

STATE OF CONNECTICUT

**AUDITORS' REPORT
COUNTY SHERIFFS FOR THE FISCAL YEARS ENDED
JUNE 30, 1998, 1999 AND 2000**

AUDITORS OF PUBLIC ACCOUNTS
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February 16, 2001

**AUDITORS' REPORT
COUNTY SHERIFFS
FOR THE FISCAL YEARS ENDED JUNE 30, 1998, 1999 AND 2000**

We have made an examination of the records of the agency known as the County Sheriffs for the fiscal years ended June 30, 1998, 1999 and 2000.

Financial statement presentation and auditing are being done on a Statewide Single Audit basis to include all State agencies including the County Sheriffs. This audit examination has been limited to assessing compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the internal control structure policies and procedures established to ensure such compliance.

This report on that examination consists of the following Comments, Recommendations and Certification.

COMMENTS

FOREWORD:

The County Sheriffs operate under the provisions of Sections 6-29 through 6-48 of the General Statutes. Although the eight High Sheriffs manage in a decentralized style, with somewhat different operating policies and procedures in each county, there is a central office responsible for administering general budgetary and financial business, hereinafter referred to as the "Agency."

High Sheriffs in the State of Connecticut are mainly responsible for providing security at courthouses, transporting prisoners and for serving legal papers. The current system evolved from the transfer of responsibility for jails to the Department of Correction in the late 1960's and the creation of the unified trial court system in the late 1970's. The sheriffs are the only governmental function in Connecticut that continue to be provided along county lines.

There are four major types of sheriffs: High Sheriffs, who are elected under the State Constitution; Deputy Sheriffs, who are appointed by the High Sheriff to serve civil process; Chief Deputy Sheriffs, one per county, selected by the High Sheriff to act in his or her absence, illness, or disability; and Special Deputy Sheriffs, who provide courtroom security and prisoner transportation and operate detention facilities.

The High Sheriffs and Chief Deputy Sheriffs receive a statutory salary. In addition, they and all other Deputy Sheriffs are paid statutorily established fees, depending on the specific type of service of process work they perform. Special Deputy Sheriffs are paid statutorily established per diem payments for each day worked.

Sheriffs' Advisory Board:

The seven-member Sheriffs' Advisory Board is the policy making and budgetary authority for the entire Sheriffs' Agency. The Board's primary function is to administer a prisoner transportation and courthouse security system. Statutory responsibilities also include establishing and administering a training program, establishing operating procedures for the prisoners' transportation and courthouse security system, receiving and allocating appropriations among High Sheriffs and maintaining complete records of prisoners' movements by the High Sheriffs.

As of June 30, 2000, the Sheriffs' Advisory Board was comprised of the following members:

Frank J. Kinney, High Sheriff, Chairperson
Joseph Bibisi, Vice Chairperson
Nancy Wyman, State Comptroller
Judge Robert C. Leuba, Chief Court Administrator
Thomas Siconolfi, Judicial Department
Commissioner John J. Armstrong, Department of Correction
Dennis Coyle, Department of Correction

Former members and alternates who served during the audited period were High Sheriff Gerard E. Egan, Chairperson; Judge Aaron Ment, Chief Court Administrator; Judge John Ronan, Deputy Chief Court Administrator; Mark Ojakian of the Comptroller's Office; Vincent Santopietro and Richard Miele, Department of Correction.

Legislation Affecting Operations:

Legislation affecting fiscal and administrative matters enacted or taking effect during the audited period and thereafter is briefly summarized as follows:

Public Act 97-148, now codified as Section 6-43 of the General Statutes, among other things, amended Chapters 66 and 67 of the General Statutes (State Employees Retirement Act) by extending to Special Deputy Sheriffs collective bargaining rights and starting July 1, 1999, allowing them to bargain over wages, hours and conditions of employment, providing them most of the fringe benefits as other State employees and exempting retired State employees appointed

as Special Deputies prior to July 1, 1999 from regulations regarding reemployment of retirees.

