

STATE OF CONNECTICUT



*AUDITORS' REPORT
OFFICE OF PROTECTION AND ADVOCACY
FOR PERSONS WITH DISABILITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2008*

AUDITORS OF PUBLIC ACCOUNTS
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June 16, 2010

**AUDITORS' REPORT
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FOR THE FISCAL YEARS ENDED JUNE 30, 2007 AND 2008**

We have examined the financial records of the Office of Protection and Advocacy for Persons with Disabilities (hereafter referred to as “the Office of Protection and Advocacy (OPA)”, or “the Agency”) for the fiscal years ended June 30, 2007 and 2008.

Financial statement presentation and auditing are performed on a Statewide Single Audit basis to include all State agencies. This audit has been limited to assessing the Agency’s compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the Agency’s internal control structure policies and procedures established to ensure such compliance.

This report on our examination consists of the Comments, Condition of Records, Recommendations and Certification that follow.

COMMENTS

FOREWORD:

The Office of Protection and Advocacy operates primarily under the provisions of Title 46a, Chapter 813, Sections 46a-7 through 46a-13a of the General Statutes, to provide protection and advocacy for persons with disabilities. The Office of Protection and Advocacy is responsible for six Federally funded programs and several specific State statutory mandates.

The Office of Protection and Advocacy’s primary mission is to advance the cause of equal rights for persons with disabilities and their families, and to protect people with disabilities who are at risk from abusive and neglectful conditions. In accordance with Federal law, protection and advocacy organizations must be independent of service providing agencies. Protection and advocacy organizations must have the authority and capacity to conduct investigations, provide information and referrals, pursue legal and administrative remedies and educate policy makers.

The Office of Protection and Advocacy, operating through two main operating divisions and an administrative unit, provides information and referral services, advocacy services and legal representation in select matters. In its 2008 Administrative Digest report, the OPA reports having received requests for assistance in the 2006-2007 fiscal year from over 12,000 individuals with disabilities, their family members and interested parties. Nearly 11,000 of these were requests for information, referral or short-term assistance, with the remaining requests requiring a more intensive level of advocacy, according to the OPA.

The OPA is also required by the General Statutes to investigate allegations of abuse or neglect by the caregivers of persons with mental retardation, between the ages of 18 and 59, inclusive. Over 1,100 such complaints are received annually, on average. Due to limited resources, the OPA cannot investigate each allegation directly and must rely on other agencies (primarily the Department of Developmental Services (DDS) to conduct many of its investigations. As discussed below, those investigations that are not directly investigated by OPA are “monitored” by OPA, under the terms of an interagency agreement with DDS.

Pursuant to Section 8 of Public Act 05-256, the OPA and DDS (formerly the Department of Mental Retardation) entered into an Interagency Agreement governing the investigation of abuse and neglect of individuals with mental retardation and the provision of protective services to such individuals. The original interagency agreement, dated September 2005, provided that each agency carry out its investigative responsibilities efficiently and in a manner calculated to protect the best interests of persons with disabilities. Public Act 05-256 required the interagency agreement to include, among other things, guidelines identifying the responsibilities of each agency with respect to investigations of abuse and neglect and the individuals in each agency who shall carry out such investigative responsibilities, and interagency documentation and reporting procedures. In June 2008, the OPA and DDS updated this interagency agreement. As a general matter, OPA conducts primary investigations for those allegations of abuse and neglect which involve private individual and/or family homes, individuals who “self direct” their own support staff, and in cases where there is a reasonable cause to suspect or believe the death of a person with mental retardation was due to abuse or neglect. DDS ordinarily conducts the primary investigation for allegations which implicate DDS employees and/or occur at DDS facilities. Upon completion, these investigations are forwarded to OPA for review. According to the Interagency Agreement, primary investigations will be completed within 90 days, unless a more stringent rule applies, while certain other cases may take longer.

The OPA maintains a “Case Tracking System” database for its abuse investigations. According to that database, as of June 12, 2009, there were 77 open investigations being conducted by the OPA, and approximately another 359 cases that were being “monitored” by the OPA. Approximately 70 to 75 cases are in various other categories. The “Case Tracking System” database also shows the number of days a current case has been opened. As of June 12, 2009, 113 cases, or 31 percent, were less than 60 days old, 90 cases (25 percent) were between 61 and 120 days old, and 66 cases were between 121 and 180 days old. Another 62 cases (17 percent) were between 180 and 360 days old, 24 cases (7 percent) between 361 and 540 days old, four cases (2 percent) between 541 and 720 days old, and two cases (1 percent) were older than 720 days. As of June 12, 2009, the total number of open cases was 510. We found some issues with the data produced by the OPA’s Case Management System which are discussed further in the “Condition of Records” section of this report.

