

STATE OF CONNECTICUT



*AUDITORS' REPORT
OFFICE OF THE CHIEF MEDICAL EXAMINER
FOR THE FISCAL YEARS ENDED JUNE 30, 2013, 2014 and 2015*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN

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February 22, 2017

**AUDITORS' REPORT
OFFICE OF THE CHIEF MEDICAL EXAMINER
FOR THE FISCAL YEARS ENDED JUNE 30, 2013, 2014 AND 2015**

We have audited certain operations of the Office of the Chief Medical Examiner (OCME) in fulfillment of our duties under Sections 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to the years ended June 30, 2013, 2014, and 2015. The objectives of our audit were to:

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

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of OCME, and testing selected transactions. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

The accompanying *Résumé of Operations* is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of OCME. For the areas audited, we identified

1. Deficiencies in internal controls;
2. Apparent noncompliance with legal provisions; and
3. Need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations in the accompanying report presents any findings arising from our audit of OCME.

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. Per the agency's records, there were 19,572 accessions, 16,316 cremations, and 1,993 autopsies performed in fiscal year 2014-2015.

During the audited period, Dr. H. Wayne Carver served as the chief medical examiner until May 1, 2013. Dr. James Gill was appointed chief medical examiner on June 26, 2013 and continues to serve in that capacity.

The office's personnel, payroll and affirmative action functions and asset management and business office functions were transferred to UConn Health on July 1, 2012. The memorandum of understanding between the two agencies gave UConn Health the responsibilities for asset management, purchasing-card administration, accounts receivable related functions and generally accepted accounting principles (GAAP) reports as it relates to the findings below.

As of July 1, 2015, these functions reverted to the Office of the Chief Medical Examiner.

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 commissioner of the Department of Public Health. The members are appointed to six-year terms. The terms of four members expire every three years.

As of June 30, 2015, the members were:

Todd D. Fernow, J.D., chairman
Susan Keane Baker, M.H.A.
Steven B. Duke, J.D.
Isaac Goodrich, M.D.
Sidney M. Hopfer, Ph.D.
Richard A. Lavelly, M.D., J.D., M.S., M.P.H.
Celia F. Pinzi
Jewel Mullen, M.D., M.P.H., M.P.A., Commissioner of Public Health, ex-officio
John Sinard, M.D., Ph.D.

During the audited period, the following also served on the commission:

Frank J Scarpa, M.D.

During the prior audit period, Section 19a-402 of the Connecticut General Statutes provided that the Commission on Medicolegal Investigations shall operate within the Department of Public Health for administrative purposes only. That statute was repealed by Public Act 12-1 effective July 1, 2012.

Recent Notable Legislation

The following notable legislative changes went into effect during the audited period:

Public Act No. 12-1 of the June Special Session – Section 100 of the act amends section 19a-402 of the General Statutes by assigning the Commission on Medicolegal Investigations and the Office of the Chief Medical Examiner within UConn Health for administrative purposes only. The effective date of this provision was July 1, 2012. This change was repealed as of July 1, 2015.

RÉSUMÉ OF OPERATIONS

General Fund

General Fund receipts totaled \$1,917,917, \$1,869,005, \$2,327,885, and \$2,347,975 for the fiscal years ended June 30, 2012, 2013, 2014, and 2015, respectively. The majority of the receipts consisted of fees for cremation certificates.

General Fund receipts for the fiscal years ended June 30, 2013, 2014, and 2015, are presented below for comparative purposes:

	<u>Fiscal Years</u>		
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Cremation Certificates	\$1,851,652	\$2,303,539	\$2,321,411
Medical and Autopsy Reports	17,353	24,346	26,565
Total General Fund Receipts	<u>\$1,869,005</u>	<u>\$2,327,885</u>	<u>\$2,347,976</u>

The increase in revenue from cremation certificates was directly due to an increase in cremations and an improvement in collections of delinquent accounts from the prior year.

A comparative summary of General Fund expenditures for the fiscal years ended June 30, 2013, 2014, and 2015, is presented below:

	<u>Fiscal Years</u>		
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>
Personal Services	\$4,070,490	\$4,153,749	\$4,319,976
Contractual Services	434,097	865,487	835,388
Commodities	402,496	365,600	415,828
Equipment	13,398	0	18,272
Total General Fund Expenditures	<u>\$4,920,481</u>	<u>\$5,384,836</u>	<u>\$5,589,464</u>

Personal services expenditures accounted for 83, 77, and 77 percent of total General Fund expenditures for the fiscal years ended June 30, 2013, 2014, and 2015, respectively.

The significant increase in the contractual services category of \$431,390 in the 2013-2014 fiscal year was primarily due to increased costs associated with the outsourcing of the toxicology laboratory for toxicology testing. This was directly related to the retirement and transfer of several key toxicological laboratory employees.

