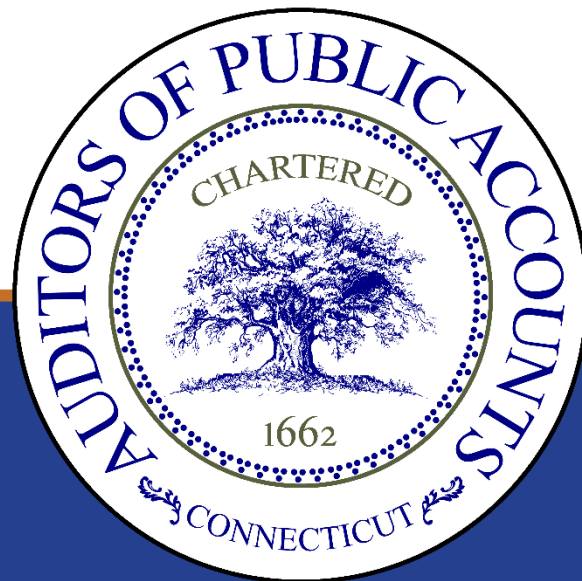


# AUDITORS' REPORT

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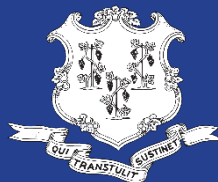
## Department of Developmental Services

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

JOHN C. GERAGOSIAN

STATE CAPITOL  
210 CAPITOL AVENUE  
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

November 7, 2024

INTRODUCTION

We are pleased to submit this audit of the Department of Developmental Services (DDS) 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 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:

Christopher Ayala  
Xiaofeng Chen  
Stefania Novello

Michael Stemmler  
Ryan Wenzel  
Kathrien Williams

A handwritten signature in black ink, appearing to read "Michael Stemmler".

Michael Stemmler  
Principal Auditor

Approved:

A handwritten signature in black ink, appearing to read "John C. Geragosian".

John C. Geragosian  
State Auditor

A handwritten signature in black ink, appearing to read "Craig A. Miner".

Craig A Miner  
State Auditor

# STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Developmental Services disclosed the following 13 recommendations, of which nine were repeated from the previous audit.

## **Finding 1**

### **Lack of Promotion and Hiring Documentation**

#### **Criteria**

A DDS supervisor or manager authorized to fill a position vacancy must complete the employee selection report (ESR) form, including 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.

The State Library's record retention policies require agencies to maintain recruitment records for two years beyond filling or closing the position.

Section 17a-227a of the General Statutes requires each applicant who has been offered conditional employment with the department to be fingerprinted and submit to a criminal history records check. Employment shall be considered conditional until the department receives and reviews the results of the criminal history records checks.

#### **Condition**

Our review of ten new hires and ten promotions disclosed the following:

- DDS did not complete the employee selection report for one hire and four promotions.
- DDS did not provide support justifying one hire and three promotions.
- DDS did not provide interview panel notes for four new hires.
- DDS did not promptly complete the fingerprinting requirement of the criminal history records check for two new hires.

<b>Context</b>	The department hired 384 new employees, rehired 107 retirees, and promoted 209 current employees during the audited period. We randomly selected ten hires and ten promotions.
<b>Effect</b>	Without the required documentation, it is difficult to determine whether the department hired or promoted the most appropriate candidates. Untimely background checks and fingerprint verification cause delays in employment.
<b>Cause</b>	The condition appears to be the result of a lack of management oversight and the Covid-19 pandemic.
<b>Prior Audit Finding</b>	This finding has previously been reported in the last three audit reports covering the fiscal years 2014 through 2020.
<b>Recommendation</b>	The Department of Developmental Services should strengthen internal controls to ensure the hiring and promotion process is adequately supported in accordance with DDS and the Department of Administrative Services procedures. The department should promptly perform security checks to help ensure the safety of individuals receiving services.
<b>Agency Response</b>	<p>"The agency agrees in part with the finding. Fingerprinting was not done in a timely manner for two employees. This was an oversight during the COVID-19 and Department of Administrative Services (DAS) Human Resources (HR) centralization time frame. Controls were enhanced for fiscal year 23 going forward.</p> <p>Interview notes were not required for seasonal, or emergency pandemic hires due to the urgency in filling the positions. They are also not required for promotion to target positions.</p> <p>Promotions to target positions are trainee positions. They are promoted to target positions when they successfully meet job expectations. There are no interviews or selection reports as there are no other candidates. Justification reports are also not applicable."</p>
<b>Auditors' Concluding Comment</b>	<p>The department did not provide adequate support that it does not require interview notes for seasonal or emergency hires. We did not include employees promoted to target in our interview notes finding.</p> <p>The instructions in the employee selection report required interview notes whether a position is filled via promotion, transfer layoff list, or any other employment selection process. It does not provide an exception for promotion to target.</p>