Effective in November 2005, the Office of Protection and Advocacy's business office functions, together with payroll and personnel functions, were absorbed by the Department of Administrative Services (DAS). Staff at the Office of Protection and Advocacy who performed these functions were transferred to DAS. The DAS SmART (Small Agency Resource Team) unit was established pursuant to Public Act 05-251, Section 60. This Public Act, effective June 30, 2005, called for DAS, in consultation with the Secretary of the Office of Policy Management (OPM), to develop a plan to merge and consolidate within DAS personnel, payroll, affirmative action, and business office functions of certain executive branch agencies as chosen by DAS.

Section 46a-10 of the Connecticut General Statutes provides that the Office of Protection and Advocacy shall be administered by an Executive Director appointed by the Governor. Mr. James D. McGaughey served as Executive Director throughout the audited period.

Section 46a-9 of the Connecticut General Statutes established a Board of Protection and Advocacy for Persons with Disabilities (the Advocacy Board), which serves in an advisory capacity to the Office of Protection and Advocacy. There are 15 members on the Advocacy Board, all appointed by the Governor. As of June 30, 2008, board members were as follows:

Eileen Furey, Chairperson
Suzanne Liquerman
Arthur L. Quirk
Rachel Bogartz
Heidi Mark
Margarita Torres
John Clausen
Sheila S. Mulvey
Peter Tyrrell
Christopher M. Knapp
Walter Pelensky
Walt Wetmore
Phyllis Zlotnick

As of June 30, 2008, there were two vacancies on the Advocacy Board.

Section 46a-9 of the Connecticut General Statutes requires the Advocacy Board's fifteen members be comprised of ten persons with disabilities or a parent or guardian of a person with a disability, at least four of whom shall represent developmentally disabled persons, and five persons who are knowledgeable in the problems of persons with disabilities.

Executive Order Number 25 established the Fatality Review Board for Persons with Disabilities (Fatality Review Board) to investigate the circumstances surrounding those untimely deaths, which in the opinion of the Executive Director, warrant a full and independent investigation. The Fatality Review Board is chaired by the Executive Director and consists of the following members appointed by the Governor: one law enforcement professional with a background in forensic investigations, one mental retardation professional, the Chief State's Attorney or designee, and two medical professionals. The Commissioner of DDS, or his designee, serves as a non-voting liaison to the

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Fatality Review Board. As of June 30, 2008, the members of the Fatality Review Board, in addition to the Executive Director, were as follows:

Timothy Palmbach
John DeMattia
Patricia Mansfield, R.N.
Gerard Kerins, M.D.
Kirsten Bechtel, M.D.

Public Act 06-56 established the Accessibility Advisory Board (the Access Board) to advise the Executive Director on accessibility matters relating to housing, transportation, government programs and services, and any other matters deemed advisable by the executive director or board. As of June 30, 2008, the board members were as follows:

Candace Low
Heather Northrop
Laura Boyle
Marty Legault
Michael Geake
Robert Sheeley
Stan Kosloski
Suzanne Tucker
William Wasch

The Protection and Advocacy for Individuals with Mental Illness (PAIMI) Council, established under 42 U.S.C. Section 10801, advises the Executive Director on policies and priorities to be carried out in protecting and advocating the rights of individuals with mental illness. As of June 30, 2008, the council members were as follows:

Walter Wetmore
Carrie Czerwinski
Corrie Morse
Selina Welborne
William Curtis Denton
Josefa Correa
Sandy Chapman
Elizabeth Larsen
Muriel Tomer
Susan Aranoff

The Deaf Advisory Group advises the Executive Director on issues impacting the deaf community. As of June 30, 2008, the advisory group members were as follows:

Barbara Cassin
Harvey Corson
Jim Pedersen

Sue Pederson
 Sandy Inzinga
 Terry Wade
 Brian O'Rourke

RÉSUMÉ OF OPERATIONS:

Agency receipts totaled \$1,721,137 and \$1,754,566 during the fiscal years ended June 30, 2007 and 2008, respectively, compared to \$1,702,135 for the fiscal year ended June 30, 2006. Receipts were mainly Federal contributions from the U. S. Department of Health and Human Services and the U. S. Department of Education drawn against letter of credit arrangements. Other sources of Federal contributions included Social Services Block Grant funds, which pass through the Connecticut Department of Social Services.

