

STATE OF CONNECTICUT



*AUDITORS' REPORT
DEPARTMENT OF PUBLIC HEALTH
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2017*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

Table Of Contents

EXECUTIVE SUMMARY	i
COMMENTS	2
FOREWORD	2
Significant Legislative Changes	3
RÉSUMÉ OF OPERATIONS.....	4
General Fund	4
Federal and Other Restricted Fund.....	5
Insurance Fund	5
Capital Equipment Purchase Fund	6
Special Revenue Fund – STEAP – Grants to Local Governments	6
Non-Capital Improvement & Other Projects Fund – Community Conservation and Development Fund	6
Capital Projects Funds – Capital Improvements and Other Purposes.....	6
Biomedical Research Trust Fund	6
Drinking Water Federal Loan Fund	7
STATE AUDITORS’ FINDINGS AND RECOMMENDATIONS.....	8
System-wide Accountability and Control	8
Lack of Risk Management Function	8
Boards, Commissions, Committees, Councils etc.	10
Issues with Boards and Commissions	10
General Administration.....	12
Lack of Adoption of State Regulations	12
Lack of Compliance with Statutory Reporting Requirements	13
Payroll and Human Resources	13
Issues with Compensatory Time and Overtime	14
Lack of Compliance for Telecommuting Arrangements.....	15
Inadequate Documentation for the Administration of Human Resources Investigations	16
Inaccurate Benefit Service Dates	18
Inadequate Administration of Leave Request Authorizations	19
Lack of Compliance with Reporting Requirements of Section 4-33a of the General Statutes	20
Physical and Electronic Asset Controls	21
Issues with Asset Valuation, Existence, and Recording	21
Asset Capitalization Errors.....	23
Asset Management Inventory Report Form (CO-59) Errors.....	24
Inadequate Administration of the Expired Pharmaceuticals Inventory.....	26
Inadequate Telecommunications Management	27
Disaster Recovery Issues	29
Revenues, Expenditures and Accounts Receivables.....	30
Inadequate Administration of Revenues and Remittances.....	30
Lack of Timely Contract Execution and Purchase Order Approvals	33
Contractual Payment Errors	36

Table Of Contents

Emergency Medical Services	37
EMS Data Collection Program Issues	37
Annual Report to the General Assembly on Quantifiable Outcome Measures.....	39
National Highway Traffic Safety Administration (NHTSA) Technical Assistance Team Reassessment of Connecticut EMS	41
Miscellaneous.....	44
Practitioner Licensing Complaints – Investigation and Consultant Delays	44
Facility Complaint Investigations Issues.....	46
Access to Vital Records and Indexes	49
RECOMMENDATIONS	52
Acknowledgment	63
CONCLUSION.....	64

February 13, 2020

EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Department of Public Health. The objectives of this review were to evaluate the department’s internal controls, compliance with policies and procedures, as well as certain legal provisions and management practices and operations for the fiscal years ended June 30, 2016 and 2017, and through the date of this audit report.

The key findings are presented below:

Page 19	DPH conducted two investigations related to alleged employee misuse of state time and resources, but did not report the matters to the Auditors of Public Accounts until after issuing the investigation reports. The Department of Public Health should comply with Section 4-33a of the General Statutes by promptly reporting these matters to the Auditors of Public Accounts and State Comptroller.
Page 20	A number of assets lacked the minimum required data for inventory records, were listed at an invalid location, not located or included as part of the physical inventory process, or not adequately documented for dispositions. The Department of Public Health should comply with the State Property Control Manual in properly recording and maintaining accountability over its assets.
Page 23	The DPH Asset Management Inventory Reporting Form for fiscal year 2016-2017 contained a number of errors. The Department of Public Health should ensure that it uses accurate queries and calculations on its Asset Management Inventory Reporting Form (CO-59) and uses the proper fields for each reporting category.
Page 25	A number of expired pharmaceuticals were not returned to drug manufacturers for credits of over \$87,000. The Department of Public Health should seek a new returns vendor to send back its expired pharmaceuticals and manage its inventory more efficiently in order to maximize available credits.
Page 29	The department handled and recorded remittances inconsistently and did not maintain a complete record of fee schedules or evaluate the adequacy of such fees. The Department of Public Health should undertake a systemic review of accounting processes over revenue and remittance reporting to assure greater uniformity and compliance among program units.
Page 32	Contracts were not executed until well after the project start dates and purchase orders did not have sufficient funds committed to support the services provided. The Department of Public Health should ensure that contracts and purchase orders are executed and funds are committed before any goods and services are ordered.
Pages 43 and 45	Delays in the investigation phase for complaints exceeded the maximum number of days allowed by department policy. The Department of Public Health should seek the necessary resources to complete investigations against healthcare practitioners and facilities within its established deadlines.

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT J. KANE

February 13, 2020

**AUDITORS' REPORT
DEPARTMENT OF PUBLIC HEALTH
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2017**

We have audited certain operations of the Department of Public Health 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 years ended June 30, 2016 and 2017.

The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions;
2. Evaluate the 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. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions. 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 our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

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

1. Deficiencies in internal controls;
2. Apparent noncompliance with policies and procedures or legal provisions; and
3. Need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations in the accompanying report presents any findings arising from our audit of the Department of Public Health.

COMMENTS

FOREWORD

The Department of Public Health (DPH) operates primarily under the provisions of Title 19a, Chapters 368a through 368l, 368r, 368v, 368x, and Title 20, Chapters 369 through 388, 393a, 395, 398, 399, 400a and 400c of the General Statutes.

DPH states in its statutory responsibility statement, that it "...is the center of a comprehensive network of public health services, and in partnership with local health departments, provides coordination and access to federal initiatives, training and certification, technical assistance and oversight, and specialty public health services that are not available at the local level." DPH is a source of up-to-date health information and analytics for the governor, the General Assembly, the federal government and local communities. This data is "used to monitor the health status of Connecticut's residents, set health priorities and evaluate the effectiveness of health initiatives. The agency is a regulator focused on positive health outcomes and ensuring quality and safety, while also minimizing the administrative burden on the personnel, facilities and programs regulated." According to its Healthcare Quality and Safety Branch Statement, DPH "regulates access to health care professions and provides regulatory oversight of health care facilities and services."

The commissioner of DPH is responsible for the overall operation and administration of the department, as well as administering the state's health laws and public health code. Under the provisions of Section 19a-14 of the General Statutes, DPH is also responsible for all administrative functions relating to various boards and commissions and the licensing of regulated professions. The various boards and commissions assist the department in setting standards for the various professions, examining applicants for licensure, and disciplining any license holder who has been found to engage in illegal, incompetent, or negligent conduct.

Raul Pino, M.D. served as acting commissioner since December 21, 2015, and was formally appointed commissioner on February 11, 2016. He served in that capacity throughout the audited period.

Significant Legislative Changes

Public Act 16-39, effective primarily on October 1, 2016, allowed advanced practice registered nurses (APRNs) to certify, sign, or otherwise document medical information in several situations that previously required a physician's signature, certification, or documentation.

Public Act 16-43, with effective dates ranging from May 27, 2016 to January 1, 2017, contained various provisions on opioid abuse prevention and treatment, and related issues.

Public Act 16-66, effective October 1, 2016, changed DPH-related statutes and programs, such as establishing a process to address alleged impropriety by local health directors or their employees.

Public Act 15-223, effective October 1, 2015, made various changes in the emergency medical services (EMS) laws, including emergency scene responsibilities, data reporting requirements, and credentialing.

Public Act 15-242, effective primarily on October 1, 2015, made changes that affect several health care professions and institutions. Included are certain provisions regarding technical assistance fees for certain health care institution construction projects, stem cell research, advance notice of health care facility investigations or inspections, food-borne disease outbreaks, task forces on childhood nutrition, rare diseases, and food allergies, and childhood immunization requirements, among others.

Public Act 15-244, effective October 1, 2015, increased license renewal fees for various DPH licensed professionals and directed the revenue to fund the professional assistance program for DPH-regulated professionals.

RÉSUMÉ OF OPERATIONS

General Fund

A summary of General Fund receipts for the audited period, as compared to the previous fiscal year, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund Receipts			
Licensure, Registration and Inspection Fees	\$35,944,515	\$36,705,456	\$36,076,549
Title XIX State Survey and Medicaid Funds	7,098,710	3,326,021	2,830,760
Expenses Recovered, Hospitals	2,949,525	3,076,964	3,199,878
Fees for Laboratory Services	266,777	181,095	342,069
Birth, Marriage and Death Certificates	231,993	247,610	260,285
Fines, Civil Penalties, and Court Costs	560,345	358,919	484,822
Miscellaneous	8,314	46,985	18,003
Refunds of Expenditures	862,407	383,472	631,788
Refunds of Processing Fees and Other	<u>(385,659)</u>	<u>(504,535)</u>	<u>(454,628)</u>
Total General Fund Receipts	<u>\$47,536,927</u>	<u>\$43,821,987</u>	<u>\$43,389,526</u>

Hospitals, nursing facilities, and intermediate care facilities for individuals with intellectual disabilities (ICF/IID) that serve Medicaid patients must meet prescribed health and safety standards. A Medicaid agency may not execute a provider agreement or make Medicaid payments to a facility unless the state survey agency has certified that the facility meets the prescribed standards. DPH performs these surveys and receives the Title XIX State Survey and Medicaid Funds for this purpose.

A summary of General Fund expenditures for the audited period, as compared to the previous fiscal year, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund Expenditures			
Salaries and Wages	\$36,241,825	\$34,793,477	\$33,716,315
State Aid and Other Grants	33,719,168	21,702,634	17,449,867
Purchased Commodities	1,869,459	1,305,035	1,315,833
Premises and Property Expense	2,775,112	2,733,737	2,679,249
Professional Services	1,091,339	238,343	253,611
Other Services	1,067,888	943,721	586,960
Information Technology	590,851	415,292	473,932
Rental and Maintenance – Equipment	391,709	591,480	358,017
OSC Adjusting Entries	(202,865)	-	-
Other Miscellaneous Expenditures	<u>604,142</u>	<u>657,931</u>	<u>641,379</u>
Total General Fund Expenditures	<u>\$78,148,628</u>	<u>\$63,381,650</u>	<u>\$57,475,163</u>

Federal and Other Restricted Fund

Federal and Other Restricted Fund receipts totaled \$140,376,271 and \$143,324,973 for the fiscal years ended June 30, 2016 and 2017, respectively. The largest federal program was the federal Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which averaged receipts of approximately \$42,000,000 over the 2 fiscal years under review.

A summary of Federal and Other Restricted Fund expenditures for the audited period, as compared to the previous fiscal year, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Federal and Other Restricted			
Grants and Grant Transfers	\$ 64,767,626	\$ 57,636,885	\$ 59,655,598
Personnel Services and Employee Benefits	32,819,290	35,507,048	38,054,329
Purchased Commodities	40,005,305	33,419,674	27,688,455
Other Charges	4,627,217	4,842,586	5,145,267
Information Technology	2,499,996	8,354,791	5,840,210
Other Services	2,081,599	2,620,890	2,029,095
Professional, Scientific, & Technical Services	1,136,363	1,916,309	1,787,074
Other Miscellaneous Expenditures	<u>1,116,392</u>	<u>1,831,177</u>	<u>2,532,041</u>
Total Federal and Other Restricted	<u>\$149,053,788</u>	<u>\$146,129,360</u>	<u>\$142,732,069</u>

Purchased Commodities was comprised mainly of food and beverage charges of the WIC program and decreased for fiscal years 2015-2016 and 2016-2017 due to a DPH adjusting entry on the WIC food and beverage costs.

Insurance Fund

A summary of Insurance Fund expenditures for the audited period, as compared to the previous fiscal year, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Insurance Fund			
Purchased Commodities	\$ 31,256,996	\$ 33,125,066	\$ 34,645,002
Fixed Charges	-	6,790,655	6,501,827
Other Services	209	666,030	610,185
Personal Services and Employee Benefits	250,369	551,903	573,616
Other Miscellaneous Expenditures	<u>75,603</u>	<u>18,300</u>	<u>47,888</u>
Total Insurance Fund	<u>\$ 31,583,171</u>	<u>\$ 41,151,954</u>	<u>\$ 42,378,518</u>

These expenditures were primarily for the purchase of vaccines, drugs, and pharmaceuticals for tuberculosis and sexually transmitted diseases. Fixed Charges expenditures were composed of

state aid grants for AIDS Services, Breast and Cervical Cancer Detection Treatment, and the Needle and Syringe Exchange Program.

Capital Equipment Purchase Fund

Capital Equipment Purchase Fund expenditures totaled \$371,130 and \$342,586 for the fiscal years ended June 30, 2016 and 2017, respectively. Most of these funds were used to purchase medical, laboratory, and data processing equipment.

Special Revenue Fund – STEAP – Grants to Local Governments

Grant expenditures to nonprofit providers and community health agencies for facility improvements totaled \$7,379,501 and \$15,312,447 for the fiscal years ended June 30, 2016 and 2017, respectively. These grants are from the Small Town Economic Assistance Program (STEAP) to support economic development, community conservation, and quality of life projects for localities. STEAP funds can be used only for capital projects and cannot be used for programmatic or recurring budget expenditures. As a result, fiscal year expenditures vary based upon the approval and eligibility of projects.

Non-Capital Improvement & Other Projects Fund – Community Conservation and Development Fund

State aid grants funded from the Non-Capital Improvement and Other Projects Fund totaled \$3,573,935 and \$996,466 for the fiscal years ended June 30, 2016 and 2017, respectively.

