

Department of Housing

Finding 2025-XXX

Subrecipient Monitoring

Program Name(s):	Social Services Block Grant (SSBG) (Assistance Listing 93.667)
Federal Award Agency:	United States Department of Health and Human Services
Award Year(s):	Federal Fiscal Years 2024 and 2025
Federal Award Number(s):	2101CTSOSR, 2201CTSOSR, and 2301CTSOSR

Background

The Department of Social Services (DSS) is the designated single state agency in Connecticut for the allocation and administration of the Social Services Block Grant (SSBG) program. SSBG funds support programs of several state agencies including the Department of Housing (DOH).

Criteria

Title 2 *U.S. Code of Federal Regulations* Part 200.332 requires the pass-through entity to monitor subrecipient activities as necessary to ensure that they use the subaward for authorized purposes in compliance with federal statutes, regulations, and the subaward's terms and conditions and ensure that they achieve performance goals. This includes a review of financial and performance reports required by the pass-through entity.

Condition

Our review of subrecipient monitoring procedures over ten subrecipients that received \$3,941,010 in SSBG funds disclosed the following:

1. DOH did not obtain all required programmatic reports for four subrecipients and programmatic reporting requirements for three subrecipients.
2. DOH did not monitor four subrecipients for overdue programmatic reports and three subrecipients for programmatic reporting requirements.

3. DOH did not adequately review financial expenditures documented in the financial reports submitted by ten subrecipients.
4. DOH did not monitor five subrecipients for overdue state single audits and eight subrecipients for overdue annual financial audits.
5. DOH did not review state single audits for seven subrecipients.
6. DOH did not accurately complete administrative monitoring reports for three subrecipients.

Context

During the fiscal year ended June 30, 2025, DOH provided 26 subrecipients with \$7,478,584 of SSBG funds to administer various programs for homeless individuals.

The sample was not statistically valid.

Questioned Costs

\$0

Effect

DSS and DOH have limited assurance that federal funds were used for allowable activities.

Cause

The condition resulted from a lack of management oversight.

Prior Audit Finding

We previously reported this finding as 2024-025 and in ten prior audits.

Recommendation

The Department of Housing should strengthen internal controls to ensure compliance with federal requirements for monitoring subrecipients for the Social Services Block Grant program.

As the lead agency for SSBG, the Department of Social Services should strengthen procedures to monitor how other state agencies address known deficiencies identified in Statewide Single Audit reports.

Views of Responsible Officials

Response provided by the Department of Housing:

DOH agrees with this finding in part. DOH did contract with a third-party entity to complete all programmatic monitoring and review

of financial expenditures documented in the most recent financial report submitted by the provider to DOH and all agencies were monitored. Some agencies did not submit financial reports in a timely manner. DOH did reach out multiple times to get these reports from the providers by the due date but we were unsuccessful. Due to staffing constraints, DOH was not able to schedule in person monitoring visits to those entities that did not submit timely financial reports. During FY-2025, we successfully transitioned to CORE-UCOA financial reporting. This transition will help both the provider with submitting timely reports and DOH reviewing it. Currently, CORE doesn't allow uploads of supported documentation. However, we are actively working with OPM on a solution and if successful, the task of financial review no longer needs to be outsourced to a third-part and it can be done internally.

Anticipated Completion Date: June 30, 2026.

Melvin Castillo, Asst. Chief Fiscal Admin. Services, 860-270-8220

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Response provided by the Department of Social Services:

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**Auditors'
Concluding
Comments**

Enter auditors' concluding comments here