vendor invoices or receipts from individuals. Payments also should be supported by a purchase order or contract, when applicable.

The State Comptroller’s Activity and Welfare Manual states that trustee accounts established and administered under the provisions of Connecticut General Statutes 4-52 through 4-57a, are included in the exemption from sales and use taxes in Connecticut General Statutes 12-412(1)(A), for sales of tangible personal property or services to the State of Connecticut, or its agencies.

*Condition:*

Our review of disbursements from the accounts of DDS individuals and trustee accounts identified the following conditions:

**DDS Individual Funds:**

- Withdrawal request forms were incomplete for five out of 30 disbursements, totaling \$2,491. Missing information included transaction and fund types, approval signatures, dates, and residence addresses. An additional five withdrawal forms, totaling \$16,264, did not have a return date recorded.
- For 13 out of 30 disbursements, totaling \$14,404, receipts were not promptly returned to the Business Office, with delays that ranged from three to 114 days. We were unable to determine the timeliness of an additional five transactions, totaling \$16,264, due to the lack of support.

- For 11 out of 30 disbursements, totaling \$25,143, there was no formal documentation on file supporting the purchases of expensive or unusual items that were the result of team decisions. In addition, we were unable to verify that the items purchased in eight disbursements, totaling \$10,125, were added to the DDS individuals' personal inventory.

**Trustee Funds:**

During our review of trustee fund disbursements, we noted the following:

- Withdrawal requests forms were incomplete for six out of 20 disbursements, totaling \$55,850. Missing or inaccurate information included date, fund type, change return dates, and payment information, including check number and amount. We also noted one approval was a pre-printed signature from 2016.
- Purchase requisitions and justification forms were missing or incomplete for six out of 20 disbursements, totaling \$10,292.
- Purchase orders were not on file for three disbursements, totaling \$8,147.
- A vendor invoice was not on file for one disbursement of \$48,441. Additionally, DDS paid more than the amount quoted.
- Comptroller approval was not obtained for one disbursement of \$3,513.
- An employee used a personal credit or debit card for store purchases for one disbursement of \$2,145.

*Context:*

DDS made 7,276 DDS individuals' account disbursements, totaling \$1,829,848, during the fiscal years ended June 30, 2019 and 2020. We selected 30 disbursements, totaling \$41,617, for testing.

During the audited period, DDS made 1,366 trustee account disbursements, totaling \$1,089,047. We selected 20 disbursements, totaling \$182,987, for testing.

*Effect:*

Lack of required documentation and improper payment methods increase the risk of loss, overpayments, and misuse of funds.

*Cause:*

The issues noted appear to be the result of a lack of management oversight.

*Prior Audit Finding:* This finding has been previously reported in the last two audit reports covering the fiscal years ended June 30, 2014 through 2018.

*Recommendation:* The Department of Developmental Services should review current disbursement practices for DDS individuals' and trustee funds to ensure accurate and consistent processing in accordance with department and state policies and procedures. (See Recommendation 16.)

*Agency Response:* "The agency agrees in part with the finding. Documentation for team decisions and inventory ledgers are maintained by public staff and are located at group homes and public facilities. Return dates are not required for most withdrawals.

The agency agrees that forms should be fully completed. The agency will continue to train staff accordingly."

*Auditors' Concluding Comment:* We made multiple requests for documentation to support disbursements, but none was provided. Additionally, DDS should consider additional notations or revisions to withdrawal forms if certain fields are no longer required or relevant.

### **Lack of Referral to the Abuse and Neglect Registry**

*Background:* When an investigation is completed by a private provider, the findings are forwarded to the Department of Developmental Services for review. If abuse or neglect is substantiated, DDS sends a notice of substantiation to the private provider, which initiates the abuse and neglect registry process. The provider has five business days to report an employee termination or separation via a dedicated email address to the DDS Registry Administrator. The administrator then triages receipt of the information and enters it into the tracking database. DDS then has 45 days after receiving the report to notify the employee, obtain the investigation, prepare the case file, and schedule the registry hearing.

Once placed on the registry, an individual remains listed for two years for substantiated neglect and five years for cases involving abuse. Private providers use the registry to prevent those with incidents of abuse or neglect from being employed as caretakers.

