

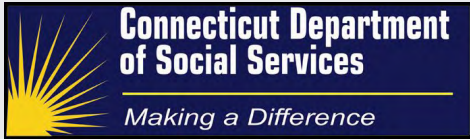
# AUDIT SUMMARY

## Department of Social Services

www.cga.ct.gov/apa

Fiscal Years Ended June 30, 2019, 2020, and 2021

### ABOUT THE AGENCY



The Department of Social Services (DSS) operates under the provisions of Title 17b of the General Statutes. The department plans, develops, administers, operates, evaluates, and provides funding for services for individuals and families who need personal or economic development. In cooperation with other social service agencies and organizations, including community-based agencies, the department works to develop and fund prevention, intervention, and treatment services for individuals and families.

### ABOUT THE AUDIT

We have audited certain operations of the Department of Social Services in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2019, 2020, and 2021. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[Link to full report](#)



Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, and policies; and a need for improvement in practices and procedures that warrant the attention of management.

## NOTEWORTHY FINDINGS



### Findings



### Recommendations

1

DSS did not report \$1,799,350 in Medicaid revenue losses for noncompliance with electronic visit verification requirements. Additionally, the department did not report two data breaches of client protected health information. One breach was a phishing scam that affected 58,964 clients and 21 employees and contractors. The other breach was a mailing incident that affected one client.

DSS should promptly notify the Auditors of Public Accounts and the State Comptroller of any breach of security or loss of state funds, in accordance with Section 4-33a of the General Statutes.

2

DSS issued bed capacity reductions of 33%, 29%, and 17% to three facilities and approved \$5,885,000 in capital expenditures to a nursing facility without requiring a certificate of need. Additionally, DSS issued payment rates to two residential care homes without a 10% penalty for failure to submit annual cost reports.

DSS should strengthen internal controls to ensure compliance with Sections 17b-340, 17b-352, and 17b-353 of the General Statutes regarding bed capacity reductions, capital expenditures, and cost report submissions.

3

DSS did not audit its administrative functions, review external audit reports, complete internal control self-assessments, establish required audit protocols, or maintain written program integrity manuals, policies, and procedures.

DSS should periodically perform audits of its administrative functions and strengthen internal controls over Medicaid program integrity, risk assessments, and audit protocols. The DSS Office of Quality Assurance should implement procedures to ensure that it reviews the department's external audits and works with the department to resolve audit recommendations.

4

The department's eligibility system recorded 705 incarcerated clients, 365 deceased clients, and 44 state employees or retirees with gross pay that exceeded maximum income limits as eligible for the Supplemental Nutrition Assistance Program (SNAP).

DSS should strengthen internal controls to ensure that it uses all information from eligibility and income matches to issue the correct amount of SNAP benefits to eligible clients. The department should recoup benefits issued to ineligible clients in accordance with its SNAP Claims Management Plan.

5

DSS issued, but did not recoup, \$120,460 in various benefits to one deceased SAGA client and six residential care facilities on behalf of eight deceased State Supplement clients.

DSS should strengthen controls to ensure it issues benefits in the correct amount on behalf of eligible clients. DSS should record deceased clients' date of death in ImpaCT and close the case file promptly upon verification that the client died. The department should recoup benefits issued to deceased clients and residential care facilities.