

STATE OF CONNECTICUT



***AUDITORS' REPORT
OFFICE OF PROTECTION AND ADVOCACY
FOR PERSONS WITH DISABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2005 AND 2006***

AUDITORS OF PUBLIC ACCOUNTS

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Table of Contents

INTRODUCTION	1
COMMENTS	1
Foreword.....	1
Recent State Legislation	2
Résumé of Operations.....	3
General Fund	3
Special Revenue Fund – Federal and Other Restricted Accounts.....	4
Special Revenue Fund – Capital Equipment Purchase Fund	5
CONDITION OF RECORDS	6
Requests for Federal Reimbursement	6
Purchasing Cards	7
Petty Cash	8
Software and Supplies Inventory Control.....	9
RECOMMENDATIONS	11
CERTIFICATION	13
CONCLUSION	15

September 8, 2008

**AUDITORS' REPORT
OFFICE OF PROTECTION AND ADVOCACY
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FOR THE FISCAL YEARS ENDED JUNE 30, 2005 AND 2006**

We have made an examination of the financial records of the Office of Protection and Advocacy for Persons with Disabilities (hereafter referred to as “the Office of Protection and Advocacy” or “the Office”) for the fiscal years ended June 30, 2005 and 2006.

Financial statement presentation and auditing are performed on a Statewide Single Audit basis to include all State agencies. This audit has been limited to assessing the Office of Protection and Advocacy’s compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the Office’s internal control structure policies and procedures established to ensure such compliance.

This report on our examination consists of the Comments, Condition of Records, Recommendations and Certification that follow.

COMMENTS

FOREWORD:

The Office of Protection and Advocacy operates primarily under the provisions of Title 46a, Chapter 813, Sections 46a-7 through 46a-13a of the General Statutes, to provide protection and advocacy services for persons with disabilities. The Office of Protection and Advocacy is responsible for six Federally funded programs and several specific State statutory mandates.

The Office of Protection and Advocacy’s primary mission is to advance the cause of equal rights for persons with disabilities and their families, and to protect people with disabilities who are at risk from abusive and neglectful conditions. In accordance with the Federal Developmental Disabilities Act, protection and advocacy organizations must be independent of service providing agencies. Protection and advocacy organizations must have the authority and capacity to conduct investigations, provide information and referrals, pursue legal and administrative remedies, and educate policy makers.

Auditors of Public Accounts

The Office of Protection and Advocacy, consisting of two main operating divisions and an administrative unit, provides information and referral services and advocacy services, conducts investigations, and provides legal representation in selected matters.

The Office of Protection and Advocacy's business office functions, together with payroll and human resources functions, were absorbed by the Department of Administrative Services (DAS) during the fiscal year ended June 30, 2006. Staff at the Office of Protection and Advocacy who performed these functions were transferred to DAS. This re-organization was established pursuant to Public Act 05-251, Section 60, which, effective June 30, 2005, called for DAS, in consultation with the Secretary of the Office of Policy and Management (OPM), to develop a plan to merge and consolidate within DAS, personnel, payroll, affirmative action, and business office functions of certain executive branch agencies as chosen by DAS.

Section 46a-10 of the General Statutes provides that the Office of Protection and Advocacy shall be administered by an Executive Director appointed by the Governor. Mr. James D. McGaughey served as Executive Director throughout the audited period.

Section 46a-9 of the General Statutes provides for a Board of Protection and Advocacy for Persons with Disabilities (Advocacy Board), which serves in an advisory capacity to the Office of Protection and Advocacy. There are 15 members on the Advocacy Board, all appointed by the Governor. As of June 30, 2006, board members were as follows:

Eileen Furey, Ph.D., Chair	Suzanne Liquerman	Jeffrey Simon
Catherine Cook	Edward Manbruno	Peter Tyrrell
Sujeila Gomez	Heidi Mark	Tracie Zavatsky
Ilene Hellmann	Sheila Mulvey	Phyllis Zlotnick
Christopher Knapp	Walter Pelensky	

As of June 30, 2006, there was one vacancy on the Advocacy Board.

