STATE OF CONNECTICUT

AUDITORS’ REPORT
OFFICE OF THE CHIEF MEDICAL EXAMINER
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 AND 2004

AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON  ROBERT G. JAEKLE
June 29, 2007

AUDITORS' REPORT
OFFICE OF THE CHIEF MEDICAL EXAMINER
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 AND 2004

We have made an examination of the financial records of the Office of the Chief Medical Examiner (OCME) for the fiscal years ended June 30, 2003 and 2004. This report on the examination consists of the Comments, Recommendations and Certification which follow.

Financial Statement presentation and auditing is performed annually on a Statewide Single Audit basis to include all State agencies. This audit examination has been limited to assessing the Office of the Chief Medical Examiner's compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the internal control structure policies and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The Office of the Chief Medical Examiner operates under the control and supervision of the Commission on Medicolegal Investigations, in accordance with the provisions of Title 19a, Chapter 368q, of the Connecticut General Statutes. The Office of the Chief Medical Examiner investigates all human deaths of a violent nature, deaths under suspicious circumstances, and certain other types of deaths. The Office is directed by a Chief Medical Examiner who is appointed by the Commission.

Dr. H. Wayne Carver II served as the Chief Medical Examiner during the audited period.

Commission on Medicolegal Investigations:

The Commission on Medicolegal Investigations, an independent administrative commission, consists of nine members: two full professors of pathology, two full professors of law, a member of the Connecticut Medical Society, a member of the Connecticut Bar Association, two members of the public selected by the Governor, and the State Commissioner of Public Health. The members are appointed to six-year terms. The terms of four members expire every three years.
As of June 30, 2004 the members were:

S. Evans Downing, M.D., Chairman  
Susan Keane Baker, M.H.A.  
Robert E. Cone, Ph.D.  
Steven B. Duke, J.D.  
Todd D. Fernow, J.D.  
Richard A. Lavelly, M.D., J.D.  
Daniel C. Niejadlik, M.D.  
Celia Pinzi  
J. Robert Galvin, M.D., Commissioner of Public Health, ex-officio

Section 19a-402 of the Connecticut General Statutes provides that the Commission on Medicolegal Investigations shall be within the Department of Public Health for administrative purposes only.

RÉSUMÉ OF OPERATIONS:


General Fund receipts for the fiscal years ended June 30, 2002, 2003 and 2004, are presented below for comparative purposes:

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Cremation certificates</td>
<td>$705,825</td>
<td>$743,085</td>
<td>$764,300</td>
</tr>
<tr>
<td>Medical and autopsy reports</td>
<td>19,220</td>
<td>23,209</td>
<td>18,278</td>
</tr>
<tr>
<td>Refunds of Current Year Expenditures</td>
<td>585</td>
<td>55</td>
<td>896</td>
</tr>
<tr>
<td>Other</td>
<td>11,685</td>
<td>4,774</td>
<td>6,704</td>
</tr>
<tr>
<td><strong>Total General Fund Receipts</strong></td>
<td><strong>$737,315</strong></td>
<td><strong>$771,123</strong></td>
<td><strong>$790,178</strong></td>
</tr>
</tbody>
</table>

A comparative summary of General Fund expenditures for the fiscal years ended June 30, 2002, 2003 and 2004, are presented below:

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>$3,526,825</td>
<td>$3,658,954</td>
<td>$3,612,825</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>962,425</td>
<td>1,022,782</td>
<td>826,093</td>
</tr>
<tr>
<td>Commodities</td>
<td>217,453</td>
<td>227,813</td>
<td>209,615</td>
</tr>
<tr>
<td>Equipment</td>
<td>51,089</td>
<td>33,900</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>1,555</td>
<td>260</td>
</tr>
<tr>
<td><strong>Total General Fund Expenditures</strong></td>
<td><strong>$4,757,792</strong></td>
<td><strong>$4,945,004</strong></td>
<td><strong>$4,648,793</strong></td>
</tr>
</tbody>
</table>

In addition to the General Fund expenditures, equipment purchases from the Capital

Personal services expenditures accounted for 74 percent and 78 percent of total General Fund expenditures for the fiscal years ended June 30, 2003 and 2004. As of June 30, 2004, the Office of the Chief Medical Examiner had 49 full-time and 12 part-time filled positions.

Contractual services decreased by 19 percent from the 2003 fiscal year to the 2004 fiscal year. This was due in part to more field examination services being provided by OCME employees.

