



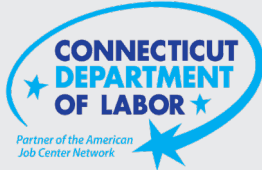
AUDIT SUMMARY

Department of Labor

www.ctauditors.gov

Fiscal Years Ended June 30, 2021 and 2022

ABOUT THE AGENCY



The major function of the Department of Labor (DOL) is to serve the unemployed by helping them find suitable employment and providing monetary benefits that are dependent upon the claimant's employment and wage history. The department is also responsible for administering certain state and federal training and skill development programs, regulation and enforcement of working conditions, enforcement of minimum and other wage standards, enforcement of labor relations acts, mediation and arbitration services, and maintenance of labor statistics.

ABOUT THE AUDIT

We have audited certain operations of the Department of Labor 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 and 2022. 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.

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.

[Link to full report](#)

8 Findings

4 Repeat Findings

Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

NOTEWORTHY FINDINGS



Findings



Recommendations

1

As of May 11, 2023, the Wage and Workplace Standards Division received or initiated 843 complaint cases that were not assigned for investigation. One case had not been assigned for investigation for 336 days.

DOL should continue to improve its tracking procedures to allow sufficient resource planning and prompt resolution to address the Wage and Workplace Standards Division's backlog of unassigned complaints.

2

DOL did not have a current disaster recovery plan. The department prepared its last plan in 2014 and tested it in 2019. However, the department did not distribute the plan to necessary staff.

DOL should ensure its disaster recovery plan is current, tested annually, and distributed to all relevant staff.

3

The department did not promptly submit nine of 18 statutorily required annual reports (Sections 4-36, 4d-7, 4-61bb(c)(1), 4-61bb(e), 10-95h, 31-3pp, 31-3uu, 31-273, and 31-402) for each year. The reports were three days to 23 months late.

DOL should strengthen internal controls to ensure compliance with its statutory reporting requirements.

4

The same Benefit Payment Control Unit (BPCU) employee received and deposited 1,623 of 3,722 (44%) cash receipts transactions.

DOL should strengthen internal controls by ensuring proper segregation of duties over the collection, recording, and depositing of revenues.

5

DOL did not develop and adopt state regulations required by Sections 31-76a, 31-76l, and 31-233b of the General Statutes.

DOL should improve administrative oversight and pursue adoption of statutorily required regulations or request legislative changes to repeal unnecessary or outdated regulatory mandates.

6

Our analysis of employee holiday time reporting revealed 20 occasions in which nine employees charged holiday time on non-holidays. These employees incorrectly charged \$5,008 for 119 hours of holiday time. Upon receiving our notification, the department corrected the coding.

DOL should strengthen internal controls over the review and approval of timesheets.