

STATE OF CONNECTICUT



*AUDITORS' REPORT
DIVISION OF CRIMINAL JUSTICE
FISCAL YEARS ENDED JUNE 30, 2017 AND 2018*

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

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July 9, 2020

EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Division of Criminal Justice. The objectives of this review were to evaluate the department's internal controls, compliance with policies and procedures, as well as certain legal provisions, and management practices and operations for the fiscal years ended June 30, 2017 and 2018.

The key findings and recommendations are presented below:

Page 7	Our review of the division's drug asset forfeiture receivable records as of June 30, 2018, continued to disclose \$138,096 in delinquent receivables dating back to 1994. The Division of Criminal Justice (DCJ) should establish internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual. (Recommendation 1.)
Page 8	We noted 7 instances during the audited period in which the agency rehired employees in excess of the 2-calendar year limit. The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods. (Recommendation 2.)
Page 11	Our review of 20 employees' personnel files disclosed 8 instances in which the division did not have the required medical certificate, return to work form, or fitness of duty form on file. The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates in the form prescribed by the Commissioner of Administrative Services. (Recommendation 3.)
Page 12	We found the division did not add \$221,575 in licensed software purchased in fiscal year 2017-2018 to the Core-CT Asset Management module, and did not include \$14,569 in software it purchased in fiscal year 2017- 2018 on the CO-59. The Division of Criminal Justice should continue its efforts to complete its software inventory. The division should develop policies and procedures to comply with the State Comptroller's annual software inventory requirements. (Recommendation 4.)
Page 14	Our review of the division's time and labor coding during the audited period disclosed that it continued to improperly use the leave other paid (LOPD) time recording code on timesheets. The Division of Criminal Justice should discontinue its practice and policy on the use of the leave other paid (LOPD) time reporting code for hours that would normally be recorded as compensatory time. (Recommendation 5.)

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AUDITORS OF PUBLIC ACCOUNTS

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July 9, 2020

AUDITORS' REPORT

We have audited certain operations of the Division of Criminal Justice 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 years ended June 30, 2017 and 2018. The objectives of our audit were to:

1. Evaluate the division's internal controls over significant management and financial functions;
2. Evaluate the division'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 effectiveness, 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 parties¹; 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 various available sources including, but not limited to, the department's management and the state's information systems, 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. Apparent noncompliance with policies and procedures or 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 Division of Criminal Justice.

COMMENTS

FOREWORD

The Division of Criminal Justice was established within the Executive Branch pursuant to Article 23 of the Amendments to the Connecticut Constitution and under the provisions of Section 51-276 of the General Statutes. The division has all management rights except the appointment of state's attorneys. Under Article 23, the chief state's attorney is the administrative head of the division.

The Office of the Chief State's Attorney is responsible for the statewide administrative functions of the Division of Criminal Justice. The division includes not only the administrative office and bureaus of the chief state's attorney, but also the offices of each of the thirteen state's attorneys, one for each judicial district. The division is responsible for the investigation and prosecution of all criminal matters in the state, including traffic violations, housing court, juvenile issues, misdemeanor crimes, and felony cases. Each state's attorney is responsible for the operations within their respective district. The chief state's attorney generally provides administrative oversight, assistance or guidance when it is requested.

The Office of the Chief State's Attorney also operates the following specialized bureaus and units within the central office: Appellate Bureau, Asset Forfeiture Bureau, Civil Litigation Bureau, Statewide Prosecution Bureau, Cold Case/Shooting Task Force Bureau, Medicaid Fraud Control Unit, Unemployment Compensation Fraud Unit, Workers' Compensation Fraud Control Unit, and Witness Protection Unit. Program areas include crimes involving elder abuse, violence against women, cold case, witness protection, housing, and juvenile matters.

Criminal Justice Commission

The Criminal Justice Commission is an entity separate from the Division of Criminal Justice and exists pursuant to Article 23 of the Amendments to the Connecticut Constitution and Section 51-275a of the General Statutes. The commission is granted authority under Section 51-278 of the General Statutes to appoint the chief state's attorney to a 5-year term, 2 deputy chief state's attorneys to 4-year terms, and a state's attorney for each judicial district to 8-year terms. The commission appoints statutorily mandated prosecutors, as well as prosecutors requested by the chief state's attorney. Furthermore, the commission can remove any of the state's attorneys after due notice and hearing. The division provides staff support for the commission.

Terms of the 6 Criminal Justice Commission members, who are nominated by the Governor and appointed by the General Assembly, are coterminous with the Governor. The Criminal Justice Commission consisted of the following members as of June 30, 2018:

Appointed Members:

Honorable Andrew J. McDonald
Honorable Juliett L. Crawford
Mary M. Galvin, Esquire
Eric George, Esquire
Moy N. Ogilvie, Esquire
Erik Russell, Esquire

Ex-Officio Board Members:

Kevin T. Kane

Appointed members serve without compensation, except for necessary expenses incurred in performing their duties. Kevin T. Kane served as chief state's attorney throughout the audited period.

