

STATE OF CONNECTICUT



*AUDITORS' REPORT
DEPARTMENT OF REHABILITATION SERVICES
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2016*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

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AUDITORS OF PUBLIC ACCOUNTS

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July 10, 2018

INTRODUCTION AUDITORS' REPORT DEPARTMENT OF REHABILITATION SERVICES FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2016

We have audited certain operations of the Department of Rehabilitation Services (DORS) in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2015 and 2016. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions;
2. Evaluate the department'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 the department, as well as certain external parties; 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 the department. For the areas audited, we identified:

1. Deficiencies in internal controls;
2. No 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 the Department of Rehabilitation Services.

COMMENTS

FOREWORD

The Department of Rehabilitation Services operates primarily under the provisions of Title 17b Chapter 319mm, Part II and Title 10 Chapter 174 of the Connecticut General Statutes. The department is responsible for providing services to the deaf and hearing impaired, services for the blind and visually impaired, and rehabilitation services.

The department provides a wide range of services to individuals with disabilities who need assistance in maintaining or achieving their full potential for self-direction, self-reliance, and independent living. The department's mission is to maximize opportunities for people in Connecticut with disabilities to live, learn, and work independently.

Organizational Structure

The Governor appointed Amy Porter as commissioner of the Department of Rehabilitation Services on July 1, 2012 in accordance with the provisions of Sections 4-5 to 4-8 of the Connecticut General Statutes. Commissioner Porter served throughout the audited period.

As of June 30, 2016, the department had approximately 430 employees. The department is comprised of 4 bureaus and 1 division:

- Bureau of Rehabilitation Services (BRS)
- Bureau of Education and Services for the Blind (BESB)
- Bureau of Disability Determination Services (DDS)
- Bureau of Organizational Support (BOS)
- Human Resources Division

The mission of the Bureau of Rehabilitation Services is to help individuals with disabilities work competitively and live independently. The bureau hosts a number of programs:

- The Vocational Rehabilitation Program helps individuals with disabilities to prepare for, obtain, maintain or advance in employment.
- The Connect-Ability staffing program connects employers with qualified job seekers. BRS employment consultants are strategically located across the state and can review the needs of businesses, offer qualified candidates, and assist in developing training plans before the new trainee/employee starts employment.
- The Connect to Work Project allows individuals who receive Social Security disability benefits to better understand the impact that returning to work will have on their disability benefits.
- The Connecticut Tech Act Project increases independence and improves the lives of people with disabilities by making assistive technology more accessible for work, school and community living.
- The Employment Opportunities Program enables individuals with the most significant disabilities to engage in competitive employment by providing funding for long-term support in order to maintain competitive employment.
- The Independent Living Program provides comprehensive independent living services to persons with significant disabilities, through contracts with Connecticut's five community-based centers for independent living.
- The Driver Training Program provides evaluation and training for individuals with disabilities who seek licenses to drive a modified vehicle in Connecticut.
- Deaf and Hard of Hearing Services is included in the Counseling Program and the DORS Interpreting Unit. The Counseling Program provides counseling related to special language, communication and socioeconomic problems unique to individuals who are deaf or hard of hearing and their families. The DORS Interpreting Unit provides certified interpreting services for individuals who are deaf or hard of hearing in situations involving legal rights, health, safety, employment, educational opportunities, and personal needs. However, as of July 15, 2016, the department stopped providing sign language interpreting services.
- The Workers' Rehabilitation Program assists individuals with work-related injuries to return to the workforce.

The Bureau of Education and Services for the Blind (BESB) is the state's lead for the coordination and provision of services to all Connecticut residents who are legally blind, or have significant visual impairments. BESB has four separate programs that provide a full range of services to clients of all ages:

- The Adult Services Program serves as the central intake for clients and provides independent living training to adults to assist them with maintaining independence within the home and the community.
- The Children’s Services Program provides braille instruction, mobility instruction, adaptive technology and independent living training to children, and professional development training and technical assistance to school districts.
- The Vocational Rehabilitation Program provides school-to-work transition services to youth and assists adults in obtaining, retaining, and advancing in employment. The program also provides technical assistance and job candidate referral services to employers across the state.
- The Business Enterprise Program offers entrepreneurial opportunities to people who are blind to manage their own food service and gift store businesses at public facilities.