Public Act 97-1 (July 21, Special Session) – Section 2 of this Act, now codified as Section 6-41 of the General Statutes, among other things, increased the Deputy and Special Deputy Sheriffs per diem fee by ten dollars over two years starting July 1, 1997.

Public Act 99-157 – Section 3 of this Act amended Section 52-261 of the General Statutes by limiting fees to be charged for summary process judgements, effective October 1, 1999.

Senate Joint Resolution No. 15, February Session 2000, proposed an amendment to the constitution that eliminated the County Sheriffs as constitutional officers and was presented on the November 7, 2000 general election ballot as: “Shall the Constitution of the State be amended to eliminate County Sheriffs?” The subsequent vote eliminated the County Sheriffs as constitutional officers.

Public Act 00-99 – This Act, Reforming the Sheriff System, amended Section 6 Chapter 78 of the General Statutes pertaining to the Sheriffs’ System. Section 1 of this Act amended Section 32-d of the General Statutes by making the Judicial Department responsible for transportation and custody of prisoners and security and operations of facilities with the employment of judicial marshals, effective December 1, 2000. Section 139 of this Act amended Section 6-32a of the General Statutes, among other things, increased the Sheriffs’ Advisory Board membership from five to seven members adding one additional representative for the Department of Correction and Judicial Department, approved April 27, 2000.

Public Act 00-210 – This Act revised Public Act 00-99, the Sheriffs’ Reform Bill, when passed by the November 7, 2000 general election. Section 4 of this Act amended section 141 of Public Act 00-99 by establishing a definite time frame within which any sheriff or deputy sheriff shall turn over money collected by him to the person authorized to receive it. This Act became effective from its passage on June 1, 2000, except that Section 1 took effect December 1, 2000, and Section 4 ceased to be effective December 1, 2000, when voters approved the constitutional amendment eliminating County Sheriffs on November 7, 2000.

RÉSUMÉ OF OPERATIONS:

General Fund Receipts:

General Fund receipts totaled \$11,507, \$214,467 and \$50,737 for the fiscal years ended June 30, 1998, 1999 and 2000, respectively. The majority of receipts consisted primarily of receivable collections totaling \$182,775 and \$67,000 for two grants titled “Hartford Community Court Session” for security and “Loss Control Grant” for pre-employment physicals. Other receipts during the audited period included charges for photostatting and copying and refunds of expenditures.

General Fund Expenditures:

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General Fund expenditures for each of the audited fiscal years are summarized below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Budgeted Accounts:			
Personal services	\$19,978,922	\$23,225,529	\$26,814,941
Contractual services	780,531	841,619	820,960
Commodities	325,436	536,518	348,368
Revenue refunds	1,610		10,725
Sundry charges			<u>2,730</u>
Total Budgeted Accounts	<u>21,086,499</u>	<u>24,603,666</u>	<u>27,997,724</u>
Restricted Accounts:			
Other than Federal Account		<u>150,978</u>	<u>81,698</u>
Total Expenditures	<u>\$21,086,499</u>	<u>\$24,754,644</u>	<u>\$28,079,422</u>

Included in the personal services category were salaries for 17 full-time employees of the Agency, eight High Sheriffs and eight Chief Deputy Sheriffs and per diem payments to approximately 848 Special Deputy Sheriffs as compared to 760 during the prior audited period. Special Deputy Sheriff payroll costs represented 93 percent of personal service costs and accounted for approximately 88 percent of the total agency General Fund expenditures during the audited period. Personal services included per diem payments to new recruits totaling \$201,774, \$398,850 and \$396,375 for the fiscal years ended June 30, 1998, 1999 and 2000, respectively, for attending required training classes.

For comparative purposes, total budgeted expenditures for the 1996-97 fiscal year were \$20,043,407, of which \$19,002,430 was for personal services. Contributing to overall increases in personal services costs were increased numbers of Special Deputies. Increased levels of Special Deputy Sheriffs were mainly associated with the opening of additional courtrooms in existing and new facilities. Additionally, administrative staff levels increased from 29 paid positions on June 30, 1997, to 33 on June 30, 2000. Also, salaries rose mainly due to collective bargaining increases, increased hours, 27 pay periods in the 1999-00 fiscal year as compared to the customarily 26 pay periods, and higher levels of salary brought about by reorganization at the Agency's administrative office in Hartford.

