

STATE OF CONNECTICUT



*AUDITORS' REPORT
DEPARTMENT OF EMERGENCY SERVICES
AND PUBLIC PROTECTION
FOR THE FISCAL YEARS ENDED JUNE 30 2018 AND 2019*

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

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EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes we have audited certain operations of the Department of Emergency Services and Public Protection (DESPP). The objectives of this audit 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, 2018 and 2019.

The key findings are presented below:

<p>Page 8</p>	<p>Our audit of 80 sworn personnel disclosed that 45 (56%) earned overtime equaling 100% to 244% of their base salaries. We also noted various instances in which these 45 employees earned 15 hours or more in a single day or worked 10 to 84 consecutive days without a day off. DESPP should work with the executive and legislative branches to increase its staffing levels and ensure that it can meet scheduling requirements without incurring significant overtime costs. The department should also implement controls to prevent employees from working excessive overtime shifts and consecutive days. (Recommendation 1.)</p>
<p>Page 9</p>	<p>Our audit disclosed numerous instances in which capital equipment items that DESPP could not locate, did not tag with a state identification number, incorrectly recorded in Core-CT, or incorrectly reported on its CO-59 form. We also found that DESPP did not complete annual physical inspections of its entire inventory. DESPP should strengthen controls over capital assets, maintain accurate inventory records, and annually perform physical inspections. (Recommendation 2.)</p>
<p>Page 11</p>	<p>Our review of the Connecticut Fire Academy bookstore’s accounting system disclosed a variance between the amounts of revenue and expenditures recorded in its system and the amounts recorded in Core-CT. Total bookstore revenues in Core-CT were \$104,512 less than what was recorded in the bookstore’s accounting records during the audited period and expenditures were \$63,184 greater. DESPP Commission on Fire Prevention and Control division should establish control procedures over the Connecticut Fire Academy bookstore to provide reasonable assurance that financial records are accurately maintained. (Recommendation 3.)</p>
<p>Page 12</p>	<p>Our audit disclosed numerous instances in which parties did not all sign personal service agreements or signed them after the start of the contract period. In addition, we noted an instance in which DESPP did not competitively bid a \$69,429 personal service agreement. We also noted that DESPP did not certify its monthly billing statements for telephone services by verifying the charges were for services received. DESPP should ensure that all relevant parties sign personal service agreements prior to the start of the contract period. In addition, the department should solicit bids for services whenever possible. DESPP should also comply with state telecommunication procedures for monitoring by certifying telephone charges. (Recommendation 4.)</p>

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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September 22, 2020

AUDITORS' REPORT

We have audited certain operations of the Department of Emergency Services and Public 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, 2018 and 2019. 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 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; 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 Department of Emergency Services and Public Protection.

COMMENTS

FORWARD

The Department of Emergency Services and Public Protection operates primarily under the provisions of Title 29, Chapters 528 through 541a of the Connecticut General Statutes. The DESPP commissioner is the chief administrative officer of the department and is responsible for protecting and improving the quality of life by providing enforcement, regulatory, and scientific services, through prevention, education, and innovative use of technology. Dora B. Schriro served as commissioner until December 2018. James C. Rovella was appointed commissioner in January 2019, and served throughout the remainder of the audited period.

DESPP is comprised of 6 divisions: the Commission on Fire Prevention and Control, the Connecticut State Police, the Division of Emergency Management and Homeland Security, the Police Officer Standards and Training Council, the Division of Scientific Services, and the Division of Statewide Emergency Telecommunications. A description of the divisions and their missions is presented below.

Commission on Fire Prevention and Control

The Commission on Fire Prevention and Control operates primarily under the provision of Title 7, Chapter 104, Part VI of the Connecticut General Statutes. The mission of this division is to prevent or mitigate the effects of fire and disasters through leadership and collaboration with municipalities, fire departments and regional fire schools. This is achieved through training, education and professional competency certification of career and volunteer fire service personnel.

Connecticut State Police

The Connecticut State Police operates primarily under Title 29, Chapter 529 of the Connecticut General Statutes. Since 1903, the Connecticut State Police has provided a full range of law enforcement services to the State of Connecticut. There are currently 11 troops located throughout the state with state police troopers providing the primary law enforcement services in 82 of the 169 municipalities in Connecticut. Additionally, the division provides the entire state major crime investigations, emergency services, cause and origin investigations, and traffic and truck enforcement.

Division of Emergency Management and Homeland Security

The Division of Emergency Management and Homeland Security operates primarily under the provisions of Title 28 of the Connecticut General Statutes. The division works closely with local, state, federal, tribal, and private sector partners to provide a coordinated, integrated program for statewide emergency management and homeland security. The division directs and coordinates all available resources to protect the life and property of the residents of Connecticut in the event of a disaster or crisis, whether natural or manmade, through a collaborative program of prevention, planning, preparedness, response, recovery, mitigation, and public education. This mission includes strategic and operational planning, operations, training and exercise, grants, and disaster relief. The division also coordinates statewide security communications and establishes standards and protocols for the use and dissemination of intelligence.

Police Officer Standards and Training Council

The Police Officer Standards and Training Council operates primarily under the provisions of Title 7, Chapter 104, Sections 7-294a through 7-294dd of the Connecticut General Statutes. The council's mission is: (1) providing innovative, credible and responsive high quality basic, advanced, and specialized training to Connecticut police officers; (2) adopting and enforcing professional requirements for individual police officer certification; and (3) providing a body of comprehensive professional law enforcement accreditation standards for state law enforcement agencies, manage such program, grant accredited status to agencies that demonstrate and maintain compliance with applicable standards.

Division of Scientific Services

The Division of Scientific Services provides forensic support to local, state, and federal agencies throughout Connecticut. The division is divided into three sections: (1) the Chemistry Section, which includes toxicology, controlled substances, and arson; (2) the Biology/DNA Section; and (3) the Identification Section, which includes computer crimes.

Division of Statewide Emergency Telecommunications

The Division of Statewide Emergency Telecommunications operates primarily under the provisions of Title 28, Chapter 518a of the Connecticut General Statutes. The division provides for the development and maintenance of coordinated statewide emergency service

telecommunications for public safety organizations and the residents of Connecticut. The division is responsible for the 9-1-1 system, public safety data network, public safety frequency coordination, telecommunicator training, geographic information systems, the Connecticut alert emergency notification system, and support for the consolidation of public safety answering points.

