

STATE OF CONNECTICUT



*AUDITORS' REPORT
POLICE OFFICER STANDARDS AND TRAINING COUNCIL
FOR THE FISCAL YEARS ENDED JUNE 30, 2006, 2007 AND 2008*

AUDITORS OF PUBLIC ACCOUNTS

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January 19, 2011

**AUDITORS' REPORT
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FOR THE FISCAL YEARS ENDED JUNE 30, 2006, 2007 AND 2008**

We have examined the financial records of the Police Officer Standards and Training Council for the fiscal years ended June 30, 2006, 2007 and 2008. This report on that examination consists of the Comments, Recommendations and Certification which follow.

The financial statements pertaining to the operations and activities of the Police Officer Standards and Training Council for the fiscal years ended June 30, 2006, 2007 and 2008, are presented and audited on a Statewide Single Audit basis to include all State agencies and funds. This audit examination has been limited to assessing the Police Officer Standards and Training Council's compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the internal control policies and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The Police Officer Standards and Training Council (POSTC) operates under the provisions of Title 7, Chapter 104, Sections 7-294a through 7-294z of the General Statutes. Section 2c-2b, subsection (c) (4), of the General Statutes provides for POSTC's termination effective July 1, 2012, unless reestablished by legislative act. In accordance with Section 7-294b of the General Statutes POSTC is within the Division of State Police of the Department of Public Safety for "administrative purposes only." The Department of Administrative Services' Financial Services Center had been performing certain business office functions for POSTC.

POSTC is charged with setting policy, training and licensing standards for all full-time and part-time municipal police officers throughout the State in regard to basic and continuing training.

POSTC is also responsible for the certification of basic and review training programs conducted by various municipalities, as well as administering the certification of police officers and police instructors Statewide. It arranges for and funds in-service training programs for law enforcement managers, supervisors and other personnel. POSTC operates the Law Enforcement Resource Center, a library and media center located at the Connecticut Police Academy.

In addition, POSTC operates a basic recruit training program at the Academy. It's enrollees include recruits primarily from smaller municipalities which do not operate their own basic training programs and law enforcement personnel from various State agencies and institutions.

Legislative Changes:

Legislative action effective during the audited period that has impacted POSTC is summarized below:

Public Act 05-251, Section 60, subsection (c), allows the Commissioner of Administrative Services, in consultation with the Secretary of the Office of Policy and Management to develop a plan whereby the Department of Administrative Services (DAS) would merge and consolidate personnel, payroll, affirmative action and business office functions of selected executive branch State agencies within DAS. The effective date of the Public Act was July 1, 2005. The Police Officer Standards and Training Council was selected as one such agency and most business office functions were transferred to DAS by November 2005.

Public Act 07-17 changed a member of the Council from a member of the Connecticut Coalition of Police and Correction Officers to a sworn municipal police officer whose rank is sergeant or lower, effective May 7, 2007.

Public Act 07-33 extended the termination date of the Police Officer Standards and Training Council's operations from July 1, 2010 to July 1, 2012, effective May 18, 2007.

Members of the Council:

During the audited period, under the provisions of Section 7-294b of the General Statutes, the Police Officer Standards and Training Council was comprised of 18 members appointed by the Governor and two ex-officio members. The appointed membership was as follows:

- a chief administrative officer of a municipality
- a chief elected official or executive officer of a municipality with a population less than 12,000
- a member of the faculty of the University of Connecticut
- eight members of the Connecticut Police Chiefs Association who are the chief or highest ranking officer of an organized municipal police department
- the Chief State's Attorney
- a sworn municipal police officer whose rank is sergeant or lower
- five public members

The Commissioner of Public Safety and the Federal Bureau of Investigation's Special Agent-in-Charge in Connecticut or their designees shall be voting ex-officio members of the council.