A summary of total receipts for the audited fiscal years along with the prior year's information is presented below:

	<u>2005 - 2006</u>	<u>2006 - 2007</u>	<u>2007 - 2008</u>
Refunds of current year expenditures	\$ -	\$ 13	\$ -
Federal contributions	1,684,108	1,680,424	1,727,243
Transfers from other State agencies	18,000	40,700	27,320
Refunds of restricted non-Federal aid		-	
Miscellaneous donations	27	-	
Photocopying	-	-	3
Total Receipts	<u><u>\$ 1,702,135</u></u>	<u><u>\$ 1,721,137</u></u>	<u><u>\$ 1,754,566</u></u>

These totals represent small increases of \$19,002 (one percent) and \$33,429 (two percent), respectively, during the audited fiscal years.

General Fund expenditures totaled \$2,521,928 and \$2,587,432 during the fiscal years ended June 30, 2007 and 2008, respectively, compared to \$2,406,166 for the fiscal year ended June 30, 2006. A comparison of total General Fund expenditures for the audited fiscal years along with the prior year's information is presented below:

	<u>2005 - 2006</u>	<u>2006 - 2007</u>	<u>2007 - 2008</u>
Personal Services	\$ 2,038,082	\$ 2,139,205	\$ 2,225,308
Contractual Services	340,034	338,019	327,902
Commodities	22,295	28,515	10,832
Sundry Charges	5,655	16,089	2,072
Grants			20,318
Equipment	100	100	1,000
Total Expenditures	<u><u>\$ 2,406,166</u></u>	<u><u>\$ 2,521,928</u></u>	<u><u>\$ 2,587,432</u></u>

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These totals represent an increase of \$115,762 (five percent) and an increase of \$65,504 (three percent), respectively, during the audited fiscal years, mainly as a result of increases in personal services expenditures.

Expenditures from the “Federal and Other Restricted Accounts” Fund in the fiscal years ended June 30, 2007 and 2008, amounted to \$1,752,431 and \$1,779,735, respectively, compared to \$1,612,776 for the fiscal year ended June 30, 2006. These expenditures consisted mainly of personal services and fringe benefit costs. Other disbursements from Federal appropriations consisted of outside professional and consulting services, indirect cost recoveries, and grants to nonprofit and municipal organizations. A comparison of total Federal and Other Restricted Accounts Fund expenditures for the audited fiscal years along with the prior year’s information is presented below:

	<u>2005 – 2006</u>	<u>2006 - 2007</u>	<u>2007 – 2008</u>
Personal Services	\$ 833,181	\$ 969,153	\$ 1,013,542
Contractual Services	140,007	140,736	155,972
Commodities	6,372	5,402	3,743
Sundry Charges	630,624	602,572	606,478
Equipment	<u>2,592</u>	<u>34,568</u>	
Total Expenditures	<u><u>\$ 1,612,776</u></u>	<u><u>\$ 1,752,431</u></u>	<u><u>\$ 1,779,735</u></u>

The totals represent increases of \$139,655 (nine percent) and \$27,304 (two percent), respectively, during the audited fiscal years, and can be attributed primarily to increases in personal services costs.

Besides General Fund and Federal and Other Restricted Accounts Fund expenditures, expenditures from the Capital Equipment Purchase Fund amounted to \$5,165 and \$742 in fiscal years ended June 30, 2007 and 2008, respectively.

Total filled positions for the Office of Protection and Advocacy totaled 51 and 47 as of June 30, 2007 and 2008, respectively.

CONDITION OF RECORDS

Our review of the records of the Office of Protection and Advocacy revealed areas requiring improvement or attention, as discussed in this section of the report.

Late Submission of the Fatality Review Board's Annual Report:

Criteria: Executive Order Number 25 requires the Fatality Review Board, chaired by the Executive Director, to submit a report “annually” to the Governor and the Co-Chairs of the Public Health Committee.

Condition: At the time of our fieldwork (June 2009), the report covering the fiscal year ended June 30, 2007 had not been submitted.

Effect: The agency is not in compliance with Executive Order Number 25. The information contained in the report is not as useful when published on a less than an annual basis.