Significant Legislation

- **Public Act No. 18-83** – Effective July 1, 2018, required DESPP to implement an electronic tracking system for sexual assault evidence collection kits by October 1, 2018. The act also made minor and technical changes, including replacing the term “police department” with “law enforcement agency” which would include the State Police or any municipal police department.
- **Public Act No. 18-161** – Effective July 1, 2018, (except that the provision on police pursuits are effective October 1, 2018, and minimum standards and practices are effective January 1, 2019) the act made several changes affecting law enforcement, including DESPP and the Police Officer Standards and Training Council (POST). Generally, it authorizes (1) the DESPP commissioner to enter into agreements with contractors to electronically take and transmit fingerprints and demographic information to the State Police Bureau of Identification for processing criminal history records checks; (2) requires law enforcement units to adopt and maintain (a) minimum standards and practices for administering and managing their units (which the act requires POST and the DESPP commissioner to jointly develop) or (b) a higher level of accreditation standards) and (3) establishes a series of reporting requirements concerning police pursuits, including for POST, the DESPP commissioner, local police chiefs, and police officers.

RÉSUMÉ OF OPERATIONS

General Fund

General Fund receipts during the audited period and the preceding fiscal year are presented below:

	Fiscal Year Ended June 30,		
	2017	2018	2019
Refunds of Expenditures:			
Services of Resident Troopers	\$ 13,374,443	\$ 17,136,960	\$ 14,974,292
Other Refunds	2,306,037	1,611,065	2,174,282
Licenses, Permits and Fees	9,106,890	9,961,565	12,052,816
Recoveries of Expenditures	528,939	419,250	445,321
Other Receipts/(Expenditures)	6,656	(3,110)	(36,116)
Total Receipts	<u>\$ 25,322,964</u>	<u>\$ 29,125,730</u>	<u>\$ 29,610,595</u>

General Fund receipts totaled \$29,125,730 and \$29,610,595 during the fiscal years ended June 30, 2018 and 2019, respectively, compared to \$25,322,964 during the fiscal year ended June 30,

2017. These receipts increased \$3,802,766 (15%) during the 2018 fiscal year and \$484,865 (1.7%) during the 2019 fiscal year.

The increase during the fiscal year ended June 30, 2018 can be primarily attributed to a gain in receipts from municipalities for resident state trooper services. This increase was primarily due to the timing of payments for those services. This increase was slightly offset by a reduction in other refunds.

The slight increase during the fiscal year ended June 30, 2019 was due to additional revenues for licenses, permits, and fees, caused by an increase to various DESPP fees. This increase was largely offset by a decrease in funds for resident state trooper services caused by the timing of collections.

General Fund expenditures during the audited period and the preceding fiscal year are presented below:

	Fiscal Year Ended June 30,		
	2017	2018	2019
Personal Services & Employee Benefits	\$ 143,784,717	\$ 142,111,735	\$ 145,113,879
Motor Vehicle/Aircraft/Watercraft Costs	12,176,642	10,963,356	11,500,652
Premises and Property Expenses	5,856,872	5,737,691	6,038,071
Informational Technology	5,743,518	3,715,985	4,369,474
Purchased Commodities	2,456,857	4,320,737	4,738,071
Rental and Maintenance - Equipment	1,700,034	2,388,152	2,433,524
Communications	2,398,472	2,220,162	1,458,796
Other Services	1,137,047	950,118	1,063,006
Fixed Charges	385,846	206,958	1,097,028
Professional, Scientific, & Technical Services	647,513	691,043	655,386
Employee Travel	190,316	188,114	174,765
Capital Outlays - Equipment	25,199	16,136	138,732
Other Expenditures	9,588	100	302
Capital Outlays - Building/Improvement	240	37,919	43,286
Total Expenditures	\$ 176,512,861	\$ 173,548,206	\$ 178,824,972

General Fund expenditures totaled \$173,548,206 and \$178,824,972 during the fiscal years ended June 30, 2018 and 2019, respectively, as compared to \$176,512,861 during the fiscal year ended June 30, 2017. These expenditures decreased by \$2,964,655 (1.7%) during the 2018 fiscal year and increased by \$5,276,766 (3.0%) during the 2019 fiscal year.

The decrease during the fiscal year ended June 30, 2018 was primarily due to a reduction of information technology costs. A reduction in motor vehicle/aircraft/watercraft expenses due to lower fuel costs (as compared to the prior fiscal year) also contributed to the decrease in expenditures.

The increase during the fiscal year ended June 30, 2019 can be attributed to an increase in overtime costs as compared to the prior year.

Special Revenue Funds

Special revenue fund receipts for the audited period and preceding fiscal year are as follows:

	Fiscal Year Ended June 30,		
	2017	2018	2019
Federal Aid, Restricted	\$ 27,545,746	\$ 14,254,433	\$ 23,475,839
Non-Federal Aid, Restricted	31,434,607	36,677,514	37,574,918
Federal Grant Transfer - Restricted	3,768,817	3,021,528	3,206,522
Non-Federal Grant Transfer Restricted	2,093,608	2,019,196	2,367,494
Grant Transfer - Other	1,351,741	604,552	532,002
Other Receipts	290,299	662,277	1,116,601
Total Receipts	<u>\$ 66,484,818</u>	<u>\$ 57,239,500</u>	<u>\$ 68,273,376</u>

Special revenue fund receipts totaled \$57,239,500 and \$68,273,376 during the fiscal years ended June 30, 2018 and 2019, respectively, as compared to \$66,484,818 during the fiscal year ended June 30, 2017. These receipts decreased \$9,245,318 (13.9%) and increased \$11,033,876 (19.3%) during the fiscal years 2018 and 2019, respectively.

The decrease during the fiscal year ended June 30, 2018 was primarily due to the reduction in funding received from Federal Emergency Management Agency (FEMA) Public Assistance Grants and Hazard Mitigation Grant funds, which fell \$5,963,194 and \$5,387,758 as compared to the prior fiscal year, respectively. This decrease was slightly offset by an increase of \$5,902,209 in Enhanced 9-1-1 Telecommunication Fund Grant funds.

The increase during the fiscal year ended June 30, 2019 was due, in large part, to an additional \$3,805,535 in Hazard Mitigation Grant funds and more federal funding from several other restricted grant programs.

Special revenue fund expenditures for the audited period and preceding fiscal year are presented below:

	Fiscal Year Ended June 30,		
	2017	2018	2019
Fixed Charges	\$ 41,611,381	\$ 24,907,855	\$ 31,105,633
Personal Services & Employee Benefits	12,477,952	12,684,012	13,756,886
Capital Outlays	3,156,334	8,053,668	10,901,333
Information Technology	6,126,275	6,159,320	6,338,982
Other Charges	4,219,841	3,547,657	3,685,668
Purchased Commodities	3,192,407	3,618,976	4,311,042
Communications	1,967,126	1,758,992	1,186,397
Other Services	1,749,870	1,335,359	1,987,937
Employee Travel	411,805	421,765	500,145
Premises and Property Expenses	87,938	155,555	247,508
Professional, Scientific, & Technical Services	423,092	774,369	518,053
Rental and Maintenance - Equipment	440,831	594,804	3,647,386
Motor Vehicle/Aircraft/Watercraft Costs	14,114	23,131	81,950
Total Expenditures	<u>\$ 75,878,966</u>	<u>\$ 64,035,463</u>	<u>\$ 78,268,920</u>

Special revenue fund expenditures totaled \$64,035,463 and \$78,268,920 during the fiscal years ended June 30, 2018 and 2019, respectively, as compared to \$75,878,966 during the fiscal year ended June 30, 2017. These expenditures decreased by \$11,843,503 (15.6%) during fiscal year 2018, and increased by \$14,233,457 (22.2%) in fiscal year 2019.