**Irwin H. Lepow Trust Fund:**

The Irwin H. Lepow Trust Fund was established as a non-expendable trust fund in 1988 to honor the memory of Dr. Irwin H. Lepow, the first Chairperson of the State’s Commission on Medicolegal Investigations. It was originally intended that the investment income was to be used for educational purposes “…such as, but not limited to library acquisitions, periodicals, teaching aids or special seminar programs.” In 1998, the fund was modified to an expendable trust fund, meaning that the contributed capital as well as the earned interest may be used for the originally stated purposes.

Donations to the Fund totaled $100 in fiscal year 2002-2003 and $500 was received in fiscal year 2003-2004. Interest earned by the trust fund totaled $660 and $420 during the respective years. Expenditures from the trust fund were $2,215 in fiscal year 2003 and $4,123 in fiscal year 2004. The fund balance as of June 30, 2004, was $33,283. Further discussion of this Fund can be found in the “Condition of Records” section of this report.
CONDITION OF RECORDS

Our examination of the records of the Office of the Chief Medical Examiner disclosed certain areas requiring attention, which are detailed in this section of the report.

Appointment of Commission Members:

Criteria: Section 19a-401, subsection (a), of the General Statutes provides that members appointed to the Commission on Medicolegal Investigations are allowed to serve for a period of six years and until their successors are appointed. Said Section specifies that appointments be made in part from lists of candidates recommended by committees comprised of various professionals in the fields of medicine and law. Board members are to be reappointed under the same conditions as the initial appointments.

Condition: At the close of our field work in October, 2006, we noted that six members of the Commission had not been officially reappointed upon expiration of their terms, yet continue to serve on the Commission. Two of those members apparently have not been formally reappointed or replaced since their last official appointment in 1979.

Effect: The lack of timely reappointment or replacement of Board members places into question the anticipated tenure of those members that continue to serve beyond their terms. The inordinate length of time since the expiration of the members’ terms suggests that the members have essentially been “reappointed” without regard to the conditions of the initial appointments.

Cause: It appears that the Governor's Office has not been addressing the reappointment/replacement of Commission members in a timely manner or in accordance with the statutory provisions.

Recommendation: The Commission should consult with the Governor's Office regarding the expiration of Commission members’ terms, helping to ensure that the appointment process is carried out expeditiously and in accordance with statutory requirements. (See Recommendation 1.)

Agency Response: “By law, Commissioners whose terms have expired continue to serve until replaced. This has effectively prevented vacancies due to lack of reappointment. When vacancies occur because of retirement or resignation, the Commission contacts the Governor’s Office to prompt replacement appointments and will continue to do so.”
Comment: Under the current process followed by the Office of the Chief Medical Examiner which is described above in the “Agency Response” Commissioners are serving long extended lengths of time beyond the expiration of their terms.

Procurement – Retention of Vendor Documentation:

Criteria: Sound internal controls dictate that when a State contract award is utilized for the procurement of goods and/or services, the Agency should ensure that the terms provided by the vendor adhere to the actual terms of the contract award. Evidence of such adherence should be retained for audit purposes.

Condition: Our examination of expenditures included a review of the retention of vendor documentation. Through interviews of OCME staff we determined that contracts and price lists were not always retained, making it difficult to determine whether the terms of the contract were adhered to.

Effect: The failure to compare the vendors’ terms with those of the applicable contract increases the risk that billing errors will go undetected.

Cause: We were not able to determine the cause of the lack of documentation.

Recommendation: The Office of the Chief Medical Examiner should improve internal control over the procurement process by establishing procedures to retain documentation or excerpts thereof. (See Recommendation 2.)

Agency Response: “The Agency will take steps to improve internal control as outlined in the recommendation.”

Records Retention:

Criteria: Section 2-90, subsection (g), of the General Statutes states that each State agency shall keep its accounts in such form and by such methods as to exhibit the facts required by said auditors and, the provisions of any other general statute notwithstanding, shall make all records and accounts available to them or their agents, upon demand.

Condition: The Office of the Chief Medical Examiner was not able to provide the 2003 GAAP Form 7 Compensated Absences for review.
Effect: We were not able to examine GAAP Form 7 Compensated Absences.

Cause: We were not able to determine the cause.

Recommendation: The Office of the Chief Medical Examiner should retain records subject to audit until they are audited. (See recommendation 3.)

Agency Response: “The Agency believes the 2003 GAAP Form 7 was completed and sent to the Office of the State Comptroller (OSC) in a timely manner. The Office could not locate its copy after at least two diligent searches and a request to OSC for a copy. We believe this is due in great part to unprecedented staff reductions and turnover during this period. GAAP statements are available for other years.”