*Criteria:* Section 17a-247b of the General Statutes provides guidance on the establishment and maintenance of the Abuse and Neglect Registry by the Department of Developmental Services, including the employer's notification responsibilities for substantiated abuse or neglect.

DDS Procedure I.F.PR.003 states that investigations completed by qualified providers shall be submitted to the DDS Abuse and Neglect



Liaison within 75 days of the allegation. The liaison will forward the investigation to the DDS Lead Investigator to review for completeness and thoroughness. The DDS Abuse and Neglect Investigation Review and the Registry monitoring forms are completed and attached to the investigative report. Once the report is deemed complete, it is forwarded to the DDS Regional Director for final review and signature and is then returned to the liaison.

*Condition:* A private provider did not refer an employee with a substantiated allegation of neglect to the Abuse and Neglect Registry, as required. The provider's investigative report substantiated neglect and stated that the alleged perpetrator may not return to duty. However, the report then incorrectly indicated that the employee was not terminated from employment and would not be referred to the registry. Upon our inquiry, DDS determined that the employee was terminated in 2019 after the investigation and contacted the private provider for referral to the registry.

*Effect:* As the employee was not placed on the registry, another care facility may have hired the individual.

*Cause:* The private provider completed its investigative report incorrectly. DDS overlooked the issue during the provider's review and approval.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should improve oversight in the review and approval of investigative reports to ensure that the department takes appropriate actions, including referral to its Abuse and Neglect Registry. (See Recommendation 17.)

*Agency Response:* "The agency agrees with the finding. This is considered an isolated instance and an unintentional oversight by one provider agency. The agency reviewed the issue with the provider and added the former employee to the DDS Registry. Provider agencies and DDS Regions have been reminded of the and Abuse and Neglect Registry Process and the importance of ensuring accurate investigative reports. It should also be noted that the Abuse and Neglect statutes state that it is the employer's responsibility to notify the agency of an employee termination for abuse or neglect."

### **Lack of Dental Licenses for Contracted Providers**

*Background:* The Department of Developmental Services operates two dental clinics for those individuals within the department's care (Southbury Training School and Norwich). The staff usually includes contracted dentists and a dental coordinator from the University of Connecticut Health Center

(UCHC) or the community. The dental hygienist and dental assistant positions within each clinic are DDS employees. A memorandum of agreement between DDS and UCHC states that UCHC is responsible for ensuring that the faculty member has appropriate training and the requisite licensure to practice general dentistry.

*Criteria:* Section 20-120 of the General Statutes, subsection (b) states that a full-time faculty member of a school of dentistry may be granted a provisional license upon consent and approval of the Dental Commission, which provisional license shall be in effect during such time as the licensee is in the full-time employment of a school of dentistry within the state. Such provisional license shall limit the licensee to the practice of dentistry as a faculty member in the school of dentistry or in any hospital affiliated with such school.

*Condition:* Two contractors providing dental services to DDS individuals were not properly licensed for a combined 56 months. The contractors worked under provisional licenses, which do not extend outside the University of Connecticut School of Dental Medicine. Additionally, there appears to have been approximately three weeks in which one contractor was not licensed, the provisional license expired, and the dental license had not taken effect.

*Context:* We reviewed the contract period covering July 1, 2018 through June 30, 2021. As of January 1, 2022, there were currently 2,517 individuals under DDS care throughout the various dental clinics.

*Effect:* Care for DDS individuals may have been negatively impacted as dentists provided services under provisional licenses.

*Cause:* While the UCHC and DDS agreement makes UCHC responsible for ensuring that faculty members possess the requisite license and training, DDS management did not verify their credentials.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should verify licenses for contracted healthcare providers to ensure they possess the required credentials and experience, as the department is ultimately responsible for individuals within its care. (See Recommendation 18.)

*Agency Response:* “The agency disagrees with the finding. Doctors who are providing dental services to DDS individuals are licensed as required. Historical guidance from the Department of Health has interpreted Sec 20 -120 to include any community sites affiliated with the Dental School. This would include the DDS Dental Clinics. The statute allows for

provisional licensing. Additionally, licensed providers have a 90-day grace period for renewal of licenses.”