Cause: The primary cause cited by the agency is the lack of support staff available to assist in the preparation of the report on an annual basis. As a result, the Office of Protection and Advocacy recently has been publishing this report every two years.

Recommendation: The Office of Protection and Advocacy for Persons with Disabilities and the Fatality Review Board should comply with the reporting requirements of Executive Order Number 25 by annually submitting the required report, to the Governor and the Co-Chairs of the Public Health Committee. (See Recommendation 1.)

Agency Response: “The Fatality Review Board for Persons with Disabilities (FRB) was established by Executive Order in 2002. In the discussions leading to issuance of the Executive Order, OPA agreed to utilize federal Protection and Advocacy program funds to create a staff position to support the Board’s operations. However, OPA also indicated that a single staff position might well prove insufficient, and that if, after a year of operation, it was apparent that increased staffing would be necessary, OPA would need to submit a budget expansion option to establish one or more State-funded positions. The work of tracking and conducting inquiries into the many deaths reported to the Board, and generating reports, including an annual report, has, indeed, proven to be more than one staff person can accomplish. The FRB has made a number of concrete contributions to improving safeguards within the DDS system. Pursuing cases and trends that offer opportunities for systemic improvements has taken priority over generating an annual report. OPA has repeatedly requested permission to submit a budget option to increase FRB staffing, but none of the requests have been approved. OPA plans to meet with staff from the Governor’s office to discuss changes to the composition

of the Fatality Review Board. At that time the language in the Executive Order requiring an annual report will be discussed.”

Agency Regulations Need Updating:

Criteria: Section 4-167(b) (1) and (2) of the Connecticut General Statutes states that no agency regulation is enforceable until it has been made available for public inspection and a notice of adoption has been published in the Connecticut Law Journal pursuant to Section 4-173 of the Connecticut General Statutes.

Section 4-169 of the Connecticut General Statutes states that no adoption, amendment or repeal of any regulation...shall be effective until the original of the proposed regulation has been submitted to the Attorney General by the agency proposing such regulation and approved by the Attorney General... The review of such regulations...shall be limited to a determination of the legal sufficiency of the proposed regulations .

Section 4-170 (b) (1) of the Connecticut General Statutes states that no adoption, amendment or repeal of any regulation...shall be effective until (A) the original of the proposed regulation approved by the Attorney General and 18 copies...are submitted to the standing legislative regulation review committee...

Condition: Certain regulations of the Office of Protection and Advocacy have needed revision for several years, a condition that dates back to October 2002 when proposed regulations were approved by the Advocacy Board. However, the proposed regulations were not submitted to the Connecticut Law Journal, as required by Section 4-167 of the Connecticut General Statutes, until July 2007. After a period for comments and request for hearings, the regulations were submitted to the Attorney General’s Office for review, as required by Section 4-169 of the Connecticut General Statutes, when concerns were raised about their “legal sufficiency” and other issues. OPA subsequently withdrew the regulations.

Cause: As noted, the proposed regulations were approved by the Board in 2002, but were not published in the Connecticut Law Journal until 2007. After publication in the Connecticut Law Journal, issues arose that caused the proposed regulations to be withdrawn, further delaying their final adoption. The OPA also cites problems with scheduling required meetings among the various parties for additional delays.

Effect: The regulations of the Office of Protection and Advocacy are not up-to-date, and thus may not represent current agency practices and procedures.

Recommendation: The Office of Protection and Advocacy for Persons with Disabilities should take the necessary actions to ensure its regulations are up-to-date. (See Recommendation 2.)

Agency Response: “The Agency agrees with this finding. Initial delays in adopting regulations first proposed in 2002 were a result of several intervening statutory changes, and subsequent reviews by the Attorney General’s Office. A new draft has recently been informally reviewed by the Attorney General’s Office, and the Agency will be incorporating suggested changes and clarifications in the final draft. It is anticipated that a new notice of proposed regulations will be announced before the end of calendar year 2009.”

The Abuse Investigation Division’s Case Management System Needs Upgrading:

Criteria: Section 46a-11c of the Connecticut General Statutes states that “the director, upon receiving a report that a person with mental retardation allegedly is being or has been abused or neglected, shall make an initial determination whether such person has mental retardation, shall determine if the report warrants investigation and shall cause, in cases that so warrant, a prompt, thorough evaluation to be made to determine whether the person has mental retardation and has been abused or neglected”.