## Finding 2

# Inadequate Overtime Documentation

<b>Criteria</b>	<p>DDS utilizes daily sign-in sheets for various worksites to document employee overtime. The sign-in sheet includes the employee's printed name and signature, whether the shift worked was voluntary or mandatory, and the times worked along with the supervisor's signature authorizing the overtime.</p> <p>Sound internal controls dictate that there should be an adequate segregation of duties between recording and approving overtime.</p>
<b>Condition</b>	<p>Our review of overtime records for 19 employees for one pay period each noted all 19 lacked adequate support and prior supervisory approval. During the pay periods reviewed, these employees received \$61,111 in overtime. In five instances, the department provided daily sign-in logs. However, the logs did not include supervisor approvals and did not consistently agree with the overtime hours in Core-CT.</p>
<b>Context</b>	<p>The department paid \$1,455,385 and \$1,619,558 in overtime to 163 and 182 employees during fiscal years 2021 and 2022, respectively. We judgmentally selected 19 employees and reviewed one pay period for each employee.</p>
<b>Effect</b>	<p>The lack of properly reviewed and approved overtime records increases the risk of undetected losses and improper overtime payments.</p>
<b>Cause</b>	<p>Management did not adequately oversee the retention of overtime support and approvals. Furthermore, the department does not require documentation of overtime and approvals for Southbury Training School employees.</p>
<b>Prior Audit Finding</b>	<p>This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.</p>
<b>Recommendation</b>	<p>The Department of Developmental Services should strengthen internal controls to ensure that overtime hours are accurately recorded and verified by appropriate personnel.</p>
<b>Agency Response</b>	<p>"The agency agrees in part with this finding. Employees selected for overtime testing were from Southbury Training School (STS) facilities, maintenance, or fire department. Daily sign - in sheets were not required to document overtime approvals, as this applies</p>

to public direct care staff only. Supervisors were aware of overtime through discussions with staff. For emergencies such as snowstorms pre-approvals are not required.

STS is a 24/7 aging facility with maintenance issues/emergencies that come up on a daily basis and overtime for the Physical plant employees is necessary and approved by the Building Maintenance Supervisor. To enhance controls, we will implement a sign-in sheet process that would be verified daily by the supervisor to provide documentation for auditing purposes effective May 1, 2024 as this is what occurs with DDS overtime across the STS facility in each home.

In addition, starting in May 2024, DDS will begin the first wave of the CORE-CT Self-Serve roll-out, which should begin to eliminate some of the documentation issues with manual timesheets.”

### **Finding 3**

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

#### **Background**

The 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 overtime.

#### **Condition**

Our review of 15 employees assigned to light duty workers' compensation assignments disclosed five employees charged overtime and light duty in the same pay period. The employees worked 55.5 hours of overtime.

#### **Context**

We identified 25 and 58 employees charging overtime and regular light-duty during the same pay period during fiscal years 2022 and 2023, respectively. We judgmentally selected 15 employees on workers' compensation-light duty who also had overtime charged during the audited period. We then selected one pay period for each employee.

<b>Effect</b>	Employees on light-duty workers' compensation assignments may risk further injury by working additional hours or performing work duties beyond their physician's restrictions.
<b>Cause</b>	It appears a lack of management oversight and communication to supervisors contributed to this condition.
<b>Prior Audit Finding</b>	This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.
<b>Recommendation</b>	The Department of Developmental Services should monitor employees assigned to workers' compensation light duty to ensure they do not earn overtime while working in a limited capacity.
<b>Agency Response</b>	<p>"The agency agrees with the finding and will continue to work on enhancing controls. Supervisors were reminded of the requirement in November 2022 and the exceptions noted were for November 2021 - June 2022 pay periods.</p> <p>Employees out on light duty are not eligible to work overtime while on Workers Compensation and is noted on the approved Workers Compensation Notice. When payroll receives a light duty employee's timesheet with overtime, they notify workers comp, but by this time, the overtime instance has already occurred, and payment is required."</p>

## Finding 4

# Controls Over Compensatory Time

<b>Criteria</b>	<p>In accordance with the Department of Administrative Services Management Personnel Policy 17-01, managerial employees may only be granted compensatory time if they have advance written authorization. Authorization must include the period of extra hours and reason for compensatory time. Proof of advance authorization must be retained in the employee's personnel file for audit purposes. Managers are expected to work the number of hours necessary to finish a job. Therefore, the extra hour or two a manager might work each day or sporadically to complete routine work assignments should not be taken as compensatory time.</p> <p>Core-CT Job Aids provide guidance for state agencies on setting up an employee's compensatory plan in Core-CT. Enrollment in a compensatory plan is only necessary if the employee is eligible to earn compensatory or holiday time, which is governed by bargaining unit contracts and stipulated agreements.</p>
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**Condition**

Our review of compensatory time earned by ten managerial employees during the audited period disclosed the following:

- In all ten instances, DDS did adequately support prior approvals for compensatory time accruals. In three instances, the authorization form was completed from five days to two years after the accrual. The other seven instances had no authorization form on file.
- In nine instances, DDS did not provide adequate justification for the compensatory time.

In addition, our review of the compensatory time plan enrollment for 20 employees disclosed the department placed 14 in the wrong plan. The enrolled plan did not agree with the plan in the employee's bargaining unit contract.

**Context**

During the audited period, managerial employees earned 1,601 hours of compensatory time. This represents 22% of the department's compensatory time (7,285). We judgmentally selected ten managerial employees who earned compensatory time during the audited period and reviewed one pay period for each employee.