Recent Legislation

- **Public Act 17-2 of the June Special Session**, effective October 31, 2017, Section 167 required the Division of Criminal Justice to maintain the Cold Case Unit's appropriated funds separately from those of the Shooting Task Force and only spend the funds their intended purpose.

RÉSUMÉ OF OPERATIONS

General Fund Receipts and Expenditures

A comparison of general funds revenues and expenditures for the fiscal years under review and the preceding year follows:

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Penalties and Settlements	\$2,970,403	\$ 448,286	\$1,566,528
Bond Forfeitures	784,117	1,491,800	1,353,500
Federal Aid – Miscellaneous	1,548,019	1,590,587	1,776,842
All Other Receipts	64,392	67,758	60,792
Total General Fund Receipts	<u>\$5,366,931</u>	<u>\$3,598,431</u>	<u>\$4,757,662</u>

General Fund receipts fluctuate due to large settlements and bond forfeitures that vary from year to year. General Fund receipts decreased by \$1,768,500 for the 2016-2017 fiscal year, but increased by \$1,159,231 for the 2017-2018 fiscal year. The increase in penalties and settlement revenues during the 2017-2018 fiscal year was due to Medicaid settlements with pharmaceutical companies. The receipts for bond forfeitures varied due to the size of the initial bonds, the number of defendants who fail to appear, and the number of bondsmen who file motions to release bonds. The receipts for Federal Aid – Miscellaneous are from the federal government for the operation of the Medicaid Fraud Control Unit (MFCU). The division receives quarterly reimbursements from the federal government for 75% of the unit's actual expenditures. There is also a 4-month lag between the time expenditures are incurred and when they are reimbursed by the federal government.

The division's General Fund expenditures for the fiscal years under review and the preceding year are as follows:

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Personal Services and Employee Benefits	\$50,133,984	\$47,554,256	\$44,132,102
Purchased and Contracted Services	1,423,967	1,229,041	1,157,827
Premises and Property Expenses	556,795	527,142	490,119
Motor Vehicle Costs	271,206	239,632	260,889
Information Technology and Communications	565,196	558,680	549,085
Purchased Commodities	239,543	176,672	181,013
Other Charges	-	3,562	131
Total General Fund Expenditures	<u>\$53,190,691</u>	<u>\$50,288,984</u>	<u>\$46,771,166</u>

General Fund expenditures decreased by \$2,901,707 and \$3,517,818 for the 2016-2017 and 2017-2018 fiscal years, respectively. The majority of the budgeted expenditures are personal services and employee benefits. The Personal Services and Employee Benefits expenditures decreased by \$2,579,728 for fiscal year 2016-2017 and \$3,422,154 for fiscal year 2017-2018 due to the elimination of the majority of the division's temporary positions and retirements. In addition, due to the SEBAC 2017 agreement, the state deferred the payment of longevity until

fiscal year 2018-2019. Purchased and Contracted Services expenditures decreased by \$194,926 for the 2016-2017 fiscal year and by \$71,214 for the 2017-2018 fiscal year due to a decrease in legal consulting and assistance on labor and related issues. Premise and Property Expense decreased by \$29,653 for the 2016-2017 fiscal year and by \$37,023 for the 2017-2018 fiscal year due to the termination of a lease and subsequent move into the new Torrington courthouse.

Federal and Other Restricted Accounts Fund

The division’s federal and other restricted receipts for the audited period, as compared to the preceding year, are as follows:

	2015-2016	2016-2017	2017-2018
Federal Grants	\$323,541	\$ 205,404	\$ 163,152
Non-Federal Grants	422,237	406,414	537,148
Drug Asset Forfeitures	221,921	231,353	158,322
Total Federal and Other Receipts	\$967,699	\$ 843,171	\$ 858,622

Federal grant revenue decreased by \$124,528 for the 2016-2017 fiscal year and increased by \$15,451 for the 2017-2018 fiscal year. The decrease in the federal grant revenue is attributed to the reduction of DUI grant funding from the Department of Transportation and the end of the Violence Against Women grants from the Office of Policy and Management.

The Drug Asset Forfeitures revenue increased by \$9,432 for the 2016-2017 fiscal year and decreased by \$73,031 for the 2017-2018 fiscal year. The Drug Asset Forfeitures revenue fluctuates based upon the number and dollar amount of cases.

Non-federal grant decreased by \$15,823 for the 2016-2017 fiscal year and increased by \$130,734 for the 2017-2018 fiscal year. The increase in non-federal grants is attributed to a \$222,000 private grant from the Singer Foundation through the Center for Court Innovation for a pilot program to enhance the role of prosecutors in promoting diversion and other alternatives to incarceration around the state.