To comply with the requirements of this Statute, the OPA uses a computer software program, Microsoft Access, to track the status of its cases. One of the reports produced, called the “Case Tracking Statistic Summary”, breaks down the cases into two main categories: “Open OPA Investigations” and “Open Monitors”. Within the “Open Monitors” category are two subcategories: “Open Monitor Assigned” and “Open Monitor Not Assigned”. Cases are also broken down by the age of the case, i.e., 0 to 60 days, 61 to 120 days, etc. Another report, the “Case Inventory by Year and Month” reports the monthly ending inventory of cases.

Condition: We obtained the Case Management Reports, as of June 12, 2009, and found several issues with the data presented in the reports as follows:

- The Case Management System produces subtotals (for the different categories of cases) which do not agree with the total cases outstanding.
- The Case Management System does not report cases which are 61 to 90 days old, instead reporting cases that are 61 to 120 days old. However, the “Interagency Agreement” establishes 90 days as the timeframe for completion of most investigations.
- The Case Management System, as of June 12, 2009, produced incorrect data as to the number of “monitor” cases outstanding that were more than 720 days old.

- We were informed by Abuse Investigation Division personnel that several attempts to correct errors have not been very successful.

Effect: The effect of this condition is there is less reliance on the Case Management System to produce the accurate and timely data needed to properly administer the Abuse Investigation program.

Cause: The Case Management System was instituted many years ago before the Interagency Agreement was entered into. Also, it is many years old and needs updating.

Recommendation: The Office of Protection and Advocacy should upgrade its Case Management System to ensure that it produces accurate, complete and timely data on abuse investigation cases. (See Recommendation 3.)

Agency Response: “The Agency agrees that an updated case management/data system would improve its capability to manage the Abuse Investigation Division’s caseload and allow more reliable cumulative data reconciliation. In 2007, the Agency consulted with DoIT to define the parameters of an improved system and ascertain costs. The projected costs of acquiring a new system, migrating existing data and performing maintenance greatly exceeded existing budgeted funds. A request to submit a budget expansion option to meet those costs was not approved. While the current system has some flaws that produce somewhat discrepant reports, and it requires considerable knowledge and “work-around” skill on the part of supervisory staff who use it to generate reports, it is still adequately performing its primary functions as a tool for assigning investigations, tracking investigation status and completing investigation reports. The Agency is aware that it must plan for the eventual replacement of the system.”

Issues with Personal Services Agreements (PSA’s):

Criteria: The Office of Policy and Management’s Personal Services Agreements Standards and Procedures manual stipulates the following:

“Not later than 60 days after a Contractor completes work on a PSA, an agency must prepare a written evaluation of the contractor’s performance”.

“If a PSA exceeds \$3,000 within a one-year period, an agency must submit the contract to the Attorney General’s Office for approval.”

“A contractor must not begin work until the contract is fully executed. A fully executed PSA is one that has been signed by the Contractor, the Agency Head and if, applicable, reviewed and approved by DAS, OPM if over \$50,000, and the AG’s Office”.

“When an agency wishes to make a sole source purchase and a PSA has an anticipated cost of more than \$20,000..., an agency must obtain prior approval from OPM before discussions are held with any Contractor. The waiver request form should be submitted to OPM at least one month before the anticipated start date of a PSA”.

Condition: Our review of 10 PSA’s revealed the following:

1. In all of the PSA’s tested, the agency did not prepare a written evaluation of the contractor’s performance once the contractor completed the work.
2. In two of the PSA’s tested, the Attorney General approved the PSA after the contract period. We noted a delay of two to eight months.
3. In one of the PSA’s tested, the agency did not submit the Request for Waiver from competitive solicitation (sole source) to OPM in a timely manner. Records indicated that OPM received the form one day before the contract starting date instead of the one month requirement.

Effect: The OPA did not adhere to OPM’s PSA Standards and Procedures.

Cause: The cause was not determined.

Recommendation: The Office of Protection and Advocacy should ensure that all personal services agreements entered into are in compliance with requirements as set forth in the Office of Policy and Management’s Personal Services Agreement Standards and Procedures Manual. (See Recommendation 4.)

