



# Statewide Single Audit KEY FINDING SUMMARY

www.cga.ct.gov/apa

Fiscal Year Ended June 30, 2022

WHY AUDIT?

## THE STATEWIDE SINGLE AUDIT

Our office performs the Statewide Single Audit in accordance with audit requirements placed upon the state as a condition of expending federal financial assistance. The federal Office of Management and Budget provides guidelines for selecting which programs to audit and the audit procedures to perform. The federal government uses the Single Audit Report to monitor how well the state administers the federal financial assistance and to follow up on prior audit findings. [Link to full report](#)

## ABOUT THIS SUMMARY

This summary of the Statewide Single Audit highlights information included in Section III of the Schedule of Findings and Questioned Costs. It contains **recommendations that state agencies need to address** to ensure the proper administration and maintenance of federal funds.

## SUMMARY of FINDINGS



## OF THESE FINDINGS...



## FEDERAL EXPENDITURES

**\$18.4 billion**

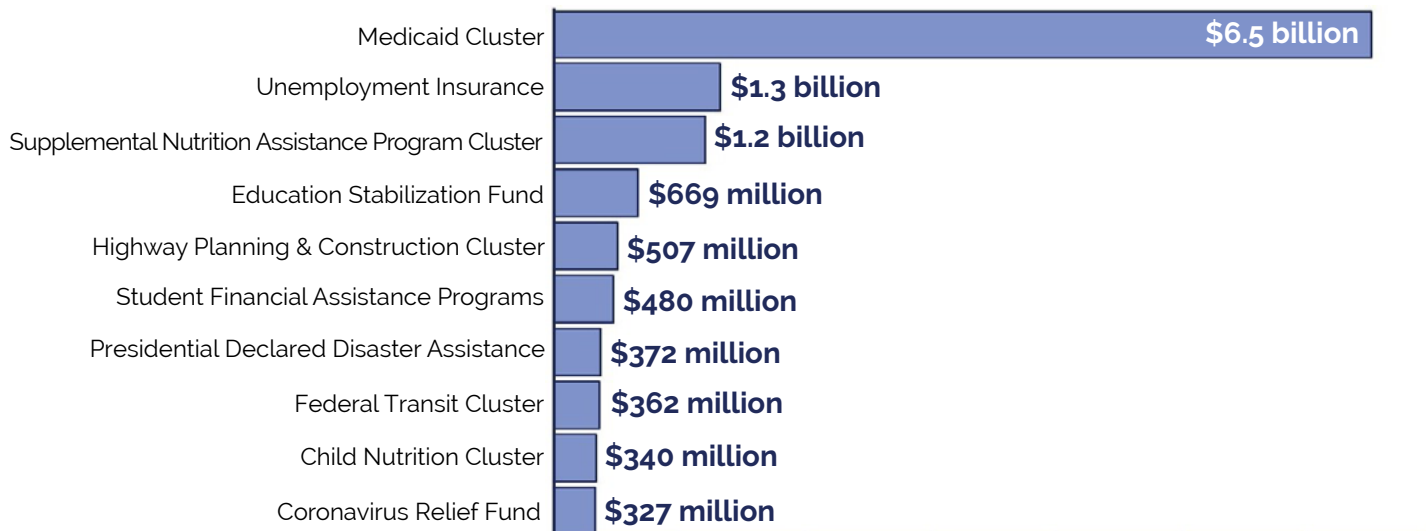
FY 2021

**\$15.6 billion**

FY 2022

FY 2022 includes nearly **\$4.4 billion** for COVID-19 related funding.

## 10 Largest Federal Programs



FEDERAL FINANCIAL ASSISTANCE

In April 2020, the federal government allocated \$1.382 billion in Coronavirus Relief Funds (CRF) to the State of Connecticut. The Office of Policy and Management (OPM) is the primary state agency responsible for overseeing the funds and reporting to the federal government. OPM allocated funds to other state agencies to assist with specific areas of need. [Findings 2022-400 through 2022-403](#) in our full report pertain to the Coronavirus Relief Funds.