The terms of all appointed members are coterminous with that of the Governor or until a successor is chosen. However, for non-public members, their terms are also based on their continued employment in those positions which have qualified them for appointment. Appointed members serve without compensation other than for the reimbursement of necessary expenses incurred in the performance of their duties.

The members of the Police Officer Standards and Training Council as of June 30, 2008, are listed as follows:

Appointed Members:

Chairperson: Chief Anthony J. Salvatore, Sr., Cromwell
Chief Peter A. Agnesi, Farmington
Chief Douglas L. Dortenzio, Wallingford
Chief Louis J. Fusaro Sr., Norwich
Chief Robert S. Hudd, UConn
Chief Edmund H. Mosca, Old Saybrook
Chief Harry W. Rilling, Norwalk
Chief Thomas J. Sweeney, Glastonbury
First Selectwoman Laura Francis, Durham
Amy K. Donahue, faculty member at the University of Connecticut
Kevin T. Kane, Chief State's Attorney
William C. Curwen Jr., sworn municipal police officer
Howard L. Burling II, Bristol
Kurt P. Cavanaugh, Glastonbury
James N. Tallberg, Esq., Rocky Hill
Vacancy [a chief administrative officer of a Connecticut municipality]
Vacancies [two public members]

Ex-officio Members:

John A Danaher III, Commissioner of Public Safety
Kimberly K. Mertz, FBI Special Agent-in-Charge

Additional members who served on the Council during the audited period were as follows:

Michael J. Wolf, FBI Special Agent-in-Charge	Mayor Joseph Maturo Jr., East Haven
Reverend King T. Hayes, South Windsor	Russell M. Gray, Sterling
Christopher L. Morano, Chief State's Attorney	David L. Denvir, Killingworth
Leonard C. Boyle, Commissioner of Public Safety	Craig A. Zendzian, Ph.D., Southington
Carolyn J. Moffatt, Naugatuck	

John D. Ward, Town Administrator from Vernon, became a member of the Council as a chief administrative officer of a Connecticut municipality on October 16, 2008.

Throughout the audited period, Thomas E. Flaherty continued to serve as Executive Director.

RÉSUMÉ OF OPERATIONS:

General Fund Receipts and Expenditures:

General Fund receipts totaled \$2,204, \$2,327 and \$6,762 for the fiscal years ended June 30, 2006, 2007 and 2008, respectively, as compared to \$121 for the fiscal year ended June 30, 2005. Receipts consisted of photocopy revenues and refunds of prior years expenditures.

Comparative summaries of POSTC's General Fund expenditures for the audited period, as compared to expenditures for the period ended June 30, 2005, are shown below:

Budgeted Accounts:	Fiscal Year Ended June 30,			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	\$	\$	\$	\$
Personal services	1,634,685	1,647,357	1,752,521	1,881,599
Contractual services	661,512	716,734	841,345	735,226
Commodities	164,998	105,638	159,609	168,161
Sundry charges	32,225	0	615	2,505
Equipment	1,883	1,000	0	100
Total General Fund Expenditures	<u>\$2,495,303</u>	<u>\$2,470,729</u>	<u>\$2,754,090</u>	<u>\$2,787,591</u>

General Fund budgeted accounts expenditures increased by \$292,288, representing a 12 percent increase, over the three-year audited period. Personal and contractual services expenditures accounted for the majority of budgeted account expenditures during the audited period.

Increases in personal services costs were the result of (1) an increase of three filled full-time positions from 23 to 26 during the audited period, representing a 13 percent increase in filled positions, (2) training officers being paid mandatory overtime in lieu of compensatory time earned, and (3) salary increases under collective bargaining agreements. Increases in contractual services were due to increases in educational costs for police officer training courses. Increases in commodities were primarily for office, law enforcement, and security supplies.