Section 46a-9 of the General Statutes requires that the Advocacy Board's fifteen members be comprised of ten persons with disabilities or a parent or guardian of a person with a disability, at least four of whom shall represent developmentally disabled persons, and five persons who are knowledgeable in the problems of persons with disabilities.

RECENT STATE LEGISLATION:

The following notable legislative changes took effect during or soon after the audited period:

Public Act 04-12, effective October 1, 2004, establishes a 24-hour deadline for the Commissioner of the Department of Developmental Services (DDS) to report to the Office of Protection and Advocacy the death of a person with mental retardation who is overseen by DDS, and for whom there is reasonable cause to suspect the death may be due to abuse or neglect. The Act also changes the standard that requires the Office of Protection and Advocacy to investigate such deaths from "alleged" abuse to "reasonable cause to suspect" abuse or neglect, and requires

the investigation into deaths of individuals aged 60 and older. The Act also shortens, from five calendar days to 72 hours, the timeframe within which mandated reporters of suspected cases of neglect or abuse of persons with mental retardation must report such instances to the Office of Protection and Advocacy and adds professional counselors to the list of reporters.

Public Act 05-251, Section 60, subsection (c), effective July 1, 2005, directs the Commissioner of Administrative Services, in consultation with the Secretary of the Office of Policy and Management, to develop a plan whereby the Department of Administrative Services (DAS) would merge and consolidate personnel, payroll, affirmative action, and business office functions of selected executive branch agencies within DAS. The Office of Protection and Advocacy was one of the agencies selected for consolidation.

Public Act 06-56, effective October 1, 2006, establishes an Accessibility Advisory Board to advise the director of the Office of Protection and Advocacy on accessibility matters relating to housing, transportation, government programs and services, and any other matters deemed advisable by the director of the Office of Protection and Advocacy or the Accessibility Advisory Board.

RÉSUMÉ OF OPERATIONS:

General Fund:

There were no General Fund receipts during the audited years.

General Fund expenditures totaled \$2,481,326 and \$2,406,166 during the fiscal years ended June 30, 2005 and 2006, respectively, compared to \$2,283,892 for the fiscal year ended June 30, 2004. A comparison of total General Fund expenditures for the audited fiscal years along with prior year totals is presented below:

	<u>2003 - 2004</u>	<u>2004 - 2005</u>	<u>2005 - 2006</u>
Personal Services	\$ 1,919,733	\$ 2,105,667	\$ 2,038,082
Contractual Services	347,153	318,620	340,034
Commodities	16,288	41,424	22,295
Sundry Charges	718	15,591	5,655
Equipment	-	24	100
Total Expenditures	<u><u>\$ 2,283,892</u></u>	<u><u>\$ 2,481,326</u></u>	<u><u>\$ 2,406,166</u></u>

The majority of these expenditures consisted of personal services costs. General Fund expenditures increased \$197,434 (8.6 percent) and decreased \$75,160 (3 percent), respectively, during the audited years. The increase in expenditures during the fiscal year ended June 30, 2005, was due, in part, to salary increases stipulated in collective bargaining agreements. For the fiscal year ended June 30, 2006, General Fund personal services expenditures decreased, as the Office shifted a larger share of personal services costs from the General Fund to the Federal and Other Restricted Accounts Fund, compared to the prior year.

Special Revenue Fund – Federal and Other Restricted Accounts:

Federal and Other Restricted Accounts Fund receipts totaled \$1,384,848 and \$1,702,135 during the fiscal years ended June 30, 2005 and 2006, respectively, compared to \$1,160,531 for the fiscal year ended June 30, 2004. Such receipts consisted mainly of Federal contributions from the U. S. Department of Health and Human Services and the U. S. Department of Education. Other sources of Federal contributions included Social Services Block Grant funds, which pass through the Connecticut Department of Social Services.