Capital Projects Funds – Capital Improvements and Other Purposes

Capital Projects Funds expenditures for the fiscal years ended June 30, 2016 and 2017, as compared to the previous fiscal year, were as follows:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2015</u>	<u>2016</u>	<u>2017</u>
Capital Projects Funds			
DPH – New Laboratory	\$ 975,861	\$ 1,506,830	\$ 228,714
IT Capital Investment Program	<u>462,576</u>	<u>480,635</u>	<u>480,843</u>
Total Capital Projects Funds	<u>\$ 1,438,437</u>	<u>\$ 1,987,465</u>	<u>\$ 709,557</u>

Biomedical Research Trust Fund

Under Section 19a-32c of the General Statutes, DPH may make grants-in-aid from the trust fund to eligible institutions for the purpose of funding biomedical research in the fields of heart disease, cancer, and other tobacco-related diseases; Alzheimer’s disease; stroke; and diabetes. Biomedical Research Trust Fund expenditures were \$1,373,777 and \$5,403,452 for the fiscal years ended June 30, 2016 and 2017, respectively.

Drinking Water Federal Loan Fund

Section 22a-477 (s) of the General Statutes provides that amounts in the drinking water federal revolving loan account of the Clean Water Fund shall be available to the Commissioner of Public Health to provide financial assistance to any recipient for construction of eligible drinking water projects approved by DPH. Drinking Water Federal Loan Fund expenditures were \$19,371,986 and \$25,893,221 for the fiscal years ended June 30, 2016 and 2017, respectively. The financial statements of the State of Connecticut Clean Water Fund – Drinking Water Federal Revolving Loan Account are audited by independent public accountants.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

System-wide Accountability and Control

The following recommendation describes a condition that extends beyond a single operational area. The recommendation describes the need to identify operational and reporting risks on an ongoing basis and steps to mitigate those risks. The continual process of risk assessment and mitigation expands in importance as the department's operations grow in size and complexity.

Lack of Risk Management Function

Background: The Department of Public Health (DPH) is the state's lead agency in the protection of public health and providing health information, policy, and advocacy.

The department is the center of a comprehensive network of public health services and is a partner to local health departments. DPH provides advocacy, training and certification, technical assistance and consultation, and specialty services (such as risk assessment) that are not available at the local level.

In the 2016-2017 Digest of Administrative Reports to the Governor, DPH reported that it had 725 employees organized into a number of branches, sections, and offices. DPH prepares, issues, and manages hundreds of contracts, grants, and low interest loans in support of for-profit and non-profit service providers, federal and local governments, and individuals. The services funded by these contracts and grants provide health and support services to underserved residents of Connecticut that would otherwise be unavailable.

Criteria: Risks must be managed through a system of controls. Effective management requires the identification of risks through an ongoing assessment process by skilled staff, the development and implementation of a plan to mitigate identified risks, and the monitoring and review of the plan elements to gauge their success. Risk assessment includes management's assessment of the safeguarding of agency assets and fraudulent reporting.

The information obtained through this process may then be incorporated into the risk assessment process to determine whether plan modifications are required.

Control activities are defined as the actions established through policies and procedures that help ensure the implementation of management risk mitigation directives to achieve objectives.

Ongoing monitoring activities are designed to assess the quality of internal control performance over time and to communicate that performance to decision makers along with recommendations for improvement.

Condition: DPH lacks a dedicated and ongoing risk assessment and mitigation function or formal monitoring procedures.

The Auditors of Public Accounts identified avoidable direct and indirect costs in various audit reports. We can also assume the department incurred additional costs that have yet to be identified. Those exceed the cost of establishing a basic risk management process within the department.

For example, Recommendation 14 identifies that the department can manage its expired pharmaceuticals more efficiently to maximize available credits.

Effect: DPH is exposed to a higher risk that it will not achieve its operational objectives. Risks that could have been anticipated and avoided by periodic assessments may result in operational ineffectiveness, additional costs and liabilities, and exposure to fraud.

Cause: DPH does not have a formal, dedicated risk assessment and mitigation process. The department did not allocate the necessary and appropriate resources to a risk assessment and mitigation process during the audited period. DPH could have detected and prevented many of the issues related to recommendations in our audit reports.

Prior Audit Finding: This finding has been reported in the last 3 audit reports covering fiscal years 2010 to 2015.

Recommendation: The Department of Public Health should develop or acquire a formal risk assessment and mitigation process to identify and address risks that could impact its operational and reporting objectives. This process should be independent, formal, and ongoing. (See Recommendation 1.)

Agency Response: “The department agrees with this finding. The DPH agrees that a risk management and mitigation function would prevent or detect significant and material operational deficiencies that would help the department achieve its objectives in a more expedient manner. The DPH submitted a budget option for this activity. However, due to current state budget constraints, the budget option has not been realized. The DPH continues exploring other options to create a process utilizing its existing departmental resources. DPH established a Risk Management objective within the Performance Assessment and Recognition Systems (PARS) for all DPH managers as a method to highlight the importance of performance management and preventing operational inefficiencies.”

Boards, Commissions, Committees, Councils etc.

DPH has a number of boards, commissions, committees, and councils under its purview. The majority of them are covered by the department's Public Health Hearing Office. The office provides support to 14 professional licensing boards and commissions. The recommendation in the following section addresses the issues noted regarding such entities.

Issues with Boards and Commissions

Criteria: Section 1-225 of the General Statutes prescribes the following:

- Votes of each member of any public agency upon issue before such public agency shall be reduced to writing and made available for public inspection within 48 hours and shall also be recorded in the minutes of the session at which they were taken.
- Not later than 7 days after the date of the session to which such minutes refer, such minutes shall be available for public inspection and posted on the public agency's website, if available.
- Not later than January 31st of each year, each public agency shall file the schedule of regular meetings of such public agency for the ensuing year with the Office of the Secretary of the State and shall post such schedule on such public agency's website.

Robert's Rules of Order, which is generally used as conventional guidance for conducting meetings, provide that minutes of meetings should be signed by a designated representative to indicate that they have been formally approved.

Section 19a-8 of the General Statutes requires that not less than one-third of the members of each board and commission identified in Section 19a-14(b) shall be public members. Public member means an elector of the state who has no substantial financial interest in, is not employed in or by, and is not professionally affiliated with, any industry, profession, occupation, trade or institution regulated or licensed by the board or commission to which he or she is appointed, and who has had no professional affiliation with any such industry, profession, occupation, trade or institution for 3 years preceding his or her appointment to the board or commission.

Condition: Upon review of the various boards and commissions under the purview of DPH, we noted the following:

- With the exception of the Connecticut Board of Examiners for Opticians, the meeting minutes for 20 other boards and commissions (including 13 professional licensing boards and commissions) were not signed as approved and finalized by a designated individual.

- One board, which advises DPH on the operations of the mobile field hospital, did not post minutes on the department’s website.
- There was no evidence that 4 of the boards/commissions submitted their annual meeting schedules to the Office of the Secretary of the State.
- Seven out of the 14 regulated professional boards did not maintain at least one-third of its membership as public members.

Effect: There is a lack of compliance with the Freedom of Information Act, as the boards and commissions did not always provide proper public notice. Furthermore, without the signed approval by a designated official, it is questionable whether meeting minutes are final.

The lack of a fully appointed board could reduce its effectiveness.

Cause: While DPH appears to have made some effort, other issues remained unaddressed.

Prior Audit Finding: This finding has been previously reported in the last audit report covering fiscal years 2014 to 2015.

Recommendation: The Department of Public Health should comply with Sections 1-225 and 19a-8 of the General Statutes and follow Robert’s Rules of Order. (See Recommendation 2.)

Agency Response: “The department agrees with this finding in part. The majority of boards and commissions that are active are overseen by the Public Health Hearing Office (PHHO). The PHHO is responsible by statute for 14 boards and commissions. With regard to each such board or commission, the minutes of each of their meetings reflect a vote that the minutes of the preceding meeting have been reviewed and approved. There is no statutory or regulatory requirement for the signing of minutes. Further, the minutes of all of these 14 boards and commission are posted to each board’s respective webpages on the DPH website. Each December, an email is sent to the Office of the Secretary of the State with a link to the board calendar page on the DPH website listing the yearly regular meeting calendars of all 14 boards and commission overseen by the PHHO. The appointment of members to any of the 14 boards and commissions overseen by the PHHO, public member or otherwise, is the legal responsibility of the Office of the Governor. The PHHO regularly informs the Office of the Governor whenever a vacancy occurs and specifies the type of vacancy required to be filled. Additionally, the PHHO provides periodic updates to Office of the Governor throughout the year listing the membership of all boards and commissions, including vacancies not yet filled. DPH may need to identify boards and commissions that are not active for possible legislative repeal.”

Auditors' Concluding Comment:

While there is no statutory or regulatory requirement for minutes to be signed as approved and final, Robert's Rules of Order indicates that such actions should be taken.

General Administration

The department has a significant number of state regulations and reporting requirements to monitor each year. For state regulations, the department must ensure that regulation language remains current and must promptly develop and adopt regulations mandated by new legislation. For statutory reporting requirements, there needs to be effective administrative oversight to ensure that reports are completed timely and submitted to the recipients as designated in the applicable statute. The following recommendations address such concerns.

Lack of Adoption of State Regulations

Criteria: The Regulations of Connecticut State Agencies serve to clarify the General Statutes.

Condition: DPH informed us that it did not develop and adopt state regulations required under sections 19a-14b, 19a-37b, 19a-495a, 19a-562b, and 19a-902 of the General Statutes.

Effect: Without state regulations, agencies may not follow certain policies and procedures as intended.

Cause: Although the department is actively pursuing formal adoption of statutorily-required regulations, there have been delays in this process.

Prior Audit Finding: This finding has been previously reported in the last audit report covering the fiscal years 2014 to 2015.

Recommendation: The Department of Public Health should continue to pursue adoption of statutorily required regulations or request legislative changes to repeal unnecessary or outdated regulatory mandates. (See Recommendation 3.)

Agency Response: "The department agrees with this finding. DPH acknowledges that there are a series of statutes that require the department to adopt regulations, and these requirements have not been fulfilled. The department has dedicated one staff person to work on regulations in the Health Care Quality and Safety Branch, and will assign an attorney to assist in the review of the required regulations. The department is also considering the repeal of some of these outstanding requirements."

Lack of Compliance with Statutory Reporting Requirements

- Criteria:* DPH is mandated to submit reports under various sections of the General Statutes. These reports are due at different times throughout the year. An adequate system of internal control should include a method for management to track and monitor the submission of mandated reports.
- Condition:* Of the 30 statutory reporting requirements we reviewed, we noted that:
- We could not find reports for 5 of the statutory and public act requirements:
 - Sections 19a-6q; 19a-59e; 19a-538
 - Public Act 16-66, Section 42; Public Act 15-203, Section 1
 - DPH appeared to submit 4 statutorily required reports late:
 - Sections 7-53a; 19a-6i; 19a-12a; 19a-89e
- Effect:* There is diminished executive and legislative oversight if the department submits required reports late or not at all.
- Cause:* The preparation of statutorily required reports is assigned to various DPH personnel. While the department established a centralized system to track its reporting requirements, further improvement is necessary.
- Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years 2014 to 2015.
- Recommendation:* The Department of Public Health should continue to implement its centralized system to track its statutory reporting requirements and submit required reports on time. DPH should request legislative changes to repeal unnecessary or outdated reporting mandates. (See Recommendation 4.)
- Agency Response:* “The department agrees with this finding. DPH’s Office of Government Relations has created a tracking document to follow all of the reports that are statutorily required to be submitted to the legislature. The department has been reviewing the status of these reports and ensuring compliance with reporting requirements. The department is considering the repeal of some of these outstanding reporting requirements.”

Payroll and Human Resources

The Payroll and Human Resources Office provides comprehensive personnel management for the department, including labor relations with various bargaining units, managerial, and confidential employees. The recommendations in this section address conditions related to the payroll and human resources functions.

Issues with Compensatory Time and Overtime

Criteria: The Department of Public Health Employee Handbook states, “All overtime work or compensatory time, except in emergency situations, must receive prior management approval.”

Management Personnel Policy 06-02 issued by the Department of Administrative Services (DAS) and the Office of Policy and Management (OPM) provides that an agency head may grant compensatory time for extra time worked by managers for unique situations. The manager or confidential employee must obtain advance written authorization from the agency head or a designee to work extra hours and record them as compensatory time. The authorization must include the employee’s name and outline the reason(s) for the compensatory time. Proof of the advance authorization must be retained in the employee’s personnel file for audit purposes.

Prudent business practices suggest that controls over compensatory time and overtime should ensure that recorded hours are valid, properly authorized, and completely and accurately recorded.

Condition: In testing 20 instances of earned compensatory time to supporting preapproval forms, we noted 8 exceptions. We could not locate 1 form, and 7 were not preapproved. In addition, we noted that 3 employees were assigned to an improper compensatory time plan.

We tested 20 instances of overtime to supporting preapproval forms and noted that 6 did not appear to have proper documented preapproval.

Effect: Accountability over personnel costs is negatively affected when employees are credited with compensatory time and overtime hours without obtaining prior authorization or properly providing the rationale for earning such time.

In addition, there is increased risk that employees improperly assigned a compensatory time plan may use what would be considered expired time under the appropriate plan.