The division’s federal and other restricted expenditures for the audited period, as compared to the preceding year, are as follows:

	2015-2016	2016-2017	2017-2018
Personal Services and Employee Benefits	\$739,167	\$681,865	\$767,226
Capital Outlays Equipment	-	21,533	-
Information Technology	1,346	1,119	6,027
All Other Expenditures	138,555	89,351	81,207
Total Federal and Other Expenditures	\$879,068	\$793,868	\$854,460

The total federal and other expenditures decreased by \$85,200 for the 2016-2017 fiscal year and increased by \$60,592 for the 2017-2018 fiscal year, respectively. Other expenditures decreased by \$49,204 for the 2016-2017 fiscal year and increased by \$8,144 for the 2017-2018 fiscal year, respectively.

Workers' Compensation Fund

The division's workers' compensation expenditures for the audited period, as compared to the preceding year, are as follows:

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Personal Services and Employee Benefits	\$537,302	\$677,466	\$644,791
Motor Vehicle Costs	3,410	2,793	3,848
All Other Expenditures	<u>3,925</u>	<u>4,992</u>	<u>2,660</u>
Total Workers' Compensation Fund Expenditures	<u>\$ 544,637</u>	<u>\$685,251</u>	<u>\$651,299</u>

The division's expenses related to the Workers' Compensation Fund increased by \$140,614 in the 2016-2017 fiscal year, and decreased by \$33,952 in the 2017-2018 fiscal year. These expenses are related to the investigation and prosecution of workers' compensation crimes. The increase was due to the addition of staff.

Capital Improvements and Other Purpose Fund

Capital Improvements and Other Purpose Fund expenditures totaled \$171,856 and \$1,201,814 during the fiscal years ended June 30, 2017 and 2018, respectively. The increase in expenditures was due to the replacement of the telecommunication system.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Outstanding Drug Asset Forfeiture Receivables

Background: Property related to the illegal sale or exchange of controlled substances or money laundering is subject to forfeiture to the state pursuant to Section 54-36h of the General Statutes. In accordance with subsection (b) of this section, not later than 90 days after the seizure of money or property subject to forfeiture, any prosecutor of the Division of Criminal Justice may petition the court in the nature of a proceeding in rem (imposing a general liability) to order forfeiture of said money or property. At such hearing, the court shall hear evidence, make findings of fact, enter conclusions of law, and shall issue a final order, from which the parties shall have such right of appeal as from a decree in equity. Upon a judgement from the courts, custodial police departments are required to convert currency forfeitures into certified checks and forward the monies to the Division of Criminal Justice for deposit into the drug asset forfeiture revolving account.

Section 54-36i of the General Statutes requires monies deposited into the drug asset forfeiture revolving account to be distributed to the Department of Emergency Services and Public Protection, the Department of Mental Health and Addiction Services, the Division of Criminal Justice, and local police departments.

Criteria: The State Accounting Manual sets forth the accounting procedures for receivable amounts and the division's responsibility for establishing and maintaining effective internal controls. Each state agency is responsible to collect amounts owed to the state in the most effective and efficient manner possible.

Condition: Our review of the division's drug asset forfeiture receivable records as of June 30, 2018, continued to disclose \$138,096 in delinquent receivables dating back to 1994. Of this amount, the City of Bridgeport has \$88,149 in receivables for 43 cases.

In addition, we noted \$123,809 in receivables between one and 10 years and \$10,709 in receivables between 10 and 25 years. In addition, we could not determine how long \$3,577 in receivables were outstanding.

Effect: Untimely collection efforts of these outstanding drug asset forfeiture receivables increases the risk for them being misrepresented and uncollectible.

Cause: The division disbanded the centralized Asset Forfeiture Bureau on June 1, 2016, leaving the responsibility of addressing the cases with its limited

fiscal staff and judicial district employees. In addition, the lack of compliance by local police departments has made it difficult for the division to collect the outstanding receivables.

Prior Audit Finding: This finding has been previously reported in the last 4 audit reports covering the fiscal years ended June 30, 2009 to 2016.

Recommendation: The Division of Criminal Justice should strengthen internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual. (Recommendation 1.)

Agency Response: “The Division regularly reports to municipalities that have a balance on the status of funds owed to the State’s Drug Asset Forfeiture Revolving Fund (the “Fund”). Police departments’ responses help to identify those receivables that are collectible, uncollectible, and those, which do not constitute valid receivables. For funds that are uncollectible, which include monies lost or stolen a police department or lack of supporting documentation, written verification signed by a chief of police or other high ranking municipal official is required in order to write-off the receivable. Despite substantial efforts to collect funds, lack of compliance by law enforcement agencies have hindered the Division’s ability to act on older receivables to determine if in fact they are valid receivables.