The decrease during the fiscal year ended June 30, 2018 was primarily due to a reduction in fixed charges caused by an overall reduction in grant funds passed through to subrecipients, and transferred to other state agencies. The largest of which included a \$4,944,288 decline in FEMA funds, and a \$5,021,061 decline in hazard mitigation funds.

The increase during the fiscal year ended June 30, 2019 was primarily caused by a rise in fixed charges from increased FEMA and hazard mitigation funding of \$1,446,405 and \$2,973,587, respectively, passed through the department to subrecipients. An additional \$3,002,407 in enhanced 9-1-1 telecommunication rental and maintenance fees also contributed to the increase in total expenditures.

Capital Project Funds

Expenditures for capital projects totaled \$16,192,456 and \$19,959,081 during the fiscal years ended June 30, 2018 and 2019, respectively. The bulk of these expenditures related to upgrades to the statewide telecommunication system.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Emergency Services and Public Protection (DESPP) disclosed the following 12 findings and recommendations:

Management and Control of Overtime Costs

Criteria: It is a good business practice to schedule staff in a manner that would reduce unnecessary costs, such as overtime, when possible.

Article 17 of the State Police (NP-1) Bargaining Unit Contract between the State of Connecticut and Connecticut State Police Union sets requirements for work hours, schedules, and overtime. These requirements provide that field personnel follow a 5-3 work cycle (5 days on, 3 days off) unless special situations arise. The contract also establishes a 9-hour work shift.

Condition: An analysis of DESPP overtime costs during the audited period disclosed an upward trend across the department with a higher concentration of overtime costs in the barracks. We identified 3 barracks and 4 other locations with significant escalations in overtime costs during the 2019 fiscal year. Our analysis of these locations disclosed a number of sworn personnel earning significant overtime. Our review of the top 20 earners from each of the 3 barracks and the top 5 earners from each of the 4 other locations (totaling 80 sworn personnel) disclosed that 45 (56%) earned overtime in excess of their base salaries. These employees' base salaries ranged from \$44,129 to \$83,137, while overtime ranged from \$50,968 to \$190,677. In effect, the employees earned overtime equaling 100% to 244% of their base salaries.

In addition, we analyzed these 80 sworn employees' hours. Our analysis disclosed 3,114 instances in which employees earned 15 hours or more in a single day, ranging from 15 to 29.5 hours. In 315 of these instances, employees used leave time the same day they earned overtime. We also noted 398 instances in which sworn employees worked 10 days or more in a row without a day off, ranging from 10 to 84 consecutive days. During these periods, we noted 1,980 instances in which employees earned 15 hours or more in a single day, ranging from 15 to 29.5 hours.

Context: DESPP incurred \$19,733,596 and \$26,254,360 in overtime costs during the fiscal years ended June 30, 2018 and 2019, respectively.

Effect: DESPP incurred significant overtime costs to cover its scheduling needs. These overtime costs have a short-term impact on the DESPP budget. There is also a long-term cost to the state, because the majority of overtime is included in the calculation of retirement benefits.

In addition to the fiscal costs, performance can suffer if employees are overtired and inattentive. This may expose DESPP and the public to risks due to errors and mistakes. Moreover, working long hours for multiple days increases the risk of fatigue, health problems, and injuries.

Cause: DESPP informed us that this was the result of understaffing due to cuts in the number of sworn positions the department could fill and the inability to adequately fill available positions during 2017 and 2018. The department indicated that sworn personnel had to work additional hours and extended schedules to meet its service level. DESPP also told us that it has increased recruiting efforts and plans to double the size of its state police recruit-training classes to fill current and expected vacancies.

Prior Audit Finding: Our office did not report this finding in the prior audit.

Recommendation: The Department of Emergency Services and Public Protection should work with the executive and legislative branches to increase its staffing levels and ensure that it can meet scheduling requirements without incurring significant overtime costs. The department should also implement controls to prevent employees from working excessive overtime shifts and consecutive days. (See Recommendation 1.)

Agency Response: “The agency agrees with the recommendation in part. DESPP has undertaken efforts to increase staffing levels to attempt to meet scheduling requirements without incurring unnecessary overtime costs. However, this endeavor is subject to legislative approval, adequate funding, the number of qualified applicants applying, and ultimately the successful completion of a selections/background process followed by rigorous and lengthy training. With regard to implementing controls to prevent employees from working excessive overtime shifts and consecutive days, this matter is defined within the respective collective bargaining agreements. Troopers are allowed and sometimes required to work as many as 18 ½ hours on any given day; under emergency circumstances, with the approval of their managers, even longer at times.”

Asset Management

Criteria: The State of Connecticut Property Control Manual sets forth the requirements for tracking and disposing of capital equipment.

Condition: During our audit we selected 15 pieces of capital equipment from the DESPP inventory listing for physical inspection (with an aggregate cost

of \$786,116). Our testing disclosed 7 instances in which assets, totaling \$97,596, were not tagged with a state identification number.

While performing this testing, we noted that the asset records in Core-CT indicated that DESPP had not completed annual physical inspections in a timely manner, or at all. Our review disclosed that of 13,493 DESPP capital equipment items listed in Core-CT (which had an aggregate cost of \$213,981,422), DESPP had physically inspected 5,684 (42%), totaling \$47,189,721, during the fiscal year ended June 30, 2019. Another 7,507 items, totaling \$144,428,594, were physically inspected between fiscal years 2018 and 2011. DESPP inspected the bulk of those items, 7,416 with a total cost of \$144,060,212 in fiscal year 2018. The remaining 240 capital equipment items, with a total cost of \$20,199,916, did not have a physical inspection date listed, and we could not determine when or if DESPP performed an inspection.

Furthermore, our review of the DESPP CO-59 (GAAP Asset Management/Inventory Reporting Form) for the fiscal year ended June 30, 2019 disclosed the following issues:

- DESPP overstated the beginning and ending balances reported for licensed software by \$30,000.
- DESPP incorrectly reported licensed software totaling \$21,562 in the capital equipment line item.
- DESPP was unable to provide us with supporting documentation for amounts reported in the stores and supplies category. In effect, we could not verify \$360,329 of the ending balance.
- A review of the balances in 5 categories of stores and supplies disclosed that in all instances the quantity DESPP recorded in its records did not reflect the quantity on hand.
- DESPP failed to report the value of targets and ammunition in its possession. DESPP determined that the value of these items is \$271,642.

Effect:

Inaccurate capital asset records and the absence of annual physical inspections increases the risk of loss or theft of equipment occurring and going undetected.