Cause: DPH did not use proper administrative oversight to ensure the preapproval of overtime and compensatory time and the retention of sufficient documentation to support the approvals. In addition, it appears that DPH exercised inadequate oversight in the Core-CT assignment of compensatory time plans to certain employees.

Prior Audit Finding: This finding has been previously reported in the last 3 audits reports covering the fiscal years 2010 to 2015.

Recommendation: The Department of Public Health should properly approve and sufficiently document overtime and compensatory time. In addition, the department should reassess the assignment of certain compensatory time plans to employees in Core-CT. (See Recommendation 5.)

Agency Response: “The department agrees with the findings. Agency policy requires pre-authorization of compensatory time and overtime, and verification of hours actually worked. The practice had been for hard copy documents to be sent to payroll for post audit. This process was inefficient, and not as effective as it could have been.

In July of 2018, the agency published a revised policy/procedure. All approved and verified Compensatory Time and Overtime forms are forwarded to payroll electronically. Payroll then enters the verified time on the employee’s timesheet. This will ensure that documentation is in place, and will eliminate the need for post audit.

Also, the payroll officer has been reviewing and correcting the comp time plans to which employees are assigned in Core-CT.”

Lack of Compliance for Telecommuting Arrangements

Criteria: Section 5-248i of the General Statutes authorizes telecommuting and work-at-home programs for state employees. The Department of Administrative Services (DAS) is responsible for providing guidelines for determining whether an employment position is appropriate for the telecommuting or work-at-home program. DAS General Letter 32 provides the guidelines to be used by state agencies in making determinations related to such arrangements. Subsection (b) of Section 5-248i indicates that any assignment shall be on a temporary basis only, and may be terminated as required by agency operating needs.

Each state agency shall provide DAS with a copy of any telecommuting or work-at-home arrangement that it authorizes for any employee. The DAS annual report must include the extent of employee use of the telecommuting or work-at-home programs.

DAS General Letter 32 stipulates that the maximum duration of a telecommuting arrangement is 9-months. If a telecommuter and the agency want to continue the telecommuting arrangement, the employee must submit a new proposal to the agency.

Condition: DPH did not submit all 13 of its current telecommuting arrangements to DAS for the past 2 years. These arrangements were well beyond the 9-month maximum. We noted that 3 of these arrangements ceased during the audited period.

- Effect:* Without current and fully executed telecommuting arrangement agreements, the department is not able to assess and monitor the work of its employees against the terms of their agreements.
- Cause:* The department did not complete the necessary corrective action from the prior audit.
- Prior Audit Finding:* This finding has been previously reported in the last 2 audit reports covering the fiscal years 2012 to 2015.
- Recommendation:* The Department of Public Health should develop internal control procedures sufficient to identify telecommuting employees and maintain a current executed telecommuting agreement in their personnel files. DPH should provide a copy of each arrangement to the Department of Administrative Services in accordance with Section 5-248i of the General Statutes. (See Recommendation 6.)
- Agency Response:* “The department agrees with the findings. Telecommuting arrangements should be properly authorized, documented, and on record. All active telecommuting agreements are now current and on file. Agency practice is now to send out reminders so that renewals can be submitted in advance of the expiration date. Additionally, the payroll officer will begin generating a report bi-weekly to ensure that only employees who have a duly authorized telecommuting agreement are using the time reporting code (TRC) code associated with telecommuting.”

Inadequate Documentation for the Administration of Human Resources Investigations

- Criteria:* A human resources investigative function should have formal administrative controls to ensure that investigations are conducted and documented in a uniform manner to provide consistency of process and result. It should also include a monitoring mechanism to oversee the entire investigative process.
- Condition:* A review of human resources’ investigative files for content and organization resulted in the following observations:
- DPH did not have a formal structure or properly maintain its investigation documentation.
 - DPH did not maintain checklists to ensure that it performed critical aspects of investigations.
 - In 1 investigation that revealed the misuse of state resources, the file did not contain evidence that the department recovered the funds in

accordance with a stipulated agreement. Upon further inquiry, we determined that the department fully recovered the funds.

- Interview documentation lacked clarity and content in terms of legibility, specificity of context (who, what, where, when, why, and how), and more explicit content.

Management confirmed that it does not have a log documenting communications with department managers to address employee or organizational issues that may need human resources' assistance or formal investigation.

Effect: The absence of formal investigative procedures and monitoring controls increases the risk that investigations may fail to effectively document the basis for administrative action and ensure consistency of outcomes. The absence of a monitoring control, such as a case log, denies human resources management an important tool in managing workload and assessing trends that may warrant attention in policy development and training.

Cause: DPH appears to conduct its investigative function effectively, but lacks a formal investigative process due to the relatively modest volume of activity.

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

Recommendation: The Department of Public Health should formalize procedures to ensure it conducts and documents human resources investigations in a consistent manner. (See Recommendation 7.)

Agency Response: "The department agrees with the findings, in that investigations should be conducted and documented in a uniform manner. DPH Human Resources has implemented a template for investigative reports, to ensure that key issues are addressed in every case. Human Resources has created a log for tracking cases that require an action on the part of Human Resources (investigation or implementation of discipline); Human Resources will pilot maintenance of this log to assess for efficiency and value. The DPH Human Resources Office will not document each instance a supervisor contacts the office for advice and guidance; this would not be cost effective at present."

Inaccurate Benefit Service Dates

- Background:* A benefit service date (BSD) is a parameter for determining an employee's qualification for various increments of vacation time based on accumulated time employed with the State of Connecticut, and is subject to applicable provisions of relevant union contracts. The calculation is routinely processed within Core-CT based on parameters relating to the employee's work specifications and bargaining unit contract. However, manual adjustments are sometimes required, particularly in cases of transfers between agencies and/or bargaining units, rehire, or transition between full and part-time status. The number of factors that can affect the manual BSD calculation can make it potentially complex and subject to error.
- Criteria:* The benefit service date should represent the aggregate time of paid employment with state agencies, subject to applicable collective bargaining modifications.
- Condition:* A review of the BSD calculations for 10 rehired employees during the audited period identified 4 employees with BSD errors.
- Effect:* The average BSD calculation error was 3.9 years, with the largest being 6.9 years. Errors of greater significance could result in the accrual and payment of unearned vacation time. Two employees required downward adjustment of accrued leave resulting in 50.75 hours of recoverable time.
- Cause:* BSD calculations for rehired employees are prone to potential error, especially if there has been a long separation period of state employment. This is caused by difficulty in obtaining records of prior state employment to verify periods of service, and the increased workload and staff reductions in the human resources and payroll sections.
- Prior Audit Finding:* This finding has not been previously reported.
- Recommendation:* The Department of Public Health should ensure a timely and thorough review of the benefit service date calculations for rehired employees at or near the time they are rehired. The department should formalize and standardize its documentation procedures for any service date calculation or adjustment to Core-CT. (See Recommendation 8.)
- Agency Response:* "The department agrees with the findings. As noted, workload and staffing have had an impact on this finding. The audit findings also note that the cases cited involve reemployed individuals. DPH Human Resources must also rely on documentation from other agencies; accurate calculation of benefit service date relies on the timeliness and accuracy of information from other agencies. Human Resources will explore training a second person to calculate benefit service dates. Additionally, the payroll officer

has been flagging potential discrepancies for review and (where needed) correction.”

Inadequate Administration of Leave Request Authorizations

Criteria: The Department of Public Health (DPH) utilizes the DPH 5/08 Leave Request Form to document employee requests and supervisor authorization of paid and unpaid leave. The employee submits this form to the supervisor for review and approval. If approved, the supervisor signs and retains it, and returns an approved copy to the employee. The employee then reports the approved time in Core-CT through the self-serve reporting process.

Condition: The Payroll Unit does not receive the authorization record to monitor the accuracy of reporting. Since Core-CT does not have a means to document the supervisor’s prior authorization of leave time, the DPH 5/08 form is the only evidence of the approval.

For 10 of 14 employees selected, leave request forms had one or more deficiencies in completeness, supervisory approval, or retention of documentation. A review of 332 approved Unpaid Leave Forms (ULAW) for 4 employees revealed that 98 included no documented reason for leave, 56 had approval dates more than 1 day after the leave date, 5 were not accounted for, 1 did not have authorization, and 1 did not have a date of authorization. Among the other 2 codes we reviewed, Administrative Leave Paid (LADLV) and Leave Other Paid (LOPD), there was 1 instance in which the department did not use the proper form and 1 instance in which the supervisor did not retain the form and it was, therefore, not available for review.

Effect: The Payroll Unit lacks the means to routinely monitor compliance related to leave requests and initiate corrective action when it becomes aware of patterns of non-compliance.

The failure of supervisors to effectively review and authorize forms in a timely manner could result in employee abuse of leave time. Also, the lack of adequately documented rationale for leave may create difficulty for supervisors to identify, document, and address patterns of abuse over time.

Cause: Due to the Payroll Unit’s limited staffing and lack of continuity with the Core-CT timesheet approval function, DPH determined that the transmittal of the DPH 5/08 has limited usefulness and is a redundancy of effort.

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

Recommendation: The Department of Public Health should require unit supervisors to forward all DPH 5/08 Leave Request Forms to the Payroll Unit to document leave

authorization and monitor supervisory procedural compliance. Furthermore, the department should train supervisors on the proper use of leave request forms. (See Recommendation 9.)

Agency Response: “The department agrees with the findings. DPH acknowledges that there are discrepancies between accrued leave requested and what is coded on employee timesheets and the 2 should match. The department agrees that supervisory training should increase; the payroll officer has already drafted and recorded a web-based training to guide supervisors in timesheet approval, including cross-referencing approved accrued leave. This training will be available later in the fall of 2018. Also, the Department of Administrative Services is implementing Kronos at DPH over the next several months; it is anticipated that timeliness and accuracy of accrued leave requests and usage will be improved through a more automated process in Kronos. At this point, it is not operationally feasible for HR to implement the recommendation that all leave authorization forms be forwarded to HR. HR will, however, resume quarterly time and labor audits to monitor for compliance.”

Lack of Compliance with Reporting Requirements of Section 4-33a of the General Statutes

Criteria: Section 4-33a of the General Statutes prescribes that any illegal, irregular, or unsafe handling of state funds or breakdowns in the safekeeping of any other resources of the state or contemplated action to commit the same within its knowledge shall be promptly reported to the Auditors of Public Accounts and the State Comptroller.

Condition: DPH conducted two investigations related to alleged employee misuse of state time and resources, but did not report the matters to the Auditors of Public Accounts until 72 and 13 days after issuing the investigative reports.

Effect: Failure to promptly notify the designated authorities of these matters inhibits the opportunity to monitor risks and outcomes, and the ability to consider possible action.

Cause: Human Resources management believed that it was required to report to the auditors at the conclusion of its investigation when it established the loss, rather than at the initiation of an investigation when the potential loss is identified.

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

Recommendation: The Department of Public Health should comply with Section 4-33a of the General Statutes by promptly reporting matters deemed to be a loss of resources to the Auditors of Public Accounts and the State Comptroller. (See Recommendation 10.)

Agency Response: “The department agrees with the findings. The DPH Human Resources will report possible loss at the point in an investigation when evidence gathered may lead to the conclusion of loss.”

Physical and Electronic Asset Controls

The recommendations in this section address the controls over physical and electronic assets. Physical controls relate primarily to the safeguarding of assets. Mechanical and electronic controls safeguard assets and enhance the accuracy and reliability of accounting records.

Issues with Asset Valuation, Existence, and Recording

Criteria: The State Property Control Manual provides the following guidance for valuing and recording assets:

- A custodian should be assigned responsibility for each asset. This assignment facilitates physical inventory procedures and is useful in making inquiries regarding the asset’s condition, status, and location.
- The property control record for equipment owned by the state must contain minimum data, such as the asset’s specific location, department information, fund, manufacturer’s name, serial number, and useful life of the asset.
- Items are to remain on the holding agency’s inventory record until final disposition has been reached.

The Department of Public Health utilizes barcode scanners to read its asset tags. The scanners upload a file to Core-CT to update the physical inventory data. Each physical inventory has an associated physical inventory ID detailing the last time the department scanned and inventoried the asset.

Condition: Our review of minimum data across all capital and controllable assets that DPH recorded revealed the following:

- 90 assets did not have a department ID recorded.
- 90 assets did not have a fund recorded.
- 371 assets did not have a custodian recorded.
- 657 assets did not have the manufacturer’s serial number recorded.
- 1310 assets did not have the manufacturer’s name recorded.
- 37 assets were coded to a location no longer used by the department.

Our review of the physical inventory data in the Core-CT Asset Management Module revealed the following:

- It does not appear that DPH inspected 506 controllable items and 295 capital assets within the last 2 fiscal years.
- It does not appear that DPH ever inspected 561 controllable items and 131 capital assets.

Our physical inspection, which included a selection of 34 assets from the department's records and 10 assets from a random inspection of the department's premises, noted the following:

- We found 16 assets in locations other than indicated on the asset inventory. We could not find 2 of these items.
- Six items lacked supporting recorded cost documentation or had inaccurate cost amounts recorded in Core-CT.
- One item was tagged incorrectly.

Our review of 10 asset dispositions noted 5 items that did not have adequate supporting documentation for their disposition, as follows:

- DPH deleted a computer server from inventory records although it was retained in a storage room for historical data purposes.
- DPH identified 3 copiers as traded in for credit with a leasing vendor. However, the department did not retain clear supporting documentation related to these transactions. The department removed these items from inventory records.
- DPH removed a strip washer from inventory records, but the department did not retain supporting documentation regarding its disposition.
- DPH did not delete 2 lab equipment items from inventory records until approximately 10 months after their actual disposition.