With regard to outstanding receivables documented in the Condition paragraphs referenced above, the receivables balance of \$138,096 has since been reduced by 77% or \$106,000. As a result, the receivables balance greater than one year but less than ten years has been reduced by 86%. Of the 43 City of Bridgeport receivables totaling \$88,150, 72% or \$63,065 of that claim has been settled.”

Excessive Number of Work Periods for Rehired Retirees

Criteria Governor Rell’s Executive Order 27-A provides that a retiree may be rehired for periods not to exceed 120 days per calendar year and that individual retirees can be rehired to work no more than two 120-day periods.

According to the division’s policy, the chief state’s attorney has the authority to fill, convert, transfer or create a permanent or temporary position.

Condition: Our review of rehired employees during the audit period disclosed 7 instances in which the agency rehired employees in excess of the 2calendar-year limit.

Effect: It does not appear the rehired rehires truly separated from state service.

Cause: The Division of Criminal Justice maintains the 2-year rehiring restriction does not apply to the division. The division bases its exemption on a Department of Administrative Services email. The email included an interpretation of a 2009 letter from the Secretary of the Office of Policy and Management and the Commissioner of Administrative Services to the Chief State's Attorney which urged the division to comply with the Governor's Executive Order 27-A.

Prior Audit Finding: This finding has been previously reported in the last audit report covering the fiscal years June 30, 2015 to 2016.

Recommendation: The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods. (Recommendation 2.)

Agency Response: "On August 6, 2009, the Division of Criminal Justice received a letter from OPM and DAS outlining the scope of Executive Order 27-A. The letter concludes, "we strongly urge you to adopt these guidelines." On August 25, 2014, DCJ received clarification from DAS "that while you are urged to follow the Executive Order, you are not required to". DCJ, while part of the Executive Branch, is a unique freestanding agency with job classifications exclusive to this Division. There have been a number of circumstances that have driven our use of rehired retirees beyond the two-year calendar limit. In most cases, the incumbent is performing work that they are uniquely qualified to do and/or the work is specific to a project with an end date, so rotating staff would be counterproductive. For example, a former DCJ HR Specialist was brought back numerous times due to unexpected turnover in the Human Resources Department. This rehired retiree was uniquely qualified to provide coverage to the Division as she was the only retiree in state service that had experience with the Division's exclusive bargaining units, classifications and business rules. The Division understands Executive Order 27-A and will attempt to work within the confines of the policy when practicable. However, DCJ preserves the interpretation given to us by DAS and OPM, that when deemed appropriate, we may have latitude in our hiring of temporary worker retirees."

Auditors' Concluding Comment:

The Division of Criminal Justice, as an Executive Branch agency, is not exempt from the requirements of the executive order. The division should implement a transition plan that includes the hiring and training of new employees prior to retirements. This transition plan could eliminate the division's practice of rehiring employees more than the two term limits.

Absence of Medical Certificates on File

Criteria: Section 5-247-11 of the Regulations of Connecticut State Agencies provides that an acceptable medical certificate, which must be on the form prescribed by the Commissioner of Administrative Services and signed by a licensed physician or other practitioner whose method of healing is recognized by the state, will be required of an employee by his appointing authority to substantiate a request for sick leave for any period of absence consisting of more than 5 consecutive working days.

The Department of Administrative Services recommends that state employees absent for health reasons use the Employee Medical Certificate (P-33A) Form.

Division policy states that supervisors are responsible for ensuring that employees are using sick leave properly. Employees should report an absence due to illness or injury as soon as possible. Employees must submit an acceptable medical certificate to the Human Resources Unit for an absence of more than 5 consecutive workdays. Various collective bargaining agreements specify the same policy.

Condition: Our review of 20 employees' personnel files disclosed 8 instances in which the division did not have the required medical certificate, return to work form, or fitness of duty form on file.

Effect: The division increases the risk that employees may abuse their use of sick leave when it does not obtain required medical certificates.

Cause: The division does not adequately monitor employees for compliance with the state's medical certificate requirements. The division's policy does not specifically require the use of the P-33A Employee Medical Certificate form. This practice does not comply with various collective bargaining agreements and the state medical certificate requirements. The division currently accepts a medical note in lieu of the P-33A Employee Medical Certificate for absences greater than 5 consecutive working days.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering the fiscal years June 30, 2013 to 2016.

Recommendation: The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates in the form prescribed by the Commissioner of Administrative Services. (Recommendation 3.)