The Bureau of Disability Determination Services (DDS) determines the medical eligibility of Connecticut residents who have applied for cash benefits under the disability programs administered by the Social Security Administration (SSA). In accordance with SSA rules and regulations, DDS determines eligibility for the Social Security Disability Insurance and Supplemental Security Income programs.

The Bureau of Organizational Support (BOS) is a centralized business services unit that supports all of the department’s programs. In addition to responsibility for all fiscal and information technology functions, this bureau also supports the State Department on Aging.

The Human Resources Division is responsible for providing technical guidance and support for all the employees of the agency. The Human Resources Division is responsible for: providing general personnel services to all staff; coordination and administration of information related to personnel data collection; the development and dissemination of agency policies and procedures; participation in labor relations activities with respect to contract administration and negotiation, and the grievance process; administration of medical insurance and other benefits; and implementation of health and safety programs and workers’ compensation.

The Payroll Unit, as part of this division, is responsible for processing payroll and benefits in accordance with bargaining unit contracts and state personnel regulations.

Significant Legislation

- Public Act 14-98, effective July 1, 2014, provided the department funding of up to \$6,000,000 for grants for home modifications and assistive technology devices related to aging in place.
- Public Act 15-1 of the June Special Session modified Public Act 14-98, effective July 1, 2015, specifying that the grants be for programs to provide home modifications and

assistive technology devices related to aging in place. It also provided that nonprofit organizations that contract with the department may run the programs.

- Public Act 15-5 of the June Special Session of the General Assembly:

Section 196, effective June 30, 2015, allowed people who have had their licenses withdrawn because of a physical or mental disability to drive with an instructor for the department's driver training program.

Section 369 amended subdivision (3) of subsection (b) of Section 10-295 of the General Statutes, effective July 1, 2015. This section authorized the department to employ certified teachers of the visually impaired in sufficient numbers to meet the requests for services received from school districts. Prior law allowed funds appropriated for this purpose to also be used to employ rehabilitation teachers, rehabilitation technologists, and orientation and mobility teachers to evaluate and train blind or visually impaired children. The act expanded this authority, allowing the department to use these funds to employ any type of additional staff. The act also removed a 5% cap on the use of these funds to employ special assistants to the blind and other support staff. Furthermore, under prior law, the department had to estimate the funding needed to pay the teachers' salaries, benefits, and related expenses. The act removed benefits, now charged to the General Fund centralized appropriations for fringe benefit costs, from this calculation.

Section 425, effective July 1, 2015, required state agencies unable to meet a request for deaf or hard of hearing interpreter services with their own staff to ask the department to provide the services before requesting them from elsewhere. The act exempted the department from this requirement if it needed interpreting services related to a confidential internal matter and does not affect preexisting interpreting services contracts. Under Section 46a-33b of the General Statutes, the department must provide interpreting services to assist such person or entity to the extent those interpreting services are available.

- Public Act 15-106, effective June 22, 2015, required DORS contractors who operate facilities in state parks to submit annual revenue reports. The department is required to compile these reports and transmit them to the Commissioner of the Department of Energy and Environmental Protection.
- Public Act 16-3 of the May Special Session of the General Assembly:

Section 60, effective July 1, 2016, amended Section 17b-666 of the General Statutes to extend the department's authority to operate an employment opportunities program serving individuals with the most significant disabilities who do not meet the eligibility requirements of supported employment programs administered by the Department of Social Services. The prior statute only referenced the departments of Developmental Services and Mental Health and Addiction Services.

Section 79 amended Section 46a-33b of the General Statutes, effective July 1, 2016, removed the requirement to provide interpreting services to the extent those interpreting services are available. This act authorizes the department to provide such services at its discretion.

At the federal level, the Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, became law on July 22, 2014. The department is responsible for administering one of the core WIOA programs, the Vocational Rehabilitation Program.