There were 1,511 employees enrolled in a compensatory time plan as of June 30, 2022. We judgmentally selected 20 employees to review for plan enrollment.

**Effect**

Without proper approval and record retention, the department has an increased risk of employees incorrectly earning, using, or expiring compensatory time, which could result in additional costs to the state. Incorrect compensatory time plans could result in ineligible employees earning time and the improper lapsing of compensatory time.

**Cause**

The condition appears to be the result of inadequate supervision over compensatory time.

**Prior Audit Finding**

This finding has not been previously reported.

**Recommendation**

The Department of Developmental Services should strengthen internal controls to ensure employees obtain proper authorization prior to earning compensatory time and adequately justify their time. The department should also ensure that all compensatory time plans comply with bargaining unit contracts.

**Agency Response**

"The agency agrees with the finding. Compensatory forms are not always forwarded to Payroll. It is the supervisor's responsibility to fill out the form and retain the approval. Supervisors approve the timecards in Core-CT confirming they have taken appropriate steps

to authorize the time. We will review the Department of Administrative Services Management Personnel Policy 17-01 and Core-CT job aides for additional guidance to enhance controls.”

## Finding 5

### Improper Use of Time Reporting Codes

<b>Criteria</b>	Core-CT allows for the use of holiday time reporting codes. Core-CT Job Aids provide holiday processing instructions and detailed explanations on the use of each holiday and holiday compensatory time code. State agencies should only use the holiday time reporting code on a designated state holiday.
<b>Condition</b>	Our review of 20 timesheets reporting holiday time on a non-holiday, disclosed 14 instances of improper use of holiday time, totaling 206 hours.
<b>Context</b>	During the audited period, 188 employees recorded holiday time on non-scheduled holidays. We judgmentally selected 20 employees and reviewed one timesheet for each when holiday time was charged on a non-holiday.
<b>Effect</b>	When holiday time is incorrectly charged, time and attendance records are inaccurate, and the employee may improperly receive time off.
<b>Cause</b>	Management did not exercise adequate accountability over the holiday time reporting code. The department does not regularly review and verify the accuracy of the reporting of holiday time on non-holidays.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	The Department of Developmental Services should strengthen internal controls to ensure that it properly uses, monitors, and adjusts holiday reporting codes in accordance with Core-CT Job Aids.
<b>Agency Response</b>	“The agency agrees with the finding. Payroll has created a STARS report to identify Holiday (HOL) coding on non-holidays and will correct coding errors.

Please note, for all 3rd shift employees, the holiday is marked as the day before the actual holiday and coding is correct. This was the case for 6 of the 14 exceptions noted."

## Finding 6

# Incorrect Payment Upon Separation

<b>Criteria</b>	Section 5-247 of the General Statute requires state agencies to pay employees who leave state service for up to 60 days (480 hours) of unused sick leave at a quarter of the employee's salary.
<b>Condition</b>	Our review of accrued sick leave payouts to ten employees disclosed the department overpaid one employee by \$10,215.
<b>Context</b>	During the audited period, the department distributed leave accrual payouts totaling \$7,848,577, to 658 employees. We judgmentally selected ten accrual payouts totaling \$689,097.
<b>Effect</b>	When the department overpays departing employees for accumulated leave, it does not adequately protect the state's resources.
<b>Cause</b>	The overpayment was the result of the department using 604 hours of sick time in the payout calculation instead of the maximum 480. This was caused by a missing formula in the pay-out worksheet.
<b>Prior Audit Finding</b>	This finding has not been previously reported.
<b>Recommendation</b>	The Department of Developmental Services should improve internal controls over separation payments to ensure they are accurate and processed in accordance with Section 5-247 of the General Statute.
<b>Agency Response</b>	<p>"The agency agrees with the finding. DDS Payroll discovered a missing formula in the pay-out worksheet that would have identified the overpayment. This was also during a higher-than-normal retirement wave. Supervisors continue reviewing all pay-outs to ensure the 60 days equivalent has not been exceeded.</p> <p>DDS Payroll has forwarded a certified letter to the retiree with re-payment options. The retiree has not responded to the letter, emails, or phone calls. DDS payroll will continue to follow-up with the retiree and will confer with the Office of the State Comptroller (OSC) for the best way to proceed."</p>

## Finding 7

# Controls Over Procurement

### Criteria

Section 4-98 of the General Statutes requires that no state agency should 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.

The family grant policy requires payments to be supported with receipts or invoices.

### Condition

Our review of 25 expenditure transactions, totaling \$282,549, disclosed the following:

- DDS encumbered eight purchase orders, totaling \$139,795, four to 63 business days late.
- DDS signed two agreements nine and 24 business days after they commenced.
- For all six family grant payments reviewed, we noted discrepancies between supporting documentation and information recorded in the department's system. It does not appear the departments system sufficiently monitors and tracks these grants. Furthermore, the department did not provide supporting documentation for \$1,151 in family grant payments.

### Context

During the 2021 and 2022 fiscal years, there were 66,670 and 66,732 non-payroll expenditure transactions totaling \$983,476,508 and \$991,344,488, respectively. We judgmentally selected 20 transactions, totaling \$269,100. Based on discrepancies noted in a family grant payment from our original selection, we judgmentally selected five additional family grant payments, totaling \$13,449, and performed a review of the tracking system.