Special Revenue Fund – Capital Equipment Purchase Fund

Equipment and corresponding software upgrade purchases from the Capital Equipment Purchase Fund totaled \$70,440, \$0 and \$90,136 during the 2012-2013, 2013-2014, and 2014-2015 fiscal years, respectively.

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 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 were \$0, \$1,058, and \$1,100 in the 2012-2013, 2013-2014, and 2014-2015 fiscal years, respectively. Interest earned by the trust fund totaled \$43, \$35, and \$44 during the respective fiscal years. There were no expenditures from the trust fund during the audited period. The fund balance as of June 30, 2015, was \$29,466.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Office of the Chief Medical Examiner disclosed certain areas requiring attention, which are presented 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. Members are to be reappointed under the same conditions as the initial appointments.

It should be noted that statutory provisions make allowances for members to continue serving beyond the expiration of their terms to permit the commission to operate.

Condition: At the conclusion of our field work in April, 2016, we noted that six out of nine members of the commission had not been officially reappointed upon expiration of their terms, yet continued to serve. We noted that the time lapse ranged from 11 months to two years past the expiration of their terms.

Effect: The lack of timely reappointment of members places into question the anticipated tenure of those members who continue to serve beyond their terms. The 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 Office of the Governor has not been addressing the reappointment of commission members in a timely manner or in accordance with the statutory provisions.

Recommendation: The Commission on Medicolegal Investigations should continue to consult with the Office of the Governor regarding the expiration of member terms, to ensure the appointment process is carried out expeditiously and in accordance with statutory requirements. (See Recommendation 1.)

Agency Response: "The Office of the Chief Medical Examiner administration will inform the Commission on Medicolegal Investigations of the expiration date of the current appointed Commission members."

Revenue Accountability Reports

- Criteria:* The State of Connecticut’s Accounting Manual requires the periodic preparation, where feasible, of accountability reports to compare the monies that were recorded from primary revenue sources with the monies that should have been accounted for.
- Condition:* The Office of the Chief Medical Examiner did 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:* Internal control policies were not followed. During the audited period, the office had several staff changes that may have also contributed to this condition.
- Recommendation:* The Office of the Chief Medical Examiner should strengthen controls over cremation certificate receipts by preparing periodic accountability reports. (See Recommendation 2.)
- Agency Response:* “The Office of the Chief Medical Examiner agrees with the finding. During the period of this audit, these reports were the responsibility of UConn Health. Since the OCME now has in-house administration, the agency has written an accountability procedure to reconcile the Case Manager cremation fee data with the Core-CT cremation fee invoice data. The state fiscal year 2016 reconciliation was prepared and reconciled. The procedure will be shared with the Auditors of Public Accounts.”

Purchasing Card (P-Card)

- Criteria:* The memorandum of understanding between UConn Health and OCME states that UConn Health was responsible for “acting as P-Card coordinator for the P-Card assigned to OCME, including processing OCME P-Card bills and reconciling OCME P-Card statements”. The State of Connecticut Agency Purchasing Card Coordinator Manual details the reconciliation process that should be performed on a monthly basis for purchasing card transactions.
- Per the manual, the cardholder is responsible for “recording all purchases on the P-Card Log (CO-501 report) and maintaining all supporting documentation such as proper receipts, vendor order forms, cash receipts and other relevant information. The manual also states that “purchasing card

documents are to be maintained on file in each agency for three years or until audited, whichever is later.”

Condition: Our review of 15 P-Card transactions for the audited period disclosed the following:

- OCME was unable to provide supporting documentation for any of the P-Card transactions.
- UConn Health was unable to provide the required monthly reconciliations for six P-Card transactions. We also noted monthly reconciliations were not performed during the fiscal year ended June 30, 2015.

Effect: Both UConn Health and OCME did not fully comply with the requirements set forth in the State of Connecticut’s Agency Purchasing Card Coordinator Manual. As a result, controls over purchasing card transactions were weakened and there was an increased possibility of unacceptable purchases.

Cause: There appears to have been confusion amongst staff at both UConn Health and OCME about which agency was responsible for the various aspects of the purchasing card program during the time period OCME business functions were administered by UConn Health.

Recommendation: The Office of The Chief Medical Examiner should comply with the State of Connecticut’s Agency Purchasing Card Coordinator Manual. (See Recommendation 3.)

Agency Response: “The Office of the Chief Medical Examiner agrees with the finding. As previously noted, the University of Connecticut Health Center was the P-Card coordinator for the Office of the Chief Medical Examiner for fiscal years 2013, 2014, and 2015. The corresponding amount of P-Card purchases equals \$13,447.76, \$22,854.52, and \$22,188.53. Since the Office of the Chief Medical Examiner currently has in-house administrative support, there is a written procedure to comply with the state purchasing credit card [P-Card] program. The procedure has been followed completely and the agency source records including the official P-CARD Log Sheet form CO-501 have been completed for state fiscal year 2016.”