Special Revenue Funds:

Federal and Other Restricted Accounts Fund:

Comparative summaries of POSTC's Federal and other restricted receipts for the audited period, as compared to the period ended June 30, 2005, are shown below:

	<u>Fiscal Year Ended June 30,</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Federal and Other Restricted	\$	\$	\$	\$
Accounts:				
Federal Grants	917,096	127,820	38,861	244,363
Other-than-Federal Accounts	<u>92,236</u>	<u>30,452</u>	<u>14,465</u>	<u>14,350</u>
Total Receipts	<u>\$1,009,332</u>	<u>\$158,272</u>	<u>\$53,326</u>	<u>\$258,713</u>

Federal Grant and Other-than-Federal receipts consisted primarily of Federal and State matching reimbursements for continuing police officer training and accreditation related programs. Federal Grant receipts decreased \$672,733 (73 percent) during the audited period and were primarily due to changes in Federal grant funding levels, including the elimination of funding for the Connecticut Police Corps Program during the 2005-2006 fiscal year.

Comparative summaries of POSTC's Federal and other restricted expenditures for the audited period, as compared to expenditures for the period ended June 30, 2005, are shown below:

	<u>Fiscal Year Ended June 30,</u>			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Federal and Other Restricted	\$	\$	\$	\$
Accounts:				
Restricted Federal Accounts	855,350	246,789	45,827	206,675
Other-than-Federal Accounts	<u>100,756</u>	<u>40,349</u>	<u>15,099</u>	<u>10,542</u>
Total Expenditures	<u>\$956,106</u>	<u>\$287,138</u>	<u>\$60,926</u>	<u>\$217,217</u>

Federal grant activity was responsible for the majority of the \$738,889 (77 percent) decrease in expenditures during the audited period. Expenditures in the Federal and other restricted accounts primarily consisted of personal services, related fringe benefits, educational expenses for police officer training courses, and miscellaneous costs for various Federal and State programs including Connecticut Police Corps, Drug Enforcement Training, Law Enforcement Terrorism Prevention, and State Accreditation Standards for Local Police Agencies Programs.

Capital Equipment Purchase Fund:

Capital Equipment Purchase Fund expenditures totaled \$62,852, \$38,743 and \$88,805 during the fiscal years ended June 30, 2006, 2007 and 2008, respectively. These purchases were primarily made for motor vehicles, computers, and general agency equipment.

CONDITION OF RECORDS

Our audit of the Police Officer Standards and Training Council records disclosed the following areas requiring improvement or comment.

Property Control and Reporting:

Criteria: Section 4-36 of the General Statutes requires each State agency to establish and maintain an inventory record as prescribed by the State Comptroller. The State of Connecticut's *Property Control Manual* establishes the standards and sets reporting requirements for maintaining an inventory system to provide for complete accountability and safeguarding of assets.

An Annual Fixed Assets/Property Inventory Report (CO-59), which lists all capitalized real and personal property, must be submitted to the Office of the State Comptroller in the prescribed format. Additions and deletions to the CO-59 report should be accurate and properly documented.

The Department of Administrative Services (DAS) is responsible for conducting annual physical inventories for POSTC and preparing its annual CO-59 report. A Memorandum of Understanding, dated June 2001, required POSTC to tag newly acquired items in accordance with procedures established by DAS and periodically provide DAS with a listing of its new purchases, and its building and vehicle inventories. Department of Public Safety (DPS) personnel are responsible for entering changes into the Joint Effort for State Inventory Reporting system (JESTIR) which is where buildings and renovations to property are accounted for.

Condition: Our review of the equipment inventory records and the annual inventory report (Form CO-59) showed the following deficiencies:

- 1) A computer and printer totaling \$5,300 were disposed of during the 2004-2005 fiscal year but not removed from the Core-CT Asset Record.
- 2) Eight of 20 equipment items tested (40 percent) were not found at the location listed and two (10 percent) were not recorded on the Core-CT Asset Record.
- 3) In comparing POSTC's firearms inventory to the DAS' inventory we found deficiencies such as firearms located in different locations from those recorded on DAS' inventory, two firearms costing \$401 listed on DAS' inventory but not on POSTC's inventory, and a lack of support documentation for a firearm deleted from DAS' inventory and transferred to an officer.