*Auditors’ Concluding Comment:*

The Department of Public Health Facilities Licensing Division confirmed that DDS dental clinics are not listed as satellite offices on the UCHC licenses and are therefore not considered affiliates of the dental school to allow provisional dental licenses.

**Ineligible Recipients**

*Criteria:*

Section 17a-212-2 of the State Regulations outlines the criteria for determining eligibility for DDS services, which includes being a resident of the State of Connecticut and being diagnosed with an intellectual disability as defined by Section 1-1g of the General Statutes.

*Condition:*

Our previous audit revealed that DDS continued to provide services to an individual whose family had moved out of state. Upon further review, we found that DDS allowed services to continue for this individual with the agreement that the new state would reimburse DDS. Approximately two years later, the other state has not reimbursed DDS.

*Effect:*

The department paid approximately \$1,569,480 for services from January 2017 through June 2019 for an individual who was not eligible for DDS services.

*Cause:*

DDS continued to communicate with the other state but has not resolved the issue.

*Prior Audit Finding:*

This finding has been previously reported in the last audit report covering the fiscal years ended June 30, 2017 and 2018.

*Recommendation:*

The Department of Developmental Services should seek recovery from an individual’s state of residency that agreed to reimburse the department for related services. (See Recommendation 19.)

*Agency Response:*

“The agency agrees with the finding. Despite numerous attempts, DDS has not been able to recover funds due to billing record differences and legal complexities. It should be noted that DDS only provides services to eligible recipients. In this case, the individual was a resident of Connecticut and her parent moved out of state without notifying DDS.

The agency will continue to pursue recovery to the best of our ability.”

**Conflicting Job Duties for Health Professionals**

*Background:*

The Department of Public Health (DPH) oversees the scope of practice laws and regulations for healthcare professionals, which define the roles and responsibilities for each position. Scope of practice describes the

procedures, actions, and processes that healthcare practitioners are permitted to undertake in keeping with the terms of their professional license. Any person, acting on behalf of a health care profession, can seek to establish or change a scope of practice by submitting a written scope of practice request to DPH.

*Criteria:*

Chapters 376a and 399 of the General Statutes provides the scope of practice for occupational therapists (OT) and speech and language pathologists (SLP), respectively.

- Occupational therapy includes the evaluation and treatment of individuals whose abilities to cope with the tasks of living are threatened or impaired by developmental disabilities, the aging process, learning disabilities, etc.
- Speech and language pathology includes the measurement, testing, diagnosis, prediction, counseling, or instruction relating to the development and disorders of speech, voice or language, feeding and swallowing, or other upper aerodigestive functions for the purpose of diagnosing, preventing, treating, ameliorating, or modifying such disorders and conditions in individuals or groups of individuals.

The Department of Administrative Services occupational therapy and speech and language pathology job classifications provide an overview of each position, their duties, and the requirement that incumbents are to possess and maintain a DPH license.

The speech and language pathology position applies principles, methods, and procedures for measurement, testing, diagnosis, prediction, counseling, or instruction relating to development and disorders of speech, voice, language, hearing, and feeding and swallowing, or other upper aerodigestive functions for purpose of diagnosing, preventing, treating, ameliorating, or modifying such disorders and conditions. In the knowledge, skill, and ability section of the job classification, it specifically mentions that employees must have considerable knowledge of anatomic variables and their relation to development and use of speech, voice, language, and dysphagia.

The DAS occupational therapy job classification states that the employee selects, plans, administers, and implements occupation therapy programs for training of individuals with physical and/or intellectual disabilities, administers individual and group instructions to individuals in various occupational therapies including, but not limited to, daily living, independent living skills...coordinates occupational therapy services with other disciplines such as physical, speech, and rehabilitative therapies. In the knowledge, skill, and ability section, it states that the employee must have considerable knowledge of

principles and practices of occupational therapy, considerable knowledge of anatomy, physiology...as applied to occupational therapy.

*Condition:* Approximately 20% of the individuals within residential settings operated or funded by the department have dysphagia, a disorder that makes swallowing difficult, and that commonly occurs in people with neurologic or muscular disorders, including some with intellectual disability.

DDS currently allows speech and language pathologists and occupational therapists to identify and treat dysphagia, which appears to conflict with the SLP scope of practice. Additionally, the DAS speech and language pathologist job classification clearly mentions testing and treating issues related to feeding, swallowing, and dysphagia. The occupational therapist classification does not.