Lack of Insurance Documentation:

Criteria: State travel regulations require the Agency head to verify that each person authorized to use a personally owned vehicle on official State business has a certificate of insurance on file with the Agency documenting at least the minimum insurance coverage.

Condition: Our examination of employee travel advances revealed that for 30 of the 41 advances tested, CO-17XP-PR employee vouchers did not have the required proof of insurance on file.

Effect: Lack of verification of proper insurance coverage leaves the State with inadequate protection in the event of an accident.

Cause: The Department apparently does not have adequate procedures in place to enforce the travel regulations.

Recommendation: The Office of the Chief Medical Examiner should implement procedures to monitor and ensure compliance with State of Connecticut Travel Regulations. (See Recommendation 4.)

Agency Response: “As soon as the Agency was informed the Agency took immediate steps to correct the situation. Documentation was provided to the on-site Auditors. This recommendation has been implemented.”

Revenue Accountability Reports:

Background: In January 2006, the Office of the Chief Medical Examiner implemented a new integrated electronic billing and accounts receivable system. The system is expected to increase accountability while reducing the volume of checks handled by the staff of the OCME. The integrated nature of the system allows for random periodic samplings of individual billings to resultant receipts. The
Office has not prepared periodic accountability reports or reconciliations of total receipts.

Criteria: The State Comptroller’s State Accounting Manual requires the periodic preparation, where feasible, of accountability reports to compare the moneys that were actually recorded from primary revenue sources with the moneys that should have been accounted for.

Condition: As noted in our prior report, the Office of the Chief Medical Examiner does not prepare periodic accountability reports for cremation certificate revenue, which is its largest revenue source.

Effect: There is reduced assurance that amounts recorded accurately represent amounts that should have been collected for cremation certificates issued.

Cause: The Office had intended to perform a reconciliation between the amount of revenue received from cremation certificates and the number of cremation cases recorded in its anticipated new database. Delays in the implementation of a new database and staffing shortages have prevented completing the process.

Recommendation: The Office of the Chief Medical Examiner should strengthen controls over cremation certificate receipts by the periodic preparation of accountability reports. (See Recommendation 5.)

Agency Response: “As stated to the Auditors, this is a work in progress. The Agency will continue to work to bring it into full compliance with the spirit and intent of this recommendation.”

Maintenance of Inventory Records:

Criteria: The State of Connecticut’s Property Control Manual states that a separate perpetual (continuous) inventory should be maintained of all stores and supplies if the estimated value of the entire inventory is over $1,000.

The Manual states that, “Software licenses are not owned assets, but must be included in the software inventory.”

Condition: We determined that a perpetual inventory of stores and supplies is not maintained.

Software licenses of $38,000 were included on both the equipment inventory and the CO-59 inventory report in error.
Effect: The lack of a perpetual inventory of stores and supplies may cause there to be an overage of some supplies, and a shortage of others. The inclusion of software licenses in the equipment inventory and on the CO-59 inventory report overstates the Agency’s equipment inventory.

Cause: It appears that although the Agency has worked toward implementing the Core-CT inventory module to account for its perpetual inventory, it has not been implemented. Management at OCME has determined that additional staff would be required to implement the module since the Agency works on a 24 hour schedule. It appears that management did not follow equipment inventory policies and procedures regarding software licenses.

Recommendation: The Office of the Chief Medical Examiner should implement internal controls to ensure that its stores and supplies inventory and software inventory are maintained in accordance with the State of Connecticut’s Property Control Manual. (See Recommendation 6.)

Agency Response: “The Agency acknowledges that the software inventory was reflected on both the equipment inventory and the CO-59 inventory report in error. The Agency has made the necessary corrections. Additionally, the Agency had been diligently working with both OSC and Core-CT staff and has expended considerable time and effort toward implementing the Core-CT Inventory module. Unfortunately, the module is highly labor intensive and would require additional staff on each shift to maintain it. The Agency is committed to working with the OSC/Core-CT staff to find an alternative method that would comply with the requirements.”

Reconciliation of Check Log:

Background: The Office of the Chief Medical Examiner records checks in a check log as they are received, prior to deposit.

Criteria: Adequate controls over receipts require the receiving agency to verify the amounts received have been deposited and to perform a reconciliation of receipts to the Core-CT General Ledger.