- 4) Our review of the annual inventory reports for the audited fiscal years disclosed exceptions including inadequate support for equipment additions and deletions and inaccurate calculations contributing to incorrect inventory balances carried forward on the inventory report.
- 5) The annual inventory report listed four buildings valued at \$210,300 as part of POSTC's assets. We were unable to confirm if this information is accurate since there appears to be several questions as to usage of the space and if two buildings, which are actually trailers, meet the definition of a building.

Effect: Insufficient controls can lead to increased risk of loss and inaccurate accountability.

Cause: Staff shortages at the Department of Administrative Services level appear to have contributed to the inventory weaknesses. Additionally, communications among POSTC, DAS, and DPS personnel appear to be lacking concerning the responsibilities that each agency has relating to equipment and inventory controls and reporting requirements.

Recommendation: The Police Officer Standards and Training Council should, in conjunction with the Department of Administrative Services, improve controls for fixed assets/inventory procedures and the annual reporting of such assets. (See Recommendation 1.)

Agency Response: (Response made by POSTC and DAS personnel)

“POSTC agrees with this finding and recommendation. Please see the comments below for each deficiency noted. Staff shortages both at the DAS and POSTC levels have contributed to this inventory weakness.

- 1) These two assets were researched and removed from Core-CT.
- 2) DAS requested two new locations from Core-CT and transferred from class rooms 11 and 12 to the new locations. The typewriter and printer were researched and added to Core-CT.
- 3) DAS is currently working with POSTC to send DAS a copy of the form completed when a firearm is issued to or returned from an officer so that DAS can update the inventory. ... the weapon ‘transferred to an officer’ was actually issued to a full time Training Officer who is certified by POSTC as a police officer This Training Officer signed acknowledging the issuance of this weapon and it was issued by the Range Master with appropriate documentation.
- 4) An error was made on the CO-59 in 2005. The asset additions were overstated by \$2,654 but the same amount was deleted resulting in the ending balances to be correct. An addition of \$59,424 for three vehicles

was not added in 2006 because DAS did not receive the documentation until 2007 which DAS added at that time.

- 5) DAS is reviewing the criteria for buildings with the Comptroller. If it is determined that the assets do not meet the criteria, DAS will remove them from Core-CT.”

Purchase Orders:

Criteria: Section 4-98, subsection (a), of the General Statutes states that no budgeted agency may incur any obligation except by the issuance of a purchase order transmitted to the State Comptroller to commit the agency’s appropriations to ensure that funds are available for the payment of such obligations.

In addition, good internal controls for purchasing require that commitment documents be properly authorized prior to the receipt of goods or services.

The Department of Administrative Services (DAS) is responsible for the processing and issuing of purchase orders.

Condition: In our review of 25 purchase orders for committing funds for payments of goods and services, we noted that ten purchase orders (40 percent) were issued after the vendor invoices were received by the DAS financial unit.

Effect: Expenditures were incurred for goods and services prior to funds being committed in violation of Section 4-98 of the General Statutes.

Cause: It appears that inadequate communications between the DAS financial unit and agency staff for the purchasing of goods and services contributed to the deficiency. At times, the financial unit was not informed of the purchase of goods received or services rendered until after the vendor invoice was received by agency staff.

Recommendation: The Police Officer Standards and Training Council should, in conjunction with the Department of Administrative Services, improve purchasing procedures to ensure compliance with Section 4-98 of the General Statutes. (See Recommendation 2.)

Agency Response: “POSTC agrees with this recommendation. The DAS/Purchasing Unit is working closely with POSTC staff to ensure that purchase orders are in place before service is provided or goods are acquired.”

RECOMMENDATIONS

Our prior report on the Police Officer Standards and Training Council contained three recommendations. Of these prior recommendations, one has been implemented or otherwise resolved and two are being restated and/or repeated herein as current audit recommendations.

Status of Prior Audit Recommendations:

- *Timesheets should be accurately completed and POSTC should seek proper authorization and maintain appropriate documentation concerning the use of compensatory time.* Timesheets were accurately completed and the use of compensatory time was properly authorized and documented. As a result, this recommendation is not being repeated.
- *Internal controls need to be strengthened over fixed assets/inventory procedure and the annual reporting of such assets.* Some improvements were noted, i.e. motor vehicles were physically inspected and plate numbers for motor vehicles were recorded on the inventory list; however, deficiencies in this area still exist. As a result, this recommendation will be repeated in modified form. (See Recommendation 1.)
- *Purchasing procedures should be improved to ensure compliance with Section 4-98 of the General Statutes.* Purchasing procedures for personal service agreement expenditures for training were sufficiently resolved, however, deficiencies still exist; therefore, the recommendation is being repeated in modified form. (See Recommendation 2.)

Current Audit Recommendations:

- 1. The Police Officer Standards and Training Council should, in conjunction with the Department of Administrative Services, improve its controls over fixed assets/inventory procedures and the annual reporting of such assets.**

Comment:

Our examination noted a number of deficiencies over property control including equipment items listed in different locations from those recorded on the master inventory and inaccurate annual inventory reports.

- 2. The Police Officer Standards and Training Council should, in conjunction with the Department of Administrative Services, improve purchasing procedures to ensure compliance with Section 4-98 of the General Statutes.**

Comment:

Purchase orders for goods and services were not always prepared in a timely manner to properly commit funds prior to goods being received or services being rendered.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Police Officer Standards and Training Council for the fiscal years ended June 30, 2006, 2007 and 2008. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grant agreements, and to understanding and evaluating the effectiveness of the Agency's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the Police Officer Standards and Training Council for the fiscal years ended June 30, 2006, 2007 and 2008, are included as part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

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 Police Officer Standards and Training Council 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:

In planning and performing our audit, we considered the Police Officer Standards and Training Council'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 Agency's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing assurance on the effectiveness of the Agency's internal control over those control objectives.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance requirements was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial operations, safeguarding of assets and compliance with requirements that might be significant deficiencies or material weaknesses. However as discussed below, we identified certain deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that we consider to be significant deficiencies.

A *control deficiency* 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 on a timely basis unauthorized, illegal, or irregular transactions or the breakdown in the safekeeping of any asset or resource. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to properly initiate, authorize, record, process, or report financial data reliably, consistent with management's direction, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is more than a remote likelihood that a financial misstatement, unsafe treatment of assets, or noncompliance with laws, regulations, contracts and grant agreements that is more than inconsequential will not be prevented or detected by the Agency's internal control. We consider the following deficiencies, described in detail in the accompanying "Condition of Records" and "Recommendations" sections of this report, to be significant deficiencies in internal control over financial operations, safeguarding of assets and compliance with requirements: Recommendation 1 – weaknesses in property control and reporting; and, Recommendation 2 – untimely preparation of purchase orders.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with certain provisions of laws, regulations, contracts, and grant agreements or the requirements to safeguard assets that would be material in relation to the Agency's financial operations, noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions, and/or material financial misstatements by the Agency being audited will not be prevented or detected by the Agency's internal control.

Our consideration of the internal control over the Agency's financial operations, safeguarding of assets, and compliance with requirements, was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that neither of the significant deficiencies described above are material weaknesses.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Police Officer Standards and Training Council 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 Agency'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 Agency management in the accompanying "Condition of Records" and "Recommendations" sections of this report.

The Police Officer Standards and Training Council’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 Police Officer Standards and Training Council’s response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Agency’s management, 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 courtesies and cooperation extended to our representatives by the personnel of the Police Officer Standards and Training Council during the course of this examination.

William T. Zinn
Principal Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

October 2, 2010
State Capitol
Hartford, Connecticut