



AUDIT SUMMARY

Military Department

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Fiscal Years Ended June 30, 2022 and 2023

ABOUT THE AGENCY



The Military Department's principal responsibilities are to train, resource, and coordinate state emergency response assets and plan for and protect citizens and their property in times of war, terrorism, invasion, rebellion, riot, or disaster. The Military Department facilitates public safety during emergencies.

ABOUT THE AUDIT

We have audited certain operations of the Military Department 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, 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.

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](#)

 **5** Findings

 **1** Repeat Finding

Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

NOTEWORTHY FINDINGS

Findings

1

Our review of ten employees' vacation and sick leave separation payments, totaling \$322,455, revealed that the department overpaid \$1,040 to two employees and underpaid \$700 to one employee.

2

Our review of the Military Department's fiscal year 2022 and 2023 CO-59 reports disclosed errors carried throughout the audited period impacting the fiscal year 2023 reported ending balances. The department understated the building ending balance by \$31,500 due to an incorrect beginning balance and an unresolved previous adjustment error. The department understated the equipment ending balance by \$128,072 due to an incorrect beginning balance, miscalculations, incorrect asset classifications, and unresolved previous errors.

3

The Military Department did not conduct a complete annual physical inventory during fiscal year 2023. Of the 1,514 controllable and capital assets on the agency's inventory listing, the department did not perform a physical inventory of 588 assets, totaling \$8,581,939. In addition, our review of 40 assets on the inventory list found the department did not properly tag three assets, totaling \$212,066.

4

We identified building projects for which the department expensed work in some instances and capitalized similar work in other instances for the same project. The department lacked documentation to support its decisions on these projects. Additionally, the department did not document whether it subtracted the cost to return the building to its original condition from the capitalized amount.

5

Our review of ten approved Military Relief Fund grant applications, totaling \$30,828, revealed that the department:

- Approved three applications between seven and 113 days late and did not provide documentation to support when the Military Relief Fund Committee approved two applications.
- Awarded an applicant \$1,450 but did not have documentation on file to support \$657 of their expenses.
- Did not have the CTMD Form 7-4, Meeting Minutes, on file to support four funding approvals, totaling \$9,950.
- Did not have two funding award letters on file, totaling \$7,500.

Recommendations

The Military Department should strengthen internal controls to ensure employee separation payments are made in accordance with Sections 5-247 and 5-252 of the General Statutes and applicable collective bargaining agreements. The department should attempt to collect overpayments and correct underpayments.

The department should strengthen internal controls to ensure that it accurately prepares and supports its CO-59 report in accordance with the State Property Control Manual.

The department should strengthen internal controls over asset management by performing annual physical inventories at all facilities and promptly tagging newly acquired assets in accordance with Section 4-36 of the General Statutes and the State Property Control Manual.

The department should develop stronger internal controls to determine when it should expense or capitalize additions, renovations, improvements, and repairs to capital assets in accordance with the State Property Control Manual.

The department should improve internal controls to ensure it promptly provides Military Relief Funds to eligible service members. The department should adequately support its funding decisions to ensure compliance with its application process and Section 27-100a of the General Statutes.