Asset Management

Criteria: Section 4-36 of the General Statutes requires that each state agency establish and maintain inventory records in the form prescribed by the State Comptroller. In addition, the State Property Control Manual establishes the standards for maintaining an inventory system and sets reporting

requirements. These requirements include: filing an annual Asset Management/Inventory Report/GAAP Reporting Form (CO-59 report); reporting accurate amounts on the CO-59 report that are supported by subsidiary records; and providing a complete physical inventory of all property by the end of each fiscal year to ensure that property control records accurately reflect the inventory on hand.

Condition: Our current audit examination of the office's property control system disclosed the following:

- OCME transferred 29 equipment items costing \$469,486 to the Department of Emergency Services and Public Protection (DESPP) in fiscal year 2014-2015 for use in DESPP's forensic labs. However, there was no formal signed authorization from either agency authorizing the transfer. As a result, OCME reported the items as a deletion on its CO-59 report, but the items were not reported as an addition by DESPP.
- The CO-59 reports for the fiscal years ended June 30, 2013, 2014, and 2015, were either submitted late or were not submitted to the State Comptroller.
- Certain amounts relating to the software and equipment category on the CO-59 reports filed for the fiscal years ended June 30, 2013, 2014, and 2015 either contained errors or could not be readily traced to supporting documentation. Of note, three equipment purchases totaling \$59,065 during the 2014-2015 fiscal year were not tagged or included in the report.
- A physical inventory of equipment was not conducted for the fiscal years ended June 30, 2013, 2014, and 2015.
- OCME did not produce a software inventory report or undertake a physical inventory of its software library during the fiscal years ended June 30, 2014, and 2015.

Effect: These conditions weaken internal control over equipment and increase the likelihood that the loss of equipment may occur and not be detected by management in a timely manner.

Cause: Inadequate staffing and a breakdown in internal controls contributed to these deficiencies.

Recommendation: The Office of the Chief Medical Examiner should improve internal control over asset accountability and reporting, and ensure compliance with the

requirements of the State Property Control Manual. (See Recommendation 4.)

Agency Response: “The Office of the Chief Medical Examiner agrees with the finding. During the period of this audit, asset management was the responsibility of UConn Health. Since we now have in-house administration, the Office of the Chief Medical Examiner has a current written procedure to comply with the Asset Management processing requirements. Assets, controllable items, software inventory, and stockroom inventory will be completed for state fiscal year 2016 with supporting documentation.”

Timeliness of Bank Deposits of Receipts

Criteria: Section 4-32 of the General Statutes requires that an agency shall account for receipts within 24 hours, and if the total receipts are five hundred dollars or more, deposit the same within twenty-four hours of receipt. Total daily receipts of less than \$500 may be held until the receipts total \$500, but not for a period of more than seven calendar days.

Condition: We reviewed OCME’s batch receipts processed for medical records for the fiscal years 2013, 2014, and 2015 and noted the following exceptions:

- Ten out of 52 batch deposits processed during the 2014-2015 fiscal year were deposited between 10 to 34 calendar days after receipt. The 10 deposits totaled \$7,228.
- Thirteen out of 48 batch deposits processed during the 2013-2014 fiscal year were deposited between 10 to 17 calendar days after receipt. The 13 deposits totaled \$8,278.
- Eleven out of 28 batch deposits processed during the 2012-2013 fiscal year were deposited between 11 to 20 calendar days after receipt. The 11 deposits totaled \$6,884.

Effect: OCME failed to comply with the prompt deposit requirements established by Section 4-32 of the General Statutes. This exposed OCME funds to an increased risk of loss or theft.

Cause: It appears that, in some instances, OCME delayed turning in receipts to the Bursar’s Office for deposit.

Recommendation: The Office of Chief Medical Examiner should ensure that all receipts are processed in a manner to improve the timeliness of bank deposits. (See Recommendation 5.)

Agency Response: “The Office of the Chief Medical Examiner agrees with the finding. Since these deposits were required to go through UConn Health, it would have required an OCME medical records staff member to travel multiple times each week to the Bursars Office. Due to staffing shortages (only 2 people in medical records), it was not always possible to meet these requirements. Since we now have in-house administration, the Office of the Chief Medical Examiner has a current written procedure to comply with the check deposit processing requirements. Each deposit package has the Core-CT related deposit information that accompanies the actual checks deposited through the CashPro system. Direct Journalled deposit packages and Core-CT Invoice deposit packages are filed separately by accounting date and deposit number.”

State Accountability Directive Number 1

Criteria: The State Comptroller’s Accountability Directive Number 1 requires all state agencies to perform an internal control self-assessment to be completed by June 30th of each fiscal year.