Condition: The Office of the Chief Medical Examiner was not able to provide evidence of reconciliations of the record of receipts to the records of the State Comptroller for the fiscal year ended June 30, 2004. The OCME was not able to generate comprehensive revenue reports in a timely manner. The check log did not contain daily totals which could be alternately used for comparison to the individual deposits.
At the end of our field work in October, 2006, the OCME had not routinely performed the reconciliations.

**Effect:**
The Agency was not able to effectively compile reports from the computer system in place. The ability to verify the accuracy of the information contained in the computer systems was hampered by the inability to generate reports. The effectiveness of the internal control process that controls the Agency’s ability to record, process, summarize, and report financial data calls into question the Agency’s ability to properly report on and safeguard the assets of the State.

**Cause:**
It appears that the Core-CT system did not have the capability to generate accurate and comprehensive reports. The Agency did not implement alternative means for verifying that all checks received were deposited into the bank.

**Recommendation:**
The Office should perform a reconciliation of the receipts to the revenue records of the State Comptroller. (See Recommendation 7.)

**Agency Response:**
“The Agency implemented a new billing system for in-state cremations (the bulk of agency revenue) in 2006 through the Core-CT billing system. As indicated to the Auditors, this is a work in progress.”

**Late Deposit:**

**Criteria:**
Section 4-32 of the General Statutes requires that any State agency receiving any money or revenues for the State amounting to more than $500 shall deposit such receipts in depositories designated by the State Treasurer within 24 hours of receipt.

**Condition:**
Our review disclosed three deposits that contained checks that were not deposited within 24 hours. The procedures for audit of the Office of Chief Medical Examiner include the examination of a sample of deposits for compliance with prompt deposit requirements. The test sample contained 26 dates with deposits totaling $124,863; three of those dates contained checks which were deposited one day late. The late deposits amounted to $8,114.

**Effect:**
Late deposits may indicate a breakdown in controls regarding safeguarding the State’s assets. The procedures in place do not fulfill the statutory requirements for prompt deposit.

**Cause:**
The controls are not adequate to ensure the timely deposit of checks received.

**Recommendation:**
The controls over the receipt of checks should be improved to ensure
prompt deposit of receipts in accordance with statutory requirements. (See Recommendation 8.)

*Agency Response:* “The Agency believes this is due in great part to unprecedented staff reductions and turnover during this period. The Agency has renewed efforts to ensure that all incoming funds are deposited in a timely manner.”
Prior Audit Recommendations:

Our prior audit report contained ten recommendations. Of those, six have been adequately addressed and the other four are repeated or modified to reflect the current conditions. The status of the prior recommendations is summarized as follows:

- The Commission should consult with the Governor's Office prior to the expiration of Commission members’ terms, helping to ensure that the appointment process is carried out expeditiously and in accordance with statutory requirements. This recommendation is modified to reflect current conditions. (See Recommendation 1.)

- The Office of the Chief Medical Examiner should improve internal control over the procurement process by establishing procedures to provide for the verification of vendor’s invoices against applicable State contract prices. Documentation or excerpts thereof should be retained as evidential support for purchases made. This recommendation is being repeated. (See Recommendation 2.)

- The Office of the Chief Medical Examiner should enhance procedures to better track obligations in order to ensure that sufficient monies are available to properly commit funds for payment of assistant medical examiners. This recommendation has been resolved.

- The Office of the Chief Medical Examiner should comply with the relevant policies in “The Handbook for Appointed Officials.” Previous requests for an opinion from the Attorney General’s Office should be followed up. Specific exemptions should be sought if the Agency believes that the circumstances merit an exemption. This recommendation has been resolved.

- The Office should develop a formal written data processing disaster recovery plan and incorporate it into its draft Catastrophe Assistance Contingency Plan. This recommendation is not being repeated.

- The Office of the Chief Medical Examiner should strengthen controls over cremation certificate receipts by the periodic preparation of accountability reports. This recommendation is being repeated in a modified format. (See Recommendation 5.)

- The Office of the Chief Medical Examiner should improve controls over its various inventories by adhering to the procedures contained in the State Comptroller’s Property Control Manual. This recommendation has been modified and will be repeated. (See Recommendation 6.)

- The Commission, in conjunction with the Office of Policy and Management, should formally evaluate the benefits of using the Department of Public Health as an administrative agency as specified in Section 4-38f and Section 19a-402 of the
Auditors of Public Accounts

Statutes. This recommendation is not being repeated.

- A formal plan should be prepared to demonstrate how the Office of the Chief Medical Examiner intends to optimize its use of the Irwin H. Lepow Trust Fund. This recommendation has been resolved.