Agency Response: “The Agency agrees with the recommendation. Since the loss of its small business office in 2005, responsibility for complying with procedural requirements surrounding PSA’s have fallen on the shoulders of the agency’s already over-burdened Assistant Director. In addition to the demands of an extremely heavy workload, uncertainties regarding availability of contract funding until very close to the start of contract renewal periods and inconsistent response times for reviews by the Attorney General have contributed to the difficulty in complying with the various requirements. OPA will review the requirements cited, and take steps to comply.”

Non-Payroll Expenditure Issues:

Criteria: Section 4-98 of the Connecticut General Statutes states: “no budgeted agency ...shall incur any obligation, by order, contract or otherwise, except by the issue of a purchase order, or any other documentation approved by the Comptroller”.

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Condition: Our review of 25 OPA non-payroll expenditures revealed the following deficiency: In nine out of 25 vouchers tested, valid commitment documents (purchase orders) were not on file prior to the receipt of goods/services totaling \$37,777.

Cause: A lack of administrative oversight appears to be the cause.

Effect: Expenditures made were not properly supported by valid commitment documents. This could result in the funds not available for payment.

Recommendation: The Office of Protection and Advocacy should strengthen internal controls over the purchasing, receiving, and expenditures function, in order to comply with Section 4-98 of the General Statutes, when incurring expenditures. (See Recommendation 5.)

Agency Response: “In so far as OPA is aware, purchase orders are prepared and approved prior to initiating all purchases, including those that are processed through P-cards. For any non-P-card purchase, an approved purchase order is sent to DAS Business Office, which selects and negotiates with vendors. The DAS Business Office requires that a properly executed purchase order be in its possession prior to ordering goods and services. P-card purchases are initiated at OPA only after a purchase order has been approved in accordance with agency control procedures. A copy of that purchase order is attached to the P-card invoice when it is received from the vendor for review. Both the invoice and purchase order are then sent to DAS for payment and record-keeping purposes.”

Auditors’ Concluding

Comments: As noted in the finding, our review found that purchase orders were prepared after the obligation was incurred, and the goods and services were received, this is a clear violation of Section 4-98 of the General Statutes. The OPA did not follow the requirements of Section 4-98, and the DAS has failed to provide appropriate oversight in this area as indicated by the number of repeat occurrences.

Contractor’s Audit Report Not Submitted:

Criteria: The Office of Protection and Advocacy’s grant agreement with the African Caribbean American Parents of Children with Disabilities, Inc. includes the provision for an audit to be submitted.

Condition: We found the African Caribbean American Parents of Children with Disabilities, Inc. has not submitted an audit for the 2007-2008 fiscal year.

Effect: The grantee was not in compliance with the requirements set forth in its grant agreement with the agency.

Cause: The cause was not determined.

Recommendation: The Office of Protection and Advocacy should require all of its contractors to submit acceptable audits in accordance with the terms of its grant agreements. (See Recommendation 6.)

Agency Response: “The contractor referred to has been contacted again to request the report. A previous delay in submitting an audit report for an earlier contract period was addressed by not seeking renewal of the contract until the report had been submitted. The agency does not have a current contract with this contractor, and has no plans to develop one.”

Software and Supplies Inventory Issues:

Criteria: The State of Connecticut’s Property Control Manual requires that “a separate perpetual (continuous) inventory should be maintained of all stores and supplies (including repair parts for machinery, plumbing, general housekeeping, etc.) if the estimated value of the entire inventory is over \$1,000.”

The Property Control Manual also provides that “a software inventory (or inventories) must be established by all agencies to track and control all of their software media, licenses or end user license agreements, certificates of authenticity (where applicable), documentation and related items.”

Condition: We noted in our prior audit that beginning in the fiscal year ended June 30, 2006, the Office of Protection and Advocacy no longer maintained inventory control records for supplies, whose reported value at the time was \$5,158. As of June 30, 2008, the reported value of \$1,904 was considerably less than the June 30, 2006 amount but still above the \$1,000 required to maintain separate perpetual inventory records. However, we were unable to obtain detailed inventory records that support this \$1,904 figure, which was estimated by DAS by calculating the amount of usage in the fiscal year equal to 84 percent of the “available supplies” (the beginning balance plus additions during the fiscal year), and then subtracting that number from the available supplies to determine the ending balance.

The OPA also informed us that during the prior audit that it had discontinued keeping software inventory control records when its business office functions were consolidated into the Department of Administrative Services during the fiscal year ended June 30, 2006. Our follow-up determined that DAS has begun to keep software inventory records of new software purchases, but only prospectively from January 2008, apparently due to staffing issues.