*Context:* As of December 2021, approximately 4,970 individuals were served in a DDS-operated residential facility.

*Effect:* There is an increased risk of improper diagnosis and treatment of dysphagia within the DDS population.

*Cause:* DDS believes that both the occupational therapist and speech and language pathologist positions are equally qualified to diagnose and treat dysphagia.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should consult with the Department of Public Health to ensure that job duties for occupational therapists and speech and language pathologists are consistent with their state scope of practice. (See Recommendation 20.)

*Agency Response:* “The agency disagrees with the finding. Education and longstanding field work indicate that occupational therapists are appropriately trained to deliver dysphagia interventions and perform a critical role in the management of safe swallowing across multiple sectors. Occupational therapists and speech language pathologists work in partnership to prevent death by choking across the DDS system. State job specifications provide examples of duties, not exhaustive lists.”

*Auditors’ Concluding Comments:* As the Department of Public Health oversees scope of practice for health professions, it would be prudent for DDS to consult with DPH to clarify which position is best suited to diagnose dysphagia in the DDS population.

## **Lack of Protection for Confidential Information**

<i>Background:</i>	The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a federal law that required the creation of national standards to protect sensitive patient health information from being disclosed without the patient’s consent or knowledge. The U.S. Department of Health and Human Services (HHS) issued the HIPAA Privacy Rule to implement the requirements of HIPAA.
<i>Criteria:</i>	<p>The DDS Notice of Privacy Practices for Protected Health Information provides an overview of how DDS must protect an individual’s health information, and which information DDS is required to keep protected, use, and disclose. The notice also specifies how individuals may request access to their information.</p> <p>The DDS Employee Handbook states that, in accordance with federal law, state statute, and the department’s confidentiality policies, employees shall not discuss or disclose confidential information except in accordance with federal law, state statute or regulation, and as authorized by an appropriate DDS supervisor, manager, or administrator. The agency considers its records and information regarding DDS individuals as confidential.</p>
<i>Condition:</i>	During site visits to the DDS Regional Centers, we noted that boxes of records for DDS individuals, including medical files, were stored in hallways, accessible offices, and gymnasiums.
<i>Context:</i>	DDS has three regional centers, which are congregate living facilities in Norwalk, Torrington, and Newington. According to DDS, there are approximately 150 individuals residing within the centers.
<i>Effect:</i>	There is an increased risk that unauthorized parties may access confidential information.
<i>Cause:</i>	Inadequate safeguards for the protected information appears to be the result of a lack of adequate storage space within the locations.
<i>Prior Audit Finding:</i>	This finding has not been previously reported.
<i>Recommendation:</i>	The Department of Developmental Services should increase security and storage measures to prevent unauthorized access to confidential records, including information protected under the federal Health Insurance Portability and Accountability Act. (See Recommendation 21.)
<i>Agency Response:</i>	“The agency agrees in part with the finding. Due to COVID-19 restrictions, the Regional Centers were not open to the public when the site visits occurred.

- HRC (Newington) maintenance staff were in the process of moving the records to a secure area. Files were moved to a secured room within 24 hours of the site visit.
- LFC (Norwalk) files were kept behind a partition. Not all files contained sensitive information. Data sensitive files were moved to a secured room.
- Torrington files were in a locked room with security badge access for select staff and not accessible to the public.”

### **Backlog of Mortality Reviews**

*Background:* The Department of Developmental Services bears direct or oversight responsibility for medical care for all individuals who live in DDS operated, funded, and licensed homes or facilities, and individuals who receive supported living services directly provided or funded by the department.

*Criteria:* DDS mortality review procedures requires that the Regional Mortality Review Committee (RMRC) conduct a mortality review of deaths of all individuals served by the department. Following its review, the review committee details its findings, recommendations, and actions on the DDS Mortality Review form and sends it to the Independent Mortality Review Board (IMRB) within 90 days of the death. If the RMRC cannot complete its review and issue a report within 90 days, the committee chairperson notifies the IMRB chairperson before the due date with an explanation for the delay.

*Condition:* Our review of 28 mortality reviews disclosed that DDS did not complete the reviews within the required 90 days of death. The reviews were 34 to 487 days late. Additionally, DDS did not explain or document the reasons for the reporting delays. According to the department’s tracking log, as of June 1, 2022, 13 of the 28 cases were still open; eight were pending responses from the hospital, Department of Public Health, or Division of Abuse Investigation, and the remaining five lacked complete information. These pending cases were for deaths in 2017, 2018, and 2019.

*Context:* During the fiscal years ended June 30, 2018 through June 30, 2021, DDS reviewed 124 deaths of individuals within the department’s care and forwarded them to the Independent Mortality Review Board. We reviewed 28 cases.

*Effect:* DDS did not complete mortality reviews in accordance with department policy, which increases the risk that unexpected deaths due to abuse or neglect were not promptly identified.

*Cause:* The noncompliance appears to be the result of a lack of management oversight, poor recordkeeping, and staff shortage. Additionally, the department informed us that its procedure does not reflect current practices because it has not updated its policies.

*Prior Audit Finding:* The finding has not been previously reported.

*Recommendation:* The Department of Developmental Services should strengthen internal controls to ensure that it promptly performs, adequately tracks, and properly documents its mortality reviews. Additionally, the department should update its policies and procedures to reflect current practices. (See Recommendation 22.)

*Agency Response:* “The agency agrees with the finding. The mortality review process is quite involved and has been challenged by resource limitations, leadership changes and most recently the COVID-19 pandemic. While centralized tracking records lacked status information and did not comply with DDS policy, there were no open cases that were unexpected deaths caused by abuse or neglect.

Abuse/neglect investigations are separate from the mortality reviews; generally, cases are referred to the Division of Investigations (DOI)/Abuse Investigations Division (AID) for suspected abuse or neglect at the time of an unexpected death or shortly after death.

Regional mortality reviews should occur within 90 days of a person’s death. However, if there is an investigation involving the local police, an autopsy, a pandemic, or other circumstance, reviews may be delayed. There may also be cases in which DDS is not notified of the persons death for several months. Examples include individuals who live in a skilled nursing facility, independently in the community, or the family home.

As of June 15, 2022, the agency has started the process of obtaining statuses on open cases from hospitals, DPH and AID. The tracking logs will be updated after the process is complete. All efforts will be made to ensure tracking logs are current and reflect all IMRB meeting information.

The agency will update the Mortality Review procedures to clarify review timing, status update responsibilities and expectations. Tracking and reporting will also be enhanced.”



## RECOMMENDATIONS

### Status of Prior Audit Recommendations:

Our prior audit report on the Department of Developmental Services contained 20 recommendations. Seven have been implemented or otherwise resolved and 13 have been repeated or restated with modifications during the current audit.

- The Department of Developmental Services should strengthen internal controls to ensure the hiring and promotion process is adequately supported in accordance with DDS and Department of Administrative Services procedures. **We continued to note missing documentation to support new hires and promotions, therefore the finding will be modified and repeated. (See Recommendation 2.)**
- The Department of Developmental Services should maintain documentation to support newly created positions to verify that the department completed a thorough review and received proper approval. In addition, the department should request legislative review of the position to verify statutory compliance. **The agency did not request legislative review of the position; therefore, this recommendation will be repeated. (See Recommendation 1.)**
- The Department of Developmental Services should review current separation procedures to ensure that it consistently obtains completed separation documentation. **We continued to note missing documentation upon separation; therefore, this recommendation will be repeated. (See Recommendation 3.)**
- The Department of Developmental Services should strengthen internal controls to ensure that medical leave is administered in accordance with collective bargaining agreements and Family and Medical Leave Act guidelines. **We continued to note missing and untimely medical documentation; therefore, the recommendation will be repeated. (See Recommendation 4.)**
- The Department of Developmental Services should strengthen internal controls to ensure that workers' compensation claims are supported by adequate documentation. **We continued to note issues regarding workers' compensation claims, including untimely and inadequate documentation; therefore, the recommendation will be repeated. (See Recommendation 5.)**
- The Department of Developmental Services should strengthen internal controls to ensure that purchasing cardholders adhere to the Purchasing Card Cardholder Work Rules. **We noted minor exceptions during our current review of p-cards, which did not rise to the level of an audit finding; therefore, this recommendation will not be repeated.**

- The Department of Developmental Services should ensure it obtains the required certification for large state contracts in accordance with Section 4-252a of the General Statutes. **We noted various exceptions during our current review of contracts; therefore, we will modify and repeat our prior recommendation. (See Recommendation 10.)**
- The Department of Developmental Services should strengthen internal controls to ensure it promptly posts and accurately records deposits. **We continued to note issues regarding the timely positing of deposits; therefore, this recommendation will be repeated. (See Recommendation 11.)**
- The Department of Developmental Services should strengthen internal controls over the use of Capital Equipment Purchase Funds and reporting of assets to comply with the General Statutes and State Property Control Manual. **We did not note any issues related to the use of the Capital Equipment Purchase Fund; therefore, this recommendation will not be repeated.**
- The Department of Developmental Services should strengthen internal controls over the recording, reporting, and processing of assets to ensure compliance with the State Property Control Manual. **We continued to note issues with various tests of asset management; therefore, the recommendation will be modified and repeated. (See Recommendation 12.)**
- The Department of Developmental Services should ensure that its policies and procedures are current, available to all users, and presented and organized in a user-friendly manner. **The agency updates policies and procedures as needed, so many remain outdated. Additionally, we noted that a policy was not applied consistently throughout the DDS regions and was implemented prior to being fully approved; therefore, the recommendation will be repeated. (See Recommendation 13.)**
- The Department of Developmental Services should complete the Ombudsperson’s annual report in accordance with Section 17a-210a (d) of the General Statutes. **The reports for the current period were not prepared on an annual basis as required; therefore, the prior audit finding will be modified and repeated. (See Recommendation 14.)**
- The Department of Developmental Services should promptly report all unauthorized, illegal, irregular, or unsafe handling or expenditure of state funds to the State Comptroller and Auditors of Public Accounts in accordance with Section 4-33a of the General Statutes. **We did not note any instances of noncompliance with required reporting; therefore, the finding will not be repeated.**
- The Department of Developmental Services should strengthen internal controls over the monitoring of DDS individuals’ account balances to ensure they are within established Medicaid limits. **Federal limitations on individual account balances did not apply during the Covid-19 pandemic; therefore, the finding will not be repeated.**

- The Department of Developmental Services should strengthen internal controls over DDS individual and trustee funds to ensure that excess cash is promptly returned. In addition, the department should update its DDS individual fund policies and forms to ensure compliance with statutes and applicable waivers. **We continued to note issues regarding the untimely return of excess cash; therefore, the finding will be repeated. (See Recommendation 15.)**
- The Department of Developmental Services should review current trustee fund disbursement practices to ensure accurate and consistent processing in accordance with department and state policies and procedures. **We continued to note issues regarding trustee fund disbursements; therefore, the finding will be modified and repeated. (See Recommendation 16.)**
- The Department of Developmental Services should implement a formal centralized process for private provider employee complaints to encourage reporting and ensure consistent treatment. **The agency has a process in place to review providers; therefore, the recommendation will not be repeated.**
- The Department of Developmental Services should implement a process to review private provider compliance with transportation insurance policies to ensure proper safeguarding of individuals in the department's care. **The agency notifies providers of any changes to DDS policies and procedures and has a review process in place; therefore, the recommendation will not be repeated.**
- The Department of Developmental Services should only provide services to eligible recipients as defined by state regulations. **The agency is still in the process of working with the State of Massachusetts to settle the amount due. As this is still outstanding, the recommendation will be repeated. (See Recommendation 19.)**
- The Department of Developmental Services should strengthen internal controls to ensure that it accurately and sufficiently supports time worked in accordance with bargaining contract guidelines prior to approval and payment. **Inconsistencies in overtime related to this finding were addressed by the agency; therefore, the recommendation will not be repeated.**

**Current Audit Recommendations:**

- 1. The Department of Developmental Services should request legislative review of the regional director position to verify that it complies with Section 17a-272 of the General Statutes.**

Comment:

The department continues to maintain an additional director position that appears to be outside of the position's statutory intent.

