STATE OF CONNECTICUT

AUDITORS' REPORT
COMMISSION ON FIRE PREVENTION AND CONTROL
FOR THE FISCAL YEARS ENDED

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN  ROBERT M. WARD
# Table of Contents

INTRODUCTION......................................................................................................................... 1

COMMENTS................................................................................................................................. 1

   FOREWORD .............................................................................................................................. 1
      Members of the Commission.............................................................................................. 2
      Significant State Legislation............................................................................................ 3

RÉSUMÉ OF OPERATIONS..................................................................................................... 3
   General Fund - Receipts ........................................................................................................ 3
   General Fund - Expenditures .............................................................................................. 3
   Federal and Other Restricted Accounts Fund - Receipts ......................................................... 5
   Federal and Other Restricted Accounts Fund - Expenditures ................................................. 5
   Capital Equipment Purchase Fund ..................................................................................... 6

CONDITION OF RECORDS.............................................................................................. 7
   Commission Membership .................................................................................................. 7
   Commission Meeting Agendas ........................................................................................ 8
   Outdated Statutory and Regulatory Language .................................................................. 9
   Compensatory Time ......................................................................................................... 10
   Dual Employment Forms ................................................................................................. 11
   Fire Academy Trainer Positions ....................................................................................... 12
   Purchase Orders ............................................................................................................... 14
   Cash Receipts ................................................................................................................ 15
   Accounts Receivable ........................................................................................................ 16
   Asset Management ......................................................................................................... 18
   Disaster Recovery ........................................................................................................... 21
   Certification Division ..................................................................................................... 22
   Bookstore Operations ..................................................................................................... 24

RECOMMENDATIONS............................................................................................................ 27

INDEPENDENT AUDITORS' CERTIFICATION .................................................................. 33

CONCLUSION ....................................................................................................................... 36
AUDITORS' REPORT  
COMMISSION ON FIRE PREVENTION AND CONTROL  

We have examined the financial records of the Commission on Fire Prevention and Control for the fiscal years ended June 30, 2009, 2010, and 2011. Financial statement presentation and auditing has been done on a Statewide Single Audit basis to include all state agencies. This audit has been limited to assessing the commission’s compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the commission’s internal control structure policies and procedures established to ensure such compliance. This report of that examination consists of the Comments, Condition of Records, Recommendations and Certification that follow.

COMMENTS  

FOREWORD:

The commission operates under the provisions of Title 7 of the General Statutes, Chapter 104, Part VI. Section 2(c) (10) of Public Act 09-166 provides for the commission’s termination, effective July 1, 2014, unless reestablished by the General Assembly.

The mission of the commission is to prevent or mitigate the effects of fire and disasters, either natural or manmade, on the citizens of the State of Connecticut. The commission accomplishes this through the development and delivery of educational programs designed to meet nationally recognized standards, certification of individuals to such standards, and maintenance of up-to-date resources for use by fire service personnel, other first responders and public educators. Its administrative office is located at the Connecticut Fire Academy in Windsor Locks.

The commission is comprised of three divisions; the Certification Division, Training Division, and Fiscal Division. The Certification Division is responsible for the development and
administration of a voluntary fire service testing and certification program. The Training Division is responsible for maintaining the Connecticut Fire Academy (CFA) and a bookstore. The Connecticut Fire Academy provides training programs in firefighting, hazardous materials, OSHA compliance, and other emergency medical services. The commission’s bookstore sells books, study materials, DVDs, apparel, and gifts. The Fiscal Division is responsible for the commission’s fiscal administration and plant operations.

Pursuant to Section 60(c) of Public Act 05-251, the commission’s personnel, payroll, affirmative action and some of the business office functions were performed by the Department of Administrative Services for the audited period. However, it should be noted that effective July 1, 2011 under Subsection (e) of Section 150 of Public Act 11-51, the commission was merged with the Department of Emergency Services and Public Protection (DESPP).

Members of the Commission:

Pursuant to Section 7-323k of the General Statutes, the commission is comprised of the State Fire Marshal and the chancellor of the community-technical colleges as ex-officio voting members and 12 members appointed by the Governor. Members of the commission as of June 30, 2011, were as follows:

Ex-Officio:
    Victor Mitchell, Director of Business and Industry Services – Tunxis Community College
    Robert J. Ross, Director of Fire, Building and Emergency Services – DESPP

Appointed by the Governor:
    Peter S. Carozza Jr., chairman
    Kevin J. Kowalski, vice chairman
    Charles M. Stankye Jr., secretary
    John J. Brady
    David J. Dagon
    Edward B. Gomeau
    Frank C. Hilbert
    Megan Murphy
    Matthew G. Nelson
    Richard H. Nicol
    Robert T. Walsh Jr.

As of June 30, 2011, there was one vacancy on the commission.

Section 7-323o of the General Statutes provides for the appointment of a State Fire Administrator by the commission. Jeffrey Morrissette has served as the State Fire Administrator since October 2, 1992.
Auditors of Public Accounts

Significant State Legislation:

Section 1 of Public Act 10-51, which became effective October 1, 2010, narrowed the circumstances in which the state must hold harmless and indemnify fire service instructors from financial loss and expense. The law requires the state to hold harmless and indemnify any fire service instructor certified by the Commission on Fire Prevention and Control for negligence or other acts resulting in personal injury or property damage, if (1) the person is performing his or her duties in providing fire service training and instruction, and (2) the act is not wanton, reckless, or malicious. The act specifies the fire instructor must also be (1) an employee or member of a municipal, state, or tribal fire department providing fire service training and instruction for other members or employees of his or her fire department; (2) a fire service instructor employed by the commission to provide training and instruction on its behalf; or (3) a fire service instructor employed by a regional fire school to provide training and instruction on its behalf.

RÉSUMÉ OF OPERATIONS:

The operations of the commission for the fiscal years ended June 30, 2009, 2010, and 2011, which were accounted for in the General Fund and two special revenue funds, are discussed below.

General Fund:

General Fund - Receipts:

General Fund receipts totaled $6,937, $1,820 and $4,967 for the fiscal years ended June 30, 2009, 2010 and 2011, respectively. These receipts consisted primarily of sales and use taxes that were collected. The totals were offset by refunds of processing fees issued.

General Fund - Expenditures:

A summary of General Fund expenditures during the audited period is presented below.

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
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<tr>
<td>Personal Services and Employee Benefits</td>
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<tr>
<td>Contractual Services</td>
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<tr>
<td>Rental and Maintenance – Equipment</td>
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<td>Motor Vehicle Costs</td>
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<tr>
<td>Premises and Property Expenses</td>
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<tr>
<td>Information Technology</td>
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<tr>
<td>Communications</td>
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<tr>
<td>Purchased Commodities</td>
</tr>
<tr>
<td>Grants</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
</tr>
</tbody>
</table>
Auditors of Public Accounts

Total General Fund expenditures for fiscal year 2008 totaled $3,786,693. Decreases of $104,768 and $488,970 were noted during the fiscal years ended June 30, 2009 and 2010, respectively. The changes were primarily attributed to a reduction in budgeted funds on a statewide basis.