Our prior audit recommended improvements be made in these areas, but our current audit has found insufficient progress.

Effect: The OPA is not in compliance with certain record keeping requirements of the State's Property Control Manual, which potentially weakens internal control over supplies and software.

Cause: During the fiscal year ended June 30, 2006, business office functions of the Office of Protection and Advocacy were consolidated into the Department of Administrative Services' Business Office. The DAS property management team informed us at that time that it would be impractical to keep track of the supplies used by the Office of Protection and Advocacy. The consolidation had a similar effect with respect to software inventory control records.

Recommendation: A physical inventory to determine the actual value of the Office of Protection and Advocacy's supplies should be conducted. If the value of the supplies are over \$1,000, a perpetual inventory is required by the State of Connecticut's Property Control Manual. If the value is under \$1,000, a perpetual inventory does not have to be maintained. A complete inventory of the software currently owned by the Office of Protection and Advocacy should be conducted in order to establish and maintain a software inventory record, also as required by the State of Connecticut's Property Control Manual. (See Recommendation 7.)

Agency Response: "The agency will conduct a one-time physical inventory of supplies. However, even if the value is determined to exceed \$1,000, it does not have sufficient staff to maintain a perpetual inventory of supplies. Supplies are kept in a locked room with access limited to a few individuals.

OPA will create a comprehensive, base-line inventory of software installed on all agency computers, in accordance with requirements established in the State Property Control Manual. The agency is checking with DoIT for sources of a software inventory management program, and will initiate physical checks on each agency computer within the next few weeks. Given agency staffing patterns, a software inventory of only one or two computers can be completed each day."

RECOMMENDATIONS

Our previous audit examination of the Office of Protection and Advocacy contained four recommendations. A summary of those recommendations and the action taken follows:

Status of Prior Audit Recommendations:

- *The Office of Protection and Advocacy should request reimbursement for Federal expenditures in a timely manner.* The recommendation has been implemented.
- *The Office of Protection and Advocacy should strengthen internal controls over purchasing card purchases by complying with the State Comptroller's Purchasing Cardholder Work Rules Manual.* The recommendation has been implemented.
- *The Office of Protection and Advocacy should improve documentation of bank account reconciliations of its petty cash account.* The recommendation has been implemented.
- *The Office of Protection and Advocacy should improve controls over office supplies and software by implementing the inventory control record systems required by the State of Connecticut's Property Control Manual.* We found insufficient corrective action has been taken in these areas. Accordingly, the recommendation is being repeated in revised form. (See Recommendation 7).

Seven recommendations resulting from our current examination are presented below:

Current Audit Recommendations:

- 1. The Office of Protection and Advocacy for Persons with Disabilities and the Fatality Review Board should comply with the reporting requirements of Executive Order Number 25 by annually submitting the required report, to the Governor and the Co-Chairs of the Public Health Committee.**

Comments:

At the time of our fieldwork (June 2009), the report covering the fiscal year ended June 30, 2007 had not been submitted.

- 2. The Office of Protection and Advocacy for Persons with Disabilities should take the necessary actions to ensure its regulations are up-to-date.**

Comments:

Certain regulations of the Office of Protection and Advocacy have needed revision for several years, a condition that dates back to October 2002 when proposed regulations were approved by the Advocacy Board.

- 3. The Office of Protection and Advocacy should upgrade its Case Management System to ensure that it produces accurate, complete and timely data on abuse investigation cases.**

Comments:

We obtained the Case Management Reports, as of June 12, 2009, and found several issues with the data presented in the reports as follows: The Case Management System produces subtotals (for the different categories of cases) which do not agree with the total cases outstanding, and does not report cases which are 61 to 90 days old, instead reporting cases that are 61 to 120 days old. However, the “Interagency Agreement” establishes 90 days as the timeframe for completion of most investigations. The Case Management System, as of June 12, 2009, produced incorrect data as to the number of “monitor” cases outstanding that were more than 720 days old. We were informed by Abuse Investigation Division personnel that several attempts to correct errors have not been very successful.