A summary of Fund receipts for the audited fiscal years, along with the prior year's information is presented below:

	<u>2003 - 2004</u>	<u>2004 - 2005</u>	<u>2005 - 2006</u>
Federal contributions	1,139,192	1,363,184	1,684,108
Refunds of current year expenditures	-	21,664	-
Transfers from other State agencies	21,339	-	18,000
Other	-	-	27
Total Receipts	<u>\$ 1,160,531</u>	<u>\$ 1,384,848</u>	<u>\$ 1,702,135</u>

Fund receipts increased \$224,317 (19.3 percent) and \$317,287 (22.9 percent), respectively, during the audited fiscal years. These increases can largely be attributed to an increase in the level of Federal funds received. Most notably, the Office of Protection and Advocacy received Federal funding from two additional sources: the Traumatic Brain Injury State Demonstration Grant Program (CFDA# 93.234) and the Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems Program (CFDA # 93.618)

Expenditures from the Federal and Other Restricted Accounts Fund in the fiscal years ended June 30, 2005 and 2006, amounted to \$1,368,679 and \$1,612,776, respectively, compared to \$1,098,841 for the fiscal year ended June 30, 2004. These expenditures consisted mainly of personal services and related fringe benefit costs, as well as charges for outside professional and consulting services. A comparison of total Federal and Other Restricted Accounts Fund expenditures for the audited fiscal years, along with prior year figures is presented below:

	<u>2003 - 2004</u>	<u>2004 - 2005</u>	<u>2005 - 2006</u>
Personal Services	\$ 755,695	\$ 700,995	\$ 833,181
Contractual Services	113,545	288,555	140,007
Commodities	6,222	12,723	6,372
Sundry Charges	223,379	365,317	630,624
Equipment	-	1,089	2,592
Total Expenditures	<u>\$ 1,098,841</u>	<u>\$ 1,368,679</u>	<u>\$ 1,612,776</u>

Fund expenditures rose \$269,838 (24.6 percent) and \$244,097 (17.8 percent), respectively, during the audited fiscal years. The increase in expenditures in the fiscal year ended June 30, 2005, was primarily in the areas of contractual services and employee fringe benefit costs (included in the

Sundry Charges category above). The increase in contractual services expenditures during the fiscal year ended June 30, 2005, resulted, in large part, from the execution of a contract for litigation services in connection with a lawsuit on behalf of persons with disabilities. The growth in employee fringe benefit costs during the audited years was, in part, the result of a change in the method State government accounted for such costs. Effective in November 2003, employee fringe benefit costs were charged to State agencies at their actual cost rather than using a set percentage established by the Office of the State Comptroller, as was previously the case. During the fiscal year ended June 30, 2006, personal services expenditures increased, in part, as a result of pay raises included in employee collective bargaining agreements. Furthermore, as mentioned above, during the fiscal year ended June 30, 2006, a larger share of personal services expenditures was borne by the Federal and Other Restricted Accounts Fund, compared to the previous year.

Special Revenue Fund – Capital Equipment Purchase Fund:

Capital Equipment Purchase Fund expenditures totaled \$7,204 and \$22,616 during the fiscal years ended June 30, 2005 and 2006, respectively. These expenditures consisted primarily of electronic data processing hardware purchases.

CONDITION OF RECORDS

Our review of the records of the Office of Protection and Advocacy revealed areas requiring improvement, as discussed in this section of the report.

Requests for Federal Reimbursement:

Background: During the audited period, the Office of Protection and Advocacy received Federal Social Services Block Grant (grantor: Department of Health and Human Services, CFDA #93.667) funds from the State's Department of Social Services (DSS), which served as a pass-through agency for this grant. Such funds were received on a reimbursement basis after the Office of Protection and Advocacy charged applicable expenditures to appropriate Federal accounts. Periodically, the Office of Protection and Advocacy would send a written memorandum to DSS, requesting reimbursement for expenditures charged to such Federal block grant programs. DSS would then allot the block grant funds to the Office.

Criteria: Proper cash management procedures require that reimbursements due from the Federal government be requested in a timely manner.

Condition: We tested a sample of four Office of Protection and Advocacy Federal reimbursement requests, totaling \$226,417, which the Office of Protection and Advocacy submitted to DSS during the audited years. Our testing disclosed instances where such requests were made significantly later than the dates when corresponding expenditures were posted to the Office of Protection and Advocacy's accounting records. Delays in reimbursement requests noted ranged from roughly three months to one year and nine months after corresponding expenditures were posted to the Office of Protection and Advocacy's accounting records.