Boards and Commissions

Board of Education and Services for the Blind

Section 10-293 of the General Statutes established the Board of Education and Services for the Blind. The board serves in an advisory capacity and assists the department in fulfilling its responsibilities in providing services to the blind and visually impaired. The board consists of 13 members appointed by the governor and legislature. The board members as of June 30, 2016 consisted of the following, with 1 vacancy.

Ex-officio Member:

Roderick L. Bremby, Commissioner, Department of Social Services – represented by Terry-Lynn Johnston

Appointed Members:

Alan N. Sylvestre, Chairman
Eileen Akers
Christine Boisvert
Andrea Giudice
Patrick J. Johnson, Jr.
Darcy Jones
Cary Perry
Elizabeth Rival
Mary Silverberg
Stephen Thal
Randa Utter
Vacancy

Betty Woodward also served on the board during the audited period.

Deaf and Hard of Hearing Advisory Board

The Commission on the Deaf and Hearing Impaired (CDHI) was created in 1974 to advocate, strengthen, and implement state policies affecting deaf and hard of hearing individuals and their relationship to the public, industry, health care, and educational opportunities. On July 1, 2011, CDHI merged into the Department of Rehabilitation Services. The department renamed CDHI as the Deaf and Hard of Hearing Advisory Board (DHOH).

The advisory board provided suggestions and recommendations to the department. The board met quarterly and consisted of 21 members. According to the November 2016 board minutes, vacancies, coupled with difficulty in obtaining advisory board nominations from the Governor's office, made it difficult for the board to achieve a quorum.

The board believed that it would be better to report to a different entity, because DORS administers only a small portion of the services the state provides to the deaf and hard of hearing. Public Act 17-30 accomplished this change. The act, effective June 6, 2017, reconstituted the Commission on the Deaf and Hearing Impaired as the Advisory Board for Persons Who are Deaf or Hard of Hearing and designated it an advisory board to the Governor and the General Assembly.

The board members as of June 30, 2016 consisted of the following members, with 7 vacancies.

Ex-officio Members:

Sandra McGee, President, Connecticut Council of Organizations Serving the Deaf
Jeffrey Bravin, Superintendent, American School for the Deaf
Vacancy, Consultant, State Board of Education

Voting Members:

William Rivera and Lisa Hofferth, Designees, Department of Children and Families
Vacancy, Department of Mental Health and Addiction Services
Jane Whitehead, Designee, Department of Developmental Services
Amy Mirizzi and John Lamb, Designees, Department of Public Health
Terry-Lynn Johnston, Designee, Department of Social Services
Colleen Hayles, Designee, Department of Education
Lewis Letang, Designee, Department of Labor

Appointed Members:

Luisa Gasco-Soboleski, Chairperson
Carl Moeller
Matt Ranelli
Barbara Cassin
Mary Lynch
Jeffery Bravin
Harvey Corson

5 Vacancies

Mary Silvestri, Raymond DeRosa, and Bernice Zampano also served on the board during the audited period.

RÉSUMÉ OF OPERATIONS

General Fund

A summary of General Fund receipts during the audited period and the preceding fiscal year follows:

Receipt Description	Fiscal Year Ended June 30,		
	2014	2015	2016
Sale of Property	\$10,314	\$ 9,317	\$10,254
Refunds of Prior Year Expenditures	28,891	20,824	1,890
All Other	(189)	11	-
Total Receipts	\$39,016	\$30,152	\$12,144

The decrease in receipts in the fiscal year ended June 30, 2016 was due to a change in the coding of certain expenditure reimbursements. The department bills the Department of Labor quarterly for costs associated with space the Department of Labor uses in the department's Enfield office. These reimbursements, previously coded incorrectly as refunds of prior year expenditures, were credited against current year department expenditures in the fiscal year ended June 30, 2016.