Agency Response: “The Division intends to improve the monitoring of employee medical leave. For the first time in many years, the Division is fully staffed in its Human Resources Department. Full staffing will help with the administration of FMLA and the gathering of medical certificates; which can be an arduous task as they are often received after the fact. It should be noted that the auditor cited the Division for not publishing the Medical Certificate (P-33A) form on its website. This is accurate. However, the Division has published the form on its intranet site, which is where our employees are instructed to go to find Division policies, procedures, forms and information. In addition, the Division has an extensive past practice with our three bargaining units concerning the acceptance of a doctor’s note for absences of five days for non-qualifying FMLA absences, such as the common cold or seasonal viruses. This practice complies with the language in our collective bargaining agreements, which are exclusive to our Division. Moreover, any deviation from the current practice will require negotiations with all three bargaining units.”

Property Control and Software Inventory Deficiencies

Criteria: Section 4-36 of the General Statutes requires state agencies to establish and maintain an inventory system as prescribed by the Office of the State Comptroller. Agencies are required to transmit an annual Asset Management Report (CO-59) to the Office of the State Comptroller, which provides a detailed inventory of all real or personal property owned by the state in custody of an agency.

Chapter 7 of the State Property Control Manual establishes statewide inventory control policies and procedures. Agencies must establish a software inventory to track and control all software media licenses or end user license agreements, certificates of authenticity (where applicable), documentation, and related items. Agencies must annually produce the software inventory report and maintain an inventory record for all licensed, owned, and agency-developed software.

Condition: During our review of the division’s fiscal year 2017-2018 Asset Management Report (CO-59), we found the division did not add \$221,575 in licensed software it purchased in fiscal year 2017-2018 to the Core-CT Asset Management module. In addition, the agency did not include \$14,569 in software purchased in fiscal year 2017-2018 on the CO-59 form.

The division created a software inventory database using Microsoft SharePoint. As of February 11, 2019, this database contained 290 software items. It appears that the division has still not included 11 software items in the SharePoint system from the prior audit.

The division uses the Windows System Center Configuration Manager to track its software, but does not perform an annual physical software inventory or reconcile the inventory to the Windows System Center Configuration Manager.

Effect: The division did not comply with the State Property Control Manual. When software records are not properly maintained and an annual software inventory is not conducted, there is increased risk that software purchases are not properly reported and accounted for. This may result in financial liability for the state.

Cause: The division does not have a complete software inventory listing in its SharePoint database. In addition, it did not reconcile the software inventory listing with the Windows System Center Configuration Manager.

Prior Audit Finding: This finding has been previously reported in the last 4 audit reports covering June 30, 2010 to 2016.

Recommendation: The Division of Criminal Justice should continue its efforts to complete its software inventory. The division should develop policies and procedures to comply with the State Comptroller's annual software inventory requirements. (Recommendation 4.)

Agency Response: "The Division has undergone a number of two year audits within a short period of time. As a result, it has put together a very comprehensive listing of Division owned software. Only a very small number of software items 11 (or 3.6%) out of total of 301 were not included in our Microsoft SharePoint Database. We will continue to maintain and update our software database. A physical inventory of software is not possible since all software is stored electronically."

Improper Use of the Leave Other Paid Time Reporting Code

Background: The collective bargaining agreement with the Connecticut Association of Prosecutors does not allow prosecutors to earn compensatory time for work beyond normal hours.

Criteria: The Department of Administrative Services (DAS) General Letter 170 provides agencies the authority to grant time off with pay under certain circumstances not covered by statute. They include jury duty, subpoena or other order of the court, state examinations, grievances, employee conventions, veterans' conventions, and special closings due to weather or national events, which are dealt with on an individual basis.

According to the Core-CT Time Reporting Codes (TRC) job aid, Leave Other Paid (LOPD), state employees are paid leave for general use such as fire duty, Red Cross volunteering and civil leave, when the absence is unrelated to state duties. The division should use the appropriate override reason code in conjunction with this time reporting code to better define the reason for the absence.

Condition: Our review of the division's time and labor coding during the audited period disclosed that it continued to use the LOPD time recording code on timesheets. The chief and deputy chief state's attorneys issued a memorandum to staff in 2007 allowing prosecutors to charge LOPD when casework takes them beyond their normal work schedule. The division uses the LOPD code in lieu of compensatory time. This contradicts the state LOPD policy.

Effect: During state fiscal years 2016-2017 and 2017-2018, many prosecutors charged a combined 944 and 1,360 hours of LOPD to their timesheets, respectively, for time worked beyond their normal schedules.

Cause: The division did not consult with the Department of Administrative Services prior to developing its policy on the use of the LOPD time recording code.

Prior Audit Finding: This finding has been previously reported in the last audit report covering June 30, 2015 and 2016.

Recommendation: The Division of Criminal Justice should discontinue its practice and policy on the use of the leave other paid (LOPD) time reporting code for hours that would normally be recorded as compensatory time. (Recommendation 5.)

