



# AUDIT SUMMARY

Department of Labor

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Fiscal Years Ended June 30, 2023 and 2024

## 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, 2023 and 2024. 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](#)

**7 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

As of July 2, 2024, the Wage and Workplace Standards Division received or initiated 980 complaint cases, that were not assigned for investigation. This represents a 16 percent increase over the 843 cases as of May 11, 2023, as reported in our prior audit report.

We reviewed documentation for 12 cases with civil penalty payments and noted that all case files lacked required documentation. Seven of the cases lacked supervisory approval for the civil penalty calculation. Four cases lacked supporting documentation for the initial civil penalty calculation, and three lacked documentation for the civil penalty modification.

For five of the 17 cases reviewed, we noted a lack of segregation of duties when the wage agent calculated the civil penalty due and received the payments, totaling \$9,000.

Our review of eWage access disclosed that DOL did not disable one user account for an employee that terminated 915 days prior to our review. Our review also noted one former employee accessed the system for one month following their separation.

Our review of ReEmployCT access noted three separated employees had active accounts for 81 to 307 days after their termination.

Our review noted DOL did not perform a complete physical inventory in fiscal years 2023 and 2024, and did not physically inventory 3,614 assets, totaling \$23,683,698, in at least ten years.

Our review noted DOL failed to capitalize costs for the ReEmployCT software of \$25,172,845 and failed to include software of \$6,560,610 and \$6,584,363 on the CO-59 in fiscal years 2023 and 2024, respectively.

DOL did not place 38 assets in service that were received between fiscal years 2016 and 2020.



### Recommendations

The Department of Labor (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 (Recommendation 1).

DOL should strengthen internal controls to comply with the established procedures and to ensure completeness of case files (Recommendation 2).

DOL should strengthen internal controls by ensuring proper segregation of duties over the invoicing and collection of civil penalties (Recommendation 3).

DOL should improve internal controls to ensure immediate deactivation of system access for terminated employees (Recommendation 4).

DOL should implement internal controls for asset management that ensure compliance with state property control requirements and reliable reporting (Recommendation 6).