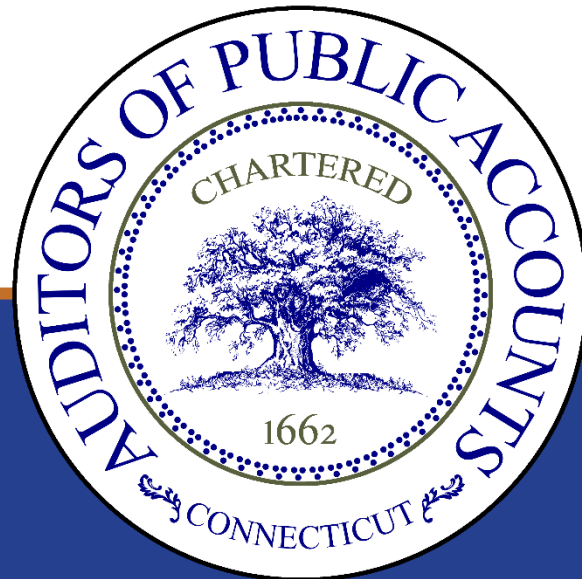


AUDITORS' REPORT

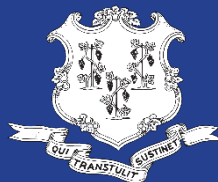
Department of Aging and Disability Services

FISCAL YEARS ENDED JUNE 30, 2021 AND 2022



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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CRAIG A. MINER

January 23, 2025

INTRODUCTION

We are pleased to submit this audit of the Department of Aging and Disability Services (ADS) for the fiscal years ended June 30, 2021 and 2022 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

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 Aging and Disability Services during the course of our examination.

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

Bruce Vaughan
Benjamin Viccari

Handwritten signature of Bruce C. Vaughan in black ink.

Bruce Vaughan
Principal Auditor

Approved:

Handwritten signature of John C. Geragosian in black ink.

John C. Geragosian
State Auditor

Handwritten signature of Craig A. Miner in black ink.

Craig A Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Aging and Disability Services disclosed the following three recommendations, of which one was repeated from the previous audit.

Finding 1

Inaccurate Accrued Leave Payment

Criteria	Section 5-247 of the General Statutes requires state agencies to pay employees who leave state service for unused accrued sick leave at a quarter of the employee's salary up to a maximum payment of 60 days of accrued leave.
Condition	Our review of ten employees who terminated or retired during the audited period found ADS overpaid one employee \$20,356 for accrued sick leave upon their retirement. ADS paid the employee for 729 hours, rather than the maximum of 480 hours.
Context	ADS paid 14 and 69 employees a total of \$277,718 and \$1,320,725 for accrued sick and vacation leave during fiscal years 2021 and 2022, respectively. We judgmentally selected ten employees that were paid a combined total of \$358,567.
Effect	When the department overpays departing employees, it does not maximize the state's resources.
Cause	ADS staff failed to reduce the accrued sick leave balance to the maximum of 480 hours when calculating the payment. In addition, management did not detect the miscalculation.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Department of Aging and Disability Services should strengthen internal controls and document management review to ensure it accurately makes separation payments in accordance with Section 5-247 of the General Statutes. The department should recover any overpayments.

Agency Response

"We agree with this finding. The Department of Aging and Disability Services will immediately formalize our process for accrual payouts and strengthen internal controls to ensure the accuracy of accrual payments. All payout calculations and supporting documentation from the payroll unit will be peer reviewed to ensure the amounts are properly calculated then sent to management for documented review and approval."

Finding 2**Inadequate Controls over Overtime Authorization****Criteria**

Department on Aging and Disabilities Services policy requires employees to submit overtime request forms and receive prior approval from the commissioner. Supervisors or managers must identify the need for overtime on the request form.

The Connecticut State Library Record Retention policy requires state agencies to retain overtime payment records for three fiscal years or until audited, whichever is later.

Condition

Our review of ten judgmentally selected overtime transactions disclosed that the department could not provide overtime authorization forms or supervisor requests for five employees who earned 137 hours of overtime.

Context

During the audited period, ADS paid 99 employees 4,892 hours of overtime totaling \$265,628. We judgmentally selected ten employees who earned 417 hours of overtime totaling \$24,982.

Effect

The lack of documentation and approvals increases the risk for improper and unauthorized overtime payment expenses.