Agency Response: "The use of compensatory time would need to be negotiated with our prosecutors' union. The use of the LOPD time code was implemented to temporarily solve the problem of recognizing that prosecutors work well beyond their normal hours when conducting a criminal trial or when preparing to file a complex appellate brief. The Division will be reaching out to CORE CT to see if a payroll code can be developed for this purpose. The Division would like to find a permanent solution to this problem."

Vehicle Usage

Criteria: Section 407 of the division's Administrative Policies and Procedures Manual details its reporting policy over assigned and pool vehicle usage. The pool vehicle monthly usage reports require operators to document the month, vehicle marker number, name of operator, beginning mileage, ending mileage, and total monthly mileage. In addition, operators must

input daily entries that document their starting town, towns traveled to on official business, and total daily mileage.

Condition: We reviewed 47 monthly vehicle usage reports for ten pool and ten assigned vehicles. Our review of the 10 pool vehicles disclosed there were 7 instances in which 638 miles could not be verified due to inadequate information. There were 2 instances in which the difference between the starting and ending mileage did not equal the month's total calculated mileage. There were 17 instances in which the supervisor or the inspector did not sign or date the reports. There were 2 instances in which the user submitted the reports 15 days late. There were 2 instances in which the division did not document the total miles for the day, the supervisor's signature, and the date of signatures.

Our review of the assigned vehicles disclosed 7 instances in which the user submitted the reports between 2 days and 2 months late. There were 6 instances in which the supervisor or the inspector did not sign or date the reports. One report contained 625 miles for a day trip to New York. Another report contained 1,191 miles for 5 days of in-state driving. They both appear unreasonable.

Cause: The division did not fully implement its corrective action from the prior audit.

Effect: There is decreased assurance that vehicles are only used for appropriate state business.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering June 30, 2013 to 2016.

Recommendation: The Division of Criminal Justice should strengthen its internal controls over state-owned vehicles to ensure compliance with established policies and procedures and the efficient use of state resources. (Recommendation 6.)

Agency Response: "A lack of adequate staffing is contributing to this audit condition. In 2018, more stringent procedures were put in place and most of these minor errors were eliminated. Only one administrative employee receives and reviews all the vehicle reports each month. The reduction of Division personnel has impacted our ability to keep up with this workload.

Vehicles are not being used without the Division's knowledge and are used only for approved state business or in accordance with collective bargaining agreements."

Lack of Utilization of Core-CT Employee Self-Service

- Criteria:* The Core-CT Employee Self-Service electronic timesheet processing function was established in 2003 to assist state agencies in efficiently tracking and approving time and labor. The electronic timesheet process:
- Reduces paperwork for human resources units and employees.
 - Reduces payroll unit processing time as minimal data entry is required.
 - Increases accuracy because the self-service system can promptly recognize and identify certain types of data entry errors.
 - Displays leave accrual and compensatory time balances for the employee's convenience and automatically notifies the user if a leave balance is deficient.
 - Clears employee/supervisory approvals since timesheets are pinned rather than signed.
 - Allows agencies to more quickly determine whether all timesheets were submitted.
 - Allows agencies to more quickly assess whether an employee needs to submit a medical certificate or FMLA documentation.
 - Allows employees to access their payroll history.
- Condition:* The Division of Criminal Justice continues to utilize paper-based timesheets rather than the Core-CT electronic timesheet process.
- Effect:* The division's use of paper-based timesheets constrains its ability to promptly and efficiently monitor its employees' time and labor.
- Cause:* The division did not implement the corrective action from the prior audit due to understaffing.
- Prior Audit Finding:* This finding has been previously reported in the last audit report covering June 30, 2015 to 2016.
- Recommendation:* The Division of Criminal Justice should implement the Core-CT Employee Self-Service electronic timesheet process to gain efficiencies in time and monitoring that are absent from its current system. (Recommendation 7.)

Agency Response: “The Division is currently in the process of implementing the CORE-CT Employee Self-Service module. We are currently updating all organizational charts so that reporting structures and the time reporter groups can be clearly identified. The Division did not have the capability to undertake this project until it was fully staffed in the HR Department. The Division’s newly hired HR Director comes to DCJ from a self-serve agency and understands the benefits of utilizing this system. She has had a preliminary meeting with CORE to discuss the timeline to implement self-serve and to identify the first steps.”

Expenditure Transactions without Proper Accounting Commitments

Criteria: Section 4-98(a) of the General Statutes states that no budgeted agency may incur any obligation except by the issuance of a purchase order and a commitment transmitted to the State Comptroller.

Good business practices and internal controls related to purchasing require proper authorization of commitment documents prior to the receipt of goods or services.

Condition: During our review of non-payroll expenditures for the fiscal years ended June 30, 2017 and 2018, we noted that 5 of 20 purchase orders tested, totaling \$20,279, did not have sufficient funds committed at the time expenditures were incurred.

Effect: There is less assurance that division funding will be available at the time of payment when it incurs expenditures prior to the commitment of funds.

Cause: The division’s internal controls were not sufficient to ensure that the committed funds were available prior to the purchase of goods or services.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Division of Criminal Justice should improve internal controls to ensure that it properly approves and monitors purchase order commitment amounts. The division should ensure committed funds are available prior to the purchase of goods or services.
(Recommendation 8.)

Agency Response: “The Division agrees with this finding. It will review its internal controls and procedures and establish practices to ensure that adequate funds are committed prior to the purchase of goods and/or services.

Current encumbrance amounts are being reviewed and will be monitored to assure compliance with Section 4-98(a) of the General Statutes.”

Access to Core-CT for Terminated Employees

Criteria: The Core-CT Security Liaison Guide states that upon the notice of an employee's termination, retirement, or transfer to another department or agency, the agency's security liaison should request immediate deactivation of a functional employee's access to Core-CT. The agency should deactivate a non-functional employees' access to Core-CT when their final check has been issued.

Condition Our review of Core-CT system access for 10 terminated employees disclosed that three employees' accounts remained unlocked.

- One account remained active for 22 months after termination.
- One account remained active for 21 months after termination.
- One account remained active for 18 months after termination. In addition, this employee logged onto Core-CT 9 months after termination.

Effect: There is an increased risk of unauthorized access to the Core-CT system and possible manipulation of data.

Cause: The division does not have appropriate controls in place to ensure that employee Core-CT access is deactivated immediately upon termination. The division does not manually lock out accounts when employees receive their last paycheck, but waits for the automated Core-CT process.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: The Division of Criminal Justice should establish internal controls to promptly deactivate terminated employees' access to the Core-CT system. (Recommendation 9.)

Agency Response: "The vast majority of Division employees only have CORE access to view their paycheck information. For those few employees who separate from the Division and have access to CORE Financial, HRMS, EPM or Asset Management modules, their CORE CT access is terminated on their last day of service. The Division has put additional procedures in place to manually lock out all accounts when any employee separates from the Division."

Public Complaints Received by the Division

- Criteria:* The Division of Criminal of Justice receives public and internal complaints. The division should have a process in place to assure the public that complaints are independently investigated and results are accurately reported to the chief state’s attorney. The process should track the dates the complaint was received and resolved, and retain a complaint file to allow for subsequent review. The division should have an independent review of the more serious allegations to confirm that it took appropriate action.
- Condition:* The Division of Criminal Justice does not maintain a central database record of its complaints. The division only maintains a log of complaints that resulted in an investigation.
- Effect:* The failure to maintain thorough records makes it impossible to sufficiently document the status of complaints.
- Cause:* There appears to be a lack of managerial oversight.
- Prior Audit Finding:* This finding has not been previously reported.
- Recommendation:* The Division of Criminal Justice should implement procedures to record and track all public and internal complaints. (Recommendation 10.)
- Agency Response:* “The Division receives a tremendous amount of correspondence on a regular basis. All correspondence are reviewed upon receipt by a member of the executive staff for action or referral. Complaints regarding potential criminal conduct are referred to the Office of the State’s Attorney that has jurisdiction over the location or to an operational unit in the Office of the Chief State’s Attorney. Often, complaints involve civil matters outside of the jurisdiction of the Division and are referred to the appropriate state or federal agency, or are frivolous and require no further action. The lack of adequate staffing limits the agency’s ability to provide detailed responses in every case. The Division does maintain databases that track attorney grievances, lawsuits and freedom of information requests. Recently, the Division started gathering business requirements to help establish an electronic complaint database that will assist in the tracking of complaints received and address the concerns in this finding. A complaint log has already been created.”

RECOMMENDATIONS

Our prior audit report on the Division of Criminal Justice contained 9 recommendations. Two have been implemented or otherwise resolved and 7 have been repeated or restated with modifications during the current audit. The following is a summary of the action taken on the prior recommendations.