Effect: Delayed Federal reimbursement requests resulted in an opportunity cost: the cost associated with the unavailability of these monies to fund appropriate activities.

Cause: The Office of Protection and Advocacy informed us that it requested reimbursement for Federal expenditures only when time was available for such tasks.

Recommendation: The Office of Protection and Advocacy should request reimbursement for Federal expenditures in a timely manner. (See Recommendation 1.)

Agency Response: "The Office of Protection and Advocacy and the Department of Administrative Services Grant Unit agree with the recommendation. The DAS Grant Unit has the responsibility of preparing reimbursement

requests and submitting them to the Department of Social Services for Social Services Block Grant Funds. The Grant Unit will increase the frequency of these reimbursement requests.”

Purchasing Cards:

Criteria: The State Comptroller’s *Purchasing Card Cardholder Work Rules Manual* establishes procedures for the State’s Purchasing Card Program, and details acceptable purchases when using such cards.

Condition: We reviewed ten purchasing card invoices during the audited period; three from the fiscal year ended June 30, 2005, and seven from the fiscal year ended June 30, 2006. During our review, we noted the following:

- Five instances in which the purchasing card logs detailing purchases made by two employees were not signed by respective supervisors, indicating their approval.
- One instance in which it appeared that a single purchase was split into multiple purchases, which by-passed the \$1,000 single purchase limit established by the Comptroller’s *Purchasing Card Cardholder Work Rules Manual*.
- One instance in which a purchasing card was used to purchase meals during a State business trip, which is prohibited by the State Comptroller’s *Purchasing Card Cardholder Work Rules Manual*.

Effect: In some instances, the agency did not comply with the State Comptroller’s *Purchasing Card Cardholder Work Rules Manual*, which weakened internal controls over purchasing card purchases.

Cause: It appears that, in some instances, the agency may have been unaware of, or overlooked, the requirements of the State Comptroller’s *Purchasing Card Cardholder Work Rules Manual*.

Recommendation: The Office of Protection and Advocacy should strengthen internal controls over purchasing card purchases by complying with the State Comptroller’s *Purchasing Card Cardholder Work Rules Manual*. (See Recommendation 2.)

Agency Response: “The agency agrees with the finding and recommendation. The agency was unaware of any instances where P-Card logs had not been signed off on by supervisors and will take steps to ensure that all future logs will be reviewed and signed by supervisors prior to transmittal to the DAS Business Office for review.

The agency has attempted to follow all applicable procedures listed in the *Purchasing Card Cardholder's Work Rules Manual*. The instances referred to in the findings where purchases exceeded allowable daily maximums do not represent deliberate attempts to circumvent purchasing rules; rather they were oversights by staff members who were trying to ensure that necessary purchases would be delivered in time to be paid from current year funding. In prior audit periods, all purchases, including P-Card purchases, were initiated through our agency's Business Office. Business Office staff were more familiar with purchasing rules.

Food is not normally charged to agency P-Cards without obtaining specific approval and tax-exempt certification from the Comptroller's Office. The instance referred to in the findings occurred when the P-Card was used to reserve a hotel room for one of the agency's volunteer Protection and Advocacy for Individuals with Mental Illness Advisory Council members at a training event, and the volunteer charged an unauthorized meal to his hotel room. The agency subsequently recovered the cost of the meal from the volunteer."

Petty Cash:

Criteria: Chapter 12, Section 2.5 of the State Comptroller's *State Accounting Manual* requires State agencies to maintain reconciled Petty Cash Fund checking account statements to provide accountability.

Condition: During our review of the Office of Protection and Advocacy's Petty Cash Fund, we were informed that the Office performed reconciliations of its petty cash account records with petty cash account bank statements. However, the Office did not adequately document these reconciliations.

Effect: Accountability over petty cash was weakened.

Cause: It appears that the Office believed that bank reconciliations of the petty cash account were sufficiently documented.

Recommendation: The Office of Protection and Advocacy should improve documentation of bank account reconciliations of its petty cash account. (See Recommendation 3.)