## NOTEWORTHY FINDINGS

Below are some noteworthy findings from the Statewide Single Audit Report for the fiscal year ended June 30, 2022

### AGENCY

### SUMMARY

#### Department of Social Services



**Finding Number:** 2022-014

**Program Name:** Medical Assistance Program (Medicaid, Title XIX)

**Federal Award Agency:** U.S. Dept. of Health and Human Services

**?** DSS received \$1,607,164 less in federal reimbursements than allowed.

#### Misstated Federal Reimbursements

The Department of Social Services (DSS) misstated federal reimbursements for Graduate Medical Education payments on the Medicaid CMS 64 Financial Report. DSS should strengthen internal controls to ensure that claims submitted for federal reimbursement under the Medicaid program are accurately calculated, adequately reviewed, and properly reported. We reported this as a finding in the four prior audits. [Link to finding in full report](#)

#### Department of Social Services



**Finding Number:** 2022-016

**Program Name:** Medical Assistance Program (Medicaid, Title XIX)

**Federal Award Agency:** U.S. Dept. of Health and Human Services

**?** **QUESTIONED COSTS** **\$58,354**

We computed questioned costs by applying the applicable federal financial participation rate to Medicaid payments issued to providers with a credible allegation of fraud.

#### Untimely Medical Provider Payment Suspensions

Our review of 25 DSS fraud referrals disclosed that the department did not promptly suspend nine providers during investigations and did not document a good cause exception to prevent their suspensions. DSS and their fiscal intermediary issued \$103,121 in payments to seven providers that should have been suspended during investigations. DSS should promptly process medical provider suspensions in accordance with federal regulations. We reported this as a finding in the four prior audits. [Link to finding in full report](#)

#### Department of Children and Families



**Finding Number:** 2022-250

**Program Names:** Foster Care – Title IV-E, Adoption Assistance – Title IV-E

**Federal Award Agency:** U.S. Dept. of Health and Human Services

**?** **QUESTIONED COSTS** **\$291,000**

DCF calculated the estimated amount of questioned costs for the unit that is not claimable.

#### Improper Allocation of Costs

The Department of Children and Families (DCF) did not accurately allocate costs to the Foster Care and Adoption Assistance programs for two units within the Child Abuse and Neglect Careline. Costs for one unit are not claimable and costs for the other unit are only partially claimable. DCF should strengthen internal controls over its cost allocation process to ensure that it only claims allowable costs for federal reimbursement and should return federal reimbursement for unallowed expenditures that it claimed under federal programs. [Link to finding in full report](#)

## AGENCY

## SUMMARY

### Office of Policy and Management



**Finding Number:** 2022-400

**Program Name:** COVID-19 Coronavirus Relief Fund

**Federal Award Agency:** U.S. Dept. of the Treasury



Contractors could claim excess COVID-19 specimen and lab testing fees.

### Inadequate Control over Invoices and Lack of Completion of Audits

The Department of Public Health (DPH) initially contracted with ten hospitals, lab facilities, and local community centers to provide COVID-19 testing for all Connecticut long-term care facility residents and staff. During the fiscal year ended June 30, 2022, DPH utilized four of these contractors. The contracts required the contractors to bill third-party insurance plans for collected specimens and lab testing for covered residents and to remit all amounts collected to the department. In addition, the contracts required DPH to audit the contractors to ensure they complied with their contracts. DPH did not reconcile the contractor collected specimen total on contractor invoices to the corresponding lab result data for COVID-19 testing to ensure their accuracy prior to paying the invoices. DPH had not completed audits of ten contractors that initially received Coronavirus Relief Funds as of December 2022. DPH should strengthen its internal controls to adequately verify contractor invoices related to long-term care facility COVID-19 testing and should complete the audits of its contractors. We reported this as a finding in the prior audit. [Link to finding in full report](#)

### Office of Policy and Management



**Finding Number:** 2022-403

**Program Name:** COVID-19 Coronavirus Relief Fund

**Federal Award Agency:** U.S. Dept. of the Treasury



**QUESTIONED COSTS**

**\$144,342**

### Overpayment for COVID-19 Test Kits

The Department of Administrative Services (DAS) ordered and paid for 501,840 COVID-19 test kits. However, our reconciliation determined that DAS only received 494,223 test kits. As a result, DAS overpaid the vendor \$144,342 for 7,617 test kits that it did not receive. DAS should strengthen internal controls over purchasing to ensure it reconciles invoices to the receipt of goods or services before making a payment. The department should attempt to recover the amount overpaid and should return federal reimbursement for unallowed expenditures. [Link to finding in full report](#)

### Department of Housing



**Finding Number:** 2022-727

**Program Names:** Section 8 Housing Choice Vouchers, Mainstream Vouchers

**Federal Award Agency:** U.S. Dept. of Housing and Urban Development



**QUESTIONED COSTS**

**\$16,895**

### Incorrect or Unsupported Section 8 Assistance Payments

Our review of 40 housing assistance payments and utility reimbursements disclosed that in 13 cases, payments were incorrectly calculated or not adequately supported. The Department of Housing should strengthen internal controls to ensure that it properly calculates and supports Section 8 Housing Choice Vouchers and Mainstream Vouchers housing assistance and utility benefit payments. We reported this as a finding in the eight prior audits. [Link to finding in full report](#)

### Department of Housing



**Finding Number:** 2022-733

**Program Names:** Section 8 Housing Choice Vouchers, Mainstream Vouchers

**Federal Award Agency:** U.S. Dept. of Housing and Urban Development



DOH did not provide the grantor with the information necessary to fulfill its administrative and monitoring responsibilities.