### Effect

There is reduced assurance that funds will be available for payments when purchase orders are not promptly encumbered.

A lack of support and inadequate monitoring of family grant payments increases the risk of misuse of funds.

### Cause

The delayed encumbrance of purchase orders and lack of grant payment support appear to be the result of a lack of management

oversight. The discrepancies in grant tracking reports appear to be due to an outdated tracking system.

**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 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 and properly monitors its family grants.

**Agency Response**

"The agency agrees in part with the findings. There was no misuse of funds, but the agency agrees that there was missing documentation for two instances. The agency disagrees with the findings for the remaining instances. All expenditures were properly approved and represented legitimate payments for DDS' support and services. Controls are in place to properly manage agency funds and to monitor family grant program payments.

DDS' business office purchasing, and payment processes are unique because of the type of expenditures for a health and human services agency. While it appears funds are encumbered late, for recurring expenditures such as utilities blanket purchase orders (PO) are used to obligate the funds. A change order is processed to add funds to the PO line item to pay the current month's invoice up to the obligation. Once the PO obligation limit has been met, a purchase requisition is submitted and approved by Fiscal to increase the PO's obligation to get through the state fiscal year. There is a similar process for P-Card payments. We will review our processes with OSC for best practices and further clarification. There were two cases where purchase requisitions were not completed in error. We will remind staff of the process.

The family grant payment was for an ARPA Assistive Technology payment and was supported by the approved grant.

The expenses referenced in the second bullet were approved, processed, and paid for services that occurred within the contract period. Backdated contracts may occur for various reasons. The agency and the state are legally obligated to pay for services rendered."

**Auditors' Concluding Comment**

Our finding did not disclose any illegitimate purchases. The use of change orders to add funds to a blanket purchase order is an allowable practice. However, the department should process these promptly to ensure funds are encumbered. The department's response indicates that many of the expenditures were recurring. Therefore, the department should know when it needs to encumber additional funds.

The total family grant amount was approved via the grant award. However, in some instances, the department was unable to support the individual expense.

## Finding 8

# Controls Over Contracting

### Criteria

The Office of Policy and Management (OPM) Procurement Standards for Personal Services Agreements (PSA) and Purchase of Service (POS) Contracts states that contractors must not begin work until a contract is fully executed. An amendment must be executed before the original end date of the contract. The procurement standards also require state agencies to submit a written contractor performance evaluation within 60 days of the completion of work.

### Condition

Our review of 17 purchase of service and three personal service agreement contracts, valued up to \$1,146,512,778, disclosed the following:

- DDS and the contractor did not approve four contracts, totaling \$215,114,076, prior to their start date. They obtained approvals between two and 52 business days late. In addition, they did not approve 15 amendments to 12 contracts prior to their original end date. Approvals were obtained between three and 215 business days late.
- Of the ten contracts that required an evaluation, the department did not have three on file and completed seven 15 to 16 months late.

### Context

The department had 328 purchases of service and personal services agreement contracts in effect during the audited period. We judgmentally selected 20 contracts, valued up to \$1,146,512,778.

### Effect

Lack of timely approvals increases the risk of unauthorized state contractor obligations.

When an agency does not promptly evaluate a contractor's performance, it is difficult to determine if it should select the contractor for future services.

### Cause

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

**Prior Audit Finding**

This finding has previously been reported in the last two audit reports covering the fiscal years 2017 through 2020.

**Recommendation**

The Department of Developmental Services should strengthen internal controls over contract processing to ensure compliance with the Office and Policy and Management's procurement standards.

**Agency Response**

"The agency agrees with the finding. Contracts with effective dates prior to signatures were executed by the Region for CCH services and the CT Council on Developmental Disabilities. The contract dates reflect the correct onset of services and there were no financial losses.

Missing or late contract evaluation issues were due to staff vacancies and turnover in the Operations Center Department.

DDS will remind staff who sign contracts of OPM Procurement requirements."

**Finding 9****Timeliness of Deposits****Criteria**

Section 4-32 of the General Statutes requires state agencies to deposit revenue of more than \$500 within 24 hours in depositories designated by the State Treasurer.

The Office of the State Comptroller State Accounting Manual requires each agency to post deposits in Core-CT as soon as the confirmation process is complete. The manual also states that each agency should maintain a dated receipts journal, to verify it made deposits within 24 hours of receipt.

Sound business practice dictates agencies should maintain supporting documentation for each receipt.

**Condition**

Our review of 20 deposits, totaling \$358,039, disclosed the following:

- DDS did not promptly post eight deposits, totaling \$253,410, to Core-CT. Delays ranged from two to six business days.
- For two deposits, totaling \$91,067, the support was not date stamped, which did not allow us to verify the timeliness of deposit.

- For two deposits, totaling \$5,374, DDS did not provide supporting documentation for the receipt.

**Context** During the audited period, there were 574 deposits, totaling \$4,338,053. We randomly selected 20 deposits, totaling \$358,039.

**Effect** Untimely posting to Core-CT increases the risk of errors.  
  
A lack of documentation or support of the receipt date, results in reduced assurance that the department promptly deposited its receipts.