DESPP did not fully comply with the State of Connecticut Property Control Manual.

Cause: Sufficient controls were not in place to prevent these conditions from occurring.

With respect to the variances noted in the quantities of stores and supplies inventory, DESPP informed us that the issue was caused by the lack of a perpetual inventory system.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should strengthen controls over capital assets, maintain accurate inventory records, and annually perform physical inspections. The department should also ensure that amounts it reports on its CO-59 are accurate and supported with appropriate records. (See Recommendation 2.)

Agency Response: “The agency agrees with this recommendation and is working to rectify identified issues, however full compliance may be impacted by the COVID-19 pandemic. FY 20 Physical inventory commenced in the Fall of 2019 to ensure all assets would be accounted for, but due to the COVID-19 pandemic may not be completed. We are currently working on properly representing all software in CORE. The Quartermaster will work with Asset Management to ensure stores and supplies are recorded accurately.”

Connecticut Fire Academy Bookstore Operations

Background: The Department of Emergency Services and Public Protection’s division for the Commission on Fire Prevention and Control maintains the Connecticut Fire Academy (CFA), which operates a bookstore. The bookstore sells books, study materials, OSHA compliance, emergency medical services, public education safety training programs, and materials for classes conducted within the CFA.

The bookstore maintains its records using accounting software other than the state’s information system (Core-CT). The division uploads this information into Core-CT.

Criteria: Proper internal controls dictate that when multiple accounting systems are used to track financial information, a monthly reconciliation should be performed between the systems to ensure that all information is consistently accounted for.

Condition: Our review of the bookstore’s accounting system disclosed variances between revenues and expenditures recorded in its system and the amounts recorded in Core-CT. Total bookstore revenues recorded in

Core-CT were \$104,512 less than what was recorded in the bookstore's accounting records during the audited period, while expenditures were \$63,184 greater.

Furthermore, the division did not complete reconciliations between the two systems. Such reconciliations would document the cause of any variances and ensure that all transactions were being correctly recorded in the state's information system.

Effect: The lack of a reconciliation process between these systems increased the risk of loss or theft, which may go undetected. Failure to perform these reconciliations also decreased assurance that the state's accounting records accurately reflected the bookstore's activity.

Cause: The division has not established adequate control procedures over the bookstore. DESPP informed us that the discrepancies were caused by the method it used to record certain transactions in the bookstore's records, which differed from how it recorded them in Core-CT. However, we were unable to verify that this was the cause.

Prior Audit Finding: This finding has been previously reported in our last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection's Commission on Fire Prevention and Control division should establish control procedures over the Connecticut Fire Academy bookstore to provide reasonable assurance that financial records are accurately maintained. In addition, the division should perform reconciliations between the bookstore's accounting software and the state's information system to ensure that all information is being recorded accurately in both systems. (See Recommendation 3.)

Agency Response: "The agency agrees with this recommendation. The Commission of Fire Prevention and Control division will work in collaboration with new personnel from DESPP Fiscal to review in greater detail the variance. A control procedure will be established to address the deficiency."

Personal Service Agreement Contracts and Non-payroll Expenditures

Criteria: Sections 4-212 through 4-219 of the General Statutes establish standards for executive branch agencies when they enter into personal service agreements. These standards require competitive bidding when a personal service agreement is expected to exceed \$50,000, unless the agency obtains a waiver from the Office of Policy and Management.

It is a good business practice to ensure that a written personal service agreement is in place and signed by all relevant parties prior to the commencement of services.

Section 3-117(c) of the General Statutes states that the commissioner of Administrative Services shall charge the appropriation of any state agency, without certification by such agency, for expenses incurred by such agency for basic telephone service. However, the agency shall certify to the commissioner of Administrative Services that such services were provided no later than 30 days following notification of such charges.

Condition:

Our audit of 10 personal service agreements, totaling \$311,627, disclosed 5 instances in which the contractor, DESPP, and/or the Office of the Attorney General signed the personal service agreements after the start of the contract period. In 2 instances, DESPP signed \$36,900 in contracts one to 13 business days after the start of the contract period. In another instance, DESPP and the Office of the Attorney General signed a \$69,300 contract 7 and 11 business days after the start of the contract period, respectively. In 2 other instances, the contractor, DESPP, and the Office of the Attorney General signed \$116,100 in contracts between 3 and 29, 11 and 34, and 18 and 37 days after the start of the contract period, respectively.

In addition, we noted an instance in which DESPP did not competitively bid a \$69,429 personal service agreement.

We also reviewed the monthly billing statements for telephone services during the audited period and noted that DESPP did not review these statements or certify that the amount billed was for services received. During the fiscal years ended June 30, 2018 and 2019, the DESPP telephone bills totaled \$1,658,496 and \$1,528,216, respectively.

Effect:

The lack of competitive bidding decreased assurance that DESPP paid the lowest price possible for contracted services. In addition, DESPP did not fully comply with the requirements of Sections 4-212 through 4-219 of the General Statutes.

Regarding the telephone service charges, there was an increased risk that DESPP paid for services it did not receive. Furthermore, DESPP did not comply with the statutory certification requirements.

Cause:

DESPP did not always follow the current procedures when entering into personal service agreements.

Regarding the telephone bills, controls in place were not sufficient to prevent the noted condition from occurring.

Prior Audit Finding: The portion of this finding related to the review of telephone charges has been previously reported in our last 2 audit reports covering 2012 through 2017. The issues related to personal service agreement contracts have not been previously reported.

Recommendation: The Department of Emergency Services and Public Protection should ensure that all relevant parties sign personal service agreements prior to the start of the contract period. In addition, the department should solicit bids for services whenever possible. DESPP should also comply with state telecommunication procedures for monitoring by certifying telephone charges. (See Recommendation 4.)

Agency Response: **“PERSONAL SERVICE AGREEMENTS:**

1. Bowmac Educational Services (PSA#1355) Contract ID#18DPS001PSTAA- Agree with the finding related to the DESPP and Attorney General’s approvals received after the start date of the contract. However, per our Legal Affairs Unit the “language in the contract prohibiting performance until all necessary signatures were obtained adequately protects the State’s interests.”
2. Twin Ravens Capital, LLC. (Northern Red) (PSA#1362) Contract ID#18DPS004ESU-Agree with the finding related to the DESPP approval received after the start date of contract. However, per our Legal Affairs Unit the “language in the contract prohibiting performance until all necessary signatures were obtained adequately protects the State’s interests.”
3. Stephen Byrne (PSA#1353) Contract ID#18DPS0089TRNAA-Agree with the finding related to the DESPP approval received after the start date of contract. However, per our Legal Affairs Unit the “language in the contract prohibiting performance until all necessary signatures were obtained adequately protects the State’s interests.”
4. Nichols Forensic Science Consulting (PSA#1375) Contract ID# 19DPS0097DSSAA-Agree with the finding related to the DESPP and Attorney General’s approval received after the start date of contract. However, per our Legal Affairs Unit the “language in the contract prohibiting performance until all necessary signatures were obtained adequately protects the State’s interests.”
5. Nozzle Forward, LLC. (PSA#1394) Contract ID#19DPS0255FPC-Agree with the finding related to DESPP approval received after the

start date of the contract. However, per our Legal Affairs Unit the “language in the contract prohibiting performance until all necessary signatures were obtained adequately protects the State’s interests.”