Agency Response: "The agency disagrees with the finding that petty cash reconciliation has not been documented, but agrees with the recommendation to improve the manner in which documentation occurs. Specifically, future reconciliations will be documented on the monthly bank

statements. During the audit period, bank statements for the agency's petty cash account were reviewed by the Assistant Director using a balance sheet associated with the account check book. As she had been trained to do, she then initialed the statements on a monthly basis. Because the account is small and sees relatively little activity, it is often the case that no checks have been written during the month covered by the statement, and no computations were necessary. In the future, computational reconciliations will be done on forms provided for that purpose and will be retained as documentation. If there is no activity during a statement period, a notation will be affixed to the statement indicating that no reconciliation was necessary."

Auditor's Concluding

Comments: To clarify the agency's response, our finding with respect to petty cash bank reconciliations, as stated above, is that the Office of Protection and Advocacy "did not adequately document these reconciliations," not that "the reconciliation has not been documented."

Software and Supplies Inventory Control:

Criteria: The State of Connecticut's *Property Control Manual* requires that "a separate perpetual (continuous) inventory should be maintained of all stores and supplies (including repair parts for machinery, plumbing, general housekeeping, etc.) if the estimated value of the entire inventory is over \$1,000."

The Manual also provides that "a software inventory (or inventories) must be established by all agencies to track and control all of their software media, licenses or end user license agreements, certificates of authenticity (where applicable), documentation and related items."

Condition: We noted that beginning in the fiscal year ended June 30, 2006, the Office of Protection and Advocacy no longer maintained inventory control records for supplies, whose value was reported at \$5,158, as of June 30, 2006. Further, the Office could not provide us with supporting documentation to substantiate amounts reported as supplies deletions and the supplies ending balance on the annual property inventory report submitted to the State Comptroller for the fiscal year ended June 30, 2006.

The Office also informed us that during the audited period, it discontinued keeping software inventory control records when Office of Protection and Advocacy business office functions were consolidated into the Department of Administrative Services during the fiscal year ended June 30, 2006.

Effect: The agency did not comply with certain record keeping requirements of

the State's *Property Control Manual*, which weakened internal control over supplies and software.

Cause: During the fiscal year ended June 30, 2006, Business Office functions of the Office of Protection and Advocacy were consolidated into the Department of Administrative Services' Business Office. The DAS property management team informed us that it would be impractical to keep track of the supplies used by the Office of Protection and Advocacy. The consolidation had a similar effect with respect to software inventory control records.

Recommendation: The Office of Protection and Advocacy should improve internal controls over office supplies and software by implementing the inventory control record systems required by the State of Connecticut's *Property Control Manual*. (See Recommendation 4.)

Agency Response: "The Office of Protection and Advocacy for Persons with Disabilities is not aware of any loss, misuse or other problems associated with office supplies maintained in inventory or with agency purchased software. Requests for office supplies from inventory are forwarded by operating units to a designated Secretary who also monitors inventory levels and re-orders at regular intervals. That Secretary orders office supplies, verifies deliveries and ensures secure storage. Software acquisition and installation is overseen by the Executive Secretary, who maintains internal records and listings of all software licensed for installation on agency-owned equipment.

The agency agrees, however, that controls over these items should be improved by integrating them into the State's Core-CT based property control system. During prior audit periods, agency business office staff maintained continuous inventories over supplies and agency-purchased software, following the required pre-Core-CT property control procedures. With the elimination of the agency's two-person business office and consolidation of its functions under the DAS Business Office, the agency lost its capacity to maintain this aspect of control. The agency will discuss this issue with DAS and attempt to develop a solution."