**Cause** Staffing reductions and a lack of management oversight contributed to this condition.

**Prior Audit Finding** This finding has previously been reported in the last two audit reports covering the fiscal years 2017 through 2020.

**Recommendation** The Department of Development Services should strengthen internal controls to ensure that it promptly posts its receipts in Core-CT and adequately documents receipt dates in accordance with the State Accounting Manual.

**Agency Response** "The agency agrees with the finding. While, most importantly, funds were deposited into the bank account as outlined in the State Accounting manual, 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.

DDS Business Office ensures deposits totaling \$500 or more will be deposited within 24 hours as outlined within the State Accounting Manual. Deposits totaling under \$500 are to be deposited to the bank within 7 calendar days or within 24 hours of totaling \$500 or more. Any delay in deposits to CORE beyond 24 hours relates to problematic deposits that require additional research which are covered by the current OSC policies."



## Finding 10

# Controls Over Required Reporting

### Criteria

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

### Condition

Our review of 65 required reports disclosed DDS did not submit 14 reports and submitted nine reports between four business days and 29 months late. Further details are as follows:

- DDS submitted the fiscal year 2021 annual petty cash report, required by the office of State Comptroller, 31 business days late.
- DDS submitted five quarterly status reports for small and minority contractor set aside program, required by Section 4-60g(m) of the General Statutes between six to 233 business days late.
- DDS submitted the annual affirmative action plan, required by Section 46a-68 of the General Statutes, between four and 58 business days late for fiscal year 2021 and 2022, respectively.
- DDS did not submit the monthly ombudsperson reports required by Section 17a-210a(d) of the General Statutes from January 2020 through November 2020.
- DDS did not submit the annual ombudsperson report, required by Section 17a-210a (d) of the General Statutes for fiscal year 2021.
- DDS submitted the fiscal year 2021 annual mortality report, required by Executive Order 57, 29 months late. DDS had not submitted the fiscal year 2022 report, as of September 2024.

### Context

We identified 18 statutory or State Comptroller reporting requirements with annual to quarterly due dates. Sixty-five reports were due during the audit period. We reviewed all 65 submissions.

### Effect

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

<b>Cause</b>	DDS informed us that the Covid-19 pandemic contributed to delays. A lack of management oversight also contributed to the condition.
<b>Prior Audit Finding</b>	This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.
<b>Recommendation</b>	The Department of Developmental Services should strengthen internal controls to ensure compliance with its reporting requirements.
<b>Agency Response</b>	"The agency agrees with the finding. Report delays were caused by the COVID-19 pandemic, and staff vacancies and turnover in the Ombudsperson, Affirmative Action, Clinical Health Services and Business Office departments. The agency will continue to train staff accordingly."

## Finding 11

# Controls Over Abuse and Neglect Investigations

<b>Background</b>	<p>DDS has the statutory obligation to maintain and preserve the health and safety of individuals with an intellectual or other developmental disability. The department is also responsible for maintaining an effective system to identify, address, and prevent instances of abuse and neglect.</p> <p>Investigations of allegations of abuse and neglect involving individuals who receive direct DDS services are assigned to the Division of Investigations (DOI) or the Abuse Investigation Division (AID). In cases in which DDS assumed jurisdiction, the department may also conduct investigations of allegations of abuse and neglect of individuals who live in their own homes or who directly hire, employ, and manage their staff.</p>
<b>Criteria</b>	<p>Section 17a-210 of the General Statutes requires the commissioner of DDS to conduct or monitor investigations into allegations of abuse and neglect and file reports as requested by state agencies having statutory responsibility for the conduct and oversight of such investigations.</p> <p>DDS procedure I.F.PR. 003 outlines the policy and procedures for tracking and reviewing abuse and neglect assignments. The policy requires the submission of a completed investigation report no later than 60 days after intake to allow adequate time for the report and its findings to be reviewed, revised, and given final approval no later than 90 days after the intake date.</p>

The procedure also states the regional abuse and neglect liaisons and DOI supervisors should track the alleged abuse and neglect investigations to ensure their prompt completion. They should also record the investigation's findings and completion date in a centralized database system (eCAMRIS) and retain them in accordance with the state's records retention schedule.

**Condition**

We performed an analysis of 353 complaints involving individuals with an intellectual disability, in which DDS was the primary investigative entity and noted the following.

- DDS investigated 70 complaints from one to 439 days late.
- Three cases, reported in January 2022, were not updated on the department's database as of March 2024. DDS indicated these cases were closed in 2022.
- DDS did not document the completion date for 25 investigations.

Our review of ten investigations yielding a substantiated claim of abuse and neglect disclosed DDS could not provide one investigation report.

**Context**

According to the department's tracking system, 4,182 individuals with an intellectual disability were involved in an abuse and neglect complaint during the audited period. We performed an analysis on all investigations in which DDS was the primary investigative entity, which involved 353 individuals.

There were 174 substantiated complaints investigated by DDS during the audited period. We judgmentally selected ten cases for review.

**Effect**

DDS did not complete the abuse and neglect investigations in accordance with its policy, which increased the risk of delayed detection of abuse and neglect.

The absence of an investigation report can lead to a lack of accountability.

