

# Statewide Single Audit KEY FINDINGS SUMMARY

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Fiscal Year Ended June 30, 2024

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

**\$14.5 billion**

FY 2023

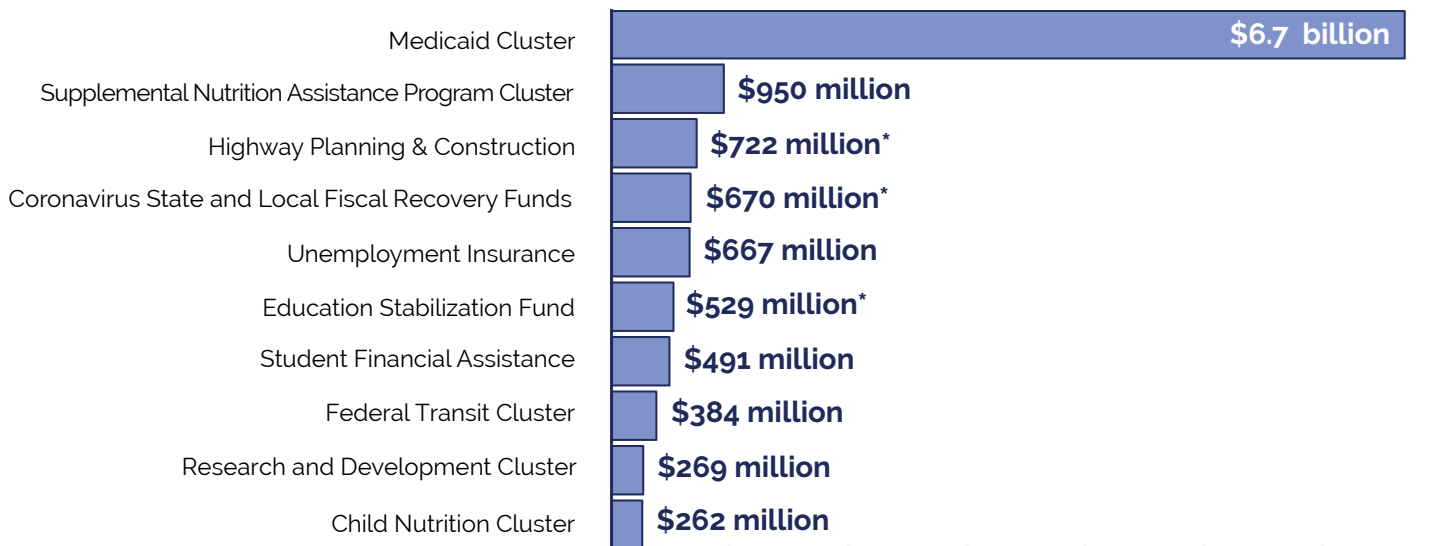
**\$14.3 billion**

FY 2024

FY 2024 includes **\$2.1 billion** for COVID-19 related funding.

FEDERAL FINANCIAL ASSISTANCE

## 10 Largest Federal Programs (FY 2024)



\* Amounts include Research and Development Cluster expenditures

## NOTEWORTHY FINDINGS

Below are some noteworthy findings from the Statewide Single Audit Report for the fiscal year ended June 30, 2024

### AGENCY

### SUMMARY

#### Office of Early Childhood



**Finding Number:** 2024-777

**Program Name:** Child Care and Development Block Grant

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

**?** OEC has reduced assurance that out-of-state providers meet health and safety standards and that it promptly detected providers with criminal backgrounds that may be working in childcare settings.

#### Failure to Conduct Background Checks on Care 4 Kids Providers' Employees and Review Out-of-State Health and Safety Inspection Reports

Our review of eight Care 4 Kids licensed providers for required background checks disclosed that the Office of Early Childhood (OEC) did not complete background checks for three of 14 employees. In addition, OEC did not conduct nor review background checks for out-of-state licensed childcare centers. Our review also disclosed that OEC does not review out-of-state health and safety inspection reports for licensed childcare centers and group homes to ensure compliance with health and safety requirements. OEC should strengthen internal controls to ensure it reviews out-of-state health and safety inspection reports and completes background checks for Care 4 Kids licensed providers. We reported this as a finding in the prior audit. [Link to finding in full report.](#)

#### Department of Social Services



**Finding Number:** 2024-017

**Program Names:** Medical Assistance Program (Medicaid, Title XIX), State Survey and Certification of Health Care Providers and Suppliers (Medicare, Title XVIII)