The decreases in personal services and employee benefits expenditures were due primarily to fluctuations in staffing levels and merit and cost-of-living adjustments. The commission utilizes part-time adjunct instructors to teach courses provided by the Connecticut Fire Academy. The amount of associated personal services and employee benefit expenditures fluctuated based on the amount of courses provided and instructors needed.

The decreases in the amount of contractual services expenditures during the fiscal years ended June 30, 2010 and 2011 were due primarily to a reduction in training costs.

Grant expenditures during the fiscal years ended June 30, 2009, 2010 and 2011 were due in part to a special appropriation administered by the commission. Funds were appropriated to disburse, in the form of grants, to the regional fire schools. For the fiscal years ended June 30, 2009, 2010 and 2011, a total of $783,046, $743,893, and $783,046, respectively, were disbursed by the commission in grants.

Special Revenue Funds:

During the audited period, the commission used two special revenue funds; the Federal and Other Restricted Accounts Fund and the Capital Equipment Purchase Fund, which are discussed below.

Federal and Other Restricted Accounts Fund:

Along with some small federal grants, the commission administers two restricted state accounts; the Fire School Training and Education Extension Account and the Fire School Auxiliary Services Account. The Fire School Training and Education Extension Account was established under the provisions of Section 7-323p, subsection (b), of the General Statutes. It is used to account for the operation of fire training and education extension programs, the purchase of equipment required for use in the operation of such programs, and for the reimbursement to municipalities, municipal fire departments, and state agencies for one-half of the costs of Firefighter I certification and recruit training. The Fire School Auxiliary Services Account was established under the provisions of Section 7-323p, subsection (c), of the General Statutes. It is used to account for the operation, maintenance and repair of auxiliary service facilities and other auxiliary activities of the Connecticut Fire Academy. All receipts related to these restricted accounts are credited to and become a part of the resources of the accounts. All expenses incurred while carrying out the purposes of the accounts are charged against the accounts. Any balance of receipts over expenses remains in the accounts.
Federal and Other Restricted Accounts Fund - Receipts:

Federal and Other Restricted Accounts Fund receipts totaled $1,836,082, $1,726,922 and $1,596,213 for the fiscal years ended June 30, 2009, 2010 and 2011, respectively. These receipts consisted primarily of course fees and receipts from the sale of merchandise in the bookstore, which were credited to the Fire School Training and Education Extension and Fire School Auxiliary Services accounts. Changes in the amount of receipts are primarily from fluctuations in course enrollment. According to the commission’s annual reports, 9,448, 8,786 and 7,899 students took classes at the Connecticut Fire Academy during the fiscal years ended June 30, 2009, 2010 and 2011, respectively.

Federal and Other Restricted Accounts Fund - Expenditures:

A summary of Federal and Other Restricted Accounts Fund expenditures during the audited period is presented below.

<table>
<thead>
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<th>Fiscal Year Ended June 30,</th>
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<tr>
<td>Grants</td>
</tr>
<tr>
<td>Capital Outlay – Equipment</td>
</tr>
<tr>
<td>Capital Outlay – Buildings/Improvements</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
</tr>
</tbody>
</table>

The fluctuations noted in personal services and employee benefits expenditures are due primarily to fluctuations in staffing levels. The commission utilizes part-time adjunct instructors to teach courses provided by the Connecticut Fire Academy. The amount of associated personal services and employee benefit expenditures fluctuated based on the amount of courses provided and instructors needed.

The decrease in contractual services was primarily due to the reduction in costs for education services and catering. The increase in premises and property expenses was due to an increase in costs due to premises repair and maintenance services, supplies, and cleaning services. The increase in purchased commodities was due to an increase in costs for maintenance supplies – non premises and commodities for resale.
Capital Equipment Purchase Fund:

The commission had expenditures from the Capital Equipment Purchase Fund of $168,465, $20,210, and $70,539 for the fiscal years ended June 30, 2009, 2010, and 2011, respectively. The majority of these expenditures were for the purchase of training or office equipment.
CONDITION OF RECORDS

Our review of the records of the Commission on Fire Prevention and Control revealed the following areas that warrant comment.

Commission Membership:

Criteria: Subsection (a) of Section 7-323k of the General Statutes establishes the Commission on Fire Prevention and Control. The commission is to consist of twelve members appointed by the Governor. The State Fire Marshal or his designee and the chancellor of the community-technical colleges or his designee shall serve as ex-officio, voting members of said commission. Of the twelve members appointed by the Governor, two shall represent The Connecticut State Firemen's Association, two shall represent the Connecticut Fire Chiefs Association, two shall represent the Uniformed Firefighters of the International Association of Firefighters, AFL-CIO, two shall represent the Connecticut Fire Marshals Association, two shall represent the Connecticut Fire Department Instructors Association and two shall represent the Connecticut Conference of Municipalities.

Subsection (b) of said statute indicates that on or before July fifteenth, annually, each organization to be represented on said commission shall submit to the Governor a list of nominees for appointment to said commission, which list the Governor may use when making appointments to said commission. The Governor shall appoint members of the commission to serve for a term of three years. Persons appointed to the commission shall be qualified, by experience or education, in the fields of fire protection, fire prevention, fire suppression, fire fighting and related fields.

Condition: It was noted that the commission has two vacancies. These vacancies represent the Connecticut Conference of Municipalities.

It was additionally noted that seven of the commission members have terms that expired in 2010 and 2011. Since they continue to serve, there is no immediate issue.

Effect: Without a full complement of members, the likelihood of a quorum for meetings and the effectiveness of the commission is somewhat diminished.

Cause: Despite commission requests being made to the entity responsible for submitting new nominees for consideration by the Governor, the condition continues.
Auditors of Public Accounts

Recommendation: The Commission on Fire Prevention and Control should continue its efforts to achieve full membership in compliance with Section 7-323k of the General Statutes. (See Recommendation 1.)

Agency Response: “We continue our efforts with the Connecticut Conference of Municipalities to secure nominees for the Governor’s consideration to fill the two vacancies that currently exist. All other commission member appointments are current and up-to-date.”

Commission Meeting Agendas:

Criteria: In accordance with Section 1-225 subsection (c), the agenda of the regular meetings of every public agency, except for the General Assembly, shall be available to the public and shall be filed not less than twenty-four hours before the meetings to which they refer, (1) in such agency's regular office or place of business, and (2) in the office of the Secretary of the State for any such public agency of the state, in the office of the clerk of such subdivision for any public agency of a political subdivision of the state or in the office of the clerk of each municipal member of any multi-town district or agency. For any such public agency of the state, such agenda shall be posted on the websites of the public agency and the Office of the Secretary of the State.

Condition: We were informed by staff of the Office of the Secretary of the State that there were no meeting agendas filed by the commission for the audited period.

Effect: The lack of filing meeting agendas with the Office of the Secretary of the State may preclude the public from voicing their concerns on specific issues at commission meetings.

Cause: It does not appear that the commission was cognizant of its responsibility to file agendas of meetings to the Office of the Secretary of the State.

Recommendation: The Commission on Fire Prevention and Control should comply with Section 1-225 of the General Statutes by filing its meeting agendas with the Secretary of the State. (See Recommendation 2.)

Agency Response: “The commission has historically submitted its meeting notices to the Secretary of the State, however not its meeting agendas. Agendas were being posted on our agency website. Effective with the September 2012 meeting we are now in compliance, however the Secretary of the State is not currently up-to-date with posting the notices.”
Outdated Statutory and Regulatory Language:

Criteria: Sections 7-323l-78 to 7-323l-94 of the Regulations of State Agencies define a number of certification levels available under the commission.

Subsection (b) of Section 7-323p of the General Statutes indicates that the commission may establish and maintain a state fire school training and education extension account, which shall be a separate account within the general fund. The account shall contain any moneys required by law to be deposited in the account. The account may be used for the operation of such training and education extension programs and sessions as the Office of State Fire Administration may establish, for the purchase of such equipment as is required for use in the operation of such programs and sessions, and for (1) reimbursement to municipalities and municipal fire departments for one-half of the costs of Firefighter I certification and recruit training of municipal volunteer and paid fire service personnel, and (2) reimbursement to state agencies for one-half of the costs of Firefighter I certification and recruit training of state agency fire service personnel. All proceeds derived from the operation of the training and education extension programs and sessions shall be deposited in the General Fund and shall be credited to and become a part of the resources of the account. All direct expenses incurred in the conduct of the training, certification and education programs and sessions shall be charged, and any payments of interest and principal of bonds or any sums transferable to any fund for the payment of interest and principal of bonds and any cost of equipment for such operations may be charged, against the account on order of the State Comptroller.

Subsection (c) of the General Statutes indicates that the commission may establish and maintain a state fire school auxiliary services account, which shall be a separate account within the general fund. The account shall be used for the operation, maintenance and repair of auxiliary service facilities and for such other auxiliary activities of the state fire school as the Office of State Fire Administration determines. The proceeds of such activities shall be deposited in the General Fund and shall be credited to and become a part of the resources of the account. All direct expenses of operation, maintenance and repair of facilities, food services and other auxiliary activities shall be charged, and any payments of interest and principal of bonds or any sums transferable to any fund for the payment of interest and principal of bonds and any cost of equipment for such operations may be charged, against the account on order of the State Comptroller.

Condition: Upon review of the statutes and regulations of the commission, the following was noted:
Auditors of Public Accounts

- Certain levels of certification identified as available on the commission’s website were not identified within the commission’s regulations. It was additionally noted that certain certification levels identified within the regulations did not appear to be offered by the commission any longer.

- The State Fire School Training and Education Extension and the State Fire School Auxiliary Services accounts no longer appear to be accounted for under the General Fund. We found that said accounts now fall under the Federal and Other Restricted Accounts Fund (12060).

**Effect:** Inconsistencies between statutory and regulatory language and the commission’s practices may cause unnecessary confusion.

**Cause:** It appears that the condition simply did not come to the commission’s attention and thus was not addressed.

**Recommendation:** The Commission on Fire Prevention and Control should consider addressing the outdated language of both its regulations and applicable statutes. (See Recommendation 3.)

**Agency Response:** “We are aware of the outdated language but had to delay action due to staffing issues. We have initiated a review of both our regulations and applicable statutes. Upon completion of the review we will begin a revision process with the support and guidance of the Department of Emergency Services and Public Protection legal and legislative staff. Adoption of revisions is anticipated to take 12-24 months.”

**Compensatory Time:**

**Criteria:** The Department of Administrative Services’ (DAS) Management Personnel Policy 06-02 states that a manager or confidential employee must receive advance written authorization by the agency head or their designee in order to record extra hours worked as compensatory time.

**Condition:** Upon reviewing compensatory time claimed by commission employees, we noted that four out of ten employees sampled did not appear to have written pre-authorization for the compensatory time earned.

**Effect:** Without written pre-authorization to earn compensatory time, there is a greater risk that abuse of time may occur.

**Cause:** Unavailability of the supervisor may have contributed to the lack of pre-approval for the compensatory time earned.
Recommendation: The Commission on Fire Prevention and Control should take greater care to ensure that pre-approval of the compensatory time to be earned is properly obtained and documented. (See Recommendation 4.)

Agency Response: “The compensatory time earned during the audit period had been approved by the applicable manager in advance of the activity. In certain circumstances, approval is verbal followed and documented on our internal form. In those cases the approval form is dated with the actual date the form is completed rather than the actual date approval was received. Therefore, there is an appearance approval was received after-the-fact. Proper documentation will be obtained and filed for inspection.”

Dual Employment Forms:

Criteria: Section 5-208a of the General Statutes indicates that no state employee shall be compensated for services rendered to more than one state agency during a biweekly pay period unless the appointing authority of each agency or a designee certifies that the duties performed are outside the responsibility of the agency of principal employment, the hours worked at each agency are documented and reviewed to preclude duplicate payment and no conflicts of interest exist between services performed. No state employee who holds multiple job assignments within the same state agency shall be compensated for services rendered to such agency during a biweekly pay period unless the appointing authority of such agency or a designee certifies that the duties performed are not in conflict with the employee's primary responsibility to the agency, the hours worked on each assignment are documented and reviewed to preclude duplicate payment, and there is no conflict of interest between the services performed.

Condition: Upon our review of dual employment forms for applicable employees, we noted that the commission, in being a secondary agency, had not submitted such forms on behalf of three employees.

Effect: In the absence of proper monitoring and guidance regarding dual employment arrangements, duplicate payments and conflicts of interest may go undetected.

Cause: It appears that the commission was not cognizant of its responsibility regarding dual employment.

Recommendation: The Commission on Fire Prevention and Control should comply with Section 5-208a of the General Statutes and submit dual employment forms as applicable for dually employed staff. (See Recommendation 5.)

Agency Response: “The DAS Small Agency Resource Team Human Resources Unit oversaw this compliance area. A review of all personnel who may be dually
Auditors of Public Accounts

employed is being conducted to ensure we are up to date and in compliance.”

DAS Response: “DAS agrees that dual employment forms should be on file for all state employees dually employed. DAS no longer handles the personnel functions of the commission (after the 2011 mergers, those functions are now handled by the Department of Emergency Services and Public Protection), but will review the personnel records of all individuals employed by DAS and other agencies for which DAS provides services to ensure that we are in compliance.”

Fire Academy Trainer Positions:

Criteria: Section 5-200b of the General Statutes indicates that any state employee who is being reclassified upward to a competitive or noncompetitive class in state service may be allocated to the higher classification without examination by the commissioner of the Department of Administrative Services if the reclassification results from a survey of all positions in an occupational series or all classes of a bargaining unit and the employee possesses the minimum experience and training requirements for the new class and has permanent status in the present class.

Subsection (a) of Section 5-206 of the General Statutes indicates that position classifications established by the commissioner of the Department of Administrative Services shall be listed in the appropriate records and publications of the Department of Administrative Services (DAS) in accordance with the following descriptive items: (1) the title and code given to the class; (2) the pay grade for the class; (3) a statement of the duties and responsibilities exercised by those employees holding positions allocated to the class, illustrated, when practicable, by examples of typical tasks; and (4) the minimum desirable qualifications required by an incumbent for the satisfactory performance of such duties and the satisfactory discharge of such responsibilities.

Section 5-227a of the General Statutes indicates that whenever an employee's position in the classified service is reclassified, the promotion of the employee shall be made without examination provided: (1) the employee meets the minimum qualifications established by the commissioner of the Department of Administrative Services for the career progression level of the reclassified position; (2) the employee has maintained an adequate performance record and has received a satisfactory appraisal on the two most recent consecutive performance evaluations; (3) the employee has worked at the existing level in the current position for a minimum period of six months; and (4) the reclassified position is approved by the commissioner of the Department of Administrative Services.
DAS General Letter No. 226 – Promotion by Reclassification provides clarification regarding the implementation of Section 5-227a of the General Statutes. The set of conditions that must be met under the letter include that the employee must meet the minimum qualifications for the reclassified position as detailed on the job specification for the classification and that the reclassified position must be approved by DAS.

Condition: Upon review of employee qualifications for the position of Fire Academy Trainer, we noted that four employees did not meet the special requirements as identified within the position specifications published by DAS.

It was noted that these employees were reclassified from the position of Trainer to Fire Academy Trainer by virtue of a memorandum of agreement that was signed in September 2010 by DAS, the Office of Labor Relations (OLR) in the Office of Policy and Management, the applicable union organizations, and the affected employees.

Effect: The employees filling the position of Fire Academy Trainer do not appear to possess the necessary qualifications in order to effectively perform the duties of the position.

Cause: It appears that there was an oversight regarding the position requirements not being met by the applicable employees.

Recommendation: The Commission on Fire Prevention and Control, DAS, and OLR should discuss what further actions are necessary to remedy the lack of qualifications of the four employees filling the positions of fire academy trainer. (See Recommendation 6.)

Agency Response: “The reclassification of employees within the Trainer classification to the new classification of Fire Academy Trainer was undertaken and managed by the Department of Administrative Services and as noted in the audit report was part of an MOU signed by DAS, OLR and the applicable unions and affected employees.

Language within the new classification states that employee must be qualified at the level of Fire Service Instructor III. It does not state the employee be certified. Job Performance Requirements for the level of Fire Service Instructor III are outlined in the National Fire Protection Association's (NFPA) Standard 1041. NFPA allows the authority having jurisdiction to qualify individuals.
Auditors of Public Accounts

As recommended, we have consulted the Department of Administrative Services Classification Unit requesting their review and guidance on any further action. In addition, during a recent recruitment to fill a Fire Academy Trainer vacancy we limited interviews solely to candidates certified to the Fire Service Instructor III level.”

**DAS Response:**

“DAS agrees that employees were reclassified from the job title of Trainer to Fire Academy Trainer in 2010, and that the reclassifications occurred as a result of an agreement between DAS, the Office of Labor Relations and the applicable unions. DAS disagrees that the employees lacked the required qualifications for the Fire Academy Trainer position when the reclassifications occurred. As the agency stated above, the special requirements of the job do not require certification going forward. Two of the four employees identified are currently certified, one is now undergoing certification, and the remaining employee is scheduled to participate in the certification class when it is next offered, in 2013.”

**Purchase Orders:**

**Criteria:**

Subsection (a) of Section 4-98 of the General Statutes indicates that “except for such emergency purchases as are made by a budgeted agency under regulations adopted by the Commissioner of Administrative Services, no budgeted agency or any agent thereof shall incur any obligation, by order, contract or otherwise, except by the issue of a purchase order or any other documentation approved by the Comptroller, necessary to process the transaction transmitted by the budgeted agency or its agents to the commissioner and the Comptroller, provided the amount to be charged against the appropriation for a budgeted agency in any year for a purchase order for a current expenditure shall be the amount anticipated to be spent in such year”.

**Condition:**

Our review of 35 expenditure transactions paid during the fiscal years ended June 30, 2009, 2010 and 2011, disclosed the following:

- For seven out of 25 transactions involving purchase orders, the purchase orders were approved after the goods or services were ordered.

In a separate review of the commission’s bookstore purchases, it was noted that for four out five bookstore expenditure transactions reviewed indicated that the purchase orders were approved after the goods or services were ordered.

**Effect:**

The risk that funding may no longer be available to make timely payments to vendors may occur due to a lack of proper commitment of funds.
Cause: The controls in place at the time did not appear to be effective.

Recommendation: The Commission on Fire Prevention and Control should comply with Section 4-98 of the General Statutes by ensuring a commitment is in place prior to incurring an obligation. (See Recommendation 7.)

Agency Response: “The deficiency is acknowledged and staff counseling and training continue regarding compliance with policy and procedures.”

Cash Receipts:

Criteria: Section 4-32 of the General Statutes requires that an agency account for receipts within 24 hours and if the receipts total $500 or more, deposit the same within 24 hours of receipt. Total daily receipts of less than $500 may be held until the total receipts to date amount to $500, but not for a period of more than seven calendar days.

The State Accounting Manual, issued by the Office of the State Comptroller, requires that:

- Accountability reports should be periodically prepared, where feasible, to compare monies that were actually recorded with the monies that should have been accounted for.

- Where feasible, a different employee should record receipts in a receipts journal, deposit receipts, and issue licenses, permits, etc. to the remitter.

Condition: Our review of cash receipts disclosed the following:

- Of the 38 revenue transactions from the Training Division reviewed, it was noted that two were not deposited timely or accounted for promptly.

- Of 25 revenue transactions reviewed for candidate physical ability testing, we noted two which were deposited late. Incidental to such testing, it was noted that revenue received on two other days was deposited five days late.

- Accountability reports are not prepared to compare the number of students taking courses and exams to the revenue deposited.

- There is a lack of segregation of duties. There are two employees who each have record-keeping functions and have access to assets. One employee in the Training Division and one employee in the Fiscal Division each perform these two functions. Further, there
Auditors of Public Accounts

are no independent reviews to check the performance of these employees.

Effect:
The commission is not in compliance with Section 4-32 of the General Statutes. In addition, inadequate controls over cash receipts and a lack of segregation of duties increase the risk that errors or irregularities may go unnoticed.

Cause:
The commission has indicated that the limited number of staff has contributed to the finding.

Recommendation:
The Commission on Fire Prevention and Control should improve internal controls over cash receipts and ensure that all receipts are deposited and accounted for in accordance with Section 4-32 of the General Statutes and applicable waivers of such as authorized by the Office of the State Treasurer. (See Recommendation 8.)

Agency Response:
“Compliance with CGS 4-32 continues to be problematic especially during periods of staff absences due to illness or vacation. Our move toward a web-based registration system will help to alleviate this issue. Also, a procedure to conduct spot checks comparing the number of students taking courses and exams to the revenue deposited will be prepared and implemented.”

Accounts Receivable:

Background:
The commission maintains a bookstore and the Connecticut Fire Academy (CFA). The commission’s bookstore sells books, study materials, DVDs, apparel, and gifts. The CFA provides training programs in firefighting, hazardous materials, OSHA compliance, and other emergency medical services.

The bookstore supplies materials for classes conducted within the CFA. The costs of the materials are included in the price of the class and are included as a receipt for the CFA on the state’s Core-CT accounting system.

The bookstore maintains sales records that reflect the amount of daily sales. The amount of sales includes the value of materials supplied for classes conducted with the CFA and items provided in lieu of limited access highway grants. There are no actual receipts being deposited for the bookstore merchandise in these two situations.

Criteria:
Good business practices and internal controls provide for documentation of transactions, accounts reconciliation, timely collection efforts, write-off of uncollectible accounts, and reliable and accurate reports.
Condition: Upon the review of the commission’s accounts receivable records, the following deficiencies were noted:

- Accounts receivable records are not centralized. The commission’s business office maintains one set of records and the commission’s bookstore maintains another for their purposes. The business office is not aware of the accounts receivable balance of the bookstore.

- The bookstore’s accounts receivable records include amounts for course materials provided for training. Since the materials were paid for through the commission’s Training Division as part of the course fee, there is no billing necessary. Yet, the accounts receivable record remains. This is apparently done in order to justify the reduction in the bookstore inventory records.

- Within the business office, it was noted that the fiscal administrative assistant has access to both the accounts receivable records and incoming receipts.

- Long outstanding accounts receivable items were noted on both the business office and the bookstore’s aging reports without evidence of continued pursuit via other means of collection.

- Monthly aging reports with supporting detail were not generated for fiscal year 2011. The detail supporting the aging reports for fiscal year 2010 were not available and could not be retroactively created from the agency’s system.

Effect: The lack of proper internal controls and accurate financial records hinders management’s ability to make informed administrative decisions. In addition, it increases the risk that errors or irregularities may go undetected.

It also appears that the accounts receivable records of the bookstore are inaccurate.

Cause: It appears that, due to untimely staff turnover and the commission’s merger with the Department of Emergency Services and Public Protection, the implementation of controls to correct prior audit deficiencies has been slowed.

Recommendation: The Commission on Fire Prevention and Control should establish and implement controls to address the conflict in duties, centralize and address the inaccuracy of accounts receivable records, generate and maintain aging
Auditors of Public Accounts

reports with supporting detail on a monthly basis for monitoring and reporting purposes, and further pursue the collection of long outstanding accounts receivable items via other available means. (See Recommendation 9.)

Agency Response: “We will work with the consolidated Business Office to implement a system whereby we will create a type of "Miscellaneous Tender" key which will allow us to offset the receivable in the POS system and an amount to reconcile to the approved request for the training materials through the training division.

The office assistant has access to both the accounts receivable records and incoming receipts, however, by the time the incoming receipts arrive in the business office, the totals have already been verified an accounted for by two other agency employees. The office assistant creates a daily mail log which accounts for all items received on a given day. Once those receipts are given to the training registrar for entry into the agency database, the registrar must first verify and sign off on the totals received. Once the training registrar has entered all information from the daily mail log into the system the receipts then go to the business office to be deposited. Any further separation of duties would require adding additional staff.

We have been aggressively pursuing long outstanding invoices and anticipate that we will have collected all outstanding invoices over 120 days old or have referred them to DAS for payment within the next month.

Aging reports and supporting details will be maintained on a monthly basis.”

Asset Management:

Criteria: Section 4-36 of the General Statutes requires that each state agency shall establish and keep an inventory account in the form prescribed by the Comptroller, and shall annually, on or before October 1st, transmit to the Comptroller a detailed inventory as of June 30th of all real property and personal property having a value of one thousand dollars or more.

The State Property Control Manual provides the following standards and procedures for maintaining a property control system.

- Executive Branch agencies are to generate information within Core-CT on assets that are capitalized and depreciated and include the information on the CO-59 Asset Management/Inventory Report/GAAP Reporting Form. Agencies will use the asset management queries to complete the CO-59 form. If the values
recorded on the CO-59 form do not reconcile with Core-CT, the agency must provide a written explanation of the discrepancy in an attachment.

- The cost of land and buildings acquired through purchase should include not only the contract price but also ancillary related costs such as taxes, other liens assumed, title search costs, legal fees, surveying, filling, grading, drainage, and other costs of preparation for the use intended.

- The stores and supplies line of the CO-59 Asset Management/Inventory Report/GAAP Reporting Form requires that all stock items and supplies used and consumed in the daily operations of an agency, such as food, office supplies, perishables, table or bed linens, dishes, small tools (including repair parts for machinery, plumbing, general housekeeping, etc.), appliances, articles of a similar nature, and merchandise on hand be reported if the estimated value of the entire inventory is over $1,000.

- All personal property should be tagged unless tagging the item would be impractical or would otherwise alter the item’s usefulness. The tag should provide a unique number and the property owner’s (agency) name.

- All agencies are required to establish a software inventory to track and control all of their software media, licenses or end user license agreements, certificates of authenticity, documentation and related items.

**Condition:** Our review of the commission’s property control system disclosed the following:

- Amounts on the CO-59 Asset Management/Inventory Report/GAAP Reporting Form for the fiscal years ended June 30, 2009, 2010, and 2011, generally did not agree with amounts per the Core-CT Asset Management System. The commission did not maintain adequate supporting documentation for its reported figures. For fiscal year ended June 30, 2011, the commission reported an ending inventory value of $16,136,056. However, a Core-CT Asset Management Cost Activity Report for the same period less controllable property totaled $16,929,863. An apparent underreporting of $793,807 seemed evident. In addition, the commission did not report the amount of merchandise for sale in the Connecticut Fire Academy Bookstore on the stores and supplies line of the CO-59 form. The cost of the merchandise was estimated at approximately $300,000 in June 2012.
The property values for land and buildings on the CO-59 report did not appear to be accurate. Land acquisitions identified in the commission’s meeting minutes were not reported on the CO-59 form. In addition, it was noted in the prior audit that the commission had acquired a building from the Department of Transportation that was not recorded at the proper value on the commission’s inventory records. The building was recorded on the commission’s inventory records for $1, which was the purchase price of the building. However, the commission should consider the actual value and any incurred costs to renovate the building that were not capitalized. We could not determine the cost of all capital improvements that should be included in the building’s recorded cost.

Based upon our review of Core-CT capital expenditures reports and Core-CT query reports for calculating the positive costs of assets for the audited period, it was noted that the Equipment Additions figures for the CO-59 reports did not appear accurate. Incidental to this review, it was noted that 30 items were recorded on the commission’s inventory record as one item at a cost of $59,250.

The CO-648B Summary of Motor Vehicle Report for the fiscal years ended June 30, 2009 and 2010 did not appear to be available. For fiscal year ended June 30, 2011, the total number of vehicles reported did not appear to match Core-CT asset management records. We were informed by the commission that the records had not been updated for the inventory of surplused or scrapped vehicles since the applicable asset management Core-CT roles had been transferred to the Department of Emergency Services and Public Protection upon the merging of the agencies.

The commission does not maintain a software inventory.

Of 12 items we tested from inventory record to physical inspection, it was noted that two items did not have a tag. Of the ten inventory items we selected from the commission’s premises to verify that the items were correctly listed on the commission’s inventory records, we found that one was not the commission’s property. Of the remaining nine items, we noted that four were not on the inventory record and five were not properly tagged. From the physical inventory conducted in FY11, we selected an additional 16 items for physical inspection. It was noted that two were missing and not reported.
Effect: There appears to be a significant underreporting of real and personal property of the commission. Also, the risk of inventory loss is increased when accurate inventory records are not maintained.

Cause: While some improvement as been noted since the last audit, there are still issues that have yet to be addressed. It appears that, due to the commission’s recent merger with the Department of Emergency Services and Public Protection, corrective action has been slowed.

Recommendation: The Commission on Fire Prevention and Control should maintain its property control system in accordance with the State Property Control Manual and ensure that the amounts reported on the CO-59 Asset Management/Inventory Report/GAAP Reporting Form and the CO-648B Summary Motor Vehicle Report are accurate and adequately supported. (See Recommendation 10.)

Agency Response: “We acknowledge the CO-59 and CO-648B report deficiencies. We are planning to meet with fiscal staff from the Department of Emergency Services and Public Protection's central business office to review and remedy.

As a result of staff changes, the software inventory was not maintained and will be brought up-to-date.”

Disaster Recovery:

Criteria: State agencies that rely upon data processing for any of their key functions should have a current formal written disaster recovery plan in place to enable critical operations to resume activity within a reasonable period after a disaster. The plan should describe the roles and responsibilities of agency personnel. Backup procedures should be addressed as part of a disaster recovery plan.

Sound internal controls dictate that access to information systems should be disabled upon the separation of an employee to prevent unauthorized access to the information system environments.

Condition: We were informed that a current formal written disaster recovery plan has not yet been completed. It is a task that is being addressed with the agency that the commission has consolidated with as of July 1, 2011, the Department of Emergency Services and Public Protection (DESPP).

The agency’s practice of keeping generational backups of the commission’s server files at an employee’s home continues.

We found that four employees who had separated from the commission...
Auditors of Public Accounts

over a year ago still had active IDs for access to the agency’s 4D system used by the commission’s Training and Certification divisions.

**Effect:**

The lack of a comprehensive disaster recovery plan may lead to increased costs to the state due to service interruptions or loss of data from an actual disaster.

Separated employees may have unauthorized access to agency records.

**Cause:**

It was the intention of the commission to address the implementation of a current written disaster recovery plan with the DESPP. It appears that this had not occurred as expeditiously as hoped.

It did not appear that the commission had a procedure in place to discontinue access to systems upon termination or separation.

**Recommendation:**

The Commission on Fire Prevention and Control should ensure that a current formal written disaster recovery plan is approved and implemented to include provisions regarding proper data back-up procedures. The commission should also implement a procedure to discontinue access to systems upon employee separation. (See Recommendation 11.)

**Agency Response:**

“We have reviewed access privileges for our 4D database and are current with authorized users. Follow-up will continue as part of our exit interview process. A current formal written disaster recovery plan had not been completed during the audited period but is a planned project with the DESPP IT unit.

The Department of Emergency Service and Public Protection IT unit is assisting with developing an acceptable back-up procedure. The practice of keeping generational backups of the commission's server files at an employee's home continues. These backup tapes are encrypted and secured. As previously mentioned with the installation of a fiber Connecticut to the fire academy expected to be completed in 2013 we will be able to initiate on-line back-ups to headquarters.”

**Certification Division:**

**Criteria:**

Sections 7-323/96 and 7-323/97 of the Regulations of State Agencies indicates that candidates applying for examinations shall file an application form with the commission at least ten days before the scheduled date of the examination.

Section 7-323/99 of the Regulations of State Agencies indicates that any firefighter who possesses fire service certification from another agency that is at least equivalent to a level of certification offered by the
Commission of Fire Prevention and Control may receive credit for said level of certification. Such reciprocity shall be limited to members of the Connecticut Fire Service and to members of non-Connecticut fire departments that provide mutual aid to Connecticut fire departments.

The Commission on Fire Prevention and Control, Certification Division, shall determine the level of credit to be awarded in accordance with the minimum standards of the State of Connecticut.

The CFPC Certification System - Administrative Manual indicates that requests for reciprocity must include a completed Certification Reciprocity Application and a letter on department letterhead attesting to the applicant’s active firefighter status and signed by the applicant’s fire chief.

**Condition:**
Upon the review of applications for written and practical skills examinations, it was noted that the applications received by the commission’s Certification Division are not date stamped. Due to this, it is not possible to determine compliance with Section 7-323l-96 and 7-23l-97 of the Regulations of State Agencies regarding the timeliness of submission.

Of the eight firefighters reviewed for reciprocity of certification, it was noted that letters on department letterhead attesting to the applicant’s active firefighter status and signed by the applicant’s fire chief were not obtained by the commission.

**Effect:**
There is a potential for undetected noncompliance with the commission’s regulations and established policies.

**Cause:**
It appears that condition exists due to a lack of managerial oversight.

**Recommendation:**
The Commission on Fire Prevention and Control should establish controls to track compliance and comply with its existing regulations and policies as concerns the application process for written and practical skills examinations and reciprocity of certification. (See Recommendation 12.)

**Agency Response:**
“In most cases, examination applications are received in large batches as part of a training program delivery therefore applications are not individually date stamped. Policies and regulations are being reviewed for possible revision with a focus toward customer service not punitive and negative impact. In addition, efforts to automate and reduce paperwork are underway as part of our implementation of a Learning Management System.

The position of Director of Certification was recently filled following a long standing vacancy of approximately 18-months. Reciprocity
applications are typically initiated by the department chief or training officer. If not already registered within our database, the director is ensuring letters attesting to an applicant's active firefighter status are being submitted by the fire chief.”

**Bookstore Operations:**

**Background:**

The Commission on Fire Prevention and Control maintains a bookstore and the Connecticut Fire Academy (CFA). The commission’s bookstore sells books, study materials, DVDs, apparel, and gifts. The CFA provides fire, hazardous materials, OSHA compliance, emergency medical services, and public education safety training programs.

The bookstore supplies materials for classes conducted within the CFA. The costs of the materials are included in the price of the class and are included as a receipt for the CFA on the State’s Core-CT accounting system.

Section 7-323r of the General Statutes established a grant program for local volunteer fire companies that provide emergency response services on a limited access highway. As the result of Section 7-323r of the General Statutes, the commission established a grant program for eligible fire companies. Eligible fire companies may receive direct payment of grant funds or may use the funds as credits for goods provided in the commission’s bookstore. If a fire company chooses to use the funds for merchandise from the bookstore, a sales invoice is issued to remove the merchandise (inventory) from the system and a receivable is established on the bookstore’s accounts receivable system. The commission later makes an adjustment to remove the amount of the receivable from the system.

The bookstore maintains sales records that reflect the amount of daily sales. The amount of sales includes the value of materials supplied for classes conducted within the CFA and items provided in lieu of limited access highway grants. There are no actual receipts being deposited for the bookstore merchandise in these two situations.

**Criteria:**

Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records. A system of internal control should include proper segregation of duties so that no one individual is capable of handling all phases of a transaction from beginning to end. Further, the preparation of financial statements is an effective administrative procedure to provide information that can be used to make informed administrative decisions.

**Condition:**

Our review noted the following discrepancies in the bookstore’s financial
Auditors of Public Accounts

Per the bookstore’s sales records, sales for the fiscal year ended June 30, 2009, 2010, and 2011 were $398,079, $421,465, and $392,949 respectively. However, the total receipts per the state’s Core-CT accounting system were $300,109, $328,288, and $275,343, respectively. The difference may be due to the bookstore posting as a sale without the exchange of funds the cost of materials that are supplied for classes conducted within the CFA and items provided in lieu of limited access highway grants. However, we were unable to substantiate whether this reason accounted for the total difference. Therefore, we have limited assurance that all funds were properly accounted for.

The amount of cost of goods sold per the bookstore’s computerized retail system does not reflect the actual cost of the merchandise. We noted that four purchases made by the commission during the audited period were recorded in the bookstore’s inventory records at a different cost. In some instances, the shipping and handling costs were not considered for inclusion as part of the cost of merchandise. For the four purchases totaling $21,069, we noted that the merchandise was recorded on the bookstore’s inventory records at a cost of $20,295. This resulted in the bookstore’s cost of goods sold being understated by $774.

Our review noted the following internal control weaknesses:

- There is no regular review over the bookstore’s operations, and sales records per the bookstore are not reconciled to bank deposit records to ensure that all receipts have been accounted for.

- Sufficient summary reports are not readily available to support materials supplied by the bookstore for classes conducted within the CFA.

- Financial statements for the bookstore are not prepared.

**Effect:** Lack of accurate financial records hinders management’s ability to make informed administrative decisions. Further, it increases the risk that errors or irregularities may go undetected.

**Cause:** It appears that the commission has not established adequate control procedures over the bookstore.

**Recommendation:** The Commission on Fire Prevention and Control should establish control procedures over the bookstore to provide reasonable assurance that
Auditors of Public Accounts

financial records are accurately maintained and errors or irregularities are
detected in a timely fashion. (See Recommendation 13.)

Agency Response: “Regarding the bookstore operation, a number of internal control
weaknesses will be reviewed and addressed in conjunction with the
Department of Emergency Services and Public Protection's central
business office.

One possible solution being considered regarding the inability to properly
track all funds would be by the addition of the Miscellaneous Tender
option on the POS system transaction mentioned earlier. While this will
not be entered into Core-CT, it will allow us to track and reconcile the
amount of merchandise that was charged to the training division.
Currently any merchandise that is given to the training division must be
accompanied by a signed request from the Director of the training
division. These requests are maintained by the bookstore supervisor.
Upon the "sale" and Miscellaneous tender of the merchandise a copy of
the receipt could be attached to the request and totals maintained on an
Excel spreadsheet for tracking and reconciliation.

In addition, we will develop a policy to accurately reflect the cost of goods
sold.”
RECOMMENDATIONS

Status of Prior Audit Recommendations:

Our prior audit report contained ten recommendations, as follows:

- The Commission on Fire Prevention and Control should improve internal controls over cash receipts and should ensure that all receipts are deposited and accounted for in accordance with Section 4-32 of the General Statutes. This recommendation has been modified to reflect current conditions. (See Recommendation 8.)

- In accordance with DAS Personnel Policy 06-02, the Commission on Fire Prevention and Control should not allow any appointed employees to earn compensatory time. This recommendation has been modified to reflect current conditions. (See Recommendation 4.)

- The Commission on Fire Prevention and Control should process expenditures in accordance with state laws and regulations and the State Accounting Manual. This recommendation has been modified to reflect current conditions. (See Recommendation 7.)

- The Commission on Fire Prevention and Control should ensure that it complies with state regulations concerning the accounting of the procurement of goods. This recommendation has been resolved.

- The Commission on Fire Prevention and Control should ensure that all contracted services can be provided prior to entering into contracts. This recommendation has been resolved.

- The Commission on Fire Prevention and Control should maintain its property control system in accordance with the State Property Control Manual and should ensure that amounts reported on the CO-59 Asset Management / Inventory Report / GAAP Reporting Form and CO-648B Summary Motor Vehicle Report are accurate. This recommendation has been modified to reflect current conditions. (See Recommendation 10.)

- The Commission on Fire Prevention and Control should develop a formal written disaster recovery plan. This recommendation has been modified to reflect current conditions. (See Recommendation 11.)

- The Commission on Fire Prevention and Control should establish adequate internal control procedures over its inventory system for its bookstore. Furthermore, the commission should only keep inventory on hand for its bookstore that it expects to sell in the immediate future. This recommendation has been modified to reflect current conditions. (See Recommendation 13.)
Auditors of Public Accounts

• The Commission on Fire Prevention and Control should establish control procedures over the bookstore to provide reasonable assurance that financial records are accurately maintained and errors or irregularities are detected in a timely manner. This recommendation has been modified to reflect current conditions. (See Recommendation 13.)

• The Commission on Fire Prevention and Control should ensure that packages are mailed only for state-related business. This recommendation is resolved.

Current Audit Recommendations:

1. The Commission on Fire Prevention and Control should continue in its efforts to achieve full membership in compliance with Section 7-323k of the General Statutes.

Comment:

The commission currently has two vacancies. We additionally noted that seven members, while legitimately serving, have terms that expired in 2010 and 2011.

2. The Commission on Fire Prevention and Control should comply with Section 1-225 of the General Statutes by filing its meeting agendas with the Secretary of the State.

Comment:

Meeting agendas were not filed with the Office of the Secretary of the State for the audited period.

3. The Commission on Fire Prevention and Control should consider addressing the outdated language of both its regulations and applicable statutes.

Comment:

Sections 7-323l-78 to 7-323l-94 of the Regulations of State Agencies define a number of certification levels available under the commission. However, the levels defined appear to be outdated when compared to the commission’s current offerings.

Subsections (b) and (c) of Section 7-323p of the General Statutes indicate that the state fire school training and education extension account and state fire school auxiliary services account shall be accounted for within the General Fund. However, it was noted that those accounts are currently accounted for within the Federal and Other Restricted Account Fund.
4. The Commission on Fire Prevention and Control should take greater care to ensure that pre-approval of compensatory time is properly obtained and documented.

Comment:

Four out of ten employees sampled did not appear to have pre-approval for compensatory time claimed.

5. The Commission on Fire Prevention and Control should comply with Section 5-208a of the General Statutes and submit dual employment forms as applicable for dually employed staff.

Comment:

The commission, in its role as secondary agency, had not submitted dual employment forms on behalf of three of its employees.

6. The Commission on Fire Prevention and Control, DAS, and OLR should discuss what further actions are necessary to remedy the lack of qualifications of the four employees filling the positions of fire academy trainer.

Comment:

Four employees who currently fill the position of fire academy trainer did not appear to meet the special requirements of the job specification.

7. The Commission on Fire Prevention and Control should comply with Section 4-98 of the General Statutes by ensuring a commitment is in place prior to incurring an obligation.

Comment:

Seven out of 25 expenditure transactions indicated that the purchase orders were approved after the goods or services were ordered. In a separate review of the commission’s bookstore purchases, it was noted that four out of five expenditure transactions reviewed also had purchase orders approved after the goods or services were ordered.

8. The Commission on Fire Prevention and Control should improve internal controls over cash receipts and ensure that all receipts are deposited and accounted for in accordance with Section 4-32 of the General Statutes and applicable waivers of such as authorized by the Office of the State Treasurer.

Comment:

Although reduced, instances of late deposits or accounting continue despite a two-
business-day waiver of timely deposit requirements. Accountability reports are still not prepared to compare the number of students taking courses and exams to the revenue deposited.

9. The Commission on Fire Prevention and Control should establish and implement controls to address the conflict in duties, centralize and address the inaccuracy of accounts receivable records, generate and maintain aging reports with supporting detail on a monthly basis for monitoring and reporting purposes, and further pursue the collection of long outstanding accounts receivable items via other available means.

Comment:

Accounts receivable records are not centralized. The commission’s business office maintains one set of records while the commission’s bookstore maintains another.

An accounts receivable record is set up to account for course materials the commission’s bookstore provides for training. However, since the materials were already paid for as part of the course fee to the commission’s training division, no billing is made. Yet, the accounts receivable record remains. This is apparently done to justify the reduction in the bookstore’s inventory records.

Within the business office, it was noted that the fiscal administrative assistant has access to both accounts receivable records and incoming receipts.

Long outstanding accounts receivable items were noted on both the business office and the bookstore’s aging reports without evidence of continued pursuit via other means of collection.

Monthly aging reports with supporting detail were not generated for fiscal year 2011. The detail supporting the aging reports for fiscal year 2010 were not available and could not be retroactively created from the agency’s system.

10. The Commission on Fire Prevention and Control should maintain its property control system in accordance with the State Property Control Manual and ensure that the amounts reported on the CO-59 Asset Management/Inventory Report/GAAP Reporting Form and the CO-648B Summary Motor Vehicle Report are accurate and adequately supported.

Comment:

Amounts on the CO-59 Asset Management/Inventory Report/GAAP Reporting Form for the audited period did not agree with amounts per reports generated from the Core-CT Asset Management System. The commission did not maintain adequate supporting documentation for its reported figures.
The commission did not report the cost of merchandise in its bookstore and did not accurately report the property values for its land and buildings. The CO-648B Summary of Motor Vehicles Report appeared to be either not submitted or not properly supported covering the audited period, as well.

The commission does not maintain a software inventory.

11. The Commission on Fire Prevention and Control should ensure that a current formal written disaster recovery plan is approved and implemented to include provisions regarding proper data back-up procedures. The commission should also implement a procedure to discontinue access to systems upon employee separation.

Comment:

A current formal written disaster recovery plan had not been completed during the audited period. The practice of keeping generational backups of the commission’s server files at an employee’s home continues.

It was noted that four employees who had separated from the commission over a year ago still had active IDs for access to the commission’s 4D system used by the commission’s Training and Certification divisions.

12. The Commission on Fire Prevention and Control should establish controls to track compliance and comply with its existing regulations and policies as concerns the application process for written and practical skills examinations and reciprocity of certification.

Comment:

It was noted that applications for written and practical skills examinations are not date stamped to determine compliance submission deadlines established by the commission’s Regulations of State Agencies.

Of the eight firefighters reviewed for reciprocity of certification, it was noted that letters on department letterhead attesting to the applicant’s active firefighter status and signed by the applicant’s fire chief were not obtained by the commission.

13. The Commission on Fire Prevention and Control should establish control procedures over the bookstore to provide reasonable assurance that financial records are accurately maintained and errors or irregularities are detected in a timely fashion.

Comment:

Discrepancies in the bookstore’s financial records were noted. There does not appear to be a regular review over the bookstore’s operations, and sales records per the bookstore
are not reconciled to bank deposit records to ensure that all receipts have been accounted for. Sufficient summary reports were not readily available to support materials supplied by the bookstore for classes conducted with the Connecticut Fire Academy. Financial statements for the bookstore are not prepared.
INDEPENDENT AUDITORS’ CERTIFICATION

As required by Section 2-90 of the General Statutes, we have audited the books and accounts of the Commission on Fire Prevention and Control for the fiscal years ended June 30, 2009, 2010 and 2011. This audit was primarily limited to performing tests of the Commission on Fire Prevention and Control’s compliance with certain provisions of laws, regulations, contracts and grant agreements and to understanding and evaluating the effectiveness of the commission’s internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the commission are complied with, (2) the financial transactions of the commission are properly initiated, authorized, recorded, processed, and reported on consistent with management’s direction, and (3) the assets of the commission are safeguarded against loss or unauthorized use. The financial statement audits of the Commission on Fire Prevention and Control for the fiscal years ended June 30, 2009, 2010 and 2011, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

In accordance with statute, certain executive branch agencies can be subject to some or all business office and other administrative functions being assumed by the Department of Administrative Services. When this occurs, memoranda of agreement are to be executed detailing whether the Department of Administrative Services or the audited agency retains ultimate responsibility for compliance with laws, regulations, contracts and grant agreements. In the absence of such agreements, the audited agency would remain responsible for all compliance issues that may arise. When referring to the controls of the audited agency, we are also referring, where appropriate, to the relevant controls that the Department of Administrative Services has in place to ensure compliance.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Commission on Fire Prevention and Control complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

Management of the audited agency and the Department of Administrative Services is responsible for establishing and maintaining internal control over the Commission on Fire Prevention and Control’s financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts, and grants. In planning and performing our audit, we considered the commission’s internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the commission’s financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of expressing an opinion on the effectiveness of the commission’s internal control.
control over those control objectives. Accordingly, we do not express an opinion on the effectiveness of the commission’s internal controls over those control objectives.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance with requirements was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Condition of Records and Recommendations sections of this report, we identified deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct on a timely basis, unauthorized, illegal or irregular transactions, or breakdowns in the safekeeping of any assets or resource. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions and/or material noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that would be material in relation to the commission’s financial operations will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies, described in detail in the accompanying Condition of Records and Recommendations sections of this report, to be material weaknesses: Recommendation 8 – Cash Receipts, Recommendation 10 – Asset Management, and Recommendation 13 – Bookstore Operations.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies, described in detail in the accompanying Condition of Records and Recommendations sections of this report, to be significant deficiencies: Recommendation 7 – Purchase Orders, Recommendation 8 – Cash Receipts, Recommendation 9 – Accounts Receivable, Recommendation 10 – Asset Management, Recommendation 11 – Disaster Recovery, and Recommendation 13 – Bookstore Operations

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Commission on Fire Prevention and Control complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the commission’s financial operations, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.
The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we reported to commission management in the accompanying Condition of Records and Recommendations sections of this report.

The commission’s response to the findings identified in our audit are described in the accompanying Condition of Records section of this report. We did not audit the commission’s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Commission on Fire Prevention and Control’s management, the Department of Administrative Services, the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.
CONCLUSION

We wish to express our appreciation for the cooperation and courtesies extended to our representatives by the personnel of the Commission on Fire Prevention and Control during the course of our examination.

Dennis R. Collins Jr.
Principal Auditor

Approved:

John C. Geragosian
Auditor of Public Accounts

Robert M. Ward
Auditor of Public Accounts