**Cause**

The noncompliance appears to be the result of a lack of management oversight, staffing shortage, and poor recordkeeping. The department also informed us that external causes, including police involvement, contribute to investigation delays.

**Prior Audit Finding**

This finding has not been previously reported.

**Recommendation**

The Department of Developmental Services should strengthen its internal controls and monitoring efforts to ensure the prompt

completion and adequate documentation of abuse and neglect investigations.

### **Agency Response**

“The agency agrees in part with the findings. There were 70 individuals associated with 52 cases that were not completed within 90 days. A case may include multiple individuals. While 90 days is the guideline for completing a case; there are legitimate reasons why this cannot always be met - such as police involvement. Region Liaisons track and follow-up with providers and investigators on all pending cases.

We agree that there were cases that were closed, however the completion dates were not entered in the database. We also agree that one investigation report could not be located. During this time a Region Liaison had retired and there was staff turnover.

Region Liaisons continue to work on ensuring cases are closed correctly in the database and that investigation reports are scanned and saved electronically.”

## **Finding 12**

### **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 require that the Regional Mortality Review Committee (RMRC) conduct a mortality review of the deaths of all individuals served by the department. Following its review, the 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. IMRB should meet quarterly, or more frequently as necessary.

#### **Condition**

Our review of 66 mortality reviews disclosed that DDS did not complete the reviews within the required 90 days of death. The reviews were 85 to 1,251 days late. Additionally, DDS did not explain or document the reasons for the reporting delays. According to the department's tracking log, as of January 2024, 31 of the 66

cases were still open, 11 needed responses from other state agencies, and the remaining 20 were waiting for IMRB meeting minutes.

**Context** During the audited period, DDS reviewed 66 deaths of individuals within the department’s care and forwarded them to the Independent Mortality Review Board. We reviewed all 66 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 staffing shortages due to retirements. Additionally, the department informed us that its procedure does not reflect current practices because it has not updated its policies.

**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 Developmental Services should strengthen internal controls to ensure that it promptly performs its mortality reviews or documents the reasons for delays. Additionally, the department should update its policies and procedures to reflect current practices.

**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 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.

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

## **Finding 13**

# 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. Various DDS regions do not consistently implement rent subsidy program policies, with some regions following 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 did not promptly revise policies due to time and staffing constraints.

**Prior Audit Finding**

This finding has previously been reported in the last four audit reports covering the fiscal years 2012 through 2020.

**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.

**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.”

# STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Department of Developmental Services contained 22 recommendations. Thirteen have been implemented or otherwise resolved and nine have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
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.	<b>RESOLVED</b>
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.	<b>REPEATED</b> Recommendation 1
The Department of Developmental Services should review current separation procedures to ensure that it consistently obtains completed separation documentation.	<b>RESOLVED</b>
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.	<b>RESOLVED</b>
The Department of Developmental Services should strengthen internal controls to ensure that workers' compensation claims are supported by adequate documentation.	<b>RESOLVED</b>
The Department of Developmental Services should strengthen internal controls to ensure that overtime hours are accurately recorded and verified by appropriate personnel.	<b>REPEATED</b> Recommendation 2

<p style="text-align: center;"><b>Prior Recommendation</b></p>	<p style="text-align: center;"><b>Current Status</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>REPEATED</b></p> <p style="text-align: center;">Recommendation 3</p>
<p>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.</p>	<p style="text-align: center;"><b>REPEATED</b> <b>Modified Form</b></p> <p style="text-align: center;">Recommendation 7</p>
<p>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.</p>	<p style="text-align: center;"><b>REPEATED</b> <b>Modified Form</b></p> <p style="text-align: center;">Recommendation 8</p>
<p>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.</p>	<p style="text-align: center;"><b>REPEATED</b></p> <p style="text-align: center;">Recommendation 9</p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>REPEATED</b></p> <p style="text-align: center;">Recommendation 13</p>
<p>The Department of Developmental Services should strengthen internal controls to ensure compliance with its statutory reporting requirements.</p>	<p style="text-align: center;"><b>REPEATED</b></p> <p style="text-align: center;">Recommendation 10</p>



<p style="text-align: center;"><b>Prior Recommendation</b></p>	<p style="text-align: center;"><b>Current Status</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>The Department of Developmental Services should seek recovery from an individual's state of residency that agreed to reimburse the department for related services.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>RESOLVED</b></p>
<p>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.</p>	<p style="text-align: center;"><b>REPEATED</b> <b>Modified Form</b></p> <p style="text-align: right;">Recommendation 12</p>

# OBJECTIVES, SCOPE, AND METHODOLOGY

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, 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 Developmental Services.

# ABOUT THE AGENCY

## Overview

The [Department of Developmental Services \(DDS\)](#) was established by Section 17a-210 of the General Statutes. DDS, with the advice of the Council on Developmental Services, is responsible for the planning, development, and administration of complete, comprehensive, and integrated statewide services for persons with intellectual disability and persons medically diagnosed as having Prader-Willi Syndrome.

DDS provides services through a decentralized system that relies on state and contracted private provider agencies. They include residential and day services; in-home, employment and family support; respite, and case management. The department also provides transportation, interpreters, and clinical services.