A summary of General Fund expenditures during the audited period and the preceding fiscal year follows:

Expenditure Description	Fiscal Year Ended June 30,		
	2014	2015	2016
Personal Services	\$ 5,619,867	\$ 6,388,528	\$ 4,986,889
Other Expenses	1,612,623	1,570,357	1,480,015
Educational Aid for Blind and Visually Handicapped Children	3,603,169	3,601,428	4,181,870
Employment Opportunities for the-Blind and Disabled	653,399	556,207	1,246,878
Vocational Rehabilitation Services for the Disabled	7,460,892	7,460,892	6,784,749
Employment Opportunities	762,064	753,170	-
Nonfunctional – Change to GAAP Accrual	67,047	(756,722)	-
All Other	1,931,623	2,069,786	1,933,044
Total Expenditures	\$21,710,684	\$21,643,646	\$20,613,445

The largest part of the decrease in total expenditures for the fiscal year ended June 30, 2016 is attributable to the elimination of the provision of subdivision (3) of subsection (b) of Section 10-295 of the General Statutes. That section required the department to fund fringe benefits for teachers of the visually impaired from the Educational Aid for Blind and Visually Handicapped Children account. Public Act 15-5 of the June Special Session of the General Assembly eliminated this provision, effective July 1, 2015.

The department charged fringe benefit costs totaling \$1,185,307 and \$1,096,996 in the fiscal years ended June 30, 2014 and 2015, respectively, to the Educational Aid for Blind and Visually Handicapped Children account. In the fiscal year ended June 30, 2016, the department charged these costs to the General Fund centralized appropriations for fringe benefit costs. However, the effect of this decrease on the Educational Aid for the Blind and Visually Handicapped Children account was more than offset by the consolidation of the Children's Services Program into that account in the fiscal year ended June 30, 2016. In connection with the consolidation, the department transferred funding from the Personal Services account to the Educational Aid for Blind and Visually Handicapped Children account.

There were other significant changes for the fiscal year ended June 30, 2016. The department consolidated the Employment Opportunities grant account into the Employment Opportunities – Blind and Disabled account. Additionally, the department consolidated and recorded changes in certain expense accruals, formerly posted to the accounts of individual state agencies, on a centralized basis in the fiscal year ended June 30, 2016. The expense accruals relate to certain payments, made after the close of the fiscal year on June 30th, that are directly related to obligations incurred within that fiscal year. The department reported expense accruals using the Generally

Accepted Accounting Principles (GAAP) approach employed in preparing the state's Comprehensive Annual Financial Report.

Special Revenue Funds

A summary of receipts from special revenue funds during the audited period and the preceding fiscal year follows:

Receipt Description	Fiscal Year Ended June 30,		
	2014	2015	2016
Federal Programs:			
Rehabilitation Services Vocational Rehabilitation Grants to States	\$ 27,022,845	\$ 30,052,784	\$ 35,317,896
Social Security Disability Insurance	23,142,592	23,433,540	28,117,668
All Other Federal Programs	1,789,173	1,936,147	1,859,120
Restricted Contributions, Other	2,225,282	2,077,112	2,178,042
All Other	9,390	13,944	17,113
Total Receipts	\$54,189,282	\$57,513,527	\$67,489,839

Total receipts increased by \$3,324,245, or 6%, from \$54,189,282 in the fiscal year ended June 30, 2014 to \$57,513,527 in the fiscal year ended June 30, 2015. They increased again by \$9,976,312, or 17% to \$67,489,839 in the fiscal year ended June 30, 2016. However, the rate of increase in receipts was not in step with the increase in program activity.

Due to a delay in obtaining approved indirect cost rates from the federal government, the Office of the State Comptroller did not charge a significant amount of indirect overhead attributable to activity of the fiscal year ended June 30, 2015 to restricted accounts until the fiscal year ended June 30, 2016. Charges for indirect overhead, as recorded in the state's accounting system, totaled \$4,211,964, \$1,517,914 and \$7,826,644 in the fiscal years ended June 30, 2014, 2015, and 2016, respectively.