- 4. The Office of Protection and Advocacy should ensure that all personal service agreements entered into are in compliance with requirements as set forth in the Office of Policy and Management’s Personal Services Agreement Standards and Procedures Manual.**

Comments:

Our review of 10 PSA’s revealed the following: In all of the PSA’s tested, the agency did not prepare a written evaluation of the contractor’s performance once the contractor completed the work. In two of the PSA’s tested, the Attorney General approved the PSA after the contract period. We noted a delay of two to eight months. In one of the PSA’s tested, the agency did not submit the Request for Waiver from competitive solicitation (sole source) to OPM in a timely manner. Records indicated that OPM received the form one day before the contract starting date instead of the one month requirement.

- 5. The Office of Protection and Advocacy should strengthen internal controls over the purchasing, receiving, and expenditures function, in order to comply with Section 4-98 of the General Statutes, when incurring expenditures.**

Comments:

Our review of 25 OPA non-payroll expenditures revealed the following deficiency: In nine out of 25 vouchers tested, valid commitment documents (purchase orders) were not on file prior to the receipt of goods/services totaling \$37,777.

- 6. The Office of Protection and Advocacy should require all of its contractors to submit acceptable audits in accordance with the terms of its grant agreements.**

Comments:

We found the African Caribbean American Parents of Children with Disabilities, Inc. has not submitted an audit for the 2007-2008 fiscal year.

- 7. A physical inventory to determine the actual value of the Office of Protection and Advocacy's supplies should be conducted. If the value of the supplies are over \$1,000, a perpetual inventory is required by the State of Connecticut's Property Control Manual. If the value is under \$1,000, a perpetual inventory does not have to be maintained. A complete inventory of the software currently owned by the Office of Protection and Advocacy should be conducted in order to establish and maintain a software inventory record, also as required by the State of Connecticut's Property Control Manual.**

Comments:

We noted in our prior audit that beginning in the fiscal year ended June 30, 2006, the Office of Protection and Advocacy no longer maintained inventory control records for supplies, whose reported value at the time was \$5,158. As of June 30, 2008, the reported value of \$1,904 was considerably less than the June 30, 2006 amount but still above the \$1,000 required to maintain separate perpetual inventory records. The OPA also informed us that during the prior audit that it had discontinued keeping software inventory control records when its business office functions were consolidated into the Department of Administrative Services during the fiscal year ended June 30, 2006. Our follow-up determined that DAS has begun to keep software inventory records of new software purchases, but only prospectively from January 2008, apparently due to staffing issues.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes, we have audited the books and accounts of the Office of Protection and Advocacy for Persons with Disabilities (the Office of Protection and Advocacy) for the fiscal years ended June 30, 2007 and 2008. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements 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 grant agreements applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the Office of Protection and Advocacy for the fiscal years ended June 30, 2007 and 2008, 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 Protection and Advocacy complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

In planning and performing our audit, we considered the Office of Protection and Advocacy's internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Agency's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing assurance on the effectiveness of the Agency's internal control over those control objectives.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance requirements was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial operations, safeguarding of assets and compliance with requirements that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis unauthorized, illegal, or irregular transactions or the breakdown in the safekeeping of any asset or resource. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to properly initiate, authorize, record,

process, or report financial data reliably, consistent with management's direction, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is more than a remote likelihood that a financial misstatement, unsafe treatment of assets, or noncompliance with laws, regulations, contracts and grant agreements that is more than inconsequential will not be prevented or detected by the Agency's internal control. We consider the following deficiency, described in detail in the accompanying "Condition of Records" and "Recommendations" sections of this report, to be a significant deficiency in internal control over financial operations, safeguarding of assets and compliance with requirements: Recommendation 5-Lack of purchase orders over non-payroll expenditures.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with certain provisions of laws, regulations, contracts, and grant agreements or the requirements to safeguard assets that would be material in relation to the Agency's financial operations, noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions, and/or material financial misstatements by the Agency being audited will not be prevented or detected by the Agency's internal control.

Our consideration of the internal control over the Agency's financial operations, safeguarding of assets, and compliance with requirements, was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Office of Protection and Advocacy complied with laws, regulations, contracts and grant agreements, 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, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we reported to Agency management in the accompanying "Condition of Records" and "Recommendations" sections of this report.

The Office of Protection and Advocacy's response to the findings identified in our audit are described in the accompanying "Condition of Records" section of this report. We did not audit the Office of Protection and Advocacy's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of Agency management, 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

We wish to express our appreciation for the courtesies extended to our representatives by the personnel of the Office of Protection and Advocacy for Persons with Disabilities during the course of our examination.

Gary P. Kriscenski
Principal Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts