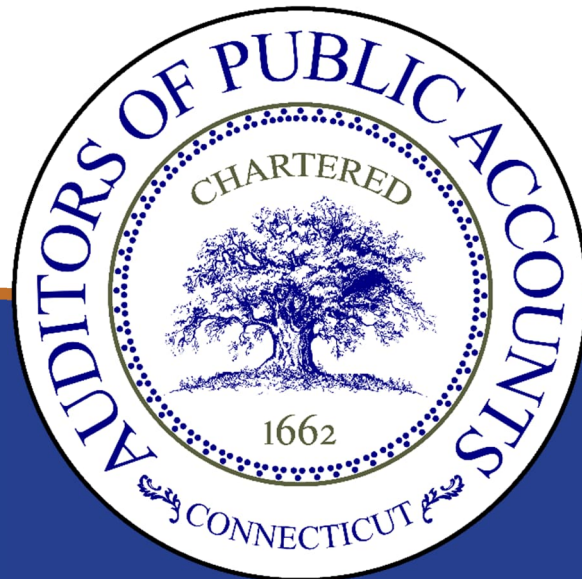


AUDITORS' REPORT

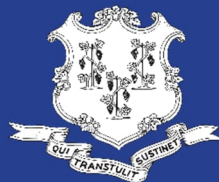
Department of Agriculture

FISCAL YEARS ENDED JUNE 30, 2021, 2022, AND 2023



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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May 27, 2026

INTRODUCTION

We are pleased to submit this audit of the Department of Agriculture (DoAg) for the fiscal years ended June 30, 2021, 2022, and 2023 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

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 Agriculture during the course of our examination.

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

Leslie Thibodeau
Patrick Tierney

A handwritten signature in cursive script that reads "Patrick Tierney".

Patrick Tierney
Staff Auditor

Approved:

A handwritten signature in cursive script that reads "John C. Geragosian".

John C. Geragosian
State Auditor

A handwritten signature in cursive script that reads "Craig A. Miner".

Craig A. Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Agriculture disclosed the following five recommendations, of which one was repeated from the previous audit.

Finding 1

Boards, Councils, Working Groups

Background	The Department of Agriculture oversees 12 boards, councils, or working groups.
Criteria	Section 1-225 of the General Statutes requires public agencies to: (1) file a schedule of regular meetings for the ensuing year with the Secretary of the State not later than January 31st of each year and post such schedule on the public agency's website; (2) post notices of special meetings not less 24 hours prior to the meeting, to the public agency's and Secretary of the State's websites.
Condition	<p>Our review of the Department of Agriculture's boards, councils, and working groups disclosed the following conditions:</p> <p>Of the 53 meetings listed on the Secretary of the State's public meeting calendar, the Department of Agriculture did not list seven on its website, and two others had different dates on the two websites.</p> <p>Eight boards, committees, and working groups listed 82 meetings on the Department of Agriculture's website. Of these 82 meetings, 37 did not appear on the Secretary of the State's public meeting calendar.</p> <p>Four of the 12 boards, councils, and working groups either did not meet or did not keep and post meeting minutes on the Department of Agriculture's website. According to the website, the last meeting held by each working group was as follows:</p> <ul style="list-style-type: none">• Domestic Animal Control Working Group - June 27, 2019.• The Animal Population Control Program Working Group - August 15, 2019.• Dog Licensing Working Group - September 22, 2022.

- Diversity, Equity, and Inclusion in Connecticut Agriculture Working Group - November 28, 2022.

Context	We reviewed the publicly available meeting notices for all 12 boards, councils, and working groups from August 1, 2022, through December 31, 2025. The review was completed as of June 4, 2025.
Effect	When boards, councils, and working groups do not meet and did not comply with freedom of information requirements, the public cannot stay informed or participate in meetings.
Cause	A lack of administrative oversight contributed to this condition.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2019 through 2020.
Recommendation	The Department of Agriculture should work with its boards, councils, and working groups to ensure compliance with the Freedom of Information Act. If the department determines that related statutes are impractical or outdated, it should request legislative changes.
Agency Response	“The Department of Agriculture (DoAg) supports the recommendation of the auditors to ensure compliance with Freedom of Information Act requirements and the General Statutes relating to the boards. DoAg will provide all required meeting information to the Secretary of State for posting on their website on a timely basis. DoAg will also post all meeting notices, agendas and minutes on the DoAg website for easy access by the public. All inactive boards will be noted on the Agency’s website for clarification purposes.”

Finding 2

Weakness in Procurement and Expenditure Controls

Criteria	The Department of Agriculture utilizes a statewide contract for media, marketing and public relations. This contract requires the agency to obtain three quotes from the listed contractors for all services over \$5,000. Each contractor must base its quote on the pricing listed in the contract’s price schedule. The contract also prescribes that all invoices must be itemized to support each hourly rate to correspond with the scope of work.
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DoAg contracts for the Connecticut Corona Virus Relief Fund Food Distribution program require that reimbursement shall be paid only for actual expenditures incurred after receiving detailed invoices with supporting documentation.

DoAg policy requires the commissioner or director of operations to approve purchasing card expenditures over \$2,500.

Condition

Our review of 15 expenditure transactions and five purchasing card statements disclosed the following exceptions:

- DoAg did not obtain at least three quotes when procuring multimedia services and did not verify the invoiced amounts to the contract price schedule for three expenditures totaling \$244,032.
- DoAg paid five expenditures, totaling \$958,117, without confirming services were provided and receiving contractually required documentation.
- DoAg management did not approve a purchasing card billing statement totaling \$3,558.

Context

Non-payroll expenditures totaled \$13,551,025, \$25,881,986, \$20,375,464, during fiscal years 2021, 2022, 2023 respectively.

Based on our risk assessment, we judgmentally selected 12 expenditures, totaling \$2,758,461, from accounts with the largest expenditures and largest percent change in expenditures when compared to prior year expenditures. In addition, we randomly selected one additional transaction from each fiscal year. We also randomly selected five cardholders' monthly statements totaling \$8,186.

Effect

Failure to comply with competitive procurement requirements could affect DoAg's access to quality services at lower costs.

Without properly supported and detailed invoices or confirming expenditure prices to the contracts, DoAg could pay contractors more than the contracted rates or pay for services the contractor did not provide.

Without proper purchasing card approvals, there is less assurance that DoAg made purchases for legitimate state business and complied with purchasing policies.

Cause

DoAG did not design effective controls to obtain and maintain documentation.

DoAg approvers did not follow established purchasing procedures.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Agriculture should improve internal controls to ensure compliance with competitive procurement requirements and purchasing card policies. The department should strengthen its invoice verification process.

Agency Response

"The Department of Agriculture (DoAg) supports the recommendation of the auditors to comply with all applicable procurement laws and purchasing card approval policy."

Finding 3

Late Deposits

Background

The Department of Agriculture's Bureau of Aquaculture operates out of Milford. Revenue received at this location is sent to DoAg's central office in Hartford for deposit once or twice a week.

Criteria

Section 4-32 of the General Statutes requires state agencies to deposit cash receipts of \$500 or more within 24 hours of receipt and amounts less than \$500 within seven calendar days. The State Treasurer can make exceptions upon written application from a state agency stating that compliance would be impracticable and providing the associated reasons.

Condition

Our review of the Bureau of Aquaculture's oyster ground leasing fee log for fiscal year 2023 identified 30 days of receipts totaling more than \$500 that were not deposited within 24 hours. The late deposits for these days totaled \$549,864.

Context

The bureau received \$549,184, \$620,058 and \$613,704 in oyster ground leasing fees for the fiscal years 2021, 2022, and 2023, respectively. To obtain the most up-to-date evidence, we reviewed the fiscal year 2023 receipt log for days with more than \$500 in receipts.

Effect

Late deposits increase the risk of theft or loss.

Cause

The department only makes deposits centrally while receiving revenue at a different location.

Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Department of Agriculture should strengthen internal controls over the Bureau of Aquaculture's deposits to ensure it complies with Section 4-32 of the General Statutes or obtain a waiver from the Office of the State Treasurer.
Agency Response	"The Department of Agriculture (DoAg) supports the recommendation of the auditors to comply with all timely deposit of receipts of revenue. DoAg will look for and implement a better revenue deposit procedure for the Bureau of Aquaculture revenue deposits, so they are deposited in accordance with the General Statutes."

Finding 4

Lack of Timesheet Approval

Background	The Department of Administrative Services (DAS) administers payroll functions for the Department of Agriculture.
Criteria	Sound business practice dictates that DoAg supervisors document their approval of employee certified timesheets prior to issuing payment. Supervisors have direct knowledge of an employee's hours and assignments and are best suited to determine the timesheet's accuracy.
Condition	Our review of timesheet approvals during the audited period identified nine timesheets that DoAg did not approve totaling \$30,586. DAS payroll staff were obligated to approve the timesheets to pay the employees and DoAg could not document subsequent review or approval.
Context	We reviewed biweekly timesheet approvals for all DoAg employees. We examined 4,484 paychecks totaling \$11,571,400 during the audited period.
Effect	There was reduced assurance that DoAg paid employees for their actual time worked.
Cause	DoAg did not exercise sufficient oversight to ensure its personnel followed timesheet approval procedures.
Prior Audit Finding	This finding has not been previously reported.

Recommendation	The Department of Agriculture should improve internal controls to ensure a direct supervisor promptly reviews and approves timesheets.
DoAg Response	“The Department of Agriculture (DoAg) supports the recommendation of the auditors to comply with all timesheet approval requirements. Unfortunately, due to the very limited number of authorized eligible approvers, on several occasions, timesheet approvals were delayed past the normal deadline. DoAg management will discuss possible solutions with DAS SmART Unit on needs for additional approvers, if possible.”
DAS Response	“DoAg may designate additional authorized and eligible approvers for timesheets by working through their Human Resources Security Liaison. To eliminate off-cycle checks, it is essential that timesheets are approved promptly. DAS Smart Agency Payroll will continue to send approval reminder emails for all outstanding timesheets.”

Finding 5 Failure to Preapprove Overtime and Compensatory Time



Criteria	<p>DoAg policy states that overtime and compensatory time must be approved in advance by the division supervisor and director of operations (DOO). The department allows overtime without prior approval in emergency situations, in which case the overtime must be expressly approved by the supervisor and DOO after it is earned.</p> <p>Collective bargaining agreements and agency policies permit employees to earn preapproved compensatory time for time worked beyond their normal work schedule.</p>
Condition	<p>We reviewed 15 employees who earned overtime and/or compensatory time during the audited period and identified the following:</p> <ul style="list-style-type: none"> • The department could not provide preapproval documentation for 13.5 overtime hours (55%), totaling \$812 for three employees. Upon further review, one of these instances was a single day out of 42 consecutive days the employee recorded 325 hours of overtime, totaling \$23,585, without obtaining preapproval.

- The department could not provide preapproval documentation for 14.25 nonemergency compensatory hours (51%), totaling \$620, for six employees.

Context	<p>During the audited period, 65 employees earned 3,187 hours of overtime, totaling \$146,276, and 22 employees earned 953 hours of compensatory time.</p> <p>We judgmentally selected nine employees who earned compensatory time totaling \$1,226 and six employees who earned \$24,361 in overtime. Our selection included high-overtime earners, supervisory personnel, and employees earning both compensatory time and overtime.</p>
Effect	<p>The failure to preapprove compensatory time or overtime may lead to unnecessary or unauthorized expenses. Significant overtime costs may affect budgeting and cash flow.</p>
Cause	<p>The department did not adhere to its policy to preapprove overtime and compensatory time and failed to retain preapproval documentation.</p>
Prior Audit Finding	<p>This finding has not been previously reported.</p>
Recommendation	<p>The Department of Agriculture should strengthen internal controls to ensure that it adheres to its overtime and compensatory time policy and retains supporting preapproval documentation.</p>
Agency Response	<p>“The Department of Agriculture (DoAg) supports the recommendation of the auditors to comply with all overtime and compensatory pre-approval requirements and has updated its policies since the audit period to require manager pre-approval of these requests when feasible. Exemptions exist for emergency situations occurring after business hours which are documented after the event by the manager or supervisor.</p> <p>In reference to the one employee who earned overtime over an extended period, their manager had taken unplanned medical leave, and then retired unexpectedly, preventing written preapproval of the overtime. The employee worked the time and had been verbally approved for overtime by their manager before their departure.”</p>

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our prior [audit report](#) on the Department of Agriculture contained two recommendations. One has been implemented or otherwise resolved and one has been repeated during the current audit.

Prior Recommendation	Current Status
<p>The Department of Agriculture should prepare periodic accountability reports for the aquaculture leases. The reports should compare lease payments due with receipts.</p>	
<p>The Department of Agriculture should work with its boards, councils, and working groups to ensure compliance with the Freedom of Information Act. If the department determines that related statutes are impractical or outdated, it should request legislative changes.</p>	 Recommendation 1

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Department of Agriculture in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2021, 2022, and 2023. The objectives of our audit were to evaluate the:

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

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, and asset management. We also determined the status of the findings and recommendations in our prior audit report.

The Department of Administrative Services administers human resource, payroll, information technology and business office functions for the Department of Agriculture. Our audit reviewed these functions, based on assessments of risk and significance, as they relate to the Department of Agriculture. Our review did not include reviewing aspects of the Department of Administrative Services' operations.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the department. We also tested selected transactions. This 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 financial information is presented for informational purposes. We obtained this information from various available sources including the department's management and state information systems. It was not subject to our audit procedures. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. Did not identify a need for improvement in management practices and procedures that we deemed reportable.

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

ABOUT THE AGENCY

Overview

The [Department of Agriculture](#) (DoAg) operates under the provisions of Title 22, Chapters 422 through 424, 427a, 427b, 428a through 437, and 438a through 438d, and Title 26, Chapters 491 through 492 of the General Statutes. The mission of the department is to foster a healthy economic, environmental, and social climate for agriculture by:

- Developing, promoting and regulating agricultural businesses;
- Protecting agricultural and aquacultural resources;
- Enforcing laws pertaining to domestic animals; and
- Promoting an understanding of the diversity and cultural heritage of Connecticut's agricultural industry, and its contribution to the state's economy.

In accordance with Section 26-192a of the General Statutes, the Department of Agriculture administers the Shellfish Sanitation Program to ensure safe shellfish areas for commercial and recreational harvesting. The department also leases submerged land to the aquaculture industry for shellfish culture.

Organizational Structure

Governor Ned Lamont appointed Bryan P. Hurlburt as commissioner on March 28, 2019 and he continues to serve in that capacity.

As of June 30, 2023, DoAg had approximately 60 employees and is comprised of the Commissioner's Office and three bureaus:

- Agriculture Development and Resource Conservation
- Regulatory Services
- Aquaculture and Laboratory

The department's personnel, payroll, and affirmative action functions transferred to the Department of Administrative Services' (DAS) Small Agency Resource Team (SmART) during fiscal year 2006. The department's business office functions transferred to the DAS Finance and Budget Unit during the same year.

DoAg is responsible for the administrative functions of 12 [boards, councils and working groups](#).

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 21-1 (Section 143)** of the June Special Session, effective July 1, 2021, specified that the general statutory definition of agriculture and farming does not include cannabis cultivation.

- **Public Act 21-24 (Section 3)**, effective October 1, 2021, reconstituted the Seafood Advisory Council and renamed it the Seafood Development Council. The development council may receive funds from state, federal, and municipal governments as well as nonprofit or nongovernmental organizations. The council may seek funding for and provide financial support to organizations for activities directly related to seafood production and any related products.
- **Public Act 22-54 (Section 2)**, effective October 1, 2022, renamed the Governor’s Council for Agricultural Development to the Governor’s Council for Agricultural Development and Innovation. The act also changed the council’s membership and broadened its scope.
- **Public Act 23-184 (Sections 9 and 10)**, effective June 28, 2023, renamed the Apple Marketing Board to the Apple Marketing Advisory Board. The act also changed the board’s responsibilities and membership.

Financial Information

General Fund Receipts

A summary of General Fund receipts during the audited period follows:

	Fiscal Year Ended June 30,		
	2021	2022	2023
Refunds of Expenditures	\$ 510,724	\$ 804,987	\$ 585,890
Analysis of Feed and Fertilizers	1,750,175	1,703,643	1,676,780
Oyster Ground Rents	549,184	620,058	613,704
Licenses	567,210	387,597	583,289
Miscellaneous Receipts	23,816	22,721	24,109
Total	\$ 3,401,109	\$ 3,539,006	\$ 3,483,772

Refund of expenditure fluctuations are the result of transfers of shellfish tax funds. License revenue fluctuations are the result of multi-year licenses which are renewed during odd fiscal years.

General Fund Expenditures

A summary of General Fund expenditures during the audited period follows:

	Fiscal Year Ended June 30,		
	2021	2022	2023
Personal Services	\$ 3,598,106	\$ 3,739,068	\$ 4,234,227
Employee Expenses, Allowances, Fees	13,435	17,254	59,045
Contractual	959,219	926,318	999,441
Commodities	122,762	85,842	80,893
Grants and Client Subsidies	1,118,176	1,308,104	4,913,500
Total	\$ 5,811,698	\$ 6,076,586	\$10,287,106

The fiscal year 2023 growth of employee expenses, allowances and fees was due to an increase in post-pandemic out of state travel and employee training. The growth in grants and client subsidies in fiscal year 2023 was due to increased expenditures from the Climate Smart Agriculture and Forestry grant.

Federal and Other Restricted Accounts Fund – Receipts

A summary of Federal and Other Restricted Accounts Fund receipts during the audited period follows:

	Fiscal Year Ended June 30,		
	2021	2022	2023
Agriculture Sustainability - Dairy	\$ 6,342,098	\$ 6,303,949	\$ 4,455,980
Farmland Preservation	2,917,269	2,757,539	1,576,259
Agriculture Viability	500,000	500,000	500,000
Farm Transition	500,000	500,000	500,000
Animal Population Control	507,407	585,148	578,123
CT Milk Promotion Bd	434,145	422,633	435,213
All Other Receipts	520,748	543,761	417,879
Total Non-Federal	11,721,667	11,613,030	8,463,454
Federal Programs	1,942,906	10,940,856	2,507,398
Total Receipts-Federal and Other Restricted Accounts Fund-Receipts	\$13,664,573	\$22,553,886	\$10,970,852

The fluctuation in federal program receipts in fiscal year 2022 was primarily due to growth in coronavirus relief fund grants. The decrease in agriculture sustainability-dairy for fiscal year 2023 was due to a reduction in state aid grants. The decrease in farmland preservation revenue for 2023 was due to less revenue being received statewide for filing legal records as specified in Section 7-34a of the General Statutes. A portion of the revenue received goes to the Department of Agriculture and after set amounts are removed for other programs, the remainder goes to the Farmland Preservation Program

Federal and Other Restricted Accounts Fund – Expenditures

A summary of Federal and Other Restricted Accounts Fund expenditures during the audited period follows:

	Fiscal Year Ended June 30,		
	2021	2022	2023
Agricultural Sustainability - Dairy	\$ 5,538,371	\$ 6,751,666	\$ 4,818,174
Farmland Preservation	1,533,702	2,665,053	1,745,140
Agriculture Viability	284,605	382,712	293,009
Farm Transition	343,138	671,944	300,806
Animal Population Control	488,795	571,105	759,066
CT Milk Promotion	337,922	452,225	422,440
Acquisition and Land Restoration	1,111,447	1,194,321	1,869,157
All Other Expenditures	1,060,996	842,107	788,190
Total Non-Federal	10,698,976	13,531,133	10,995,982
Federal Programs	2,671,853	12,109,188	5,013,088
Total Federal and Other Restricted Expenditures	\$13,370,829	\$25,640,321	\$16,009,070

The changes in expenditures correspond with the variations in "Federal and Other Restricted Accounts Fund - Receipts" above.