Cause

Management failed to properly approve and document the approval of overtime.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Aging and Disability Services should strengthen internal controls to ensure management preapproves overtime requests in accordance with policy. The department should retain supporting documentation.

Agency Response

"We agree with this finding. The Department of Aging and Disability Services will strengthen internal controls to ensure supervisors and

the Commissioner preapprove overtime request. The Department will routinely run overtime reports and review them to make sure overtime approval is on file and retain supporting documentation in the payroll unit with proper approvals.”

Finding 3

Inadequate Controls over Compensatory Time

Criteria

Core-CT designates specific compensatory time plans based on bargaining unit contracts and state statutes that govern compensatory time eligibility. It also sets the expiration for the use of compensatory time. Enrolling employees in the correct compensatory plan helps to ensure compliance with bargaining unit contracts and state statutes.

For employees in the P-4 bargaining unit, Core-CT does not automatically expire compensatory time in accordance with bargaining agreement rules. Instead, agencies must manually monitor and expire P-4 compensatory time.

Department on Aging and Disabilities Services policy requires employees to submit compensatory time request forms and receive supervisory approval prior to earning compensatory time.

The Connecticut State Library record retention policy requires agencies to retain payroll documents, including all compensatory time records, for three years or until audited, whichever is later.

Condition

Our review of compensatory plan enrollment identified 67 instances in which the department enrolled employees in the wrong compensation plan. These included eight employees during the current audited period and 59 reported in the prior audit that ADS did not correct.

Our review of 20 employees who received compensatory time during the audited period revealed that prior authorization was not on file for one employee who earned six hours. We also found that the department did not properly track the expiration of compensatory time for three P-4 bargaining unit employees.

Context

ADS had 273 and 234 employees enrolled in compensatory time plans during the fiscal years 2021 and 2022, respectively. We tested the compensatory plan enrollment of 90 employees consisting of the 59 prior audit exceptions and judgmentally select 31 new compensatory plan enrollments.

Furthermore, 70 employees earned a total of 960 hours of compensatory time during the audited period. We judgmentally selected 20 employees who earned 291 hours of compensatory time during the audited period.

Effect

Employees could earn compensatory time that is not permitted by bargaining unit contracts if they are not enrolled in the correct compensatory plan. Failure to approve compensatory time in advance and monitor expiration may lead to unauthorized or unnecessary expenses.

Cause

Inadequate controls appear to have contributed to the above conditions.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.

Recommendation

The Department of Aging and Disability Services should strengthen internal controls to ensure that it enrolls employees in the correct compensatory time plan, obtains and retains prior authorization for compensatory time, and properly monitors compensatory time expiration.

Agency Response

“We agree with this finding. The Department of Aging and Disability Services will complete an audit of compensatory time immediately to ensure that agency employees are enrolled in the correct compensatory time plan. In addition, the agency will document and communicate the process for authorizing compensatory time requests to ensure prior approval is received. The agency will retain supporting documentation and regularly monitor compensatory time reports to ensure that compensatory time expiration is properly monitored.”

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Department of Aging and Disability Services contained one recommendation. The recommendation has been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
The Department of Aging and Disability Services should implement controls to ensure that employees are enrolled in the correct compensatory time plan.	REPEATED Modified Form Recommendation 3

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Department of Aging and Disability 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, 2021 and 2022. 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.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, accounts receivable, purchasing and expenditures, asset management, reporting systems, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the department and certain external parties. We also tested selected transactions. This 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 financial information is presented for informational purposes. We obtained this information from various available sources including the department's management and state information systems. It was not subject to our audit procedures. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and

3. Did not identify 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 Aging and Disability Services.

ABOUT THE AGENCY

Overview

The [Department of Aging and Disability Services](#) primarily operates under Title 17a, Chapter 319I, Sections 17a-780 through 17a-886 of the General Statutes. The department is responsible for providing services to the deaf and hearing impaired, the blind and visually impaired, older adults, and rehabilitation services.

The Department of Aging and Disability Services' mission is to maximize opportunities for the independence and wellbeing of people with disabilities and older adults in Connecticut. The department provides a wide range of services to individuals with disabilities who need assistance in maintaining or achieving their full potential for self-direction, self-reliance, and independent living. It also ensures that Connecticut seniors have access to supportive services necessary to live with dignity, security, and independence.