- 2. The Department of Developmental Services should strengthen internal controls to ensure that the hiring and promotion process is adequately supported in accordance with Department of Developmental Services and Department of Administrative Services procedures. Additionally, the department should perform security checks to help ensure the safety of those individuals receiving services from the department.**

Comment:

We selected ten new hires and ten promotions and noted missing employee selection reports as well as interview documentation, and no documentation to support the fingerprinting of new hires.

- 3. The Department of Developmental Services should review current separation procedures to ensure that it consistently obtains completed separation documentation.**

Comment:

DDS did not have letters of intent and data separation forms for seven employees who separated from the department and was missing letters of intent for an additional four employees.

- 4. The Department of Developmental Services should strengthen internal controls to ensure that medical leave is administered in accordance with collective bargaining agreements and Family and Medical Leave Act guidelines.**

Comment:

For 14 out of 20 employees tested, DDS did not have medical documentation on file to support 2,486 hours in leave time (319 days).

- 5. The Department of Developmental Services should strengthen internal controls to ensure that workers' compensation claims are supported by adequate documentation.**

Comment:

We noted missing workers' compensation documentation in all ten claims reviewed, including required forms, medical records, and support for wage and indemnity payments.

- 6. The Department of Developmental Services should strengthen internal controls to ensure that overtime hours are accurately recorded and verified by appropriate personnel.**

Comment:

We reviewed overtime earned for 20 employees and noted differences between the hours worked in Core-CT and manual overtime sign-in sheets, which resulted in payment errors. Additionally, one employee approved their own overtime, and management did not provide support for another employee's time.

- 7. The Department of Developmental Services should review the Department of Administrative Services telework policy and enforcement tools to support measurable productivity and detailed recordkeeping. Additionally, the department should promptly and completely report its newly approved telecommuting arrangements to the Department of Administrative Services.**

Comment:

Documentation to support employee telework arrangements was missing, incomplete, or late for 13 out of 20 employees tested.

- 8. The Department of Developmental Services should monitor employees assigned to workers' compensation light duty to ensure that they do not earn overtime while working in a limited capacity.**

Comment:

Thirteen out of the 25 employees tested were assigned light duty workers' compensation assignments and worked overtime in the same pay period.

- 9. The Department of Developmental Services should strengthen internal controls to ensure that purchase orders are issued in accordance with Section 4-98 of the General Statutes. In addition, the department should ensure that it adequately supports its expenditures.**

Comment:

We tested 20 expenditure transactions and noted purchase orders for six vouchers were encumbered late and required documentation for five additional transactions was not on file or not properly documented.

- 10. The Department of Developmental Services should strengthen internal controls over contract processing to ensure compliance with purchasing laws and regulations. The department also should enhance its monitoring procedures to establish a reasonable timeframe for review of the required fiscal and audit reports to ensure that it promptly addresses any findings or recommendations. In addition, the department should adequately document its monitoring efforts.**

Comment:

We reviewed 19 contracts and noted missing documentation related to contract selection, execution, and payments. We also found that the department did not promptly or thoroughly monitor certain contracts.

- 11. The Department of Developmental Services should strengthen internal controls to ensure that the department promptly posts its deposits in accordance with the Office of the State Comptroller's State Accounting Manual.**

Comment:

DDS posted 12 out of the 20 deposits tested to Core-CT between one and 14 days late.

- 12. The Department of Developmental Services should strengthen internal controls over the recording, reporting, and processing of assets to ensure compliance with the State Comptroller's Property Control Manual. Also, the department should assign additional staffing to maintain assets and conduct annual physical inventories.**

Comment:

We performed various tests related to assets and noted that purchases were inappropriately grouped, incorrectly entered into Core-CT, incorrectly coded as capital assets, and added to inventory records late. Additionally, assets were placed in service late, and items were not included in the department's physical inventory.

From our asset inspections, we noted that assets were listed in the wrong locations in Core-CT, and items were not appropriately tagged. Also, assets were disposed of before items

were approved for scrap or removed from inventory well after their disposal. Lastly, DDS could not provide supporting documentation for the Stores & Supplies category on the CO-59 form, totaling \$290,548 for both fiscal years.

**13. The Department of Developmental Services should ensure that its policies and procedures are current, available to all users, and presented and organized in a user-friendly manner.**

Comment:

The DDS policies and procedures manual is not current, and the department has not posted the administration section on its website. Our current review also noted that the various DDS regions do not consistently implement rent subsidy program policies, and some regions followed a draft policy.