- The Office of the Chief Medical Examiner should develop written procedures over the collection and safeguarding of the personal property of the deceased. Such procedures should include, but not be limited to, documenting the collection, holding, and the final disposition of the personal property of the deceased and include modifying existing forms. This recommendation has been resolved.

Current Audit Recommendations:

1. **The Commission should consult with the Governor's Office regarding the expiration of Commission members’ terms, helping to ensure that the appointment process is carried out expeditiously and in accordance with statutory requirements.**

   **Comment:**

   Six members of the Commission had not been officially reappointed upon the expiration of their terms. Two of these have not been formally reappointed or replaced since their last official appointment in 1979.

2. **The Office of the Chief Medical Examiner should improve internal control over the procurement process by establishing procedures to retain documentation or excerpts thereof.**

   **Comment:**

   The Agency has not routinely compared vendor invoiced prices to the applicable contractual prices. Contract awards and price books are not retained as evidence.

3. **The Office of the Chief Medical Examiner should retain records subject to audit until they are audited.**

   **Comment:**

   The Agency was not able to provide the 2003 GAAP Form 7 Compensated Absences for our review.

4. **The Office of the Chief Medical Examiner should implement procedures to monitor**
and ensure compliance with State of Connecticut Travel Regulations.

Comment:

Thirty of the 41 travel reimbursements examined did not have the required certificate of insurance on file.

5. The Office of the Chief Medical Examiner should strengthen controls over cremation certificate receipts by the periodic preparation of accountability reports.

Comment:

The Office does not prepare periodic accountability reports for cremation certificate revenue, which, at approximately $750,000 annually, is its largest revenue source.

6. The Office of the Chief Medical Examiner should implement internal controls to ensure that its stores and supplies inventory and software inventory are maintained in accordance with the State of Connecticut's Property Control Manual.

Comment:

The Agency does not keep a perpetual inventory of supplies. Software licenses were erroneously included on the equipment inventory.

7. The Office should perform a reconciliation of the receipts to the revenue records of the State Comptroller.

Comment:

The Agency was not able to provide evidence of reconciliations of the record of receipts to the records of the State Comptroller for the fiscal year ended June 30, 2004.

8. The controls over the receipt of checks should be improved to ensure prompt deposit of receipts in accordance with statutory requirements.

Comment:

Our review disclosed three deposits that contained checks that were not deposited within 24 hours.
INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Office of the Chief Medical Examiner for the fiscal years ended June 30, 2003 and 2004. This audit was primarily limited to performing tests of the Agency’s compliance with certain provisions of laws, regulations, contracts and grants, and to understanding and evaluating the effectiveness of the Agency’s internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grants applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly recorded, processed, summarized and reported on consistent with management’s authorization, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the Office of the Chief Medical Examiner for the fiscal years ended June 30, 2003 and 2004, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Office of the Chief Medical Examiner complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grants and to obtain a sufficient understanding of the internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Compliance:

Compliance with the requirements of laws, regulations, contracts, and grants applicable to the Office of the Chief Medical Examiner is the responsibility of the Office of the Chief Medical Examiner’s management.

As part of obtaining reasonable assurance about whether the Agency complied with laws, regulations, contracts, and grants, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Agency’s financial operations for the fiscal years ended June 30, 2003 and 2004, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial or less than significant instances of noncompliance, which are described in the accompanying “Condition of Records” and “Recommendations” sections of this report.
Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

The management of the Office of the Chief Medical Examiner is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts, and grants applicable to the Agency. In planning and performing our audit, we considered the Agency’s internal control over its financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Agency’s financial operations in order to determine our auditing procedures for the purpose of evaluating the Office of the Chief Medical Examiner's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grants, and not to provide assurance on the internal control over those control objectives.

Our consideration of the internal control over the Agency’s financial operations and over compliance would not necessarily disclose all matters in the internal control that might be material or significant weaknesses. A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants or failure to safeguard assets that would be material in relation to the Agency’s financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to the Agency being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control that we consider to be material or significant weaknesses.

However, we noted certain matters involving the internal control over the Agency’s financial operations, safeguarding of assets, and/or compliance, which are described in the accompanying “Condition of Records” and “Recommendations” sections of this report.

This report is intended for the information of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.
CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies extended to our representatives by the personnel of the Office of the Chief Medical Examiner during the course of our audit.

Josepha M. Brusznicki
Principal Auditor

Approved:

Kevin P. Johnston  Robert G. Jaekle
Auditor of Public Accounts  Auditor of Public Accounts