As part of its mission, DDS partners with the individuals it supports and their families, to enable lifelong planning and join with others to create and promote meaningful opportunities for them to fully participate as valued members of their communities.

## 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** - 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** - 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** - 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 (STS) in Southbury. STS employs over 500 full time, part time and consulting staff.

As of June 30, 2022, DDS had 2,523 General Fund positions filled, and three federally funded positions filled.

Jordan Scheff served as commissioner during the audited period and continues to serve in that capacity.

## Boards and Councils

DDS benefits from insights and guidance offered by various advisory boards, councils, and committees. These groups include the following:

- **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 the camp’s services and develops recommendations for the commissioner regarding its use.
- **Intellectual Disability Partnership Advisory Committee** – Section 17a-211e of the General Statutes established the Intellectual Disability Partnership Advisory Committee. The committee consists of 14 members and assists 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.
- **Council on Developmental Services** – Section 17a-270 of the General Statutes established the Council on Developmental Services. 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.
- **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 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.
- **Regional Advisory Councils** – Section 17a-273 of the General Statutes established the advisory and planning council for each DDS state developmental region. Each of the three regions has its own council consisting 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.
- **Connecticut Council on Developmental Services** – Officially established by Governor Malloy’s Executive Order No. 19 in 2012. The council consists of 24 members appointed by the Governor to three-year terms. The council’s mission promotes 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 its central office as an in-kind contribution.

## Significant Legislative Changes

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

- **Public Act 21-2** (Section 67) of the June Special Session, effective October 1, 2021, required the DDS commissioner to annually report to the Public Health and Appropriations committees on the number of individuals the department determines as eligible for DDS funding or services and who (1) have unmet residential care or employment opportunity and day service needs, or (2) are eligible for the DDS behavioral services program and are awaiting funding.
- **Public Act 21-135**, effective July 7, 2021, made various changes to general statutes involving DDS, including (1) making information in DDS's abuse and neglect registry available to the Department of Administrative Services (DAS) to determine whether an applicant for employment with DDS or certain other state agencies appears on the registry; (2) allowing DDS regional or training school directors to consent to emergency medical treatment for an individual under their custody or control; and (3) requiring DDS to submit an individual's eligibility denial letter, rather than a reassessment, to the probate court during guardianship reviews for adults determined ineligible for DDS services.

## Other Information

### Census Statistics

A summary of census statistics for the various services for individuals within the department's care during the audited period as compared to the preceding fiscal year follows:

	<b>Fiscal Year Ended June 30,</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Residential Supports:</b>			
Individuals Living at Home	11,540	11,648	11,747
Individuals in Public Residential Settings	474	446	416
Individuals in Private Residential Settings	4,588	4,577	4,541
Individuals in Other Residential Settings	576	558	553
<b>Total Individuals Receiving Residential Supports:</b>	<b>17,178</b>	<b>17,229</b>	<b>17,257</b>
<b>Work and Day Supports:</b>			
Individuals Receiving Public Work and Day Supports	147	135	132
Individuals Receiving Private Work and Day Supports	13,726	13,299	13,011
Individuals Self-Directing Work and Day Supports	729	912	960
<b>Total Individuals Receiving Work and Day Supports:</b>	<b>14,602</b>	<b>14,346</b>	<b>14,103</b>
<b>Total Individuals with No Work and Day Supports:</b>	<b>2,576</b>	<b>2,883</b>	<b>3,154</b>
<b>Total Individuals Utilizing Respite Centers:</b>	<b>801</b>	<b>277</b>	<b>577</b>
<b>Total Individuals on Waiting and Planning Lists:</b>	<b>1,907</b>	<b>1,847</b>	<b>1,792</b>

# Financial Information

## 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, there are no inpatient rates included for comparison. Annual costs for the in-residence population for the audited period were as follows:

	Fiscal Year Ended June 30, 2021	
	Inpatient Annual	Group Home Annual
North Region	\$ 632,180	\$ 583,635
South Region	N/A	617,580
West Region	401,135	N/A
Southbury Training School	497,495	N/A

	Fiscal Year Ended June 30, 2022	
	Inpatient Annual	Group Home Annual
North Region	\$ 670,140	\$ 609,550
South Region	N/A	577,430
West Region	419,020	N/A
Southbury Training School	559,180	N/A

## 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
Refunds of Expenditures	\$ 562,855	\$ 698,115	\$ 1,026,140
Refunds of Salaries	1,633	-	6,648
Recoveries - General	41,460	-	300
Cottages or Residences	18,415	15,606	15,606
Facilities Licensure	50	-	-
Farms, Land and Buildings	13,653	13,862	13,860
All Other	660	129	11,772
<b>Total General Fund Receipts</b>	<b>\$ 638,726</b>	<b>\$ 727,712</b>	<b>\$ 1,074,326</b>

The Department of Social Services (DSS) performs audits of DDS providers, which result in refunds of expenditures. DSS increased its auditing efforts, which resulted in increased refunds during the audited period.