TELEPHONE BILLS:

The agency agrees with this recommendation and should comply with state telecommunication procedures for monitoring by confirming telephone charges.

DESPP will review its Administrative and Operational (A&O) Policy to ensure it aligns with State Telecommunication Procedures and may revise accordingly. Additionally, DESPP IT is working with Fiscal and the Division of State Police to pursue the use of a third-party vendor who can review Tangoe invoices, identify anomalies and communicate with DESPP leadership in accordance with the OPM cell phone use policy on an ongoing basis.”

Dual Employment

Criteria: Section 5-208a of the General Statutes bars state employees from being compensated for services rendered to more than one state agency during a biweekly pay period unless the appointing authority of each agency or such authority's designee certifies that the duties performed are outside the responsibility of the agency of principal employment, that the hours worked at each agency are documented and reviewed to preclude duplicate payment and that no conflicts of interest exist between services performed. This section also sets forth similar requirements for employees holding multiple positions within the same state agency.

Condition: Our audit of 10 dual employment situations disclosed 9 instances in which employees held multiple state positions without the required dual employment certification forms in place. These employees earned a total of \$522,574 in gross pay while dually employed, \$449,473 of which was for their work at DESPP.

Effect: In some instances, DESPP failed to comply with the dual employment documentation requirements established by Section 5-208a of the General Statutes. This reduced assurance that no conflicts existed between primary and secondary positions for dually employed individuals.

Cause: The controls in place were not sufficient to prevent these conditions from occurring.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should improve compliance with the dual employment requirements of Section 5-208a of the General Statutes by documenting, through signed certifications, that no conflicts exist for employees who hold multiple state positions. (See Recommendation 5.)

Agency Response: “The agency agrees in part with this recommendation. Per DAS General Letter No 204, dated May 31, 2017, under responsibilities, prior to making an offer of employment, agencies must determine whether or not the selected individual is currently employed by another agency. When the agency’s selection will result in a dual employment assignment, the hiring agency must contact the current agency and complete a thorough review of the individual’s employment in both jobs. Human Resources processes dual employment requests when they are received from DESPP employees who are working dually. It is the hiring agency’s responsibility to advise the employee to have the dual employment form completed and returned prior to starting their employment with the secondary agency.”

Loss Reporting

Criteria: Section 4-33a of the General Statutes requires all state agencies to promptly notify the Auditors of Public Accounts and the Office of the State Comptroller of any unauthorized, illegal, irregular, or unsafe handling of state funds or breakdown in the safekeeping of other state resources.

The State of Connecticut Property Control Manual prescribes the format for loss reporting. Agencies should use a Report of Loss or Damage to Real and Personal Property (Other than Motor Vehicles) form (CO-853) to report all losses or damages to real and personal property.

Condition: Our review of CO-853 reports disclosed that DESPP completed 497 asset-related loss reports, (totaling \$1,369,967), during the audited period, but failed to file any of these reports with the appropriate agencies.

Effect: DESPP did not fully comply with the reporting provisions of Section 4-33a of the General Statutes or the State of Connecticut Property Control Manual.

Cause: DESPP did not always follow established procedures. The department informed us that it had recently implemented new loss reporting procedures and initiated the process to clean up its asset management records to ensure their accuracy. This led to the completion of a large

number of loss reports. DESPP anticipates completing this clean up in the near future, and will file all loss reports at that time.

Prior Audit Finding: This finding has been previously reported in our last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should improve internal controls over asset management by ensuring that loss reports are filed with the appropriate agencies in a timely manner. (See Recommendation 6.)

Agency Response: “The agency agrees with this recommendation and has taken corrective action. All CO-853 loss reports for prior years will be filed by 6/30/2020 and as they are received going forward.”

Information System Disaster Recovery Plan

Background: The DESPP information technology disaster recovery plan covers the department’s critical systems and designates who should update the plan and test the systems in place. The plan covers DESPP-maintained systems and those DESPP uses that are maintained by other state agencies or outside vendors. DESPP relies on the agency or vendor to test their information technology disaster recovery plans.

Criteria: Disaster recovery and business continuity plans help minimize the risk of negative business impact in the event of an information technology service interruption. State agencies should regularly update their plans and routinely test them to ensure that systems and data can be recovered promptly following a disaster or other interruption.

Condition: At the time of our review (January 2020), we were unable to determine when DESPP last reviewed and updated its information technology disaster recovery plan. The only update we found was the December 2017 elimination of retiree contact information. In addition, we were not able to determine when DESPP last tested other state agency or vendor plans or reviewed their test results.

Effect: Without periodic review and testing, there is decreased assurance that the disaster recovery plan will produce the intended results. This could make it longer to recover and resume critical infrastructure and application systems after a disaster or interruption in service.

Cause: DESPP informed us that lack of staffing and the loss of key IT personnel caused this condition.

Prior Audit Finding: Our office did not report this finding in the prior report.

Recommendation: The Department of Emergency Services and Public Protection should ensure that it regularly updates and tests its information technology disaster recovery plan. The department should also obtain and review the tests performed on other state agency and vendor systems it uses. (See Recommendation 7.)

Agency Response: “The agency agrees with this recommendation. The agency’s current disaster recovery plan document is outdated and in need of revisions to reflect current infrastructure and support personnel. We are currently in the process of hiring an IT Analyst 3 Developer. This position will, among other things, address this finding.

However, while the paper document is outdated, it is important to acknowledge that DESPP IT has made significant progress over FY2018 and FY2019 to enhance the reliability and availability of the agency’s critical systems, including but not limited to, the following:

- a. Securing requisite funding to purchase, configure and deploy an enterprise-level storage area network (SAN) across two separate physical DESPP locations, (in case a major natural or manmade disaster disrupts one location)
- b. Migrating from numerous, physical servers to virtual machines which not only increases reliability and platform consistency, it also reduces labor required for server maintenance and frees up physical space in DESPP’s IT rooms
- c. Connecting both SANs to a third location for data backup and recovery utilizing ultra-high speed fiber from the state’s Public Safety Data Network (PSDN).

NOTE: While not considered an “official” disaster recovery test, DESPP has conducted failovers from one SAN (location) to another for the purpose of updating hardware, firmware and patching software.

When the full-time state developer is eventually hired, s/he will be responsible, in part, for updating the agency’s disaster recovery plan and proposing a schedule for ongoing testing.”