Organizational Structure

The Governor appointed Amy Porter as commissioner of the Department of Aging and Disability Services on July 1, 2012 in accordance with the provisions of Sections 4-5 to 4-8 of the Connecticut General Statutes. Commissioner Porter served throughout the audited period and continues to serve in that capacity.

As of June 30, 2022, ADS had approximately 413 employees, and is comprised of five bureaus:

- Rehabilitation Services
- Education and Services for the Blind
- Disability Determination Services
- Aging Services
- Organizational Support

The goal of the Bureau of Rehabilitation Services is to help individuals with disabilities work competitively and live independently. The Vocational Rehabilitation Program helps individuals with disabilities to prepare for, obtain, maintain, or advance in employment. The bureau provides many individualized services, including; vocational counseling, job search assistance, school-to-work transition services, skills training and career education in college or vocational schools, vehicle and home modifications, and help accessing other programs and services.

The Bureau of Education and Services for the Blind (BESB) is the state's leader for the coordination and provision of services to Connecticut residents who are legally blind or have significant visual impairments. BESB has four programs that provide a full range of services to clients of all ages:

- The Independent Living Services - Adult Services Program serves as the central intake for clients and provides independent living training to adults to assist them with maintaining independence within their home and the community.

- The Children’s Services Program provides educational services to children who are legally blind, deaf-blind, and visually impaired. BESB staff work directly with infants, toddlers and preschool children at home and in educational settings. BESB works with school-aged children in school, special-needs programs, and at home. The program also provides educational opportunities for parents, school district staff, and community providers on best practices for working with children and students who are blind or visually impaired.
- The Vocational Rehabilitation Program provides opportunities for people who are legally blind to acquire training and skills to obtain, retain and advance into competitive and integrated employment. The program also provides technical assistance and job candidate referral services to employers across the state.
- The Business Enterprise Program offers opportunities to people who are blind to become entrepreneurs and operate businesses that range from gift shops to full scale restaurants.

The Bureau of Disability Determination Services (DDS) determines the medical eligibility of Connecticut residents who have applied for cash benefits under the disability programs administered by the Social Security Administration (SSA). In accordance with SSA rules and regulations, DDS determines eligibility for the Social Security Disability Insurance and Supplemental Security Income programs.

The Bureau of Aging Services is administratively divided into two sections: The State Unit on Aging and the Long Term Care Ombudsman Program.

The State Unit on Aging ensures that elders have access to the services to live independently. The unit is responsible for planning, developing, and administering a service delivery system for older persons. The unit administers Older Americans Act programs for supportive and in-home services, as well as congregate and home-delivered meals. It also administers programs that provide senior community employment, health insurance counseling, and caregiver respite care. To assist in meeting these goals, the unit works closely with Connecticut’s five area agencies on aging, municipal agents for the elderly, and senior centers.

The Long Term Care Ombudsman Program advocates for residents of skilled nursing and residential care homes, and assisted living facilities. It also advocates for systemic changes in policy and legislation to protect the health, safety, welfare, and rights of those residents.

The Bureau of Organizational Support is a centralized business services unit that supports all the department’s programs. It is responsible for all fiscal and information technology functions.

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 21-151**, effective July 1, 2021, made several changes and updates to the Department of Aging and Disability Services. The act consolidated gift acceptance and use provisions. The act replaced the Assistive Technology Revolving Fund, which made direct loans, with a program to make and guarantee loans for the same purposes. The act also made other technical and conforming changes
- **Public Act 22-31**, effective October 1, 2022, made several changes related to interpreters registered with the Department of Aging and Disability Services. The act also required ADS to categorize its online list of registered interpreters by their qualified settings. It also required ADS to establish a webpage with information on services for deaf, deafblind, and hard of hearing people. The act also made technical and conforming terminology changes.

- **Public Act 22-32**, effective July 1, 2022, required ADS, in consultation with the state's five area agencies on aging (AAAs), to evaluate its allocation of federal funds received under Title III B (home and community-based services) and III C (nutrition services) of the Older Americans Act. The act required ADS to evaluate the allocation of state funding to AAAs for elderly nutrition and social services. ADS must also solicit and consider information and recommendations from Elderly Nutrition Program providers. The act required ADS to report to the Aging, Appropriations, and Human Services committees by July 1, 2023, on the collected survey data, information on each Meals on Wheels provider, and any recommended changes in the allocation of the funds.

Boards, Commissions, Committees, and Councils

Name	General Statute Section	Statutory Responsibilities
Advisory Board for Persons Who are Blind or Visually Impaired	§17a-810	Serves as an advisor to ADS in fulfilling its responsibilities in providing services to the blind and visually impaired.
State Rehabilitation Council (Bureau of Rehabilitation Services)	Federal Rehabilitation Act of 1973, Section 105	Provides advice and guidance to the Bureau of Rehabilitation Services and others regarding coordination and effectiveness of programs and strategies to promote competitive employment for persons with disabilities.
State Rehabilitation Council (Bureau of Education and Services for the Blind)	Federal Rehabilitation Act of 1973, Section 105	Provides advice to the Bureau of Education and Services for the Blind. Work in partnership with ADS to develop and review priorities, evaluate the effectiveness of programs, and evaluate the outcomes achieved by individuals receiving services.
State Independent Living Council	§17a-794	Consults with, advise, and make recommendations to ADS concerning independent living and related policy, management, and budgetary issues. Advance the principles and philosophy of independent living for all citizens with disabilities.
Assistive Technology Advisory Council	US Code Title 29 Chapter 31 Section 3003	Provides consumer responsive/driven advice to ADS for planning and implementation of activities carried out through grants received for assistive technology.
Statewide Committee of Blind Vendors	§17b-615	Participates in administrative decisions and policy and program development decisions affecting the state's vending facility program.
Deaf-Blind Advisory Committee	§17a-810	Formulates policy and planning issues that ensures specialized services are available to meet the individualized needs of eligible people who are deaf-blind.

Financial Information

General Fund Receipts

A summary of General Fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2020	2021	2022
Other Fees - Clerical Services	\$ -	\$ -	\$ 114
Sale of Property	1,507	864	1,823
Refunds of Prior Year Expenditures	1,596	77,492	185,769
Total	\$ 3,103	\$ 78,356	\$ 187,7060

The increase in total receipts during the fiscal years 2021 and 2022 was primarily due to an increase in refunds of prior year expenditures.

General Fund Expenditures

A summary of General Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2020	2021	2022
Personal Services	\$ 6,314,948	\$ 6,756,770	\$ 6,869,706
Other Expenses	1,411,834	1,546,985	1,281,109
Educational Aid Blind/Visually Impaired Children	3,802,531	3,731,156	3,878,834
Employment Opportunities for the Blind	225,470	161,365	197,918
Vocational Rehabilitation for the Disabled	6,407,662	5,350,270	8,358,416
Programs for Senior Citizens	3,113,051	3,203,855	3,686,159
Elderly Nutrition	2,708,524	2,892,066	3,088,309
All Other	864,990	846,542	805,884
Total	\$ 24,879,010	\$ 24,789,009	\$ 28,166,335

The increase in total expenditures during the fiscal year 2022 was primarily due to additional payments for the Vocational Rehabilitation for the Disabled program.

Special Revenue Fund Receipts

A summary of special revenue fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2020	2021	2022
Federal Programs			
Rehabilitation Service Vocational Rehabilitation Grants to States	\$ 23,439,537	\$ 23,169,015	\$ 26,940,216
Social Security Disability Insurance	24,317,896	27,007,038	27,771,586
All Other Federal Programs	26,666,547	24,965,410	22,402,531
Other Restricted Contributions	1,559,984	1,946,016	1,939,604
All Other	6,105	5,193	7,487
Total	\$ 75,990,069	\$ 77,092,672	\$ 79,061,424

Receipts consisted primarily of federal grant funding provided on a cost reimbursement basis.

Special Revenue Fund Expenditures

A summary of special revenue funds expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2020	2021	2022
Federal Programs			
Rehabilitation Service Vocational Rehabilitation Grants to States	\$ 23,293,291	\$ 24,218,341	\$ 25,935,029
Social Security Disability Insurance	24,329,527	27,176,660	27,606,372
All Other Federal Programs	26,184,244	26,555,080	25,873,171
Other Restricted Contributions	1,625,613	1,437,845	1,548,797
All Other	2,248,619	1,583,920	1,475,888
Total	\$ 77,681,294	\$ 80,971,846	\$ 82,439,257

Expenditures consisted primarily of federal grant funding and remained relatively consistent during the audited period.