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

**?** The health and safety of nursing home residents may be at risk.

#### Untimely Skilled Nursing and Intermediate Care Facilities Surveys

The Department of Social Services is the designated single state agency to administer the Medicaid program in accordance with Title 42 U.S. Code of Federal Regulations Part 431. Connecticut administered certain aspects of the Medicaid program through several state agencies including the Department of Public Health (DPH) as the state survey agency. Our review of survey documentation for 25 skilled nursing and intermediate care facilities disclosed that DPH conducted recertification surveys for 22 facilities between ten and 35 months late, sent a notification letter and Statement of Deficiencies and Plan of Correction to 16 facilities between one and 28 days late, and conducted follow-up visits at 20 facilities between two and 170 days late. In addition, our review of 15 investigations for non-immediate jeopardy medium priority complaints or incidents disclosed that DPH initiated three onsite visit surveys between 64 and 348 days late. As of October 7, 2024, DPH did not initiate five surveys for complaints or incidents reported on June 8, 2023 through March 27, 2024. DPH should strengthen internal controls to ensure compliance with federal Medicare and Medicaid survey requirements. We reported this as a finding in the prior audit. [Link to finding in full report.](#)

## AGENCY

## SUMMARY

### Department of Social Services



**Finding Number:** 2024-019  
**Program Name:** Children's Health Insurance Program  
**Federal Award Agency:** U.S. Dept. of Health and Human Services

**QUESTIONED COSTS** **\$401,075**

*We computed questioned costs by applying the applicable federal financial participation rate to the unallowed expenditures.*

### Ineligible Children's Health Insurance Program Clients

Our review of 60 Children's Health Insurance Program (CHIP) eligibility determinations and 40 fee-for-service payments disclosed that the Access Health Connecticut (AHCT) web portal improperly determined three clients as eligible for CHIP when the client had third-party insurance coverage at the time of enrollment and five clients as eligible when the client's household income disqualified them from the program. In addition, the Medicaid Management Information System improperly paid claims for five clients when AHCT and the Department of Social Services (DSS) Integrated Management of Public Assistance for Connecticut system determined these clients were not eligible. Further, our analysis of CHIP data identified 293 clients who aged out of the program when they turned 19. DSS paid \$609,887 for these clients who were no longer eligible for CHIP. DSS should strengthen internal controls to ensure that each CHIP recipient is eligible for the program according to the state plan and federal regulations. We reported this as a finding in the five prior audits. [Link to finding in full report.](#)

### Eastern Connecticut State University



and

### Connecticut State Community College



**Finding Number:** 2024-654  
**Program Names:** Federal Pell Grant Program, Federal Direct Student Loans  
**Federal Award Agency:** U.S. Dept. of Education

**QUESTIONED COSTS** **\$120,000**

There is limited assurance that the university properly notified students of disbursements or their right to cancel loans.

### Improper Notification About Student Financial Assistance Disbursements

Our review of ten students who received Title IV disbursements disclosed that Eastern Connecticut State University could not provide their student notification letters informing students of disbursements.

Our review of ten students who received Title IV disbursements disclosed that Connecticut State Community College did not send notification letters to two students informing them of Direct Loan disbursements or their right to cancel the loans. Further review found that the college did not send notification letters to 2,169 students who received 2,176 Direct Loan disbursements, totaling \$7,769,927.

Eastern Connecticut State University and Connecticut State Community College should send required notifications and maintain adequate documentation to support compliance with Title 34 U.S. Code of Federal Regulations Part 668.165(a). We reported this as a finding in the prior audit. [Link to finding in full report.](#)

### Office of Early Childhood



**Finding Number:** 2024-775  
**Program Name:** Child Care and Development Block Grant  
**Federal Award Agency:** U.S. Dept. of Health and Human Services

**QUESTIONED COSTS** **\$120,000**

### Unallowable Expenditures

Our review of 25 Coronavirus Response and Relief Supplemental Appropriations expenditure transactions disclosed that the Office of Early Childhood (OEC) did not have adequate documentation to support that two expenditures were related to preventing, preparing for, and responding to COVID-19. In addition, OEC obligated these funds approximately one year after the federal deadline. OEC should strengthen internal controls to ensure that it uses funds for allowable purposes and obligates them within the approved budget period. [Link to finding in full report.](#)

## AGENCY

## SUMMARY

### Department of Public Health



**Finding Number:** 2024-200

**Program Name:** HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)

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



There is an increased risk that federal drawdowns will not occur in accordance with the department's immediate cash requirements to administer the program.