RECOMMENDATIONS

Our previous audit examination of the Office of Protection and Advocacy contained four recommendations. A summary of those recommendations and their status follows:

Status of Prior Audit Recommendations:

- *The Office of Protection and Advocacy for Persons with Disabilities should update its memorandum of understanding with the Department of Mental Retardation to include the current State laws governing abuse and neglect investigations, the working relationship between the Office of Protection and Advocacy and the Department of Mental Retardation, and timeframes for reporting the findings of investigations.* During our current audit, we were provided an updated interagency agreement between the Office of Protection and Advocacy and the Department of Mental Retardation. The Office of Protection and Advocacy has implemented our prior recommendation.
- *The Office of Protection and Advocacy should require all contractors to submit acceptable audits as required by Section 7-396a of the General Statutes and by the terms of the personal service agreements.* Our current audit disclosed that contractors required to submit audit reports to the Office had done so. The recommendation is not being repeated.
- *The Office of Protection and Advocacy should submit the proposed Agency regulations for approval as required under Section 4-167(b) of the General Statutes.* During our current audit, we were informed that the Office's proposed regulations were approved. We noted that the regulations were published in the Connecticut Law Journal in July 2007. The Office of Protection and Advocacy implemented our prior recommendation.
- *The Office of Protection and Advocacy should take appropriate administrative steps, in accordance with its established policies and procedures, when excessive absenteeism is detected.* In our current audit, we noted improvement in the amount of sick leave used by the sample of employees tested in our prior audit. The recommendation is not being repeated.

Four recommendations resulting from our current examination are presented below:

Current Audit Recommendations:

- 1. The Office of Protection and Advocacy should request reimbursement for Federal expenditures in a timely manner.**

Comments:

In some instances, Federal reimbursement requests were delayed for significant periods of time.

- 2. The Office of Protection and Advocacy should strengthen internal controls over purchasing card purchases by complying with the State Comptroller's *Purchasing Card Cardholder Work Rules Manual*.**

Comments:

In some instances, purchasing card usage logs were not signed by supervisors. In one instance, an order appears to have been split, avoiding the \$1,000 per purchase purchasing card transaction limit. In another instance, a purchasing card purchase was made that was unallowable according to the State Comptroller's policy.

- 3. The Office of Protection and Advocacy should improve documentation of bank account reconciliations of its petty cash account.**

Comments:

Monthly bank account reconciliations of the petty cash account were not sufficiently documented.

- 4. The Office of Protection and Advocacy should improve internal controls over office supplies and software by implementing the inventory control record systems required by the State of Connecticut's *Property Control Manual*.**

Comments:

Beginning in the fiscal year ended June 30, 2006, inventory control record keeping systems for both office supplies and software were discontinued.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Office of Protection and Advocacy for Persons with Disabilities for the fiscal years ended June 30, 2005 and 2006. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grants, and to understanding and evaluating the effectiveness of the Agency's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grants applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the Office of Protection and Advocacy for the fiscal years ended June 30, 2005 and 2006, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

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

Compliance:

Compliance with the requirements of laws, regulations, contracts and grants applicable to the Office of Protection and Advocacy is the responsibility of the Office of Protection and Advocacy's management.

As part of obtaining reasonable assurance about whether the Agency complied with laws, regulations, contracts, and grants, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Agency's financial operations for the fiscal years ended June 30, 2005 and 2006, we performed tests of its compliance with certain provisions of the laws, regulations, contracts, and grants. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

The management of the Office of Protection and Advocacy is responsible for establishing and

maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts and grants applicable to the Agency. In planning and performing our audit, we considered the Agency's internal control over its financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Agency's financial operations in order to determine our auditing procedures for the purpose of evaluating the Office of Protection and Advocacy's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grants, and not to provide assurance on the internal control over those control objectives.

However, we noted certain matters involving the internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that, in our judgment, could adversely affect the Agency's ability to properly record, process, summarize and report financial data consistent with management's authorization, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grants. We believe that the Agency's weaknesses in controls over purchasing card purchases represent a reportable condition.

A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants or the requirements to safeguard assets that would be material in relation to the Agency's financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to the Agency being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over the Agency's financial operations and over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material or significant weaknesses. However, we believe that the reportable condition described above is neither a material nor a significant weakness.

We also noted other matters involving the internal controls over the Agency's financial operations and/or compliance which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

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

CONCLUSION

We wish to express our appreciation for the courtesies extended to our representatives by the personnel of the Office of Protection and Advocacy for Persons with Disabilities during the course of our examination.

Daniel F. Puklin
Principal Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts