

STATE OF CONNECTICUT



*AUDITORS' REPORT
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION
FISCAL YEARS ENDED JUNE 30, 2020 AND 2021*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ CLARK J. CHAPIN

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December 1, 2022

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) for the fiscal years ended June 30, 2020 and 2021. Our audit identified internal control deficiencies, instances of noncompliance with laws, regulations, and policies, and a need for improvement in practices and procedures that warrant the attention of management. The significant findings and recommendations are presented below:

<u>Page 11</u>	Our review found that employees worked excessive amounts of overtime. Of the 25 employees reviewed, 20 earned more in overtime than regular pay and 16 worked an average of 13.4 hours per day for 14 consecutive days. The Department of Emergency Services and Public Protection should 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 3)
<u>Page 16</u>	The department did not promptly deposit seven pistol permit receipts, totaling \$490, and could not provide sufficient documentation to support that it promptly deposited 18 pistol permit receipts, totaling \$1,750. DESPP should develop the necessary internal controls to ensure that it promptly deposits pistol permit receipts and retains adequate documentation. (Recommendation 7)
<u>Page 18</u>	The department did not conduct complete annual inventories of its assets. Additionally, DESPP acquired 894 assets between one and 31 years ago which it never inventoried. These 9,273 improperly inventoried assets totaled \$123,705,318. DESPP should annually perform physical inspections of its assets in accordance with the State Property Control Manual. (Recommendation 8)
<u>Page 19</u>	The department did not routinely test its information technology disaster recovery plan or ensure that other state agencies and vendors routinely test their disaster recovery plans for the systems the department uses. DESPP should ensure that it regularly tests its information technology disaster recovery plan and obtain and review the tests performed by other state agencies and vendors for the systems it uses. (Recommendation 9)
<u>Page 20</u>	The department did not promptly or properly deactivate 17 terminated employees' access to the state's criminal justice and accounting systems. DESPP should strengthen internal controls and ensure that it promptly terminates access to its information systems upon an employee's separation from state service. (Recommendation 10)

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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December 1, 2022

AUDITORS' REPORT DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION FISCAL YEARS ENDED JUNE 30, 2020 AND 2021

We have audited certain operations of the Department of Emergency Services 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, 2020 and 2021. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. Our testing was not designed to project to a population unless specifically stated. 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 this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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 non-compliance with laws, regulations, contracts and grant agreements, policies, and procedures; and
3. A need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the Department of Emergency Services and Public Protection.

COMMENTS

FOREWORD

The Department of Emergency Services and Public Protection (DESPP) operates primarily under the provisions of Titles 28 and 29 of the Connecticut General Statutes. The Commissioner of Emergency Services and Public Protection is the chief administrative officer of the department and is responsible for protecting and improving the quality of life for all by providing a broad range of public safety services, training, regulatory guidance, and scientific services utilizing enforcement, prevention, education, and state of the art science and technology. Governor Ned Lamont nominated James C. Rovella to be the commissioner on December 28, 2018, which the Connecticut State Senate confirmed on February 20, 2019. Commissioner Rovella served as commissioner throughout the audited period.

DESPP is comprised of six divisions:

- **Commission on Fire Prevention and Control**

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

- **Connecticut State Police**

The Connecticut State Police (CSP) 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 major crime investigations, emergency services, cause and origin investigations, and traffic and truck enforcement to the entire state.

- **Division of Emergency Management and Homeland Security**

The Division of Emergency Management and Homeland Security (DEMHS) 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 Connecticut residents in the event of a natural or manmade disaster or crisis 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 Officers 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 7-294zz of the Connecticut General Statutes. The council's mission includes: (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, and grant accredited status to agencies that demonstrate and maintain compliance with applicable standards.

- **Division of Scientific Services**

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

Governor Lamont's Executive Order No. 2 directed the centralization of human resources and labor relations into the Department of Administrative Services (DAS) and the Office of Policy and Management (OPM), respectively. Effective August 28, 2020, the functional areas within the DESPP human resources unit began operating within the new centralized structure.

Significant Legislation

Notable legislative changes that took effect during the audited period are as follows:

- **Public No. 19-6:** Effective October 1, 2019, prohibited anyone from completing the manufacture of a firearm without subsequently (1) obtaining a unique serial number or other identification mark from DESPP and (2) engraving or permanently affixing it to the firearm. It required DESPP to develop and maintain a system to distribute such serial numbers or identification marks.
- **Public Act 19-79:** Effective July 1, 2019, established an enhanced subsidy formula for certain regional public safety emergency telecommunications centers and required DESPP to amend its regulations to adopt a similar enhanced subsidy formula. Additionally, it required the Division of Statewide Emergency Telecommunication (DSET) to establish incentives to encourage the regionalization of public safety answering points (PSAP) and to focus its statewide planning on facilitating their regionalization. It required DSET to include the costs of such incentives in its annual report to the Public Utilities Regulatory Authority and to report to the General Assembly on ways to reduce costs by removing barriers to PSAP consolidation.
- **Public Act 19-90:** Effective October 1, 2019, required each law enforcement unit, including the Connecticut State Police, to annually prepare and submit a use of force report for the preceding calendar year to the Office of Policy and Management. It also (1) made certain body-worn or dashboard camera recordings disclosable to the public within 96 hours after the incident, (2) narrowed the instances when deadly force is justified, and (3) generally prohibited a police officer engaged in a vehicle pursuit from discharging a firearm into or at a fleeing motor vehicle. Lastly, effective July 1, 2019, it required the Police Officer Standards and Training Council to study and review the use of firearms by police officers during a pursuit.
- **Public Act 20-1, July 2020 Special Session:** Effective August 12, 2020, required the Police Officer Standards and Training Council (POST) to certify state police officers. It also authorized POST to require police officers to pass a drug test to renew their certification; expanded the reasons for which POST may cancel or revoke a police officer's certification; allowed POST to suspend a certification in certain circumstances; and allowed POST to develop guidance for law enforcement units on grounds for certification suspension, cancellation, or revocation. Additionally, it authorized POST to develop policies and procedures for behavioral health assessments of police officers and crowd

management. It revamped POST’s membership by (1) adding a member to the council, (2) reducing the number of gubernatorial appointments from 17 to 11, adding six legislative appointments in their place, and (3) requiring representation from additional stakeholders. It also prohibited law enforcement agencies from acquiring certain military equipment and allowed the Governor’s office and DESPP to require the agencies to sell, transfer, or dispose of equipment they find unnecessary for public protection. The Governor’s office and DESPP must notify the legislature about controlled equipment that they ordered sold, transferred, or disposed. Lastly, starting in 2025, law enforcement units must obtain and maintain accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. If a unit fails to meet this requirement, POST must assist it to obtain this accreditation.

RÉSUMÉ OF OPERATIONS

General Fund

A comparison of General Fund receipts during the audited period, along with those of the preceding year, follows:

Receipt Description	Fiscal Year Ended June 30,		
	2019	2020	2021
Reimbursements for Resident State Troopers	\$14,974,290	\$11,576,727	\$15,690,437
Licenses, Permits & Fees	12,052,762	10,309,083	14,278,601
Refunds of Prior Year Expenditures	2,168,850	2,949,070	2,883,752
Other Recoveries & Refunds	369,992	320,124	213,506
Other Receipts	44,701	68,757	83,027
Total Receipts	\$29,610,595	\$25,223,761	\$33,149,323

General Fund receipts totaled \$25,223,761 and \$33,149,323 for the fiscal years ended June 30, 2020 and 2021, compared to \$29,610,595 for the fiscal year ended June 30, 2019. Receipts decreased by \$4,386,834 (15%) from the 2018-2019 fiscal year to the 2019-2020 fiscal year and increased by \$7,925,562 (31%) from the 2019-2020 fiscal year to the 2020-2021 fiscal year.

The decrease during the fiscal year ended June 30, 2020, was due primarily to a \$3.4 million reduction in receipts from municipalities for resident state trooper services, which fluctuate based on the timing of payments. There was also a \$1.7 million decrease in receipts for licenses, permits, and fees, offset by a \$780,000 increase in refunds of prior year expenditures.

The increase during the fiscal year ended June 30, 2021, was due primarily to \$4.1 million in additional receipts from municipalities for resident state trooper services, due to the timing of payments, and \$4 million more in receipts for licenses, permits, and fees from a significant rise in background checks and pistol permits.

A comparison of General Fund expenditures during the audited period, along with those of the preceding year, follows:

Expenditure Description	Fiscal Year Ended June 30,		
	2019	2020	2021
Personal Services & Employee Benefits	\$145,288,637	\$154,437,590	\$160,621,029
Motor Vehicle/Aircraft/Watercraft Costs	11,500,681	10,714,200	10,766,193
Premises & Property Expenses	6,041,906	5,906,163	6,140,453
Purchased Commodities	4,738,025	6,812,969	5,462,874
Information Technology	4,369,476	4,149,734	5,645,288
Rental & Maintenance - Equipment	2,433,639	2,634,869	4,563,005
Other Expenses	4,452,640	6,119,621	5,218,485
Total Expenditures	\$178,825,004	\$190,775,146	\$198,417,327

General Fund expenditures totaled \$190,775,146 and \$198,417,327 for the fiscal years ended June 30, 2020, and 2021, compared to \$178,825,004 for the fiscal year ended June 30, 2019. Expenditures increased by \$11,950,142 (7%) from the 2018-2019 fiscal year to the 2019-2020 fiscal year and increased by \$7,642,181 (4%) from the 2019-2020 fiscal year to the 2020-2021 fiscal year.

The growth during the fiscal year ended June 30, 2020, is primarily due to an \$8.8 million increase in salaries and wages, a \$2.1 million increase in expenditures for controllable property, and a \$1.4 million increase in expenditures for motor vehicles, offset by a \$1 million decrease in motor vehicle fuel. Salaries and wages increased due to multiple raises and cost of living adjustments and higher leave accrual payouts for terminated employees.

The growth during the fiscal year ended June 30, 2021, is primarily due to a \$7 million increase in salaries and wages, \$1.9 million for equipment maintenance contracts, and \$1.2 million for software maintenance and support, offset by a \$1.2 million decrease in controllable property and \$1.4 million in motor vehicles. Salaries and wages increased due to multiple raises and cost of living adjustments, and higher leave accrual payouts for terminated employees, and additional overtime pay resulting from staffing shortages and general wage increases.

Special Revenue Funds

A comparison of special revenue fund receipts during the audited period, along with those of the preceding year, follows:

Receipt Description	Fiscal Year Ended June 30,		
	2019	2020	2021
Non-Federal Aid, Restricted	\$37,574,918	\$36,702,776	\$42,711,614
Federal Aid, Restricted	23,475,839	32,352,330	43,302,113
Federal Grant Transfer, Restricted	3,206,522	3,217,485	2,727,789
Non-Federal Grant Transfer, Restricted	2,367,494	2,610,483	3,080,190
Other Aid, Restricted	532,002	651,907	456,207
Investment Interest	1,116,600	790,547	56,060
Total Receipts	\$68,273,375	\$76,325,528	\$92,333,973

Special revenue fund receipts totaled \$76,325,528 and \$92,333,973 for the fiscal years ended June 30, 2020 and 2021, compared to \$68,273,375 for the fiscal year ended June 30, 2019. Receipts increased by \$8,052,153 (12%) from the 2018-2019 fiscal year to the 2019-2020 fiscal year and increased by \$16,008,445 (21%) from the 2019-2020 fiscal year to the 2020-2021 fiscal year.

The increase during the fiscal year ended June 30, 2020, was due primarily to an additional \$14.5 million in federal aid for the Federal Emergency Management Agency (FEMA) Public Assistance program for the COVID-19 disaster, offset by a \$6.4 million decrease in federal aid for the FEMA Hazard Mitigation programs.

The increase during the fiscal year ended June 30, 2021, was the result of an additional \$9.5 million in federal aid for the FEMA Public Assistance and Hazard Mitigation programs, \$3.3 million in federal aid from the Coronavirus Relief Fund, and \$5 million in non-federal aid for the Enhanced 9-1-1 Telecommunications Fund.

A comparison of special revenue fund expenditures during the audited period, along with those of the preceding year, follows:

Expenditure Description	Fiscal Year Ended June 30,		
	2019	2020	2021
Fixed Charges	\$31,105,619	\$42,461,817	\$100,646,502
Personal Services & Employee Benefits	14,256,996	12,205,787	15,298,119
Information Technology	6,338,978	8,404,040	10,997,532
Capital Outlays - Equipment	10,901,330	4,812,494	3,942,395
Rental and Maintenance - Equipment	3,647,379	4,249,629	4,234,070
Purchased Commodities	4,311,030	2,401,774	3,462,999
Other Expenses	7,707,472	6,464,538	4,480,420
Total Expenditures	\$78,268,804	\$81,000,079	\$143,062,037

Special revenue fund expenditures totaled \$81,000,079 and \$143,062,037 for the fiscal years ended June 30, 2020 and 2021, compared to \$78,268,804 for the fiscal year ended June 30, 2019. Expenditures increased by \$2,731,275 (3%) from the 2018-2019 fiscal year to the 2019-2020 fiscal year and increased by \$62,061,958 (77%) from the 2019-2020 fiscal year to the 2020-2021 fiscal year.

The growth during the fiscal year ended June 30, 2020, was due primarily to a \$16.1 million increase in expenditures and grants made under the FEMA Public Assistance program for the COVID-19 disaster, offset by a \$5.7 million decrease in expenditures and grants made for other federal programs, including the FEMA Hazard Mitigation program and the Driving Under the Influence Enforcement program. There was also a \$3.9 million decrease in grants awarded to municipalities for body worn cameras and public safety and a reduction of \$3.6 million in expenditures from the Enhanced 9-1-1 Telecommunications Fund.

The increase during the fiscal year ended June 30, 2021, was due primarily to an additional \$57.7 million in expenditures and grants from federal programs related to the COVID-19 disaster, including the FEMA Public Assistance program and the Coronavirus Relief Fund, as well as a \$3.6

million increase in expenditures and grants made from other federal programs, including the FEMA Hazard Mitigation and National Criminal History Improvement programs. Additionally, there was a \$2.6 million increase in expenditures from the Enhanced 9-1-1 Telecommunications Fund, offset by a \$1.5 million decrease in grants for school security infrastructure.

Capital Project Funds

A comparison of capital project fund expenditures during the audited period, along with those of the preceding year, follows:

Expenditure Description	Fiscal Year Ended June 30,		
	2019	2020	2021
Capital Outlays - Equipment	\$11,086,342	\$7,346,496	\$6,495,539
Information Technology	5,830,556	8,711,417	9,598,822
Fixed Charges	2,283,998	301,958	53,590
Other Expenses	758,185	578,861	490,542
Total Expenditures	\$19,959,081	\$16,938,732	\$16,638,493

Capital project fund expenditures totaled \$16,938,732 and \$16,638,493 for the fiscal years ended June 30, 2020 and 2021, compared to \$19,959,081 for the fiscal year ended June 30, 2019. Expenditures decreased by \$3,020,349 (15%) from the 2018-2019 fiscal year to the 2019-2020 fiscal year and decreased by \$300,239 (2%) from the 2019-2020 fiscal year to the 2020-2021 fiscal year.

The reduction during the fiscal year ended June 30, 2020, was due primarily to a \$2.8 million decrease in capitalized software. Expenditures remained relatively consistent from the 2019-2020 fiscal year to the 2020-2021 fiscal year.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Emergency Services and Public Protection disclosed the following 11 recommendations, of which nine have been repeated from the previous audit:

Lack of Monitoring of Leave in Lieu of Accrual

Criteria: Core-CT allows agencies to temporarily use the Leave in Lieu of Accrual (LILA) time reporting code until it posts monthly accruals to an employee's leave balance. Core-CT Job Aid procedures require state agencies to review monthly usage of LILA time reporting codes and adjust these hours to the appropriate leave accrual balances.

Condition: Our review of five employees' 87 hours of LILA identified the following conditions:

- DESPP did not adjust two employees' leave accruals for 33 hours of LILA coded to their attendance records.
- DESPP adjusted three employees' leave accruals for 54 hours of LILA approximately 14 months after they were initially recorded.

Context: During the audited period, there were 11 employees with 210 hours of unadjusted LILA charges. We judgmentally selected five employees with 87 hours of unadjusted LILA charges.

Effect: Lack of monitoring of the use of the LILA time reporting code could result in employees using more leave time than they earned.

Cause: This appears to be the result of a lack of oversight by management in the monitoring of the LILA time reporting code.

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

Recommendation: The Department of Emergency Services and Public Protection should strengthen internal controls to ensure that it monitors and promptly adjusts for the use of the Leave in Lieu of Accrual time reporting code. (See Recommendation 1.)

Agency Response: "The agency agrees with this recommendation and is in the process of rectifying the identified finding. It should be noted, the Payroll Unit transitioned to the Fiscal Division in August 2019, began the implementation of Kronos, and contended with continuous staffing constraints. DESPP is currently in the process of recruiting for 9 out of 12 Payroll Unit positions. Strengthening internal controls and reviewing

additional records not audited will be a key focus of the newly hired Payroll Unit staff.”

Compensatory Time

Criteria: Collective bargaining agreements and the Department of Administrative Services’ (DAS) Management Personnel Policy 17-01 require the agency head or their designee to provide advanced written authorization to employees seeking to earn compensatory time.

Condition: We reviewed 16 employees who earned compensatory time, five of whom were supposed to obtain advanced written authorization. Our review found that DESPP could not provide evidence of advanced written authorization for any of the five employees who worked 115.5 hours of compensatory time.

Context: During the audited period, 1,543 employees earned 167,997 hours of compensatory time. We judgmentally selected 16 employees that earned 199.5 hours 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: The lack of approvals appears to be an oversight by management. Additionally, due to lack of staffing, it is difficult to track compensatory time approvals.

Prior Audit Finding: This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.

Recommendation: The Department of Emergency Services and Public Protection should strengthen internal controls to ensure compliance with compensatory time requirements set forth by the Department of Administrative Services and collective bargaining contracts. (See Recommendation 2.)

Agency Response: “The agency agrees in part with this recommendation. The Payroll Unit has been communicating with division heads, which includes the Division of State Police, which was identified in the audit finding, referencing DAS Management Personnel Policy 17-01 and collective bargaining contracts. Given the nature of our agency’s mission, preapproval is not always possible (emergencies, weekends, evenings, etc.). For those instances, approval will be required the next business day. DESPP will explore a mechanism to strengthen compensatory time compliancy and communicate to all parties.”

Management and Control of Overtime

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 (five days on, three days off) unless special situations arise. The contract also establishes a 9-hour work shift.

Condition: We reviewed 25 employees and found that 19 state troopers and one dispatcher earned more in overtime than regular pay during the audited period. For the two-year period, the 20 employees earned \$4,305,386 in regular pay and \$6,831,535 in overtime. They averaged \$107,635 in annual salary and \$170,788 in overtime.

Our review also found that 14 state police troopers, a dispatcher, and a program manager worked excessive amounts of overtime during the two-week pay periods tested. In addition to their regular work schedules, which averaged 67 hours per pay period, the 16 employees worked between 88 and 162.5 hours of overtime. The 16 employees worked 3,004.5 hours during the pay periods, with average work schedules of 13.4 hours per day for 14 consecutive days.

Context: During the fiscal years ended June 30, 2020 and 2021, 1,375 employees earned \$84,928,657 in overtime. We judgmentally selected 25 employees, with one pay period per employee. We reviewed their overtime earnings for the two-year audited period and their overtime for the pay periods selected.

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 calculation of retirement benefits includes most overtime.

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: The excessive overtime appears to be the result of a lack of staffing and a delay in filling available positions.

Prior Audit Finding: This finding has been previously reported in the last audit report covering the fiscal years ended 2018 through 2019.

Recommendation: The Department of Emergency Services and Public Protection should 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 3.)

Agency Response: “The agency agrees with the recommendation. The Division of State Police is actively recruiting and hiring new recruits, troopers, and dispatchers. This will increase staffing levels, helping to control overtime costs.”

Personal Service Agreements and Telecommunication Charges

Criteria: 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 ten personal service agreements, totaling \$472,830, disclosed four instances in which the contractor, DESPP, and/or the Office of the Attorney General signed the personal service agreements between 15 and 116 days after the start of the contract period.

During the audited period, DESPP did not review any of the monthly billing statements for \$1,582,236 in telephone services, or certify to the commissioner of Administrative Services that the amounts billed were for telephone services received.

Context: During the audited period, there were 112 active personal service agreements, totaling \$2,355,912. We judgmentally selected ten personal service agreements for review, totaling \$472,830.

During the audited period, the commissioner of Administrative Services charged DESPP \$1,582,236 for telephone services.

Effect: The department may incur unforeseen liabilities if the contractor starts work on a project before all parties agree to the key terms and execute the contract.

There is an increased risk that DESPP will pay for telephone services it did not receive. Furthermore, DESPP did not comply with the statutory certification requirements.

Cause: It appears that the department did not allow sufficient lead time to fully execute contracts.

DESPP's telephone charge review and certification policy is outdated and does not reflect organizational changes to the state's telecommunication systems.

Prior Audit Finding: This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.

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. The department should comply with state telecommunication monitoring procedures by certifying telephone charges. (See Recommendation 4.)

Agency Response: "Personal Service Agreements:
The agency agrees with this finding and should ensure that all relevant parties sign personal service agreements prior to the start of the contract period. Process mapping is currently underway to further enhance and strengthen risk management protocols as in accordance with personal service agreements and procurement standards that will yield written guidelines to be implemented and adhered to. Emphasis will be placed on a tracking mechanism to avoid unexpected liabilities generated from services being performed prior to final execution of agreement and or expired personal agreements.

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 will work with DAS/BITS 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."

Reconciliation of Petty Cash Account

<i>Criteria:</i>	The State Accounting Manual requires management to perform monthly reviews of all outstanding petty cash items. If a check in the petty cash account is outstanding for an extended period, agencies must void the check and make the proper accounting adjustments.
<i>Condition:</i>	Our review of two petty cash bank reconciliations revealed that DESPP did not promptly void and make the proper accounting adjustments for 22 outstanding checks, totaling \$1,665. As of June 30, 2021, the checks were outstanding 20 to 85 months. We note that DESPP did not place stop payments on the outstanding checks from between 11 to 64 months.
<i>Context:</i>	During the audited period, DESPP maintained 20 bank accounts. We judgmentally selected five accounts and tested two monthly reconciliations per account, for a total of ten bank reconciliations.
<i>Effect:</i>	There is an increased risk for overpayments and overdrafts. Additionally, the agency may not properly account for unclaimed funds.
<i>Cause:</i>	This appears to be due to a lack of oversight by management.
<i>Prior Audit Finding:</i>	This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.
<i>Recommendation:</i>	The Department of Emergency Services and Public Protection should improve internal controls over its bank account reconciliation process by ensuring that it is timely voids and properly adjusts for outstanding checks. (See Recommendation 5.)
<i>Agency Response:</i>	“The agency agrees with this finding. As noted in the condition above, we have placed stop payment on the applicable outstanding checks. We are in the process of enhancing risk management protocols governing petty cash reconciliation through process mapping that will yield written guidelines to be implemented and adhered to. Emphasis will be placed on voiding and properly adjusting for outstanding checks monthly.”

Connecticut Fire Academy Bookstore Operations

<i>Background:</i>	The DESPP Commission on Fire Prevention and Control maintains the Connecticut Fire Academy (CFA), which operates a bookstore. The bookstore sells books and study materials for CFA classes. 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.
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<i>Criteria:</i>	Proper internal controls dictate that when an agency uses multiple accounting systems to track financial information, it should perform monthly reconciliations between the systems to ensure that it is consistently accounting for all information.
<i>Condition:</i>	<p>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 and expenditures recorded in Core-CT were \$47,452 and \$63,053 less than what the bookstore recorded in its accounting records for the two fiscal years in the audit period.</p> <p>Furthermore, the division did not complete reconciliations between the two systems. Such reconciliations would document the cause of any variances and ensure that the division is correctly accounting for all transactions in the state’s information system.</p>
<i>Context:</i>	During the audited period, bookstore revenues and expenditures recorded in Core-CT totaled \$595,706 and \$511,391, respectively.
<i>Effect:</i>	The lack of a reconciliation process between these systems increases the risk of loss or theft, which may go undetected. Failure to perform these reconciliations also decreases assurance that the state’s accounting records accurately reflect the bookstore’s activity.
<i>Cause:</i>	The division has not established adequate control procedures over the bookstore. DESPP informed us that the discrepancies are due to the method it uses to record certain transactions in the bookstore’s records, which differ from how it records them in Core-CT. However, we were unable to verify that this was the cause.
<i>Prior Audit Finding:</i>	This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.
<i>Recommendation:</i>	The Department of Emergency Services and Public Protection’s Commission on Fire Prevention and Control division should establish internal control procedures over the Connecticut Fire Academy bookstore to provide reasonable assurance that it is accurately maintaining financial records. In addition, the division should perform reconciliations between the bookstore’s accounting software and the state’s information system to ensure that it is accurately recording all information in both systems. (See Recommendation 6.)
<i>Agency Response:</i>	“The agency agrees with this finding. Fiscal will work with bookstore personnel at the Division of Fire Prevention Control to establish risk management protocols governing the bookstores accounting software

and the state’s financial information system through process mapping that will yield written guidelines to be implemented and adhered to. Emphasis will be placed on monthly reconciliation to ensure internal controls are balanced between to two accounting systems.”

Late Deposits and Inadequate Controls over Cash Receipts

Background:

The DESPP Special Licensing and Firearms Unit is responsible for the issuance of state pistol permits. Applicants must pay \$70 to obtain a state pistol permit. During the audited period, applicants submitted applications and payments (cash or checks) in person or via mail to DESPP headquarters or satellite troop locations. Troops were responsible for promptly depositing application fees and periodically bringing the receipts and applications to headquarters to be filed and reconciled.

Criteria:

Section 4-32 of the General Statutes requires the deposit of receipts of \$500 or more within 24 hours. During the audited period, DESPP headquarters had a two-business day deposit waiver from the 24-hour deposit rule from the State Treasurer and satellite troop locations had a one-business day waiver.

The State Accounting Manual requires each agency to establish internal controls over cash receipts to minimize the risk of loss. An individual responsible for receiving cash should record the receipt date, remitter name, receipt amount, receipt type, and the purpose of the remittance in a journal. Agencies must log all receipts into a receipts journal or equivalent tracking record.

Condition:

Our review of 25 pistol permit receipts, totaling \$1,750, identified the following conditions:

- DESPP deposited seven pistol permit receipts, totaling \$490, between six and 13 days late.
- DESPP does not maintain receipts journals or equivalent tracking records for pistol permit receipts at DESPP Headquarters or satellite Troops locations. Without receipt journals documenting receipt dates, we could not verify that the agency promptly deposited 18 pistol permit receipts, totaling \$1,260.

Context:

During the audited period, DESPP made 1,637 deposits, totaling \$7,973,128, for pistol permit receipts. We judgmentally selected five deposits, totaling \$35,845, from which we judgmentally selected 25 individual pistol permit receipts, totaling \$1,750.

Effect: Untimely deposits and inadequate receipt records increase the risk of loss due to error or fraud.

Cause: The late deposits and inadequate receipt records appear to be the result of diminished staffing levels, extenuating circumstances created by the COVID-19 pandemic, and management oversight.

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

Recommendation: The Department of Emergency Services and Public Protection should develop the necessary internal controls to ensure that it promptly deposits pistol permit receipts and retains adequate documentation. (See Recommendation 7.)

Agency Response: “The agency agrees in part with this recommendation. The funds were deposited late, but this was due to the COVID-19 pandemic. Our office closed to the public for a brief time at the height of the pandemic. We reopened, by appointment only, for new pistol permits. All renewals were mailed to HQ. No cash was accepted for renewals.

The agency disagrees with the recommendation that we need to keep receipt journals at all our locations. In-person checks are processed immediately. Our current database (and previous database) track when a permit is processed, who processed it (staff), the applicant’s name, address, and permit number. In addition, the fee amount is recorded along with what type of payment was made i.e., check, cash, or money order and the check/money order number if applicable. Receipts are generated once the pistol permit process is completed. All cash is deposited the same day it is received. Checks that are received through the mail are processed as follows:

1. Mail is opened, and date stamped.
2. Applications/renewals are processed accordingly.

Moving forward, the introduction of automated payments will positively impact backlog reduction and generate a digital footprint that will meet the standards of adequate documentation as in accordance with Section 4-32. It is important to distinguish, all documentation that is received in SLFU is date stamped and processed accordingly. The satellite offices only process new pistol permits, by appointment only and therefore, no longer handle renewal documentation.”

Auditors’ Concluding Comments: While DESPP provided deposit records and daily fee accounting worksheets, they did not contain receipt dates. Additionally, DESPP could not provide the dated applications for the selected pistol permit receipts. Without such information, we could not verify that DESPP

promptly deposited them. We agree that DESPP does not need to keep a receipts journal at all locations. However, as required by the State Accounting Manual, DESPP should retain equivalent tracking records to document receipt dates and amounts.

Asset Management

Criteria: In accordance with Chapter 5 of the State Property Control Manual, state agencies must annually conduct a complete physical inventory of all assets to ensure that property control records are accurate.

Condition: DESPP did not conduct complete annual physical inventories of its assets. As of February 2022, the department had not inventoried 4,468 (20%) assets within the past year and 3,911 (17%) assets in more than two years. Additionally, DESPP acquired 894 (4%) assets between one and 31 years ago which it never inventoried. These 9,273 improperly inventoried assets totaled \$123,705,318.

Context: As of February 2022, DESPP's property control records included 22,491 assets, totaling \$345,516,248. We reviewed the entire balance.

Effect: The absence of annual physical inspections increases the risk of loss or theft of equipment occurring and going undetected.

Cause: The lack of annual physical inspections is the result of a lack of management oversight and lower staffing levels.

Prior Audit Finding: This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.

Recommendation: The Department of Emergency Services and Public Protection should annually perform physical inspections of its assets in accordance with the State Property Control Manual. (See Recommendation 8.)

Agency Response: "The agency agrees with the recommendations and is working to rectify identified issues. However, it should be noted, full compliance was impacted due to the COVID-19 pandemic, which resulted in Asset Management being unable to fully conduct a physical inventory during FY 2020.

The Fiscal Division, Asset Unit, will work with key stakeholders throughout the agency to establish risk management protocols governing annual physical inspections. The Asset Unit will undergo process mapping to incorporate all annual physical inspections as in accordance with applicable accounting standards and applicable state statutes. The effort will produce written guidelines and internal controls to be implemented and adhered to. Emphasis will be placed on

conducting, completing and proper reporting of annual physical audits. In addition to optimizing the final implementation and utilization of Collective Quartermaster 8 SAAS software, which will enable the agency to accurately track all equipment associated within the State Police Division.”

Information Technology 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 systems and those maintained by other state agencies and outside vendors. DESPP relies on these agencies and outside vendors to test their information technology disaster recovery plans.
- Criteria:* Disaster recovery and business continuity plans help minimize the risk of negative business impacts in the event of an information technology service interruption. State agencies should regularly update their plans and routinely test them to ensure that they can promptly recover systems and data following a disaster or other interruption.
- Condition:* DESPP did not routinely test its information technology disaster recovery plan or ensure that other state agencies and vendors routinely test their disaster recovery plans for the systems the department uses.
- Context:* DESPP’s information technology disaster recovery plan is a documented set of strategies and steps to recover data and reestablish the functionality of 24 different information systems.
- Effect:* Without periodic testing, there is limited 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:* This appears to be the result of a lack of staffing and the loss of key information technology personnel.
- Prior Audit Finding:* This finding has been previously reported in the last audit report covering the fiscal years ended 2018 through 2019.
- Recommendation:* The Department of Emergency Services and Public Protection should ensure that it regularly tests its information technology disaster recovery plan and obtain and review the tests performed by other state agencies and vendors for the systems it uses. (See Recommendation 9.)
- Agency Response:* “The agency agrees with the recommendations. The rollout of BITS (IT Optimization) effective, July 1, 2022, will strengthen the continuity of

information technology disaster recovery plans. DESPP is actively involved in a multi-phase business continuity enhancement initiative, which includes.

- a) updating the ITDR plan with revised system and contact information,
- b) replacing the outdated DR backup infrastructure, which was end-of-life and no longer supported by the vendor, and now includes offline data backups to help prevent the proliferation of ransomware [Completed in 2022], and
- c) performing scheduled testing of various critical systems listed in the ITDR plan.

Notes:

DESPP's business continuity posture was further enhanced following the agency's response to the COVID-19 pandemic via the deployment of hundreds of laptops to agency staff and cadets in the POST and State Police Academies, in addition to the State Fire Academy.

DESPP IT, in collaboration with the vendor, Nexgen, successfully completed multiple unscheduled failovers of the agency's Computer Aided Dispatch and Records Management System (CAD/RMS) throughout the year.

DESPP IT successfully recovered the POST (municipal police academy) cadet database, which became corrupted, and was restored to fully operational."

Information System Access

Background:

Our audit of the DESPP information systems included an examination of the access privileges to the Core-CT accounting system as well as 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 agencies should only grant access to information systems to employees that require such access. Agencies should promptly deactivate such access when it is no longer necessary or upon an employee's separation from state service.

Condition:

Our testing of access to COLLECT disclosed that DESPP did not promptly deactivate ten terminated employees' accounts. DESPP deactivated the accounts between 12 and 25 months after the

employees' separation from state service. We note that none of the employees logged into COLLECT following their termination.

Additionally, our testing of Core-CT access disclosed that DESPP failed to deactivate four terminated employees' accounts. We noted that two of these employees logged into Core-CT 60 and 335 days after separation from state service. Our testing also found that DESPP did not promptly deactivate three terminated employees' Core-CT accounts. DESPP deactivated the accounts between four and 16 days after the employees' separation from state service.

Context: During the audited period, there were 354 terminated employees. We judgmentally selected ten employees with Core-CT accounts and ten employees with COLLECT accounts for testing.

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

Cause: There appears to be a lack of communication between human resources and those responsible for deactivating employee access to information systems.

Prior Audit Finding: This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.

Recommendation: The Department of Emergency Services and Public Protection should strengthen internal controls over access to its information systems and ensure that it promptly terminates access to its information systems upon an employee's separation from state service. (See Recommendation 10.)

Agency Response: "The agency agrees with this recommendation and implemented internal controls in February 2022. DESPP DAS Human Resources developed and distributes weekly reports to agency stakeholders, who in turn share the information with the appropriate designees to disseminate the required information to the necessary parties responsible for promptly terminating access to all Statewide and agency specific information systems. Additionally, mechanisms are currently underway to further strengthen internal controls that will include a monthly system check."

Agency Administered Construction Projects

Criteria: Section 4b-52 of the General Statutes requires agencies to request and obtain permission from the Department of Administrative Services (DAS) Division of Construction Service before they can administer

repairs, alterations, or additions to any state facility. The DAS Agency Administered Projects Manual requires agencies to submit closeout documentation to the DAS Division of Construction Services within 30 days of project completion.

It is a sound internal control for agencies to reconcile reported project costs to accounting records and other supporting documentation.

Condition: Our review of two agency-administered construction projects identified the following conditions:

- DESPP submitted the two projects' initiation requests to the DAS Division of Construction Services more than five and twenty-five months after initiating them.
- DESPP submitted the two projects' closeout documentation to the DAS Division of Construction Services more than two and twenty-one months late.
- For the two projects reviewed, the total project costs reported to the DAS Division of Construction Services did not reconcile to the agency's accounting records. The discrepancies totaled \$7,795 and \$14,288.

Context: During the audited period, the department administered two construction projects with reported costs of \$217,234. We reviewed both projects.

Effect: There is limited assurance that DESPP administered its construction projects in accordance with the DAS Agency Administered Projects Manual and properly recorded and accounted for all construction project costs.

Cause: The conditions are the result of a lack of management oversight and staffing changes.

Prior Audit Finding: This finding has been previously reported in the last three audit reports covering the fiscal years ended 2012 through 2019.

Recommendation: The Department of Emergency Services and Public Protection should ensure that it administers construction projects in accordance with the Department of Administrative Services Agency Administered Projects Manual and accurately accounts for and reports project costs. (See Recommendation 11.)

Agency Response:

“The agency agrees with the recommendation identified and has since implemented organizational changes with the hiring of a Director of Facilities which is now under the Office of the Commissioner as of February 2022.

Therefore, it should be noted, the two projects which were reviewed were initiated before the implementation of the new organizational structure and were administered by non-facility personnel. Future self-administered projects will be initiated and administered by the Director of Facilities.

All future agency administered projects will be administered through the new facilities division and shall be requested through DAS and have permission granted prior to the start of self-administered repairs, alterations, or additions to any state facility. The DAS Agency Administered Projects Manual shall be used to oversee the projects and adhere to timelines for supporting paperwork and required forms from initiation up to the closeout documents. The current Facilities Operations/ Management team will work with DAS for training on the PMWeb project management program to better track and administer agency self-administered projects. The use of PMWeb will track the cost of the project for more accurate accounting records.”

RECOMMENDATIONS

Status of Prior Audit Recommendations

Our prior audit report on the Department of Emergency Services and Public Protection contained 12 recommendations. Two have been implemented or otherwise resolved and ten have been repeated or restated with modifications, two of which were combined into one finding during the current audit.

- 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. **This recommendation is being repeated. (See Recommendation 3.)**
- 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. **This recommendation is being repeated in part. (See Recommendation 8.)**
- 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. **This recommendation is being repeated. (See Recommendation 6.)**
- 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. **This recommendation is being repeated in part. (See Recommendation 4.)**
- 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. **This recommendation has been resolved.**
- 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. **This recommendation has been resolved.**

- 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. **This recommendation is being repeated. (See Recommendation 9.)**
- 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. **This recommendation is being repeated. (See Recommendation 10.)**
- 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. **This recommendation is being restated with modifications. (See Recommendation 11.)**
- 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. **This recommendation is being restated with modifications. (See Recommendation 5.)**
- 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. **This recommendation is being restated with modifications. (See Recommendation 8.)**
- 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. **This recommendation is being repeated. (See Recommendation 2.)**

Current Audit Recommendations

- 1. The Department of Emergency Services and Public Protection should strengthen internal controls to ensure that it monitors and promptly adjusts for the use of the Leave in Lieu of Accrual time reporting code.**

Comment:

The department did not properly adjust four employees' leave balances for 87 hours of leave in lieu of accrual.

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

Comment:

The department could not provide evidence of advanced written authorization for five employees who worked 115.5 hours of compensatory time.

- 3. The Department of Emergency Services and Public Protection should 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 review found that employees worked excessive amounts of overtime. Of the 25 employees reviewed, 20 earned more in overtime than regular pay and 16 worked an average of 13.4 hours per day for 14 consecutive days.

- 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. The department should comply with state telecommunication monitoring procedures by certifying telephone charges.**

Comment:

The department did not promptly execute four personal service agreements and did not certify \$1,582,236 in telecommunications expenditures.

- 5. The Department of Emergency Services and Public Protection should improve internal controls over its bank account reconciliation process by ensuring that it is timely voids and properly adjusts for outstanding checks.**

Comment:

The department did not promptly void or make the proper accounting adjustments for 22 outstanding checks in petty cash accounts, totaling \$1,665.

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

Comment:

The department did not perform periodic reconciliations between the Connecticut Fire Academy bookstore's accounting system and the state's accounting system, which resulted in unexplained variances between the two systems. Bookstore revenue and expenditure variances totaled \$47,452 and \$63,053 less than what the bookstore recorded in its accounting records for the two fiscal years in the audit period.

- 7. The Department of Emergency Services and Public Protection should develop the necessary internal controls to ensure that it promptly deposits pistol permit receipts and retains adequate documentation.**

Comment:

The department did not promptly deposit seven pistol permit receipts, totaling \$490, and could not provide sufficient documentation to support that it promptly deposited 18 pistol permit receipts, totaling \$1,750.

- 8. The Department of Emergency Services and Public Protection should annually perform physical inspections of its assets in accordance with the State Property Control Manual.**

Comment:

The department did not conduct complete annual inventories of its assets. Additionally, DESPP acquired 894 assets between one and 31 years ago which it never inventoried. These 9,273 improperly inventoried assets totaled \$123,705,318.

- 9. The Department of Emergency Services and Public Protection should ensure that it regularly tests its information technology disaster recovery plan and obtain and review the tests performed by other state agencies and vendors for the systems it uses.**

Comment:

The department did not routinely test its information technology disaster recovery plan or ensure that other state agencies and vendors routinely test their disaster recovery plans for the systems the department uses.

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

Comment:

The department did not promptly or properly deactivate ten terminated employees' access to the state's criminal justice system and seven terminated employees' access to the state's accounting system.

- 11. The Department of Emergency Services and Public Protection should ensure that it administers construction projects in accordance with the Department of Administrative Services Agency Administered Projects Manual and accurately accounts for and reports project costs.**

Comment:

The department did not promptly submit required forms and documentation for two agency construction projects, totaling \$217,234. Additionally, the department did not reconcile the total project costs to its accounting records, which resulted in \$22,083 in variances.

ACKNOWLEDGMENTS

The Auditors of Public Accounts 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.

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

Michael Delaney
Kaitlyn Lucas
David Paradie
Linnette Stark
Audrey Wood

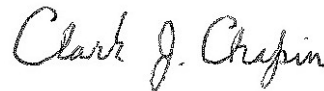


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