



AUDIT SUMMARY

Department of Insurance and
Office of the Healthcare Advocate

www.cga.ct.gov/apa

Fiscal Years Ended June 30, 2020 and 2021

ABOUT THE AGENCIES



The Department of Insurance's (DOI's) responsibilities include the licensing and oversight of insurance business within the state and the collection of certain taxes and fees arising from such activities.

The Office of the Healthcare Advocate (OHA) is within the DOI for administrative purposes only. OHA assists consumers with healthcare issues through the establishment of outreach programs related to consumer rights and responsibilities as members of managed care plans.

ABOUT THE AUDIT

We have audited certain operations of DOI and OHA 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, 2020 and 2021. The objectives of our audit were to evaluate the:

1. Department and office's internal controls over significant management and financial functions;
2. Department and office'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.

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.

[Link to full report](#)

5 Total Findings

4 Repeat Findings

Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

NOTEWORTHY FINDINGS



Findings

1

Our review of compensatory time disclosed several deficiencies, including instances in which employees did not obtain prior approval for compensatory time, unreasonable or unnecessary compensatory time, and employees enrolled in the incorrect compensatory plan.

2

DOI issued two payments to vendors before receiving goods, incorrectly coded two equipment purchases, and did not properly record capitalized and controllable assets. OHA created a purchase order after receiving services.

3

Our review of asset management for the audited period noted that DOI did not conduct annual physical inventories during the audited period, submitted its CO-59 reports late, did not include required fields in its software inventory, and its software inventory did not reconcile to Core-CT records.



Recommendations

DOI and OHA should strengthen internal controls to ensure that compensatory time is properly approved and documented, and employees are enrolled in the correct compensatory time plan.

DOI and OHA should strengthen internal controls over purchasing procedures to ensure that funds are committed prior to purchasing goods and services, goods are received prior to payment, and purchased assets are properly tagged and recorded in property control records.

DOI should ensure compliance with asset management requirements in Section 4-36 of the General Statutes and the State Property Control Manual.