A summary of expenditures from special revenue funds during the audited period and the preceding fiscal year follows:

Expenditure Description	Fiscal Year Ended June 30,		
	2014	2015	2016
Federal Programs:			
Rehabilitation Services Vocational Rehabilitation Grants to States	\$ 28,644,423	\$ 30,029,605	\$ 34,992,548
Social Security Disability Insurance	23,572,486	23,194,144	27,568,573
All Other Federal Programs	1,640,486	1,962,359	1,831,140
Restricted Contributions, Other	2,067,887	1,806,517	2,072,798
Workers' Compensation	1,984,012	2,257,523	2,074,017
All Other	(8,241)	124,854	485,782
Total Expenditures	\$57,901,053	\$59,375,002	\$69,024,858

Total expenditures increased by \$1,473,949, or 3%, from \$57,901,053 in the fiscal year ended June 30, 2014 to \$59,375,002 in the fiscal year ended June 30, 2015. They increased again by \$9,649,856, or 16% to \$69,024,858 in the fiscal year ended June 30, 2016. The fluctuation in indirect overhead charges discussed previously had a significant effect on special revenue fund expenditures as recorded in the state's accounting system.

Total expenditures exclusive of indirect overhead charges increased by \$4,167,999, or 8%, from \$53,689,089 in the fiscal year ended June 30, 2014 to \$57,857,088 in the fiscal year ended June 30, 2015. They increased again by \$3,341,126, or 6% to \$61,198,214 in the fiscal year ended June 30, 2016. The increases reflected a general growth in expenditures of the Rehabilitation Services Vocational Rehabilitation Grants to States and the Social Security Disability Insurance programs. The largest single factor was the increase in payments from the Rehabilitation Services Vocational Rehabilitation Grants to States program for general client services from \$4,281,541 in the fiscal year ended June 30, 2014 to \$6,082,658 and \$7,198,604 in the fiscal years ended June 30, 2015 and 2016, respectively.

Capital Improvement & Other Purpose Funds

Total expenditures from capital and non-capital improvement funds were \$156,062 and \$19,135 in the fiscal years ended June 30, 2015 and 2016, respectively, compared to \$193,898 expended in the fiscal year ended June 30, 2014. The expenditures were made under the state's Information Technology Capital Investment Program.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our review of the Department of Rehabilitation Services disclosed certain areas requiring attention, as discussed in this section of the report

Disaster Recovery

Criteria: Departments should establish a disaster recovery plan to help minimize the risk of negative business impact in the event of an information technology service interruption. The department should regularly update and routinely test the plan to ensure that it recovers systems and data in a timely fashion if a disaster or other interruption occurs.

Condition: The department did not have a disaster recovery plan in place.

Effect: Without a disaster recovery plan, the department might not be able to respond to a compromise of its information technology systems in a timely manner.

Cause: The department informed us that it is in the process of developing a disaster recovery plan.

Recommendation: The Department of Rehabilitation Services should continue its effort to develop a disaster recovery plan. (See Recommendation 1.)

Agency Response: “The agency agrees with this recommendation and will continue efforts to develop a disaster recovery plan.”

Taxi and Livery Services

Background: Section 13b-97 of the General Statutes requires taxicab operators to obtain a certificate from the Department of Transportation. According to Section 13b-97b, operating a taxicab without a certificate is a class A misdemeanor. The Department of Transportation prescribes taxicab rates and charges under the authority of Section 13b-96.

Similarly, Section 13b-103 requires livery service operators to obtain a permit from the Department of Transportation and makes operating without a permit a class B misdemeanor. The Department of Transportation prescribes livery service rates and charges under the authority of Section 13b-102. Both taxicab and livery service operators are required to charge using approved rates unless, per Sections 13b-96 and 13b-102, they are providing services pursuant to a contract with a governmental entity.

Criteria: Procedures to verify that vendors are licensed and that rates charged are in accordance with legal requirements are essential to sound internal controls.

This due diligence reduces risk and provides assurance that a department is meeting its operational responsibilities.

Condition: We reviewed the department’s controls over the procurement of taxicab and livery services for clients. We found that the department did not have a procedure in place to verify that the Department of Transportation certified taxicab and livery service providers or confirm that the providers were using approved rates.

During the 2015-2016 fiscal year, the department expended \$60,734 for client transportation. We reviewed 7 invoices from different providers that were processed during the 2015-2016 fiscal year, totaling \$4,864 for 36 fares. Using Department of Transportation rate schedules, we were able to determine that, for 12 fares totaling \$2,167, DORS calculated charges using approved rates. We were unable to validate the remaining \$2,697, as the invoices did not include all the information needed to determine that the providers used approved rates.

