



AUDIT SUMMARY

Department of Social Services

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Fiscal Years Ended June 30, 2022 and 2023

ABOUT THE AGENCY



The Department of Social Services (DSS) 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, 2022 and 2023. 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](#)

25 Findings

19 Repeat Findings

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

NOTEWORTHY FINDINGS



Findings



Recommendations

1. The Department of Social Services (DSS) Office of Quality Assurance Audit Division did not audit DSS administrative functions, such as rate setting, contract administration, accounts receivables, and the department's checking account. According to the 2007, 2010, and 2015 Medicaid Integrity Group reviews, DSS did not have a program integrity manual, and lacked written program integrity policies and procedures in key areas. As of April 18, 2024, DSS did not resolve these deficiencies.

Recommendation: DSS should periodically perform audits of its administrative functions and strengthen internal controls over Medicaid program integrity.
2. DSS did not report \$9,623,410 in Medicaid revenue losses for noncompliance with Medicaid timely filing requirements. Additionally, DSS did not report 72 data breaches of client protected health information and personal identifiable information. DSS did not promptly submit seven loss reports totaling \$12,835. We could not determine the timeliness of three of these loss reports.

Recommendation: DSS should promptly notify the Auditors of Public Accounts and the State Comptroller of any breach of security or loss of state funds or resources, in accordance with Section 4-33a of the General Statutes.
3. DSS did not perform collection procedures on delinquent accounts and did not write-off uncollectible accounts during fiscal years 2022 and 2023. The department's receivables averaged \$994 million.

Recommendation: DSS should strengthen internal controls over the collection and write off of receivables to ensure compliance with the State Accounting Manual.
4. Our review of 15 sole source contracts, totaling \$99,727,831, identified that DSS extended five sole source contracts beyond the eight-year limit, ranging from 11 to 16 years. Additionally, DSS could not provide support that it documented detailed justification that the cost of competitive procurement outweighed the benefits, or that it researched and documented that competitive procurement would likely result in fewer than three qualified proposals.

Recommendation: DSS should strengthen internal controls over sole source procurement to ensure compliance with the Office of Policy and Management procurement standards.
5. DSS submitted GAAP reports and federal expenditure information that contained 17 inaccuracies totaling \$68 million in overstatements and \$45 million in understatements. Additionally, the department did not verify the accuracy and completeness of boarding home receivables, client overpayment receivables, or delinquent receivables and collections.

Recommendation: DSS should prepare the Generally Accepted Accounting Principles Reporting Package and the Schedule of Expenditures of Federal Awards in accordance with the State Comptroller's requirements and perform sufficient reviews to ensure that reports are accurate and complete.

Recommendation: DSS should collaborate with the Department of Administrative Services to obtain Diamond system collections data. DSS should strengthen internal controls to ensure all reported accounts receivables are complete and accurate in accordance with the requirements of the State Accounting Manual and the Office of the State Comptroller's instructions.