STATE OF CONNECTICUT
Auditors of Public Accounts

AUDIT SUMMARY

Department of Consumer Protection

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Fiscal Years Ended June 30, 2021, 2022, and 2023

ABOUT THE AGENCY

CONNECTICUT Consumer Protection

The Department of Consumer Protection (DCP) is a regulatory agency that protects citizens from physical injury and financial loss that may occur as the result of unsafe or fraudulent products and services marketed in Connecticut. In addition, the department issues licenses, registrations, and permits and provides oversight for more than 200 types of jobs and businesses, including home improvement contractors, real estate agents, pharmacies, and professional trades. The department also oversees the production, distribution and sale of all prescription medication and alcoholic beverages in the state.

ABOUT THE AUDIT

We have audited certain operations of the Department of Consumer Protection 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, 2021, 2022, and 2023. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. 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. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the 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 a reasonable basis for our findings and conclusions based on our audit objectives.

Link to full report

5 Findings

2 Repeat Findings

Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

NOTEWORTHY FINDINGS

Findings	Recommendations
Our review of 20 employees who received compensatory time during the audited period revealed that two compensatory time forms for 14 hours were incomplete and not properly signed or approved. Our review also identified four instances, totaling 25.5 hours, in which the Department of Consumer Protection (DCP) could not provide documentation and did not properly retain it in accordance with state record retention policies.	DCP should strengthen internal controls to ensure management preapproves compensatory time requests in accordance with department policy. The department should retain supporting documentation in accordance with the Connecticut State Library record retention policy (Recommendation 1).
Our review of 20 overtime transactions disclosed that the department could not provide overtime authorization forms for four employees who earned 25 hours of overtime. Our review also identified two overtime forms for 14 hours that were not properly dated and approved by the business office and the commissioner.	DCP should strengthen internal controls to ensure management preapproves overtime requests in accordance with department policy. The department should retain supporting documentation in accordance with the Connecticut State Library record retention policy (Recommendation 2).
Our review of the DCP database and the Department of Motor Vehicles (DMV) active licensed dealers list disclosed that DCP failed to maintain a complete and accurate database of dealers subject to lemon law payments and maximize the payments. Our examination revealed that 14 dealers listed as active with DMV were not included in the DCP database and did not submit surcharge payments to DCP, and 19 dealers listed as active with DMV were listed as inactive in the DCP database.	DCP should improve procedures to periodically update the new vehicle dealer list and identify and follow up with dealers that have not paid surcharges under the New Automobile Warranties Program (Recommendation 3).
During the audited period, the department did not perform an annual inventory of its software and did not provide a current software inventory report. The report provided did not contain all the information required by the State Property Control Manual.	DCP should strengthen internal controls over software management to ensure it maintains accurate records. The department should perform an annual software inventory in accordance with the State Property Control Manual (Recommendation 4).
DCP did not submit the Funds Awaiting Distribution report to the Office of the State Comptroller for fiscal years 2021, 2022 and 2023.	DCP should strengthen internal controls to ensure compliance with reporting requirements (Recommendation 5).