## General Fund Expenditures

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

	<b>Fiscal Year Ended June 30,</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Personal Services and Employee Benefits:</b>			
Salaries and Wages	\$ 194,241,725	\$ 196,468,602	\$ 201,258,432
Workers' Compensation	14,179,926	13,785,171	348,698
All Other	538,715	173,585	256,702
<b>Total Personal Services and Employee Benefits</b>	<b>\$ 208,960,366</b>	<b>\$ 210,427,358</b>	<b>\$ 201,863,832</b>
<b>Purchased and Contracted Services:</b>			
Professional, Scientific, and Technical Services	\$ 4,419,463	\$ 4,271,404	\$ 4,524,545
Individual Services	285,198,747	313,081,230	336,411,309
Premises and Property Expenses	6,768,612	7,190,928	6,800,937
Purchased Commodities	3,933,868	3,359,219	3,398,113
Motor Vehicle Costs	2,260,068	2,023,619	2,258,812
Fixed Charges	59,092	283,031	764,142
All Other	3,389,016	3,247,619	3,240,316
<b>Total Purchased and Contracted Services</b>	<b>\$ 306,028,866</b>	<b>\$ 333,457,050</b>	<b>\$ 357,398,174</b>
<b>Total Fund Expenditures</b>	<b>\$ 514,989,232</b>	<b>\$ 543,884,408</b>	<b>\$ 559,262,006</b>

Increases to salaries and wages were primarily due to contractual pay increases. The decrease in workers' compensation from fiscal year 2021 to 2022 was the result of this function transitioning to the Department of Administrative Services as part of the human resource centralization.

Increases in the individual services category were due to additional funding received and expended for emergency placements, employment opportunity and day services, as well as the Intellectual Disability Partnership Initiative. This initiative provides support and resources for the creation or expansion of business ventures that integrate individuals with intellectual disability into their communities through meaningful employment.

Increases in fixed charges were generally caused by the changes to account codes for short-term and long-term leases to address GASB 87 reporting.

## Federal and Other Restricted Accounts Fund Receipts

A summary of Federal and Other Restricted Accounts Fund receipts during the audited period as compared to the preceding fiscal year follows:

	<b>Fiscal Year Ended June 30,</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
Federal Aid	\$ 758,166	\$ 52,201,404	\$ (917,211)
Federal Grant Transfers	0	164,655	1,100,622
Non-Federal Aid	39,500	15,000	0
Restricted Aid - Non-Grant Transfer	623,155,127	639,934,602	704,454,796
<b>Total Fund Receipts</b>	<b>\$ 623,952,793</b>	<b>\$ 692,315,661</b>	<b>\$ 704,638,207</b>



Fluctuations in federal aid was primarily due to Covid relief funds received in fiscal year 2021. The negative balance in fiscal year 2022 is the result of a reversal of the allotment for these funds. The increase in federal grant transfers in fiscal year 2022 is due to transfers for the Distance Learning Grant and Federal Emergency Management Agency reimbursements.

### **Federal and Other Restricted Accounts Fund Expenditures**

A summary of Federal and Other Restricted Accounts Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	<b>Fiscal Year Ended June 30,</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Personal Services and Employee Benefits:</b>			
Salaries and Wages	\$ 425,065	\$ 1,600,141	\$ 143,833
Employee Benefits	1,183,285	2,277,253	1,188,891
All Other	34,674	116,648	-
<b>Total Personal Services and Employee Benefits</b>	<b>\$ 1,643,024</b>	<b>\$ 3,994,042</b>	<b>\$ 1,332,724</b>
<b>Purchased and Contracted Services:</b>			
Professional, Scientific, and Technical Services	\$ 1,484,943	\$ 1,658,449	\$ 1,654,918
Individual Services	628,869,873	638,514,794	689,870,312
Fixed Charges	27,451,781	11,208,301	11,826,074
All Other	378,867	652,959	293,797
<b>Total Purchased and Contracted Services</b>	<b>\$ 658,185,464</b>	<b>\$ 652,034,503</b>	<b>\$ 703,645,101</b>
<b>Total Fund Expenditures</b>	<b>\$ 659,828,488</b>	<b>\$ 656,028,545</b>	<b>\$ 704,977,825</b>

The significant increase in salaries and wages and employee benefits in fiscal year 2021 were caused by additional home staff/temporary emergency staff related to handling Covid-19. The decrease in fixed charges in fiscal year 2021 was due to a reduction in state aid for the Community Residential Services program.

### **Capital Improvements**

Capital improvement expenditures totaled \$504,225 and \$1,485,115 for the fiscal years 2021 and 2022, respectively. The increase can be attributed to additional expenditures for property maintenance and services, and building improvements.

### **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.

As of June 30, 2022, the fund had an outstanding balance of \$15,582,094 in loans for community residential facilities. New loans issued totaled \$217,169 and \$566,280 for the fiscal years 2021 and 2022, respectively.

Receipts of the fund, consisting primarily of principal repayments and interest income on residential community loans, totaled \$1,828,659 and \$1,782,633 for the fiscal years 2021 and 2022, respectively.

## **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.

Assets comprising the department's trustee accounts totaled \$4,444,762 as of June 30, 2022.

## **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, 2021, and 2022 and noted no findings in either year.

According to the foundation's financial statements for the fiscal year ended October 31, 2022, revenues and expenses for the fiscal year were approximately \$(64,632) and \$157,870, respectively, and net assets totaled \$855,086.