Condition: Internal control self-assessments, designed to help agencies identify weaknesses in their internal controls, were not performed for the fiscal years ended June 30, 2013, 2014, and 2015.

Effect: OCME was not in compliance with the State Accountability Directive Number 1, thereby increasing the risk that internal control weaknesses could go undetected.

Cause: It appears that the responsible personnel were not aware of the state requirements.

Recommendation: The Office of Chief Medical Examiner should comply with the State Accountability Directive Number 1 by performing annual internal control self-assessments. (See Recommendation 6.)

Agency Response: “The Office of the Chief Medical Examiner agrees with the finding. The Office of the Chief Medical Examiner responds to the Office of the State Controller annual issued memorandum about internal control. The internal control questionnaire must be completed by the end of each fiscal year and kept at the agency. The Office of the Chief Medical Examiner has completed the internal control questionnaire for fiscal year 2016.”

RECOMMENDATIONS

Our prior audit report contained five recommendations. There has been satisfactory resolution for four of these recommendations. One recommendation has been repeated. Five additional recommendations are being presented as a result of our current examination.

Status of Prior Audit Recommendations:

- *The Office of the Chief Medical Examiner should pursue a formal agreement with the University of Connecticut Health Center to clearly identify the lines of responsibility in performing personnel, payroll, affirmative action, and business office functions. Since the issuance of the prior audit report, the agency reverted to self-administration; therefore, the recommendation is not being repeated.*
- *The Office of the Chief Medical Examiner should strengthen internal controls to ensure that funds are committed prior to purchasing goods and services. In addition, the office should verify that the coding of purchasing card-related expenditures are accurate to ensure that goods and services are recorded in proper expenditure accounts. Improvement was noted in this area; therefore the recommendation is not being repeated.*
- *The Office of the Chief Medical Examiner should continue its efforts to resolve delinquent receivable accounts. Improvement was noted in this area; therefore, the recommendation is not being repeated.*
- *The Office of the Chief Medical Examiner should improve internal control over asset accountability and reporting and ensure compliance with the requirements of the State Property Control Manual. The recommendation is being repeated. (See Recommendation 4.)*
- *The Office of the Chief Medical Examiner should prepare and submit an administrative report to the Governor in accordance with Section 4-60 of the General Statutes. Improvement was noted in this area; therefore, the recommendation is not being repeated.*

Current Audit Recommendations:

- 1. The Commission on Medicolegal Investigations should continue to consult with the Office of the Governor regarding the expiration of member terms, to ensure the appointment process is carried out expeditiously and in accordance with statutory requirements.**

Comment:

We noted six out of nine members of the commission had not been officially reappointed upon the expiration of their terms.

- 2. The Office of the Chief Medical Examiner should strengthen controls over cremation certificate receipts by preparing periodic accountability reports.**

Comment:

The agency did not complete revenue accountability reports for cremation certificates, its largest revenue source.

- 3. The Office of The Chief Medical Examiner should comply with the State of Connecticut Agency Purchasing Card Coordinator Manual.**

Comment:

The office did not perform monthly reconciliations for six transactions, including all monthly reconciliations during fiscal year 2014-2015. Additionally, receipts for P-Card transactions were not maintained.

- 4. The Office of the Chief Medical Examiner should improve internal control over asset accountability and reporting, and ensure compliance with the requirements of the State Property Control Manual.**

Comment:

Transferred equipment with the total cost of \$469,486 was not properly transferred, resulting in an understatement of CO-59 balance at DESPP. The CO-59 reports for the fiscal years ended June 30, 2013, 2014, and 2015, were either submitted late or were not submitted to the State Comptroller.

Certain amounts relating to the software and equipment category on the CO-59 report filed for the fiscal years ended June 30, 2013, 2014, and 2015 either contained errors or could not be readily traced to supporting documentation. Furthermore, the office did not conduct a physical inventory of its equipment during the fiscal years ended June 30, 2013, 2014, and 2015. Lastly, the office did not produce a software inventory report or undertake a physical inventory of its software library in the fiscal years ended June 30, 2014 and 2015.

- 5. The Office of Chief Medical Examiner should ensure that all receipts are processed in a manner to improve the timeliness of bank deposits.**

Comment:

We noted multiple instances in which OCME deposited its medical records receipts between 10 to 34 calendars days from the receipt of monies instead of the required seven calendar days for amounts of less than \$500.

- 6. The Office of Chief Medical Examiner should comply with the State Accountability Directive Number 1 by performing annual internal control self-assessments.**

Comment:

The internal control self-assessment required to be performed per the State Accountability Directive Number 1 was not completed for several years.

CONCLUSION

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



Frederick K. Armour
Associate Auditor

Approved:



John C. Geragosian
Auditor of Public Accounts