Status of Prior Audit Recommendations

- The Division of Criminal Justice should continue to ensure that annual service ratings are completed and submitted in a timely fashion in accordance with collective bargaining unit contracts. **Our current audit disclosed the division has taken corrective action. This recommendation will not be repeated.**
- The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that employees report their absences on time and the division adequately documents those absences in accordance with the various collective bargaining agreements, Section 5-247-11 of the Regulations of Connecticut State Agencies, and the division's sick leave policy. In addition, the division should clarify its sick leave policy to indicate the specific medical certificate form prescribed by the Commissioner of Administrative Services for statewide. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 3.)**
- The Division of Criminal Justice should abide by Executive Order 27-A by not rehiring retirees for more than two 120-day periods. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 2.)**
- The Division of Criminal Justice should abolish its practice and policy on the use of the leave other paid (LOPD) time reporting code and abide by the statewide policy as identified by the Core-CT Time Reporting Code job aid and the Department of Administrative Services General Letter 170. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 5.)**
- The Division of Criminal Justice should strongly consider implementing the Core-CT Employee Self-Service electronic timesheet process in order to gain efficiencies in time and monitoring that are absent using paper-based timesheets. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 7.)**
- The Division of Criminal Justice should continue to review its collection procedures for drug asset forfeiture receivables to ensure that outstanding receivables are being properly addressed. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 1.)**
- The Division of Criminal Justice should comply with the State Property Control Manual by ensuring that assets reported missing are promptly retired in the Core-CT Asset

Management module. **Our current audit disclosed this condition has been resolved and will not be repeated.**

- The Division of Criminal Justice should ensure that it maintains and reports its software inventory records in accordance with the policy and procedure established by the State Comptroller. **Our current audit disclosed this condition has not been resolved and will be repeated in a modified form. (See Recommendation 4.)**
- The Division of Criminal Justice should continue to strengthen its internal controls over state-owned vehicles by monitoring to ensure compliance with established policies and procedures and thus, that state resources are being used efficiently. **Our current audit disclosed this condition has not been resolved and will be repeated. (See Recommendation 6.)**

Current Audit Recommendations

- 1. The Division of Criminal Justice should strengthen internal controls over drug asset forfeiture receivables and should implement procedures to comply with the State Accounting Manual.**

Comment:

Our review of the division's drug asset forfeiture receivable records as of June 30, 2018, continued to disclose \$138,096 in delinquent receivables dating back to 1994.

- 2. The Division of Criminal Justice should abide by Executive Order 27-A and not rehire retirees for more than two 120-day periods.**

Comment:

We noted 7 instances during the audit period in which the division rehired employees in excess of the 2-calendar year limit.

- 3. The Division of Criminal Justice should continue to improve its monitoring of employee medical leave to ensure that its employees provide medical certificates in the form prescribed by the Commissioner of Administrative Services.**

Comment:

Our review of 20 employees' personnel files disclosed 8 instances in which the division did not have the required medical certificate, return to work form, or fitness of duty form on file.

- 4. The Division of Criminal Justice should continue its efforts to complete its software inventory. The division should develop policies and procedures to comply with the State Comptroller's annual software inventory requirements.**

Comment:

During our review of the fiscal year 2018 Asset Management Report (CO-59), we found the division did not add \$221,575 in licensed software purchased in fiscal year 2018 to the Core-CT Asset Management module. In addition, the agency did not include \$14,569 in software it purchased in fiscal year 2018 on its 2018 CO-59 report. The division also did not include all software items in its software inventory database and did not perform an annual physical inventory.

- 5. The Division of Criminal Justice should discontinue its practice and policy on the use of the leave other paid (LOPD) time reporting code for hours that would normally be recorded as compensatory time.**

Comment:

Our review of the division's time and labor coding during the audited period disclosed that it continued to improperly use the LOPD time recording code on timesheets.

- 6. The Division of Criminal Justice should strengthen its internal controls over state-owned vehicles to ensure compliance with established policies and procedures and the efficient use of state resources.**

Comment:

Our current audit disclosed several inaccurate or incomplete monthly vehicle usage reports for pool and assigned vehicles.

- 7. The Division of Criminal Justice should implement the Core-CT Employee Self-Service electronic timesheet process to gain efficiencies in time and monitoring that are absent from its current system.**

Comment:

Our current audit disclosed that the division continues to utilize paper-based timesheets rather than the Core-CT Employee Self-Service electronic process.

- 8. The Division of Criminal Justice should improve internal controls to ensure that it properly approves and monitors purchase order commitment amounts. The division should ensure committed funds are available prior to the purchase of goods or services.**

Comment:

Our current audit disclosed that 5 purchase orders, totaling \$20,279, did not have sufficient funds committed at the time expenditures occurred.

- 9. The Division of Criminal Justice should establish internal controls to promptly deactivate terminated employees' access to the Core-CT system.**

Comment:

Our review of Core-CT access for 10 employees disclosed 3 instances in which the division did not promptly terminate account access after their separation from state service. These accounts remained active for more than two years after separation.

10. The Division of Criminal Justice should implement procedures to record and track all public and internal complaints.

Comment:

Our review disclosed that the division does not maintain a central database record of its public or internal complaints. The division only maintains a log of complaints that resulted in an investigation.

ACKNOWLEDGEMENTS

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

Sophia Chen
Kathrien E. Williams

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Division of Criminal Justice during the course of our examination.



Kathrien E. Williams
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Robert J. Kane
State Auditor