Effect: DPH did not comply with the State Property Control Manual and the State of Connecticut Internal Control Guide. Therefore, the department lacked appropriate accountability over its assets.

Cause: Although DPH currently uses the correct inventory method, these errors were caused by the use of the old method. It appears a lack of proper administrative oversight contributed to these conditions.

Prior Audit Finding: This finding has been previously reported in the last 8 audit reports covering the fiscal years 2000 to 2015.

Recommendation: The Department of Public Health should comply with the State Property Control Manual in properly recording and maintaining accountability over its assets. (See Recommendation 11.)

Agency Response: “The department agrees with this finding. The lack of sufficient staffing with only 1 staff person primarily responsible for the entire asset management process is becoming very challenging. Due to agency compliance with and adherence to the segregation of duties, it is definitely becoming more difficult to fulfill all asset management responsibilities (receiving, recording, disposing, monitoring and performing physical inventory). During this fiscal year, a position (Material Storage Specialist) was established to replace the recently retired mail room supervisor. The candidate for this position will assist in the agency annual physical inventory and overall Asset Management responsibilities. We are currently working with addressing and making all necessary corrections to the items/data (fund, serial #, model, etc.) that are missing from Core-CT Asset Management template.”

Asset Capitalization Errors

Criteria: The State Property Control Manual provides the following guidance for valuing and recording assets:

- The cost of personal property acquired through purchase includes ancillary costs such as freight and transportation charges, site preparation expenditures, professional fees, and legal claims directly attributable to the asset acquisition. The cost does not include warranties or training on the use of the property.
- All assets must have a unique identification. Tagging each asset is the most common way to identify an asset. The primary purpose of tagging is to maintain a unique identification number for each asset owned by the state.

Condition: We reviewed 20 purchases coded to capital equipment accounts and noted the following:

- Five purchases included ancillary charges, totaling \$1,874, which the department did not include in its capitalized cost of the individual assets.
- DPH capitalized a purchase of 20 handheld radios at a cost of \$6,953 each as a single asset with an aggregate cost of \$139,055. The department assigned them with a single identification tag.
- One purchase included a \$31,930 warranty plan, which DPH improperly capitalized in the cost of the asset.

- One purchase included the acquisition and installation of 2 computer servers with a total cost of \$192,928, which DPH did not include in its capitalized cost of the assets.

Effect: DPH did not comply with the State Property Control Manual. Thus, the department's property control records are incomplete and inaccurate.

Cause: It appears that a lack of proper administrative oversight contributed to these conditions.

Prior Audit Finding: This finding has been previously reported in the last 3 audit reports covering the fiscal years 2010 to 2015.

Recommendation: The Department of Public Health should comply with the State Property Control Manual regarding the proper capitalization of assets. (See Recommendation 12.)

Agency Response: "The department agrees with this finding. DPH has reviewed and began the implementation of corrective actions to bar code each radio and enter into Core-CT Asset Management as individual capitalized asset. In addition, shipping and ancillary charges will be included to the cost of the associated assets."

Asset Management Inventory Report Form (CO-59) Errors

Criteria: The Asset Management Inventory Reporting Form (CO-59) reports all property and equipment owned by state agencies. The State Property Control Manual provides guidance on completing the CO-59. Agencies preparing the report using the Core-CT Asset Management Module must use specific queries to gather the applicable information.

The State Property Control Manual specifies the use of 4 queries to retrieve the information necessary to complete the total asset additions, deletions, stores and supplies additions and stores and supplies depletions amounts on the CO-59. The depreciation queries are for Office of the State Comptroller use only and should not be used in the department's calculation.

The State Property Control Manual defines controllable property as a unit value less than the capitalization threshold, an expected useful life beyond a single reporting period and/or, at the discretion of the agency head requires identity and control. There is no classification on the CO-59 for reporting controllable property. Any piece of controllable property that exceeds the capitalization threshold of \$5,000 shall be reported as equipment.

If the values recorded on the CO-59 do not reconcile with Core-CT, the agency must provide a written explanation of the discrepancy in an attachment.

Condition: We reviewed the Department of Public Health's CO-59 for fiscal year 2016-2017, and noted the following:

- DPH improperly reported depreciation expenses, including \$1,670,080 in equipment additions, \$68,969 in software additions, and \$7,576 in licensed software additions.
- DPH understated equipment additions by \$37,500 for controllable property that met the threshold for capitalization, but did not properly identify them as such in Core-CT.
- DPH overstated equipment deletions by \$5,825 due to the inclusion of a controllable amount consisting of a lump sum for 25 assets at \$233 per item.
- DPH overstated equipment deletions by \$767,002, due to the department incorrectly inputting an adjustment of \$767,770 rather than the actual amount per Core-CT of \$768.
- Ending balances for equipment, software, and licensed software were all incorrect as a result of the aforementioned misstatements.
- DPH did not provide support for \$209,453 of the stores and supplies deletion amount.

Effect: The DPH CO-59 does not accurately represent the value of the department's assets.

Cause: The variances for the addition balances of equipment, software, and licensed software occurred because the department incorrectly included depreciation when calculating these balances. The variance in the equipment deletions amount was because of an incorrect amount. The variances attached to the ending balances for equipment, software and licensed software were caused by the misstatements mentioned above.

For the stores and supplies deletion balance, it appears the department derived the number by using the beginning balance, additions, and ending balance of stores and supplies, in addition to the deletions of the vaccinations portion of stores and supplies to create a placeholder.

Prior Audit Finding: This finding has been previously reported in the last 8 audit reports covering the fiscal years 2000 to 2015.

Recommendation: The Department of Public Health should ensure that it uses accurate queries and calculations on its Asset Management Inventory Reporting Form (CO-59) and uses the proper fields for each reporting category. The department should appropriately record its assets in Core-CT according to the definitions prescribed by the State Property Control Manual. (See Recommendation 13.)

Agency Response: “The department agrees with this finding. The lack of sufficient staffing with only 1 staff person primarily responsible for the entire asset management process is becoming very challenging. Due to agency compliance with and adherence to the segregation of duties, it is definitely becoming more difficult to fulfill all asset management responsibilities (receiving, recording, disposing, monitoring and performing physical inventory). During this fiscal year, a position (Material Storage Specialist) was established to replace the recently retired mail room supervisor. The candidate for this position will assist in the agency annual physical inventory and overall Asset Management responsibilities. We are currently working with addressing and making all necessary correction to the items/data (fund, serial #, model, etc.) that are missing from Core-CT Asset Management template.”

Inadequate Administration of the Expired Pharmaceuticals Inventory

Background: The Department of Public Health uses a specialized returns vendor to ship expired or unwanted pharmaceuticals to the appropriate manufacturers. The manufacturers process the returned pharmaceuticals and issue credits to the department’s account with the sole supplier. The credit granted for a specific drug can vary, depending on the manufacturer and year.

DPH uses the Core-CT Inventory Module to track its pharmaceuticals inventory.

Criteria: Drug manufacturers have a time limit to return expired pharmaceuticals for credit. While manufacturers may accept drugs beyond this timeframe, they will not issue credit for such drugs.

Condition: An analysis of the department’s listing of expired pharmaceuticals that had not been returned revealed the following:

- We could not trace 58 out of 59 recorded expirations to Core-CT. DPH indicated that a contact at the DAS Core-CT team instructed the department to not use Core-CT to record expirations received from providers. DPH did not provide documentation to support this.
- Many of the drugs on the listing had been expired for a significant period (up to 1,795 days). When compared against the time limits allowed by

vendor return policies and credits realized from returns in prior years, we identified potential missed credits of over \$87,000.

Effect: There is an increased risk of misstatements or misappropriations when inventory is maintained outside of Core-CT. DPH missed out on potential savings on future expenditures.

Cause: DPH started using Excel to track provider expirations after being told not to use Core-CT.

DPH retains unreturned drugs and no longer has a returns vendor. There have been several factors that caused this situation. The previous returns vendor was convicted of fraud. There have been complications caused by fluctuating drug prices. The TB and STD units were under a recent federal review (with a pending report). In addition, the department claims that it had fewer expirations than in previous years.

Prior Audit Finding: This finding has been previously reported in the last 3 audit reports covering 2010 to 2015.

Recommendation: The Department of Public Health should seek a new returns vendor to return its expired pharmaceuticals and manage its inventory more efficiently to maximize available credits. (See Recommendation 14.)

Agency Response: “The department agrees with this finding. Effective October 1, 2018, DPH has been a participant in the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP). Through this contract, DPH has access to Inmar, a company that returns expired and unused medications. Briefly, Inmar representatives will come on site, package up expired drugs and send them to their processing center where the drugs are logged into a database. DPH staff have access to this database which provides the following information: Date of service, Drug name, National Drug Code, Expiration date, Lot number, package size, amount returned, drug values, if eligible for credit, amount credited, and reason if not eligible for credit.”

Inadequate Telecommunications Management

Criteria: The Office of Policy and Management maintains a telecommunication equipment policy outlining statewide policies and procedures. Specifically, it indicates that telecommunications equipment shall not be used for personal or private business and that each agency shall periodically audit its records to ensure that equipment is only used by those authorized for official state business.

The Department of Public Health issued its own state-issued telecommunications equipment usage and monitoring policy. Fiscal

Services sends monthly usage statements to wireless device users for review of all charges. Employees must highlight all personal usage on the statement. The wireless device monthly statements must be returned to Fiscal Services after it has been reviewed and signed by each employee using the device and the supervisor.

Condition: We noted the following in our review of telecommunications at the department:

- There is no monitoring of state landline phone activity for non-state use, and the state vendor did not generate landline activity reports.
- The department only reviews state cell phone activity if the user exceeds the cell plan and incurs additional cost.

Generally, the department does not obtain routine user attestations regarding the propriety of phone activity, except when a user exceeds the cell plan.

Effect: The absence of control in this area increases the risk that sustained non-state phone activity may occur and remain undetected. This is especially concerning if this activity occurs during scheduled work hours, resulting in an abuse of state time.

Cause: DPH was more concerned with reducing telecommunication costs by eliminating unused telecommunication devices.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering the fiscal years 2012 to 2015.

Recommendation: The Department of Public Health should comply with the Office of Policy and Management's telecommunication equipment policy and its own internal control policy to monitor for non-state phone activity to ensure there is no abuse of state time. (See Recommendation 15.)

Agency Response: "The department agrees with this finding. DPH already communicated with the State BEST requesting access to the agency landline phone software. Access was provided to DPH Fiscal and as a result our monthly monitoring of activity for non-State use is being conducted. In addition, Fiscal is also conducting monthly review of the cell phone activity and usage."

Disaster Recovery Issues

- Criteria:* A contingency plan should be established, approved, updated regularly, and routinely tested to ensure that processes can be recovered and maintained in a timely manner following a disaster.
- Condition:* In March 2018, the Department of Public Health provided us with a copy of its CT DPH All Hazards Continuity of Operations Plan (COOP), which it created in August 2014. We noted that the commissioner did not approve the plan, and there is no indication that the department has updated the plan since 2014. The plan provided to our office appeared to be identical to the one we received during the prior audit, except that the “draft” watermark was removed. Furthermore, there was no indication that DPH ever tested the plan. The department also provided us with a copy of the 2011 version of its COOP, which the commissioner approved in 2007.
- The department did not provide documentation that it disseminated its Disaster Recovery Plans to the necessary staff.
- Effect:* In the absence of an approved, regularly updated and routinely tested continuity plan, there is an increased threat to the continuity of operations in the event of a disaster. Without adequate dissemination of a plan, it is more likely that errors or delays could occur in the disaster recovery process.
- Cause:* The employee previously responsible for maintaining and updating the COOP is deceased, making it more difficult for the department to update and maintain the plan. The department informed us that it did not retain documentation on the distribution of its disaster recovery plans.
- Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years 2014 to 2015.
- Recommendation:* The Department of Public Health should ensure its Continuity of Operations Plan is up-to-date, tested, and approved. The department should disseminate its disaster recovery plans to necessary staff to ensure that its operations continue with little or no delay following a disaster. (See Recommendation 16.)
- Agency Response:* “The department agrees with this finding. DPH has assigned oversight of the COOP Plan to new staff and assigned the responsibility of updating the COOP plan. Staff newly assigned this responsibility will seek out training or technical assistance to further review and prepare plan. The CT DPH will begin the process of updating the COOP in 2019. Once updated, the COOP will be distributed to all management staff for review asking for

comments, and then subsequently finalized and submitted to the commissioner for signature.”

Revenues, Expenditures and Accounts Receivables

The recommendations in this section address matters related to the department’s revenues, expenditures, and accounts receivables.

Inadequate Administration of Revenues and Remittances

Criteria: The State Accounting Manual provides guidance in the handling and accounting of receipts, which includes the structure and utilization of a receipts journal; the segregation of duties such as opening incoming mail and recording receipts in a receipts journal; depositing receipts; issuing licenses, permits, etc. to the remitter; revenue reconciliation and accountability.

Sound business practice suggests that accounting processes should generate information in an efficient and easily referenced manner that ensures a clear trail of accountability from point of origin to the general ledger. In addition, such information should be used to form a statistical assessment of revenue expectations and determine where deviations may warrant further investigation.

Condition: The department’s existing process for revenue collection and accounting makes it difficult to determine whether it is in compliance with Section 4-32 of the General Statutes. DPH receives revenue from sources other than grants by either credit card payment, lockbox, checks received directly, or cash. DPH oversees revenue streams through as many as 12 program sections. Some are more significant than others and are subject to a variety of procedures and staffing environments. We observed the following conditions:

- The Drinking Water Section does not have a consistent method of recording all remittances, nor an adequate segregation of duties between the receipt of payment and issuance of permits.
- In the Professional License and Investigations Section (PLIS), the eLicense system generates revenue through 4 separate collection streams: internal processing of checks, lockbox processing of checks, and credit card processing of payments through 2 intermediaries. The system provides a daily total of checks processed internally but does not provide comparable totals for the other 3 remittance sources. Therefore, the Fiscal Services Section records revenues based on amounts reported from intermediaries, but lacks an independent means of verifying their

accuracy. In fiscal years 2015-2016 and 2016-2017, PLIS processed professional license fees of \$34,565,561 and \$34,218,113, respectively.

- In the Facilities License and Investigation Section (FLIS), up to 8 employees, in various capacities of license request processing and inspections, may receive remittances before they are transmitted to the Fiscal Services Section.
- The Katherine E. Kelley State Public Health Laboratory (PHL) conducts services valued at approximately \$7 million annually, but only billed for \$3,390,272 and \$3,451,246 in fiscal years 2015-2016 and 2016-2017, respectively. The remainder is presumed to be subject to: funding by grants; exemption by statute from charge to other state agencies, municipalities and non-profits; or exemption by statute in the public interest at the discretion of the DPH commissioner. There appears to be no process to ensure that each of the laboratory tests is accounted to its proper billing or exemption criteria, and PHL does not periodically report the aggregate value of services under the various categories of funding or exemption to the Fiscal Services Section.
- The Fiscal Services Section does not maintain a complete record of fee and service schedules for the various sections, nor does it periodically evaluate the adequacy of fee structures against the costs of services to determine their adequacy.
- DPH does not prepare analytic revenue pattern reports to detect trends in activity to better trigger responses in operations or accounting controls to address deviations from expected results.
- In many instances, the reconciliations and accountability reports, recommended in the State Accounting Manual, are not feasible due to the lack of adequate cash receipts journals among the various sections.
- The Fiscal Services Section's policy and procedural documentation does not adequately describe its internal control processes, or the program section revenue and remittance control processes, which it must monitor for compliance.

Effect:

The following effects were noted:

- The varied billing and collection processes across program sections, combined with the minimal control exercised by the Fiscal Services Section, contribute to a diversity of practice that is difficult to control and evaluate for internal management purposes or compliance with statutory or regulatory requirements.

- The inadequacy of periodic reporting by certain sections such as PLIS and PHL complicates the identification of negative trends that the department can only identify in aggregate and over time. This impacts accounting control for possible losses of revenue, and operational control in adjusting to unanticipated changes in the program environment.
- The absence of periodic analysis of revenue patterns to related costs of services places management in a vulnerable position to respond to negative funding changes and to be proactive in proposing options for adjustment of funding sources, fees, and exemptions to meet evolving fiscal circumstances.
- The diversity of procedures and the insufficiency of procedural documentation impairs the department's capacity for planning operations and training and supervising staff.

Cause: DPH informed us that Fiscal Services has not undergone a major systemic review of operations in recent years, and the diverse practices have evolved gradually over time. Management further notes that it lacks staff resources to implement additional monitoring controls.

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

Recommendation: The Department of Public Health should undertake a systemic review of accounting processes over revenue and remittance reporting to ensure greater uniformity and compliance among program units. This should include centralizing the processing of remittances wherever possible, streamlining procedures within Fiscal Services, utilizing analytic reports of revenue patterns to detect trends, and periodically evaluating the adequacy of the fee structures against the cost of services. (See Recommendation 17.)

Agency Response: “The department agrees with the finding related to revenue and remittance:

Drinking Water Section: a Fiscal Administrative Assistant (FAA) was recently hired and will start on 10/12/18 in the Fiscal Services to work on the Drinking Water accounts/billing. Also, a Financial Clerk position was established (not hired yet) to work in the Drinking Water Section in billing and record keeping. These positions, when filled, will provide accountability and segregation of duties.

Professional License and Investigations Section (PLIS): DPH has been working on finding solution to this issue. Effective July 1, 2018, Fiscal started working with the PLIS to develop a spreadsheet that captures accurate general ledger coding for all the various methods for deposition of revenue (check, lockbox, Global and American Express). PLIS was

able to create this monthly spreadsheet and as a result, Fiscal Services can accurately and in real time code the revenue receipts for each deposit transaction into the proper general ledger revenue account.

Facilities License and Investigation Section (FLIS): Fiscal Services is currently planning and working with the FLIS management to come up with a new approach and procedure that will provide accountability and segregation of duties.

The Katherine E. Kelly State Public Health Laboratory (PHL): The laboratory conducts services valued at approximately \$7 million annually. The amount billed and collected for the Newborn Screening Program for FY2016 and FY2017 is listed below.

FY	Amount Billed	Amount Paid Account 43314	Amount Paid Account 45500	Total Paid
FY 2016	\$3,493,414	\$181,095	\$3,109,177	\$3,290,272
FY 2017	\$3,612,015	\$342,033	\$3,109,177	\$3,451,210

Details on fee waivers based on legislative act, services funded by grants and Commissioner Waivers based on public health needs. A sample of invoices (August 2018) confirms monthly charges with billing codes (List, NC and GRNT) assigned to every invoice. This is to show that the monthly laboratory billing review is based on the assigned codes for payment or no-payment.

The DPH does not periodically evaluate the adequacy of fee structures against the cost of services provided by programs. All DPH collected fees are deposited to the State General Fund and none of these monies are actually used to cover any program services. In Fiscal Year 2018, DPH total collected fees was approximately \$45.5 million and all these funds were not used in any agency programs. Fees/fee waivers for program services are established in statutes and regulations and implemented by the DPH.”

Lack of Timely Contract Execution and Purchase Order Approvals

Criteria: Sound business practice dictates that contracts should be complete and fully executed prior to the start of services. Signed formal written agreements establishing rights and responsibilities are a safeguard for all parties involved.

Section 4-98 of the General Statutes states that no budgeted agency may incur any obligation except by the issuance of a purchase order and a commitment transmitted to the State Comptroller.

Proper purchasing internal controls require that commitment documents be properly authorized prior to the ordering of goods or services.

Condition: During our review of non-payroll expenditures for the fiscal years ended June 30, 2016 and 2017, we noted that:

- For all 13 Small Town Economic Assistance Program Fund contracts we reviewed, the contracts were executed as late as 292 calendar days after the project start date. In 2 instances, DPH did not execute purchase orders on time, resulting in \$100,000 in services being provided prior to a valid commitment.
- Based on a review of GAAP Form 5 – Contractual Commitments, a total of \$1,744,905 in HIV services, provided by 10 entities for the period of April to September 2017, were not covered by executed contracts or issued purchase orders.
- Out of 40 WIC program transactions tested during the 2017 Statewide Single Audit, 2 established purchase orders did not have sufficient funding committed at the time the services were provided.

Effect: When obligations are incurred prior to the commitment of funds, there is less assurance that agency funding will be available at the time of payment.

Cause: The department’s internal controls were not sufficient to ensure that all purchase orders were completed and approved prior to the ordering of goods and services.

DPH informed us that the delay in executing the HIV contracts was due to budget negotiations, contract language modification, and reconfiguring of the financial reporting workbook system, which needed to align with federal reporting requirements.

Prior Audit Finding: This finding has been previously reported in the last 7 audit reports covering the fiscal years 2002 to 2015.

Recommendation: The Department of Public Health should comply with Section 4-98 of the General Statutes by strengthening its internal controls to ensure that contracts and purchase orders are executed and funds are committed before any goods and services are ordered. (See Recommendation 18.)

Agency Response: “The department agrees with the finding in part:

- STEAP grant awards are approved through the legislative Bond Commission process. It is not unusual for award approval made to the Bond Commission to include payment for work that is already initiated. Also due to the time it takes to get projects on the Bond Commission agenda, most funded entities (STEAP funded recipients included) have a need to begin construction almost immediately after Bond Commission approval, even if prior work has not been included in the approval, and will not be able to await creation and execution of a contract. Construction quotes needed to determine funds needed usually expire within a short period of time requiring the funded entity to accept the quote and begin work promptly.

For that reason, it is standard practice to set the contract start date to the date of Bond Commission approval despite the fact that it may take several months to get a contract created and executed. Not doing so would prevent an entity from recovering funds for work prior to the contract start date even though the work was approved and authorized by the Bond Commission.

The department and the contractor understand that the state is not obligated nor committed to make any payment until, and unless, a contract becomes executed. The start and end dates of the contract only represent the period in which contractor work shall be eligible for reimbursement at such time that a contract becomes executed.

Purchase orders are not processed until after a contract is executed. Therefore, as for the contract, the purchase orders for most all Bond Fund contracts will be processed after the start date noted in the contract. Unfortunately, due to the process in place and the manner in which the Bond Commission functions, resolution of this situation is not likely possible.

- HIV services are ongoing services of a critical nature which, if removed, have the potential to result in death and increase the spread of a deadly disease within the population of Connecticut. As indicated in the “Cause” statement above, there were conditions that prevented the department from having contracts for the services in place and executed prior to the start of the Contract period.

The department:

1. Was in possession of a guaranteed award from the federal government for the federal obligations under the terms of the contract;
2. Operating with a legislatively authorized state budget that included and authorized any non-federal obligations to be incurred under the terms of contracts; and

3. Had been granted authorization to enter into the contracts by The Office of Policy and Management (OPM).

It would have created an unprecedented health risk to suspend critical medical services while work proceeded to execute a contract under such circumstances.

The department has however attempted, and will continue to attempt, to achieve contract execution prior to the start date of the affected contracts. A number of initiatives have been put in place, including implantation of on-line contract processing system in an attempt to alleviate the situation going forward.

It is normal for contract to be amended to add additional funding during the term of the contract. In conjunction with the department's implementation of the new on-line contract management system, copies of initial contracts executed and contract amendments executed are dispatched electronically within CORE-CT to the department's Accounts Payable Section (AP) at the time of contract execution. CGMS shall work with AP to ensure that the newly implemented process results in the creation, or amendment, of Purchase Orders once received."

Contractual Payment Errors

Criteria: The department's contractual payment policies require the review of deliverables, such as expenditure reports, prior to payment. Payments are to be made in accordance with the contract requirements, which typically tie the payment to the cash needs of the contractor on the submitted expenditure reports.

Condition: Our review of contractual payments noted an instance in which the department paid the wrong amount, resulting in an underpayment of \$4,852. Upon further investigation, we noted 7 additional payments associated with this contract that contained underpayments and overpayments. The department corrected the misstatements when it performed a reconciliation at the end of the contract period.

Effect: DPH inaccurately paid a contractor in violation of its policies.

Cause: These variances were the result of a new employee taking over the payment responsibility related to this contract. In addition, the department did not adequately monitor the contract payment process.

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

Recommendation: The Department of Public Health should ensure that contract payments are valid and paid in accordance with established policies and contract terms. (See Recommendation 19.)

Agency Response: “The department agrees with the finding. The employee responsible was retrained in how to process payments associated with contracts managed in accordance with Cash Management procedures.”

Emergency Medical Services

The Office of Emergency Medical Services (OEMS) administers and enforces emergency medical services (EMS) statutes, regulations, programs, and policies. Responsibilities include:

- Developing the emergency medical services plan and training curriculum, including EMS for children
- Providing regulatory oversight of licensing and certifying emergency medical services personnel; licensing and certifying EMS agencies, facilities; and approving sponsor hospital designations
- Conducting complaint investigations
- Inspecting emergency medical response vehicles
- Coordinating emergency planning with the Department of Emergency Services and Public Protection (DESPP)
- Integrating statewide electronic EMS and trauma system data collection
- Providing technical assistance and coordination to facilitate local and regional EMS system development
- Issuing trauma center designations

EMS Data Collection Program Issues

Background: In the prior audit, we recommended that the Department of Public Health take the necessary steps to ensure that all EMS providers and trauma facilities submit their required data and develop monitoring tools necessary to track, in real time, the submission of required data from the determined universe of providers. In addition, we indicated that such monitoring tools should include the capability to track the department’s collection efforts for EMS providers and trauma facilities who fail to submit their data.

Criteria:

Section 19a-177 (8)(A) of the General Statutes requires OEMS to develop a data collection system to follow a patient from initial entry into the EMS system through arrival at the emergency room.

Section 19a-177 (8)(A) of the General Statutes states that, "...The commissioner shall, on a quarterly basis, collect the following information from each licensed ambulance service, certified ambulance service or paramedic intercept service that provides emergency medical services...The information required under this subdivision may be submitted in any written or electronic form selected by such licensed ambulance service, certified ambulance service, or paramedic intercept service...and approved by the commissioner...The commissioner may conduct an audit of any such licensed ambulance service, certified ambulance service or paramedic intercept service...as the commissioner deems necessary in order to verify the accuracy of such reported information."

Section 19a-177 (8)(D) of the General Statutes requires that the commissioner collect the data specified by subparagraph (A) of this subdivision, in the manner provided in said subparagraph, from each licensed or certified emergency medical service organization. An emergency medical service organization is defined under Section 19a-175 subsection (10) of the General Statutes as, "any organization whether public, private or voluntary that offers transportation or treatment services to patients primarily under emergency conditions."

Section 19a-177-7 of the Regulations of Connecticut State Agencies requires that each licensed Connecticut acute care hospital submit information to analyze and evaluate the quality of care of trauma patients to the trauma registry. Section 19a-711-1 of the Regulations of Connecticut State Agencies defines trauma as "a wound or injury to the body caused by accident, violence, shock, or pressure, excluding poisoning, drug overdose, smoke inhalation, and drowning." The trauma registry includes all admitted trauma patients, all trauma patients who died, all trauma patients who are transferred, and all traumatic brain injury patients.

Condition:

Our review of the status of the prior audit recommendation indicated that there are still difficulties with the completeness of EMS provider reporting. In addition, we noted that the current DPH vendor software product does not have the capability to monitor or track the submission of required data from EMS providers in real time.

The department indicated that nothing has changed with the status of the data collection program for the trauma registry during the audited period. DPH has recently been working on upgrading the trauma system software to enable sorting of data elements.

Effect: Without comprehensive, reliable data, the department is unable to research, develop, track, and report on appropriate quantifiable outcome measures for the state's emergency medical services system and to properly report these matters to the General Assembly.

Cause: The condition is mainly due to software issues. The department informed us that it is unable to keep up on the most current data formats. The field is submitting data, but the department cannot read it. The department indicated that until this is fixed, it would be difficult to effectively enforce and assess quality control of the submitted data.

DPH also informed us that the lack of funding has negatively affected the department's ability to address these conditions.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering the fiscal years 2012 to 2015.

Recommendation: The Department of Public Health should continue to take the necessary steps to ensure that all EMS providers and trauma facilities submit complete required data. In addition, DPH should migrate to a software application capable of tracking the department's collection efforts in real time, for EMS providers and trauma facilities that fail to submit their data on a quarterly basis. (See Recommendation 20.)

Agency Response: "The department agrees with this finding. While the outcomes have not changed yet, the DPH has been very active in pursuing the necessary steps to ensure the collection of statutorily required data. Department representatives have been meeting regularly with the software vendor, and DAS/BEST to address the areas of concern and the gaps that impact the ability to successfully receive and analyze the data. Funding was identified to secure a consultant in the role of project manager which is integral to the success of this endeavor. The project manager responsibilities include, but are not be limited to, recommending a software application capable of tracking the department's collection efforts in real time for EMS providers and trauma facilities that fail to submit their data on a quarterly basis. Additional funding was identified that will provide the department the ability to migrate the existing data to a new system."

Annual Report to the General Assembly on Quantifiable Outcome Measures

Criteria: Subsections (10) through (12) in Section 19a-177 of the General Statutes states that the department will "Research, develop, track and report on appropriate quantifiable outcome measures for the state's emergency medical services system and submit to the joint standing committee of the General Assembly having cognizance of matters relating to public health,

in accordance with the provisions of section 11-4a, on or before July 1, 2002, and annually thereafter, a report on the progress toward the development of such outcome measures and, after such outcome measures are developed, an analysis of emergency medical services system outcomes; Establish primary service areas and assign in writing a primary service area responder for each primary service area; Revoke primary services area assignments upon determination by the commissioner that it is in the best interests of patient care to do so...”

Condition:

In the prior audit, we reported that the Department of Public Health should take the necessary steps to improve the collection of quality data from providers and use the collected data to research, develop, track, and report on appropriate quantifiable outcome measures and submit an analysis of the emergency medical service system outcomes to the joint standing committee of the General Assembly having cognizance of matters relating to public health. The department also should evaluate the assignment of primary service areas (PSAs) and the performance of emergency medical service providers against established outcome measures. The results of our follow-up are as follows:

Research and Development of Outcome Measures

Since the inception of the data collection program, the department has not established outcome measures.

While we noted that the department submitted a report on December 13, 2017 on the available 2016 EMS data, it did not sufficiently analyze and evaluate the data against established outcome measures to assess the performance of individual emergency medical providers and the statewide emergency medical services system.

The department informed us that it still has not developed the performance standards and methodology for the evaluation of primary service area assignments.

Reporting

As noted above, the department submitted a report to the General Assembly in accordance with Section 19a-177 (10). However, we noted that DPH submitted it late. The report did not contain complete EMS data due to software issues at the EMS provider level. It also did not sufficiently address established outcome measures.

Effect:

DPH has not collected quality provider data and analyzed that data against established outcome measures to assess the performance of individual

emergency medical providers and the statewide emergency medical services system.

The joint standing committee of the General Assembly having cognizance of matters relating to public health has not had all of the statutorily required information available for policymaking decisions.

Cause: DPH did not allocate the necessary resources to the Office of Emergency Medical Services to analyze and interpret the collected EMS data.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering the fiscal years 2012 to 2015.

Recommendation: The Department of Public Health should continue to take the necessary steps to improve the collection of quality data from providers and use the collected data to research, develop, track, and report on appropriate quantifiable outcome measures. DPH should submit an analysis of the emergency medical service system outcomes to the joint standing committee of the General Assembly having cognizance of matters relating to public health.

The department should also evaluate the assignment of primary service areas and the performance of emergency medical service providers against established outcome measures. (See Recommendation 21.)

Agency Response: “The department agrees with this finding. The DPH shares the auditors concern that the DPH has insufficient resources to collect data and analyze that data to outcome measures. Presently individual EMS Services are held to outcome measures mutually agreed upon with the municipality that they contract with. The department has recently hired a regional coordinator, and hopes to hire an additional two positions. Adequate staffing levels are needed to collect, analyze, review and report on data and performance outcomes.”

National Highway Traffic Safety Administration (NHTSA) Technical Assistance Team Reassessment of Connecticut EMS

Background: The National Highway Traffic Safety Administration (NHTSA) developed an EMS reassessment program using a technical assistance team approach to assist states in measuring their progress since their original assessment. The original Connecticut assessment occurred in 2000. The technical assistance team visited Connecticut from July 30 through August 1, 2013 to conduct a review. During that visit, over 30 presenters from the state provided in-depth briefings on EMS and trauma care. The NHTSA review was a voluntary, proactive effort by the department to evaluate the overall status of the statewide EMS system compared to national standards.

The NHTSA Reassessment of Emergency Medical Services report is comprehensive and in-depth. Our review of the report focused on areas that complement our audit recommendations noted above. As a part of that review, we requested that the department provide any documented progress on the recommendations in the NHTSA report since the 2013 site visit.

Criteria: The reassessment program used 10 component and preparedness standards that reflect the current emergency medical services philosophy. A technical assistance team comprised of subject matter experts applied the standards. The component standards cover the areas of regulation and policy, resource management, human resources and education, transportation, facilities communications, trauma systems, public information and education, medical direction, evaluation, and preparedness.

Condition: Through our review of the NHTSA Reassessment of Emergency Medical Services report, we found conditions and recommendations that were complementary to the 2 audit recommendations noted above.

Our follow-up on the NHTSA conditions and recommendations revealed that they remain relatively unchanged from the date of issuance in August 2013. The following represents a select and limited extract from the report:

“Regulation and Policy – The DPH should work with the Governor's Office and the Legislature to improve funding for the EMS system and EMS systems of care.

- The office remains understaffed by one key position found in most state EMS Offices (Trauma Manager).
- Despite mandatory electronic patient care reporting and several genuine efforts to improve EMS data collection, current EMS system funding does not support quality assurance and quality improvement for patient care, nor does it provide for adequate systems of care within the EMS system (e.g. trauma, stroke, cardiac arrest), leading to inconsistencies in care across the state, to the detriment of overall patient care and quality of health for the people of Connecticut.

Resource Management – The DPH should expand and enhance the support of the EMS and trauma data collection systems to ensure that data is readily available to system policymakers, service agencies, and hospitals on an on-going and regular basis. These data are essential to patient care, resource management, and quality assurance.

- A key component of effective resource management is the ability of the regulatory agency and community to understand where resources

are, how they are being used and measure the effectiveness of policies related to these resources. Although a statewide data collection system for both EMS and trauma exists, the ability of the lead agency and stakeholders to use these systems for evaluation purposes is greatly limited due to insufficient resources.

Transportation – The DPH should ensure that cost, quality and access to emergency care are standard criteria for the Primary Service Area (PSA) assignments and consistently incorporated into contractual language.

- Issues with the patient care data collection system greatly impact the capabilities of the state to assess the cost, quality, and access to emergency medical care statewide.

This inability to utilize patient care data hampers the assessment process for a PSA, system performance improvement efforts, and further development of a comprehensive and coordinated statewide EMS system.

Facilities – The OEMS should develop a strategy to enforce the existing requirement that all acute care hospitals submit trauma patient data to the state trauma registry in order to begin system performance improvement activities.

- Although all acute care hospitals within the state are required to submit trauma patient care data to the state trauma registry, only 19 (of 21) acute care hospitals submit these data, the 13 trauma centers and 6 others. Two of these non-designated hospitals submit their data to the National Trauma Data Bank as well. There is at least one trauma center participating in the Trauma Quality Improvement Program (TQIP) of the American College of Surgeons.

Evaluation – The DPH should ensure that patient outcome data is available to all levels of the EMS system.

- Overall, the [DPH] lacks sufficient staffing to evaluate the quality of the data going into the system, provide the legislature with specific reports as required by law, and provide feedback about quality of care and patient outcome.”

Effect:

Issues with the patient care data collection system continue to negatively affect the capabilities of the state to assess the cost, quality, and access to emergency medical care statewide.

Cause:

According to the NHTSA Technical Assistance Team, the department has insufficient resources for its data collection program.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering the fiscal years 2012 to 2015.

Recommendation: The Department of Public Health should continue to take corrective actions to address the conditions and recommendations identified in the NHTSA Reassessment of Emergency Medical Services report, with an emphasis on the patient care data collection system. (See Recommendation 22.)

Agency Response: “The department agrees with this finding. The department is actively seeking corrective actions to implement the NHTSA recommendations where fiscally and resource feasible. The DPH shares the auditors concern that the DPH has insufficient resources. The department has this year been able to procure grant funding to address the issues with the patient care data collection systems. DPH works collaboratively with DAS/BEST and the current software vendor to address identified concerns and develop a plan to ameliorate the gaps. In addition, a project manager was identified and is charged with project implementation.”

Miscellaneous

The recommendation in this section addresses matters that could not be categorized by any of the preceding recommendations.

Practitioner Licensing Complaints – Investigation and Consultant Delays

Criteria: The Department of Public Health, Practitioner Licensing and Investigations Section (PLIS) investigates complaints concerning healthcare practitioners. The section established priority ratings to classify complaints based on the severity of their impact on the public’s well-being:

- Class 1 – Issues identified as requiring immediate action or response due to the nature of the allegations. The department established a 90-day deadline to investigate these complaints.
- Class 2 – Issues that do not fall into Class 1, but relate to care and have a direct or indirect impact on quality of care or quality of life. The department established a 180-day deadline to investigate these complaints.
- Class 3 – Issues that do not fall within Class 1 or 2 but appear to be violations of standards of practice, laws or regulations, including but not limited to issues of billing practices, failures to release records, etc. These complaints do not have an investigation deadline.

For some investigations, the department engages a consultant to conduct an independent review to determine whether there is an actionable violation of

the practitioner's standard of care. The consultant must be a board certified practitioner (if applicable to the profession) in the same field as the respondent. The consultant also must be free of any conflict of interest with the respondent to ensure an independent review.

Condition: We reviewed a selection of 10 complaints and a separate selection of 10 complaint investigations completed during the audited period and noted the following:

- For 3 complaints, the investigation exceeded the department's 90-day deadline by 76 to 210 calendar days.
- For 2 complaints, the department delayed the investigation process by more than 180 calendar days to search for a consultant. For one complaint, the department had not found a consultant as of the date of our review (January 30, 2018).

Effect: When investigations are not completed in a timely manner, there is an increased risk that certain practitioners may continue to pose a risk to the public.

Cause: DPH indicated it has limited resources to process the volume of complaints and investigations. In addition, it can be difficult to find an independent practitioner to act as an investigation consultant for certain professions.

Prior Audit Finding: This finding has been previously reported in the last audit report covering the fiscal years 2014 to 2015.

Recommendation: The Department of Public Health should seek the necessary resources to complete investigations against healthcare practitioners within its established deadlines. (See Recommendation 23.)

Agency Response: "The department agrees with this finding. DPH prioritizes investigations on those complaints with the highest potential to impact public health and safety. These include cases with allegations of practitioner impairment, sexual misconduct with patients or clients, drug diversion, etc.

The department recognizes a number of issues that have contributed to increasing timeframes to complete investigations. These include:

- The Legislature enacted Public Act 15-5 that expanded the mandatory reporting of impaired practitioners from physicians and physician assistants to a total of 40 different licensed professions. The department estimated an additional 300 complaints annually due to this change and requested three additional investigators to address this new mandate.

The legislation passed without allocating any new resources to the department.

- As estimated by the department, the number of complaints for investigation received increased from an average of approximately 1,200 complaints annually prior to 2015, to an average of approximately 1,500 annually after 2015. The department received no new resources to manage this increase.
- The Practitioner Investigations Unit has lost 7 staff due to retirement or new jobs, and has only gained 1 of those positions back through rehiring. The staff of the unit had been 22 positions, and is now 16 positions (>25% reduction in staff while incoming complaints increased by approximately 20%)

The department has made strides in identifying consultants to act as expert witnesses to review records related to complaint investigations. In fact, the average time to secure a consultant has dropped by 73% between 2013 and 2017 (from 18 months to 4.8 months). The delays often relate to small specialties with practitioners who are familiar with each other and therefore have a conflict of interest.

The department uses a number of mechanisms to identify consultants including:

- Mass emails to licensees who report a specialty soliciting willing consultants
- Outreach to local professional organizations
- Outreaching to board members
- Outreaching to bordering states when unable to identify a consultant in-state

The department recognizes that it can further improve consultant recruitment, but anticipates ongoing challenges with certain specialties.”

Facility Complaint Investigations Issues

Background: The Department of Public Health, Facilities Licensing and Investigations Section (FLIS) investigates complaints against institutions and agencies (i.e. hospitals, nursing homes, home health care, laboratories).

Criteria: The Centers for Medicare & Medicaid Services (CMS), State Operations Manual, Chapter 5 – Complaint Procedures, Section 5010 identifies the General Intake Process for complaints against various types of health care

facilities. Each state Survey Agency (SA) is expected to have written policies and procedures to ensure the appropriate response is taken for each complaint. This structure needs to include response timelines and a process to document actions taken by the SA in response to complaints. If a state's time frames for the investigation of a complaint/incident are more stringent than the Federal time frames, the intake is prioritized using the state's time frames.

A complaint/incident record is created in the ASPEN Complaints/ Incidents Tracking System (ACTS), a federal system designed to track, process, and report on complaints and incidents reported against health care providers. The severity and urgency of the complaints are assessed for priority so that appropriate and timely action can be pursued. The priority levels are as follows: Immediate Jeopardy (IJ), Non-IJ High, Non-IJ Medium, and Non-IJ Low. Each level and provider type has a maximum time frame in which the investigation must be initiated.

Condition: We were informed that the department's current procedures for investigating complaints against health care facilities have been outdated for a few years and need to be modified to reflect current CMS guidelines. The department did not consistently abide by its procedures during the period of our review.

During our review of 16 IJ and Non-IJ High complaints received during the fiscal years ended June 30, 2016 and 2017, we noted that:

- Three Non-IJ High investigations were not initiated in a timely manner. The delays ranged up to 175 business days.
- One complaint opened on September 3, 2015 remained open at the time of our last inquiry (June 4, 2018).

Effect: In the absence of current departmental policy and procedures, there is an increased risk that the investigations may not be consistently conducted, documented, and completed in a timely manner.

When investigations are not completed in a timely manner, there is an increased risk that facilities that pose a danger to the public will continue to operate unabated.

Cause: It appears that a lack of adequate managerial oversight and staffing resources contributed to the condition.

Prior Audit Finding: This finding has been previously reported in the last audit report covering the fiscal years 2014 to 2015.

Recommendation: The Department of Public Health should have sufficient and current written policies and procedures in place, in compliance with the CMS State Operations Manual, which address the timelines of complaint investigations. DPH should document all of its actions related to complaints and investigations. In addition, the department should ensure that it addresses all complaints in a timely fashion. (See Recommendation 24.)

Agency Response: “The department agrees in part with this finding. While the policy and procedures regarding investigations for complaints received concerning institutions and agencies (i.e. hospitals, nursing homes, home health care, and laboratories) does not currently reflect the current procedure, the FLIS adopted Chapter 5 of the State Operations Manual (“Chapter 5”) and as amended from time to time, as the procedure for investigating complaints several years ago. It is important to note that all FLIS surveyors/investigators are certified utilizing a Surveyor Minimum Qualifications Test (“SMQT”) through the Centers for Medicare and Medicaid Services (“CMS”) and as a continuum of such SMQT certification, are trained regarding Chapter 5 prior to demonstrating competency with investigations of healthcare institution complaints. Consequently, in the absence of a current policy and procedure, the risk is mitigated with the adoption, training and competency of Chapter 5 compliance which is measured annually with the State Performance Standard System (“SPSS”) performance evaluated by CMS. The FLIS makes every effort to monitor timeliness of investigations, reflective of the priority of the allegations. In fiscal year 2016, 1,532 complaints were received and reviewed with 1,219 investigated. In fiscal year 2017, 1,445 complaints were received with 1,136 investigations conducted and completed. Lastly, while the audit report has identified a cause “as a lack of adequate managerial oversight”, such comment appears to be subjective rather than supported by a fact pattern that would infer such failure in relation to the volume of work that is produced by the unit.

To enhance state agency performance with a focus on quality assurance and performance improvement, the FLIS will take the following steps, effective October 1, 2018 to ensure compliance with Chapter 5 and the timeliness of investigation:

- A surveyor will be dedicated on a monthly basis to respond to investigations that are assigned an Immediate Jeopardy or Non Immediate Jeopardy High priority to facilitate and respond to the nature of the allegation and the priority assigned;
- The supervisor assigning such priority shall ensure that a surveyor has been assigned in accordance with the required timeframes, immediately after entering the complaint into the ACTS system. The supervisor or his/her designee will immediately notify the surveyor of the assignment;

- Monthly reports will be generated to monitor compliance with timeliness of investigations; and
- All FLIS survey staff will be in-serviced on October 25, 2018.”

Access to Vital Records and Indexes

Criteria:

Section 7-51 (a) provides that DPH and the registrars of vital statistics must restrict access to and issuance of a certified copy of birth and fetal death records and certificates less than 100 years old, to certain named eligible parties. Furthermore, subsection (b) indicates that no person other than the eligible parties listed in subsection (a) is entitled to examine or receive a copy of such record or certificate, access the information contained therein, or disclose any matter contained therein, except upon written order of a court of competent jurisdiction.

Section 7-51a of the General Statutes provides that any person 18 years of age or older may purchase certified copies of marriage and death records, and certified copies of records of births or fetal deaths which are at least 100 years old, in the custody of any registrar of vital statistics. DPH may issue uncertified copies of death certificates for deaths occurring less than 100 years ago, and uncertified copies of birth, marriage, death and fetal death certificates for births, marriages, deaths and fetal deaths that occurred at least 100 years ago, to researchers and government agencies approved by DPH. Members of genealogical societies incorporated or authorized by the Secretary of the State to do business or conduct affairs in this state can (1) have full access to all vital records in the custody of any registrar of vital statistics, including certificates, ledgers, record books, card files, indexes and database printouts, with certain exceptions, (2) be permitted to make notes from such records, (3) be permitted to purchase certified copies of such records, and (4) be permitted to incorporate statistics derived from such records in the publications of such genealogical societies. For all vital records containing Social Security numbers that are protected from disclosure pursuant to federal law, the Social Security numbers contained on such records must be redacted from any certified copy of such records issued to a genealogist by a registrar of vital statistics.

Section 7-47 of the General Statutes provides that each registrar of vital statistics shall keep alphabetically arranged separate indexes for each group of vital events and enter the name of each person whose birth, marriage, death, or fetal death is recorded.

Condition:

Section 7-51a of the General Statutes does not appear to address whether an eligible individual may examine a death or marriage record instead of purchasing it. Furthermore, Sections 7-51 and 7-51a do not address whether

an eligible individual can use a handheld device to photograph a vital record in lieu of purchasing a copy.

In addition, while Section 7-51a addresses access to indexes of vital records for genealogical societies, it is not addressed for the general public.

Effect: The condition of current statutes may lead to inconsistency in application.

Cause: There exists a lack of clarity in the statutes.

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

Recommendation: The Department of Public Health should consider seeking a legislative change or Attorney General opinion to clarify Sections 7-51 and 7-51a of the General Statutes regarding public access to vital records and indexes. (See Recommendation 25.)

Agency Response: “The Department of Public Health agrees in part with this finding. The department agrees that the statutes do not speak directly to whether members of the public can view marriage and death records without purchasing a copy. In addition, the department agrees that lack of clarity in the statutes leads to inconsistent application of the vital records access laws throughout the 169 local vital records registrars’ offices.

The department provides further information related to the following statement:

“Furthermore, Sections 7-51 and 7-51a do not address whether an eligible individual can use a handheld device to photograph a vital record in lieu of purchasing a copy”

C.G. S. section 7-62a prohibits the issuance of an uncertified copy of a vital record, the use of handheld scanners to copy vital records would violate the provisions of this statute.

The department provides further information related to the following statement:

“In addition, while Section 7-51a addresses access to indexes of vital records for genealogical societies, it is not addressed for the general public.”

Though the statutes do not address the public’s access to indexes, the restrictions set forth in C.G.S. section 7-51(b) make clear that birth indexes are not available for public viewing. C.G.S. 7-51(b) prohibits any person, except those listed as eligible parties in 7-51(a), from obtaining birth records

or accessing the information contained therein, so birth indexes must be kept confidential in order to uphold this restriction.

In addition, the department clarifies that marriage and death records list the social security numbers of the registrants, which are confidential under federal law. In order to comply with federal law, direct access to marriage and death records must be restricted. The department sought and received an informal Attorney General opinion, dated June 30, 2004, related to the public's direct access to vital records is limited to purchasing certified copies of the records.

The department will seek a formal opinion from the Office of the Attorney General to obtain clarification of the law regarding the public's access to view vital records without purchasing a copy.”

Auditors' Concluding Comment:

While we recognize the department's disagreement in part, we still believe the department should seek clarification of these statutes.

RECOMMENDATIONS

Our prior audit report on the Department of Public Health contained 29 recommendations. Eleven have been implemented or otherwise resolved and 18 have been repeated or restated with modifications during the current audit. The following is a summary of the action taken on the prior recommendations.

Status of Prior Audit Recommendations

- The Department of Public Health should update its practitioner investigations manual to ensure it reflects current policies and procedures. Furthermore, the department should seek additional resources as necessary to complete investigations within the established policy and statutory timeframes. **This recommendation will be repeated in modified form as Recommendation 23.**
- The Department of Public Health should seek additional resources to complete health care facility investigations within the established time frames and in accordance with the department's policies and procedures. **This recommendation will be repeated in modified form as Recommendation 24.**
- The Department of Public Health should develop or acquire a formal risk assessment and mitigation process with the objective of identifying and addressing risks that could impact its operational and reporting objectives. The risk assessment and mitigation process should be independent, formal, and ongoing. **This recommendation will be repeated as Recommendation 1.**
- The Department of Public Health should comply with Section 1-225 of the General Statutes and follow Robert's Rules of Order, where applicable. **This recommendation will be repeated in part as Recommendation 2.**
- The Department of Public Health should ensure that boards and commissions under its purview maintain proper membership. The department should document appointments and continue to work with appointing authorities to ensure that such appointments are made promptly to comply with applicable establishing statutes and Section 19a-8 of the General Statutes. **This recommendation will be repeated in part as Recommendation 2.**
- The Department of Public Health should either pursue adoption or request legislative change to address the applicable statutory requirements for state regulations. **This recommendation will be repeated as Recommendation 3.**
- The Department of Public Health should maintain a complete listing of all of the reporting requirements that are statutorily mandated and consider creating a central reporting control function to monitor the timely submission of the reports. **This recommendation will be repeated in modified form as Recommendation 4.**

- The Department of Public Health should take the necessary steps to ensure that overtime and compensatory time are properly preapproved and that sufficient documentation is retained in support of those approvals. In addition, the department should reassess the assignment of certain compensatory time plans to employees in Core-CT. **This recommendation will be repeated in modified form as Recommendation 5.**
- The Department of Public Health should develop internal control procedures sufficient to identify telecommuting employees, ensure they have a current executed telecommuting agreement in their personnel file, and provide a copy of each agreement to the Department of Administrative Services in accordance with DAS General Letter 32. **This recommendation will be repeated as Recommendation 6.**
- The Department of Public Health should comply with the State Property Control Manual and the State of Connecticut Internal Control Guide. **This recommendation will be repeated in modified form as Recommendation 11.**
- The Department of Public Health should ensure that the queries and calculations for the Asset Management Inventory Reporting Form (CO-59) are accurate and that the proper fields are used for each category of reporting. The department should ensure that assets are recorded in Core-CT according to the definitions prescribed by the State Property Control Manual. **This recommendation will be repeated as Recommendation 13.**
- The Department of Public Health should work with the returns vendor and supplier to develop a reconciliation process between the internal inventory counts, returns vendor report, and credit memoranda. The department should also continue its efforts to resolve the segregation of duties issue and ensure that all inventory items are received properly in the Core-CT Inventory Module. **This recommendation will be repeated in modified form as Recommendation 14.**
- The Department of Public Health should comply with the software inventory policies and procedures established within the State Property Control Manual by recording and maintaining all necessary information in the software property control records and software inventory. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should perform periodic reassessments of assigned telecommunications equipment to ensure they are being fully utilized as intended. In addition, the department should further enhance its existing policies and procedures to correspond with the DAS telecommunications policy, and ensure that reviews of billing reports are adequately completed in a timely manner. **This recommendation will be repeated in modified form as Recommendation 15.**
- The Department of Public Health should continue to develop and implement policies and procedures to identify and disable unused but active user IDs and user IDs that belong to terminated employees. **This recommendation will not be repeated in the current audit.**

- The Department of Public Health should formally establish an approved disaster recovery plan and ensure all contingency plans are updated regularly and routinely tested so its systems can be recovered in a timely manner following a disaster. **This recommendation will be repeated in modified form as Recommendation 16.**
- The Department of Public Health should work with the Department of Administrative Services Bureau of Enterprise Systems and Technology and the Office of Policy and Management for guidance in complying with the data classification policy and classify the department's data according to the methodology promulgated in the policy. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should comply with the Core-CT Security Liaison Guide by ensuring all terminated or retired employee accounts are locked immediately. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should comply with Section 4-98 of the General Statutes by strengthening its internal controls to ensure that funds are committed prior to the ordering of goods and services. **This recommendation will be repeated in modified form as Recommendation 18.**
- The Department of Public Health should improve internal controls over purchasing card transactions by complying with the State Purchasing Card Cardholder Work Rules Manual. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health Drinking Water Section should consider amending its procedures by having the engineers attest to their reviews of program payment requests with a signature prior to submitting the Program Consent/Invoice Transmittal form to the program supervisor. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should develop policies and procedures to ensure that the information reported in the GAAP closing package is complete, accurate, and conforms to the programmatic and statutory requirements. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should develop policies and procedures for laboratory fee schedules to ensure that the price lists based on Medicare rates are promptly implemented when such updates become available from the Centers for Medicare and Medicaid Services. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should modify its internal travel advance request form to reflect submission of the CO-17XP-PR Employee Reimbursement Voucher within 5 business days following return from travel as indicated within the State Accounting Manual. In addition, the department should promptly follow up on those employees who are delinquent in submitting said voucher. **This recommendation will not be repeated in the current audit.**

- The Department of Public Health should perform contractor evaluations on a timely basis for personal services agreements to better assess the service (quality of work, reliability, and cooperation), as required by the Office of Policy and Management. **This recommendation will not be repeated in the current audit.**
- The Department of Public Health should continue to take the necessary steps to ensure that all EMS providers and trauma facilities submit complete required data. In addition, DPH should consider migrating to a software application capable of tracking the department's collection efforts in real time for EMS providers and trauma facilities that fail to submit their data on a quarterly basis. **This recommendation will be repeated as Recommendation 20.**
- The Department of Public Health should take the necessary steps to continue improvement in the collection of quality data from providers and use the collected data to research, develop, track, and report on appropriate quantifiable outcome measures and submit an analysis of the emergency medical service system outcomes to the joint standing committee of the General Assembly having cognizance of matters relating to public health.