### Lack of Controls Over HIV Care Formula Grants Cash Management

We reviewed two versions of the Department of Public Health's (DPH) drawdown tool and determined that neither were effective in monitoring the department's cash needs. The first version understated expenditures by \$5,219,308. Both versions recorded cash drawdowns several months before the actual transfers. As a result, the cash-on-hand amounts were not reliable. DPH should strengthen internal controls over cash management to ensure that federal drawdowns align with the immediate cash needs to administer the program. [Link to finding in full report.](#)

### Department of Mental Health and Addiction Services



**Finding Number:** 2024-803

**Program Name:** Continuum of Care Program

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



**QUESTIONED COSTS**

**\$53,233**

### Costs Charged Outside the Period of Performance

Our review of ten drawdowns, totaling \$92,690, disclosed that the Department of Mental Health and Addiction Services (DMHAS) charged \$8,233 in costs outside of the Continuum of Care grants' period of performance. In addition, we identified \$45,000 in costs charged to a grant, outside of the ten transactions selected for review, after its period of performance. DMHAS should strengthen internal controls over period of performance to ensure it charges expenditures to the correct Continuum of Care grant. [Link to finding in full report.](#)

### Department of Housing



**Finding Number:** 2024-725

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

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



DOH has reduced accountability over program funds.

### Failure to Verify the Accuracy of Section 8 Payment Requests

The Department of Housing (DOH) did not verify the accuracy of monthly payment requests submitted by its contractor. Assistance payments totaled \$111.5 million during fiscal year 2024. DOH should strengthen internal controls by verifying the accuracy of monthly payment requests submitted by its contractor for the Section 8 Housing Choice Vouchers and Mainstream Vouchers programs. We reported this as a finding in the three prior audits. [Link to finding in full report.](#)

## AGENCY

## SUMMARY

### Department of Social Services



**Finding Number:** 2024-018

**Program Names:** Medical Assistance Program (Medicaid, Title XIX), Supplemental Nutrition Assistance Program

**Federal Award Agencies:** U.S. Dept. of Health and Human Services, U.S. Dept. of Agriculture

### QUESTIONED COSTS

**\$8,713**

*We computed questioned costs by applying the related federal financial participation rate to benefit payments associated with ineligible clients.*

### Lack of Controls over Date of Death Matches


The Department of Social Services (DSS) did not sufficiently review Income and Eligibility Verification System (IEVS) alerts related to client date of death for the Medicaid program and the Supplemental Nutrition Assistance Program (SNAP). The IEVS matches Department of Labor wage information, Social Security Administration wage and date of death files, and Internal Revenue Services unearned income files. Our review of 15 date of death alerts disclosed that DSS did not record the date of death for five client cases, did not close four client cases, and did not recoup \$9,729 in overpayments for 11 client cases. Furthermore, for five single-member household SNAP clients, unauthorized persons used \$6,581 of the deceased client's SNAP benefits after the client's death. DSS should provide the necessary resources and institute procedures to ensure that it uses all information from eligibility, income, and death matches to ensure that it correctly issues benefits to eligible clients or on their behalf. DSS should return federal reimbursements for unallowable expenditures. We reported this as a finding in the 28 prior audits. [Link to finding in full report.](#)

### Multiple State Agencies

**Finding Numbers:** 2024-022, 2024-024, 2024-025, 2024-201

**Program Names:** Low-Income Home Energy Assistance Program, Temporary Assistance for Needy Families, Social Services Block Grant, HIV Care Formula Grants (Ryan White HIV/AIDS Program Part B)

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

 State agencies have reduced assurance that subrecipients used federal funds for allowable activities.

### Inadequate Subrecipient Monitoring

State agencies that pass-through funds to subrecipients are required to monitor subrecipient activities as necessary to ensure that they use the subaward for authorized purposes in compliance with federal statutes, regulations, and the subaward's terms and conditions and ensure that they achieve performance goals. Our review noted the following agencies did not comply with federal requirements for monitoring subrecipients.

- **The Department of Social Services (DSS)** did not conduct annual fiscal reviews for six Low-Income Home Energy Assistance Program subrecipients. [Link to finding in full report.](#)
- **The Department of Children and Families (DCF)** did not review any Temporary Assistance for Needy Families subrecipients' federal single audit reports. [Link to finding in full report.](#)
- **The Department of Housing (DOH)** did not obtain all required financial and performance reports, did not monitor for late reports, did not review submitted performance reports, and did not accurately complete administrative monitoring reports for seven Social Services Block Grant subrecipients. [Link to finding in full report.](#)
- **The Department of Public Health (DPH)** did not conduct annual on-site financial review visits for ten HIV Care Formula Grants subrecipients and did not verify that one subrecipient submitted a single audit report. [Link to finding in full report.](#)

State agencies should strengthen internal controls to ensure compliance with federal requirements for monitoring subrecipients. We reported these as findings for DSS and DPH in the prior audit, DCF in the prior two audits, and DOH in the prior ten audits.