**14. The Department of Developmental Services should strengthen internal controls to ensure compliance with its statutory reporting requirements.**

Comment:

Our review of 65 required reports disclosed that DDS did not submit five reports, submitted eight reports five to 129 business days late, appeared to prepare two annual reports biennially, and did not document report submission dates.

**15. The Department of Developmental Services should strengthen internal controls over DDS individual and trustee funds to ensure that excess cash is promptly returned. In addition, the department should update its policies and forms regarding DDS individuals' funds to ensure compliance with statutes and applicable waivers.**

Comment:

Our review of disbursements from the accounts of DDS individuals and trustee accounts revealed that excess cash was not promptly returned to the Business Office. Additionally, there is a conflict between the department's internal policy and statutory deposit requirements.

**16. The Department of Developmental Services should review current disbursement practices for DDS individuals' and trustee funds to ensure accurate and consistent processing in accordance with department and state policies and procedures.**

Comment:

During our review of disbursements from the accounts of DDS individuals and trustee accounts, we noted documentation that was not promptly returned to the Business Office, incomplete or missing documentation to support purchases, a lack of supporting documentation for expensive items that were approved and added to the DDS individuals'

personal inventory, and inappropriate payment of sales tax. Additionally, we noted that one trustee disbursement was missing State Comptroller approval, and a DDS employee made another purchase with a personal credit card.

**17. The Department of Developmental Services should improve oversight in the review and approval of investigative reports to ensure that the department takes appropriate actions, including referral to its Abuse and Neglect Registry.**

Comment:

A private provider did not refer an employee with a substantiated allegation of neglect to the Abuse and Neglect Registry, as required.

**18. The Department of Developmental Services should verify licenses for contracted healthcare providers to ensure they possess the required credentials and experience, as the department is ultimately responsible for individuals within its care.**

Comment:

Two contractors providing dental services to DDS individuals were not properly licensed for a combined 56 months. The contractors worked under provisional licenses, which do not extend outside the University of Connecticut School of Dental Medicine.

**19. The Department of Developmental Services should seek recovery from an individual's state of residency that agreed to reimburse the department for related services.**

Comment:

Our previous audit revealed that DDS continued to provide services to an individual whose family had moved out of state. Upon further review, we found that DDS allowed services to continue for this individual with the agreement that the new state would reimburse the department. Approximately two years later, the other state has not reimbursed approximately \$1,569,480.

**20. The Department of Developmental Services should consult with the Department of Public Health to ensure that job duties for occupational therapists and speech and language pathologists are consistent with their state scope of practice.**

Comment:

DDS currently allows speech and language pathologists and occupational therapists to identify and treat dysphagia, which appears to conflict with the speech and language pathologist scope of practice. Additionally, the Department of Administrative Services speech and language pathologist job classification clearly mentions testing and treating



issues related to feeding, swallowing, and dysphagia. The occupational therapist classification does not.

- 21. The Department of Developmental Services should increase security and storage measures to prevent unauthorized access to confidential records, including information protected under the federal Health Insurance Portability and Accountability Act.**

Comment:

During site visits to the DDS Regional Centers, we noted that boxes of DDS individuals' records, including medical files, were stored in hallways, accessible offices, and gymnasiums.

- 22. The Department of Developmental Services should strengthen internal controls to ensure that it promptly performs, adequately tracks, and properly documents its mortality reviews. Additionally, the department should update its policies and procedures to reflect current practices.**

Comment:

DDS did not complete mortality reviews within the required 90 days of death. The reviews were 34 to 487 days late. Additionally, DDS did not explain or document the reasons for the reporting delays. According to the department's tracking log, as of June 1, 2022, 13 of the 28 cases were still open; eight were pending responses from the hospital, Department of Public Health, or Division of Abuse Investigation, and the remaining five lacked complete information. These pending cases were for deaths in 2017, 2018, and 2019.

## ACKNOWLEDGMENTS

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Developmental Services during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

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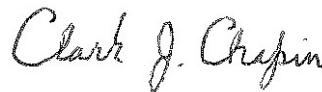


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