The department should also evaluate the assignment of primary service areas and the performance of emergency medical service providers against established outcome measures. **This recommendation will be repeated as Recommendation 21.**

- The Department of Public Health should continue to take the corrective actions necessary to address the conditions and recommendations identified in the NHTSA Reassessment of Emergency Medical Services report, with an emphasis on the patient care data collection system. **This recommendation will be repeated as Recommendation 22.**
- The Department of Public Health should allocate the necessary resources to ensure that surveys of providers and follow-up procedures comply with the required CMS schedule of termination procedures. **This recommendation will not be repeated in the current audit.**

Current Audit Recommendations

- 1. The Department of Public Health should develop or acquire a formal risk assessment and mitigation process to identify and address risks that could impact its operational and reporting objectives. This process should be independent, formal, and ongoing.**

Comments:

The department is exposed to higher risk that it will not achieve its operational objectives. Risks that could have been anticipated and avoided by periodic assessments may result in operational ineffectiveness, additional costs and liabilities, and exposure to fraud.

- 2. The Department of Public Health should comply with Sections 1-225 and 19a-8 of the General Statutes and follow Robert's Rules of Order.**

Comments:

For certain boards under the department's purview, minutes were not signed as approved and finalized by a designated individual; evidence was lacking that the annual meeting schedules were sent to the Office of the Secretary of the State; one board did not post minutes on the department's website; and a number of the regulated professional boards did not maintain a least one-third of its membership as public members.

- 3. The Department of Public Health should continue to pursue adoption of statutorily required regulations or request legislative changes to repeal unnecessary or outdated regulatory mandates.**

Comments:

DPH informed us that it did not develop and adopt state regulations required under sections 19a-14b, 19a-37b, 19a-495a, 19a-562b, and 19a-902 of the General Statutes.

- 4. The Department of Public Health should continue to implement its centralized system to track its statutory reporting requirements and submit required reports on time. DPH should request legislative changes to repeal unnecessary or outdated reporting mandates.**

Comments:

DPH did not meet 9 statutory reporting requirements. The department did not submit 5 reports, and submitted 4 late.

- 5. The Department of Public Health should properly approve and sufficiently document overtime and compensatory time. In addition, the department should reassess the assignment of certain compensatory time plans to employees in Core-CT.**

Comments:

There continued to be insufficient administrative oversight to ensure that overtime and compensatory time requests were preapproved. In addition, we noted that certain compensatory time plans assigned in Core-CT were improper, based upon the employee's position and collective bargaining unit.

- 6. The Department of Public Health should develop internal control procedures sufficient to identify telecommuting employees and maintain a current executed telecommuting agreement in their personnel files. DPH should provide a copy of each arrangement to the Department of Administrative Services in accordance with Section 5-248i of the General Statutes.**

Comments:

DPH did not submit all 13 of its current telecommuting arrangements to DAS for the past 2 years. These arrangements were well beyond the 9-month maximum.

- 7. The Department of Public Health should formalize procedures to ensure it conducts and documents human resources investigations in a consistent manner.**

Comments:

The department has not established formal procedures for conducting and documenting human resources investigations.

- 8. The Department of Public Health should ensure a timely and thorough review of the benefit service date calculations for rehired employees at or near the time they are rehired. The department should formalize and standardize its documentation procedures for any service date calculation or adjustment to Core-CT.**

Comments:

A review of the benefit service date (BSD) calculations for 10 rehired employees during the audited period identified 4 employees with BSD errors.

- 9. The Department of Public Health should require unit supervisors to forward all DPH 5/08 Leave Request Forms to the Payroll Unit to document leave authorization and monitor supervisory procedural compliance. Furthermore, the department should train supervisors on the proper use of leave request forms.**

Comments:

The Payroll Unit does not receive the authorization record to monitor the accuracy of reporting. Since Core-CT does not have a means to document the supervisor's prior authorization of leave time, the DPH 5/08 form is the only evidence of the approval. For 10 of 14 employees selected, leave request forms had one or more deficiencies in completeness, supervisory approval, or retention of documentation.

- 10. The Department of Public Health should comply with Section 4-33a of the General Statutes by promptly reporting matters deemed to be a loss of resources to the Auditors of Public Accounts and the State Comptroller.**

Comments:

DPH conducted 2 investigations related to alleged employee misuse of state time and resources, but did not report the matters to the Auditors of Public Accounts until 72 and 13 days after issuing the investigative reports.

- 11. The Department of Public Health should comply with the State Property Control Manual in properly recording and maintaining accountability over its assets.**

Comments:

Our review of asset management noted: numerous instances in which the minimum required data for asset management purposes was missing from the Core-CT record, assets were coded to a location that the department no longer utilizes or were found at locations other than identified in the record, a significant number of controllable and capital assets were not included in physical inventories, and asset dispositions occurred without adequate supporting documentation.

- 12. The Department of Public Health should comply with the State Property Control Manual regarding the proper capitalization of assets.**

Comments:

The department improperly capitalized or failed to capitalize certain assets. We also noted instances in which the department did not include ancillary charges in the cost of associated assets.

- 13. The Department of Public Health should ensure that it uses accurate queries and calculations on its Asset Management Inventory Reporting Form (CO-59) and uses the proper fields for each reporting category. The department should appropriately record its assets in Core-CT according to the definitions prescribed by the State Property Control Manual.**

Comments:

The department misstated ending inventory balances as a result of the improper inclusion of depreciation expenses of \$1,746,625 for equipment and software additions, improper capitalization of certain purchases aggregating \$31,675, and an adjustment error for equipment deletions amounting to \$767,002. Also, the department could not provide supporting documentation for \$209,453 in reported stores and supplies deletions.

- 14. The Department of Public Health should seek a new returns vendor to return its expired pharmaceuticals and manage its inventory more efficiently to maximize available credits.**

Comments:

We could not trace 58 out of 59 recorded expirations to Core-CT. Many of the drugs listed had been expired for a significant period (up to 1,795 days). When compared against the time limits allowed by vendor return policies and credits realized from returns in prior years, we identified potential missed credits of over \$87,000.

- 15. The Department of Public Health should comply with the Office of Policy and Management's telecommunication equipment policy and its own internal control policy to monitor for non-state phone activity to ensure there is no abuse of state time.**

Comments:

There is no monitoring of state landline phone activity and a very limited review of state cell phone activity by the department for non-state use.

- 16. The Department of Public Health should ensure its Continuity of Operations Plan is up-to-date, tested, and approved. The department should disseminate its disaster recovery plans to necessary staff to ensure that its operations continue with little or no delay following a disaster.**

Comments:

The department's Continuity of Operations Plan (COOP) has not been approved by the commissioner. In addition, the department could not provide support that it had disseminated its disaster recovery plan to the necessary staff.

- 17. The Department of Public Health should undertake a systemic review of accounting processes over revenue and remittance reporting to ensure greater uniformity and compliance among program units. This should include centralizing the processing of remittances wherever possible, streamlining procedures within Fiscal Services, utilizing analytic reports of revenue patterns to detect trends, and periodically evaluating the adequacy of the fee structures against the cost of services.**

Comments:

The department's revenue accountability issues include: an inadequate segregation of duties, data-deficient cash receipts journals, a lack of adequate procedures for streamlining the revenue process, a lack of analytic reports of revenue for trend monitoring, and the absence of a complete record of fee schedules to evaluate the adequacy of such fees against the related costs of services.

- 18. The Department of Public Health should comply with Section 4-98 of the General Statutes by strengthening its internal controls to ensure that contracts and purchase orders are executed and funds are committed before any goods and services are ordered.**

Comments:

We noted a number of instances in which contracts were executed well after the start date for services, and purchase orders were issued after the services were performed.

- 19. The Department of Public Health should ensure that contract payments are valid and paid in accordance with established policies and contract terms.**

Comments:

Our review of contractual payments noted an instance in which the department paid the wrong amount, resulting in underpayment of \$4,852.

- 20. The Department of Public Health should continue to take the necessary steps to ensure that all EMS providers and trauma facilities submit complete required data. In addition, DPH should migrate to a software application capable of tracking the department's collection efforts in real time, for EMS providers and trauma facilities that fail to submit their data on a quarterly basis.**

Comments:

Data submission from EMS providers remained incomplete due to software issues. The vendor software did not have the capability to monitor or track required data submitted by EMS providers in real time. The department did not complete the upgrading of the trauma system software to enable sorting of data elements.

- 21. The Department of Public Health should continue to take the necessary steps to improve the collection of quality data from providers and use the collected data to research, develop, track, and report on appropriate quantifiable outcome measures. DPH should submit an analysis of the emergency medical service system outcomes to the joint standing committee of the General Assembly having cognizance of matters relating to public health.**

The department should also evaluate the assignment of primary service areas and the performance of emergency medical service providers against established outcome measures.

Comments:

Since the inception of the data collection program, the department has not established outcome measures. The department still has not developed performance standards and the methodology for evaluation of primary service area assignments. The report submitted to the General Assembly was late and did not contain complete EMS data due to the software issues at the EMS provider level, nor did it sufficiently address any established outcome measures.

- 22. The Department of Public Health should continue to take corrective actions to address the conditions and recommendations identified in the NHTSA Reassessment of Emergency Medical Services report, with an emphasis on the patient care data collection system.**

Comments:

The National Highway Traffic Safety Administration conducted a review and issued a report on the state's emergency medical services in August 2013. The department has not addressed all of the report's recommendations.

- 23. The Department of Public Health should seek the necessary resources to complete investigations against healthcare practitioners within its established deadlines.**

Comments:

Of our review of 10 complaints and a separate selection of 10 complaint investigations completed during the audited period, we noted that the investigation phase for 3 complaints exceeded the maximum timeframe allowed by department policy. For 2 other complaints, the department delayed the investigation process for over 180 days while it searched for a consultant.

- 24. The Department of Public Health should have sufficient and current written policies and procedures in place, in compliance with the CMS State Operations Manual, which address the timelines of complaint investigations. DPH should document all of its actions related to complaints and investigations. In addition, the department should ensure that it addresses all complaints in a timely fashion.**

Comments:

We were informed that the department's current procedures for investigating complaints against health care facilities have been outdated for a few years and need to be modified to reflect current CMS guidelines. The department did not consistently abide by its procedures during the period of our review.

Of the 16 Immediate Jeopardy (IJ) – High and Non-Immediate Jeopardy – High complaints received during the audited period, we noted that 3 Non-IJ High complaints did not have investigations initiated in a timely manner. The delays ranged up to 175 business days. One other complaint opened on September 3, 2015, remained open at the time of our last inquiry (June 4, 2018).

- 25. The Department of Public Health should consider seeking a legislative change or Attorney General opinion to clarify Sections 7-51 and 7-51a of the General Statutes regarding public access to vital records and indexes.**

Comments:

Section 7-51a of the General Statutes does not appear to address whether an eligible individual may examine a death or marriage record instead of purchasing it. Furthermore, Section 7-51 or 7-51a do not address whether an eligible individual can use a handheld device to photograph a vital record in lieu of purchasing a copy.

In addition, while Section 7-51a addresses access to indexes of vital records for genealogical societies, it is not addressed for the general public.

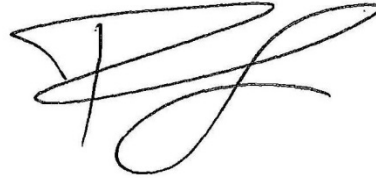
ACKNOWLEDGMENT

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

Dennis Collins
Valerie Davis
Sidney Gale
Jared Kolomyjec
Roberto Sanchez
Tatsiana Sidarau

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Public Health during the course of our examination.



Dennis Collins
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Robert J. Kane
State Auditor