Effect: Obtaining taxicab or livery services for DORS clients from unlicensed providers could put the clients at risk. Failure to verify that the providers were using approved rates could result in excess costs.

Cause: We were unable to determine why the department did not implement these control procedures.

Recommendation: The Department of Rehabilitation Services should implement procedures to verify that the Department of Transportation certified taxicab and livery service providers and confirm that providers were using approved rates. The department should require providers to include all the information needed to verify that they calculated charges on their invoices using approved rates. (See Recommendation 2.)

Agency Response: “The agency agrees with this recommendation and will obtain DOT issued certificates and approved rates from taxicab and livery service providers.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

In our previous report of the Department of Rehabilitation Services, we presented 6 recommendations pertaining to agency operations. The following is a summary of those recommendations and the actions taken:

- **The Department of Rehabilitation Services should continue to work with the Office of Labor Relations to negotiate an amendment to the current agreement with the P-2 bargaining unit so that neither the state nor business customers are responsible for paying interpreter's duplicate or excessive travel claims.** This recommendation was resolved by the elimination of the sign language interpreter program on July 15, 2016.
- **The Department of Rehabilitation Services should improve controls over medical certificates, granting of sick leave benefits, and employment termination procedures. Personnel documents should be maintained in accordance with the State Library Records Retention Schedule.** This recommendation was resolved.
- **The Department of Rehabilitation Services should improve its oversight of contract compliance monitoring and ensure that services and billings rates are clearly included in agreements with contractors.** This recommendation was resolved.
- **The Department of Rehabilitation Services should improve its oversight of receivable balances and work the Office of Policy and Management and the Office of the State Comptroller to improve statewide procedures regarding the transfer of fiscal records among state agencies.** This recommendation was resolved.
- **The Department of Rehabilitation Services should improve its controls over the preparation of annual inventory reports and the recording of capital and controllable assets.** This recommendation was resolved.
- **The Department of Rehabilitation Services should consider whether Core-CT can be used to monitor receivable balances of the Business Enterprise Program. If a different accounting system is used, the department should reconcile revenues recorded off Core-CT to revenues recorded in Core-CT. The department should obtain official guidance from the Office of the State Comptroller to determine whether facility operators should contribute 3% of their annual earnings to the Retiree Health Fund.** This recommendation will not be repeated. The department addressed the first part of our recommendation by implementing new procedures that include the reconciliation of subsidiary records to Core-CT. Our office will address the issue of facility operator contributions to the

Retiree Health Fund during our audit of the Office of the State Comptroller – State Retirement Fund and State Employee and Retiree Benefits.

Current Audit Recommendations:

- 1. The Department of Rehabilitation Services should continue its effort to develop a disaster recovery plan.**

Comment:

Our audit disclosed that the department did not have a disaster recovery plan in place. The department informed us that it is in the process of developing a disaster recovery plan. Without a disaster recovery plan, the department might not be able to respond to a compromise of its information technology systems in a timely manner.

- 2. The Department of Rehabilitation Services should implement procedures to verify that the Department of Transportation certified taxicab and livery service providers and confirm that providers were using approved rates. The department should require providers to include all the information needed to verify that they calculated charges on their invoices using approved rates.**

Comment:

We found that DORS did not have a procedure in place to verify that the Department of Transportation certified taxicab and livery service providers or confirm that the providers were using approved rates. We also noted that invoices on file at the department generally did not include all the information needed to determine that providers used approved rates. Having unlicensed providers deliver taxicab or livery services to DORS clients could put those clients at risk. Failure to verify that the providers used approved rates could result in excess costs.

ACKNOWLEDGEMENT

The Auditors of Public Accounts would like to recognize the auditors who contributed to this report:

Natercia Freitas
Mitchell Nixon (Intern)

CONCLUSION

We wish to express our appreciation to the staff of the Department of Rehabilitation Services for the cooperation and courtesies extended to our representatives during this examination.



Natercia Freitas
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Robert J. Kane
State Auditor