Information System Access

Background: Our audit of the DESPP information systems included an examination of the access privileges to the Connecticut On-Line Law Enforcement Communications Teleprocessing System (COLLECT). COLLECT is a statewide criminal justice system dedicated to Connecticut law

enforcement and criminal justice agencies. In addition to providing access to COLLECT files, this system provides access to the National Crime Information Center and the International Justice and Public Safety Information Sharing Network.

Criteria: Proper internal controls dictate that access to information systems should only be granted to employees that require such access and that access should be promptly deactivated when it is no longer necessary or upon separation from state service.

Condition: Our testing of access to COLLECT disclosed 3 instances in which employees with access to the system left state service and their accounts were not terminated in a timely manner. In these instances, the accounts remained active between 259 and 279 days after their separation.

In addition, we reviewed 10 employees who separated from state services during the audited period, but still had access to Core-CT. Our testing disclosed that in all instances, DESPP failed to lockout their access to Core-CT after separation. However, it should be noted that there was no indication of any login activity for these accounts after separation.

Effect: Unauthorized access to a protected information system can jeopardize the security of the information in the system.

Cause: DESPP informed us that the COLLECT Unit was not notified that the users had separated from state service.

With respect to Core-CT access, DESPP informed us that it believed Core-CT automatically performed the lockout process when it initiated a termination.

Prior Audit Finding: This finding has been previously reported in our last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should strengthen controls over access to its information systems and ensure that access to its information systems is promptly terminated upon an employee's separation from state service. (See Recommendation 8.)

Agency Response: "The agency agrees with this recommendation and has strengthened controls over access to its information systems by implementation of a process of notification of upcoming terminations from the Human Resources Dept. The COLLECT unit then removes that person's access to information systems.

Payroll will generate an EPM report to ensure that Core-CT roles are locked when employees have terminated.”

Agency Administered Construction Projects

Criteria: Section 4b-52 of the General Statutes states that an agency must obtain permission from the Department of Administrative Services (DAS) Division of Construction Services before it can administer and/or award a contract for construction, renovations, repairs or alterations to any state facility. Repairs made pursuant to such approval shall conform to all guidelines and procedures established by the DAS Division of Construction Services.

Condition: We tested 3 DESPP-administered construction projects, totaling \$170,372, during the audited period. Our testing disclosed that DESPP did not have the certificate of substantial completion or the certificate of compliance on file for all 3 projects. In addition, DESPP was unable to provide us with the initiation request for one of these projects, totaling \$49,103.

Furthermore, we noted that the DESPP listing of capital projects did not contain the project costs. Without this information, we could not complete a reconciliation between the DESPP internal records and the amounts the department recorded in Core-CT.

Effect: DESPP did not fully comply with requirements for agency-administered construction projects set forth in state statutes and by the DAS Division of Construction Services. In addition, there was less assurance that DESPP properly recorded and accounted for all capital projects.

There was an increased risk that DESPP was not accurately tracking its projects, because its construction project listings did not contain costs. This could lead to unintentional cost overruns.

Cause: In some instances, DESPP did not follow established policies and procedures.

Prior Audit Finding: This finding has been previously reported in the last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should improve internal control over agency-administered projects and comply with state regulations and DAS policies and procedures. In addition, DESPP should review all of its construction projects during the audited period to ensure that it has properly accounted for and reported its capitalized improvements. (See Recommendation 9.)

Agency Response: “The agency agrees with this recommendation. Although, at least 3 bids were attained for the \$49,103 project, the Director of Facilities did not make the request as AA project manual states. He did fill out the necessary forms for completion, however he mistakenly used an outdated format and never sent in the correct ones. Going forward a monthly task reminder will be entered in outlook in an effort to review AA spreadsheet on tasks and complete all agency administered project paperwork in time period required.”

Reconciliation of Petty Cash Account

Criteria: It is good business practice to perform bank account reconciliations on a monthly basis. These reconciliations should be performed in a timely manner after month-end.

Condition: We reviewed 5 petty cash bank account reconciliations during the audited period. Our review disclosed 4 instances in which DESPP did not perform reconciliations in a timely manner. Delays ranged from 19 to 54 days after month-end. The average month-end balance related to these reconciliations was \$38,988.

Effect: The lack of timely reconciliations increased the risk of loss or theft occurring and going undetected.

Cause: DESPP informed us that the delays were caused by a lack of personnel and competing staff duties.

Prior Audit Finding: This finding has been previously reported in our last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should improve internal controls over its bank account reconciliation process by ensuring that it performs monthly reconciliations in a timely manner. (See Recommendation 10.)

Agency Response: “The agency agrees with this recommendation. These duties were to be transferred from the Fiscal Grants Fiscal Administrative Supervisor (FAS) to the Accounts Receivable Accountant, however this position has not yet been filled. Going forward, this task will become part of the Accountant’s daily functions.”

Software Inventory

Criteria: The State of Connecticut Property Control Manual sets forth the requirements for maintaining software inventory. These requirements

include the information to be tracked and the performance of an annual physical inventory.

Condition: Our audit of software inventory disclosed that the DESPP records do not contain all of the information required by the State of Connecticut Property Control Manual. The missing information includes software version, manufacture, acquisition type, and acquisition detail. Furthermore, we noted that the department did not perform annual physical inventories during the audited period.

Context: DESPP reported in Core-CT that it owned \$7,460,933 and \$7,595,277 in licensed software for the fiscal years ended June 30, 2018 and 2019, respectively. DESPP also reported it owned \$24,151,845 and \$27,155,484 in capitalized software during that same period, respectively.

Effect: DESPP did not fully comply with the State of Connecticut Property Control Manual. Furthermore, controls were weakened over the tracking and maintaining of software, which increased the risk of loss or theft occurring and going undetected.

Cause: DESPP did not follow the guidelines for software inventory in the State of Connecticut Property Control Manual.

With respect to the lack of a physical inventory, the department informed us that this was primarily the result of lack of staff.

Prior Audit Finding: This finding has been previously reported in our last 2 audit reports covering 2012 through 2017.

Recommendation: The Department of Emergency Services and Public Protection should continue to strengthen internal controls over software inventory and ensure that its inventory listing contains all information required by the State of Connecticut Property Control Manual. In addition, the department should perform an annual inventory of its software to ensure that its records are accurate. (See Recommendation 11.)

Agency Response: “The agency agrees with this recommendation and acknowledges that there are two separate issues to be addressed, along with the proposed corrective action(s), as follows:

1. Lack of access to an appropriate system to effectively and efficiently manage software inventory. DESPP IT has traditionally used a combination of a homegrown Access database and Excel spreadsheets to manage software inventory. This manual process is labor intensive and allows for human error when entering

information. Furthermore, there is no interface with the system of record (Core-CT).

a. Proposed action(s):

- I. DESPP IT to consult with DESPP Fiscal to determine whether Core-CT can be used as a single, trusted platform for inventory management.
- II. DESPP IT to meet with other units within the agency (and other agencies, such as DAS/BEST) to learn about other potential systems that can be used to manage software inventory (i.e. Microsoft System Center).