### Missing CARES Act Funding Reports

The Coronavirus Aid, Relief, and Economic Security (CARES) Act requires recipients of \$150,000 or more of CARES Act Funding, to submit a report not later than ten days after the end of each calendar quarter. The Department of Housing (DOH) did not submit required quarterly reports. DOH should strengthen internal controls to ensure it complies with CARES Act reporting requirements. [Link to finding in full report](#)

## AGENCY

### Department of Housing



**Finding Number:** 2022-735

**Program Name:** COVID-19 Emergency Rental Assistance

**Federal Award Agency:** U.S. Dept. of the Treasury

**QUESTIONED COSTS**

**\$495,092**

## SUMMARY

### Improper Emergency Rental Assistance Payments

The Emergency Rental Assistance (ERA) Program was established to provide financial assistance including payment of rent, rental arrears, utilities, home energy costs, utility and home energy cost arrears, other costs related to housing, and housing stability services to eligible households. Our review of ERA transactions disclosed errors resulting in \$11,343 in assistance overpayments. In addition, DOH did not have a contract in place for a \$483,749 payment for services. DOH should improve monitoring of program activity to ensure that Emergency Rental Assistance payments are allowable, properly calculated, and made in accordance with program requirements. The department should not disburse funding for administrative costs without properly executed contracts. We reported this as a finding in the prior audit. [Link to finding in full report](#)

### State Department of Education



**Finding Number:** 2022-301

**Program Name:** Title I Grants to Local Educational Agencies (Title I, Part A)

**Federal Award Agency:** U.S. Dept. of Education

**QUESTIONED COSTS**

**\$312,078**

### Improper Use of Title 1, Part A Funding

The State Department of Education's (SDE) Connecticut Technical Education and Career System (CTECS) did not expend Title I, Part A funding in accordance with the allocation methods in its approved application for the 2021 federal fiscal year. Specifically, CTECS spent a combined \$308,175 over the amounts allotted in the application for three schools. CTECS also spent \$3,903 for ineligible schools. CTECS should implement policies and procedures to ensure it uses Title I, Part A funding in accordance with the program's laws and regulations. We reported this as a finding in the five prior audits. [Link to finding in full report](#)

### Multiple State Agencies

**Finding Numbers:** 2022-026, 2022-027, 2022-150, 2022-302, 2022-350

**Program Names:** Disaster Grants – Public Assistance (Presidentially Declared Disasters), Low Income Home Energy Assistance Program, Title 1 Grants to Local Educational Agencies (Title I, Part A), Special Education – Grants to States, Special Education – Preschool Grants, COVID-19 Education Stabilization Fund, Temporary Assistance for Needy Families, Workforce Innovation and Opportunity Act grants

**Federal Award Agencies:** U.S. Dept. of Education, U.S. Dept. of Health and Human Services, U.S. Dept. of Homeland Security, U.S. Dept. of Labor

**QUESTIONED COSTS**

The state decreased its public transparency of its spending of federal awards.

### Inadequate Federal Funding Accountability and Transparency Act Reporting

States are required to report any action that obligates \$30,000 or more in federal funds for a subaward to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) no later than the end of the following month after making the obligation. Our review noted the following agencies did not comply with the reporting requirements.

- **The Department of Labor** did not report subawards for Workforce Innovation and Opportunity Act grants. [Link to finding in full report](#)
- **The Department of Social Services (DSS)** and **Department of Children and Families (DCF)** did not report DCF's Temporary Assistance for Needy Families subawards. [Link to finding in full report](#)
- **The State Department of Education** did not report subawards for Title 1, Part A; Special Education – Grants to States; Special Education – Preschool Grants; and for Education Stabilization Funds. [Link to finding in full report](#)
- **DSS** reported Low Income Home Energy Assistance Program and Temporary Assistance for Needy Families subawards into FSRS between one and 12 months late. [Link to finding in full report](#)
- **The Department of Emergency Services and Public Protection** entered six Disaster Grants – Public Assistance (Presidentially Declared Disasters) subawards totaling \$1,581,055 into FSRS between 30 days and eight months and ten days late. [Link to finding in full report](#)

State agencies should strengthen internal controls to ensure compliance with the Federal Funding Accountability and Transparency Act reporting requirements.