DESPP IT is currently in the process of hiring a full-time position which will focus on IT inventory, asset management, software licensing and contracts. This position will fill the vacancies of two employee who left state service in late 2018 and early 2019.”

Compensatory Time

Criteria:

The Department of Administrative Services’ Managers’ Guide establishes criteria for granting compensatory time to managerial and confidential employees. The guide states that managers and confidential employees must receive advanced written authorization to work extra time by the agency head or a designee. It also indicates that managers are occasionally expected to work an extra hour or two when needed to complete their usual assignments, and it is not appropriate for them to receive compensatory time for such work.

Condition:

Our review of 10 employees who earned compensatory time during the audited period disclosed 98 out of 103 instances in which 5 management employees earned compensatory time without obtaining prior approval. In these instances, employees earned 282 hours with a value of \$13,366. We also noted that 9 of these instances appeared to fall within the occasional hour or 2 managers are expected to work without receiving compensatory time.

In addition, we noted 3 instances in which compensatory time balances were not accurate. In 2 of these instances, the department overstated managerial employee balances by a total of 80 hours with a value of \$3,271. In the other instance, it understated a P-4 bargaining unit employee’s balance by 47 hours with a value of \$2,162.

Furthermore, we noted an instance in which the department enrolled an employee in the incorrect compensatory time plan in Core-CT. However, it should be noted that no issues were identified in relation to this employee’s earning and usage of compensatory time.

- Effect:* DESPP did not fully comply with the compensatory time requirements set forth by various bargaining unit contracts and DAS. In addition, there was an increased risk that managers may inappropriately earn compensatory time.
- Cause:* DESPP did not always follow policies and procedures. In addition, DESPP informed us that due to lack of staffing, it is difficult to track compensatory time approvals and balances.
- Prior Audit Finding:* This finding has been previously reported in our last 2 audit reports covering 2012 through 2017.
- Recommendation:* The Department of Emergency Services and Public Protection should strengthen controls to ensure compliance with compensatory time requirements time set forth by the Department of Administrative Services and collective bargaining contracts. (See Recommendation 12.)
- Agency Response:* “The agency agrees in part with this recommendation. An HR advisory has been distributed to managers, which references DAS Management Personnel Policy 17-01. Given the nature of our agency’s mission pre-approval is not always possible (emergencies, weekends, evenings, etc.). For those instances, approval will be required next business day.
- For Bargaining Units in which Core-CT cannot assign the correct expiration date, the manual process is very time consuming for current staffing levels and subject to timing issues. The agency is exploring implementing a workaround process until a permanent process can be addressed in Kronos, which has a Go-Live Date of 10/9/20.”

RECOMMENDATIONS

Our prior audit report of the Department of Emergency Services and Public Protection contained 14 recommendations. Four have been implemented or otherwise resolved and 10 have been repeated, combined, or restated with modifications during the current audit. The following is a summary of the actions taken on the prior recommendations.

Status of Prior Audit Recommendations

- The Department of Emergency Services and Public Protection should strengthen controls over capital assets, maintain accurate inventory records, and annually perform physical inspections. The department should also ensure that amounts it reported on its CO-59 are accurate and supported with appropriate records. Furthermore, the department should properly document all disposals of capital assets. **Our current audit disclosed some improvement in this area. However, further improvement is needed. The recommendation is being repeated with modification to reflect our current audit findings. (Recommendation 2.)**
- The Department of Emergency Services and Public Protection’s Commission of Fire Prevention and Control division should establish control procedures over the Connecticut Fire Academy bookstore to provide reasonable assurance that financial records are accurately maintained. In addition, reconciliations should be performed between the accounting software used by the bookstore and the state’s information system to ensure that all information is being recorded correctly in both systems. **Our current audit disclosed that sufficient improvement has not been made in this area. Therefore, the recommendation is being repeated. (Recommendation 3.)**
- The Department of Emergency Services and Public Protection should continue its efforts to improve internal control over weapons and ensure that it tracks and accounts for all weapons in accordance with established policies and procedures. **Our current audit disclosed sufficient improvement in this area. The recommendation is not being repeated.**
- The Commission on Fire Prevention and Control should strengthen internal controls to ensure that all receipts are deposited in accordance with Section 4-32 of the General Statutes. In addition, the commission should continue its efforts to implement the use of accountability reports. **Our current audit disclosed sufficient improvement has been made in this area. The recommendation is not being repeated.**
- The Department of Emergency Services and Public Protection should improve compliance with the dual employment requirements of Section 5-208a of the General Statutes by documenting, through signed certifications, that no conflicts exist for employees who hold multiple state positions. **Our current audit disclosed that sufficient improvement has not been made. The recommendation is being repeated. (Recommendation 5.)**

- The Department of Emergency Services and Public Protection should take steps to improve internal control over the procurement process and ensure that it solicits bids for goods and services whenever possible. DESPP should also ensure that it complies with state telecommunication procedures for monitoring by certifying telephone charges. **Our current audit disclosed that further improvement is needed in this area. Therefore, the recommendation is being repeated with modification to reflect our current audit findings. (Recommendation 4.)**
- The Department of Emergency Services and Public Protection should improve internal controls over asset management by ensuring that loss reports are filed with the appropriate agencies in a timely manner. DESPP should also maintain all CO-853 forms in accordance with state record retention requirements. **Our current audit disclosed that improvement was made regarding the retention of loss reports. However, further improvement is needed in this area. The recommendation is being repeated with modification to reflect our current audit findings. (Recommendation 6.)**
- The Department of Emergency Services and Public Protection should strengthen controls over access to its information systems and ensure that the level of access granted to employees is appropriate. In instances in which incompatible roles must be granted to an employee, DESPP should implement compensating controls to address the risks created by the lack of segregation of duties. In addition, the department should ensure that access to its information systems is promptly terminated upon an employee's separation from state service. **Our current audit disclosed that further improvement is needed in this area. The recommendation is being repeated with modification to reflect our current audit findings. (Recommendation 8.)**
- The Department of Emergency Services and Public Protection should improve internal control over agency administered projects and comply with state regulations and DAS policies and procedures. In addition, DESPP should review all of its construction projects during the audited period to ensure that it has properly accounted for and reported its capitalized improvements. **Sufficient improvement has not been made in this area. The recommendation is being repeated. (Recommendation 9.)**
- The Department of Emergency Services and Public Protection should improve internal controls over its bank account reconciliation process by ensuring that it performs monthly reconciliations in a timely manner. **Our current audit disclosed that further improvement is needed in this area. Therefore, the recommendation is being repeated. (Recommendation 10.)**
- The Department of Emergency Services and Public Protection should strengthen controls to ensure compliance with the requirements related to compensatory time set forth by the Department of Administrative Services and collective bargaining contracts. **Our current audit disclosed that further improvement is needed in this area. The recommendation is being repeated. (Recommendation 12.)**

- The Department of Emergency Services and Public Protection should strengthen internal controls to ensure compliance with requirements for calculating total wages for employee workers' compensation claims. **Our current audit disclosed that sufficient improvement has been made in this area. The recommendation is not being repeated.**
- The Department of Emergency Services and Public Protection should continue to strengthen internal controls over software inventory and ensure that its inventory listing contain all required information detailed in the State of Connecticut Property Control Manual. In addition, the department should perform an annual inventory of its software to ensure that its records are accurate. **Our current audit disclosed that further improvement is needed. The recommendation is being repeated. (Recommendation 11.)**
- When the Department of Emergency Services and Public Protection becomes aware of an instance of irregular or unsafe handling of agency resources and a significant length of time has transpired since the department became aware of the instances, DESPP should conduct an investigation into the matter, regardless of the involvement of other authorities. **Our current audit disclosed that DESPP has opened an investigation on the matter noted during our prior audit. In addition, no similar issues were noted during our current audit. The recommendation is not being repeated.**

Current Audit Recommendations

- 1. The Department of Emergency Services and Public Protection should work with the executive and legislative branches to increase its staffing levels and ensure that it can meet scheduling requirements without incurring significant overtime costs. The department should also implement controls to prevent employees from working excessive overtime shifts and consecutive days.**

Comment:

Our audit of 80 sworn personnel disclosed that 45 (56%) earned overtime equaling 100% to 244% of their base salaries. We also noted various instances in which these 45 employees earned 15 hours or more in a single day or worked 10 to 84 consecutive days without a day off.

- 2. The Department of Emergency Services and Public Protection should strengthen controls over capital assets, maintain accurate inventory records, and annually perform physical inspections. The department should also ensure that amounts it reports on its CO-59 are accurate and supported with appropriate records.**

Comment:

Our audit disclosed numerous instances in which capital equipment items that DESPP could not find, did not tag with a state identification number, incorrectly recorded in Core-CT, or incorrectly reported on its CO-59 form. We also found that DESPP did not complete annual physical inspections of its entire inventory.

- 3. The Department of Emergency Services and Public Protection's Commission on Fire Prevention and Control division should establish control procedures over the Connecticut Fire Academy bookstore to provide reasonable assurance that financial records are accurately maintained. In addition, the division should perform reconciliations between the bookstore's accounting software and the state's information system to ensure that all information is being recorded accurately in both systems.**

Comment:

Our review of the bookstore's accounting system disclosed a variance between the amounts of revenue and expenditures recorded in its system and the amounts recorded in Core-CT. Total bookstore revenues in Core-CT were \$104,512 less than what was recorded in the bookstore's accounting records during the audited period and expenditures were \$63,184 greater.

- 4. The Department of Emergency Services and Public Protection should ensure that all relevant parties sign personal service agreements prior to the start of the contract period. In addition, the department should solicit bids for services whenever possible. DESPP should also comply with state telecommunication procedures for monitoring by certifying telephone charges.**

Comment:

Our audit disclosed numerous instances in which parties did not all sign personal service agreements or signed them after the start of the contract periods. In addition, we noted an instance in which DESPP did not competitively bid a \$69,429 personal service agreement. We also noted that DESPP did not certify its monthly billing statements for telephone services by verifying the charges were for services received.

- 5. The Department of Emergency Services and Public Protection should improve compliance with the dual employment requirements of Section 5-208a of the General Statutes by documenting, through signed certifications, that no conflicts exist for employees who hold multiple state positions.**

Comment:

Our audit of 10 dual employment situations disclosed 9 instances in which employees held multiple state positions without the required dual employment certification forms in place. These employees earned a total of \$522,574 in gross pay while dually employed.

- 6. The Department of Emergency Services and Public Protection should improve internal controls over asset management by ensuring that loss reports are filed with the appropriate agencies in a timely manner.**

Comment:

Our review of loss reports disclosed that DESPP completed 497 loss reports totaling \$1,369,967 during the audited period, but failed to file them with the appropriate state agencies.

- 7. The Department of Emergency Services and Public Protection should ensure that it regularly updates and tests its information technology disaster recovery plan. The department should also obtain and review the tests performed on other state agency and vendor systems it uses.**

Comment:

At the time of our review (January 2020), we were unable to determine when DESPP last reviewed and updated its information technology disaster recovery plan. The only update we found was the December 2017 elimination of retiree contact information. In addition,

we were not able to determine when DESPP last tested other state agency or vendor plans or reviewed their test results.

- 8. The Department of Emergency Services and Public Protection should strengthen controls over access to its information systems and ensure that access to its information systems is promptly terminated upon an employee's separation from state service.**

Comment:

Our audit disclosed 3 instances in which employees separated from DESPP and their COLLECT system accounts were not terminated in a timely manner. In addition, we reviewed 10 employees who separated from state services during the audited period, but still had access to Core-CT. Our testing disclosed that in all instances, DESPP failed to lockout their access to Core-CT after separation.

- 9. The Department of Emergency Services and Public Protection should improve internal control over agency-administered projects and comply with state regulations and DAS policies and procedures. In addition, DESPP should review all of its construction projects during the audited period to ensure that it has properly accounted for and reported its capitalized improvements.**

Comment:

Our audit disclosed various instances in which DESPP did not have all required documentation on file for construction projects it administered during the audited period.

- 10. The Department of Emergency Services and Public Protection should improve internal controls over its bank account reconciliation process by ensuring that it performs monthly reconciliations in a timely manner.**

Comment:

Our review of 5 petty cash bank account reconciliations disclosed 4 instances in which DESPP did not perform reconciliations in a timely manner. Delays ranged from 19 to 54 days after month-end.

- 11. The Department of Emergency Services and Public Protection should continue to strengthen internal controls over software inventory and ensure that its inventory listing contains all information required by the State of Connecticut Property Control Manual. In addition, the department should perform an annual inventory of its software to ensure that its records are accurate.**

Comment:

Our audit disclosed that the software inventory records maintained by DESPP did not contain all of the information required by the State of Connecticut Property Control Manual. Furthermore, we noted that DESPP did not perform annual physical inventories during the audited period.

- 12. The Department of Emergency Services and Public Protection should strengthen controls to ensure compliance with the requirements related to compensatory time set forth by the Department of Administrative Services and collective bargaining contracts.**

Comment:

Our audit disclosed 98 instances in which 5 management employees earned an aggregate of 282 hours of compensatory time, valued at \$13,366, without obtaining prior approval. In addition, we noted 3 instances of inaccurate compensatory time balances, and an instance in which DESPP enrolled an employee was enrolled in the incorrect compensatory time plan in Core-CT.

ACKNOWLEDGEMENTS

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

David S. Paradie
Michael Stemmler
Linnette Stark
Sameed Iqbal

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Emergency Services and Public Protection during the course of our examination.

Approved:



John C. Geragosian
State Auditor



Michael J. Delaney
Principal Auditor



Robert J. Kane
State Auditor