Other significant expenditures were contractual payments made for prisoner meals at the Lafayette Street courthouse lockup in Hartford and the Union Avenue Jail lockup in New Haven. These facilities operate as 24-hour seven day-a-week lockups.

Other major areas of expenditures included motor vehicle rents and clothing. The Agency also provided security services for the Judicial Department, the Department of Social Services, and the Department of Public Utility Control on a reimbursement basis.

The Agency additionally purchased equipment through the Capital Equipment Purchases (1872) Fund totaling \$160,110 during the audited period.

Program Evaluation:

Section 2-90 of the General Statutes authorizes the Auditors of Public Accounts to perform program evaluations. Under Section 6-43 of the General Statutes, "... From July 1, 1997, to June 30, 1999, special deputy sheriffs shall be subject to the provisions of chapter 68, except that said special deputies shall not be allowed to petition the State Labor Board to form a bargaining unit prior to July 1, 1999. On and after July 1, 1999, special deputy sheriffs shall be subject to the provisions of chapters 66 to 68, inclusive." Chapters 66 to 68 deal with, among other things, extending to Special Deputy Sheriffs collective bargaining rights and allowing them to bargain over wages, hours and conditions of employment, and providing them most of the fringe benefits as other State employees. Our program evaluation reviewed the County Sheriffs' compliance with the preceding.

All full-time and part-time Special Deputy Sheriffs, except State retirees who are Special Deputy Sheriffs and currently receiving a benefit from the State Employees Retirement System, automatically qualify for State employee retirement benefits effective July 1, 1999. Other benefits such as holiday pay, personal leave, and participation in the group life insurance program were also made available to Special Deputy Sheriffs after completing certain criteria. The criteria or conditions to qualify for holiday pay, personal leave and group life insurance consist of working a minimum 35-hour standard workweek for a period of six months or 26 weeks. Within that 26 week period, a majority of weeks or at least 14 weeks must be at the full-time level thus making these benefits available to qualified employees in January 2000 at the earliest.

The Agency reviews timesheets and calculates the employee's time worked on a computer programmed work sheet on a continual basis to determine if the employee moves from a part-time to a full-time status. Employees who achieved full-time status and are receiving benefits must continue working at a full-time rate to retain such benefits. If an employee moves to a schedule that is less than five days or totals less than 35 hours per week, the employee will no longer receive holiday pay and will lose any unused personal leave time. Additionally, employees who do not meet the standard criteria for full-time service will be eligible for group life insurance after completing 914 hours of work. When the employee reaches the 914-hour mark, they must either accept or waive participation in the program.

In our sample review of 15 employees, who received such benefits, we attempted to determine, among other things, if the criteria of full-time status to be eligible for benefits was met and correct. Our review found no exceptions.

In conclusion, it appears that the Agency complies with the above statute in providing certain fringe benefits for eligible Special Deputy Sheriffs.

CONDITION OF RECORDS

Areas of Agency operations warranting comments are presented below:

Payroll and Personnel:

Criteria: Sound business practices require that timesheets, which are a basic document and control record, be properly signed and that individual attendance and leave records be accurate to ensure that correct payments are made for actual services rendered.

Condition: Our sample of Agency payroll attendance records revealed the following:

1. In our test check of 25 attendance and leave records, we noted four cases, or 16 percent, where the accumulated vacation or sick leave balances were incorrectly calculated.

2. We noted one out of 25 (4 percent) instances where the employee time sheet lacked the supervisor's signature.

3. We noted one instance where the Agency made a \$733 overpayment of gross pay to an employee on a leave of absence without pay for eight days.

4. In our review of a Hartford Community Court Session Grant (SID 301) payroll payment, we noted three out of nine (33 percent) instances where the Special Deputy Sheriffs' time sheet lacked the employee's signature.

Effect: Improperly signed time sheets and inaccurate leave records increase the likelihood of processing incorrect payroll amounts or of having leave time used in a way contrary to State requirements.

A \$733 overpayment of gross pay was made to an employee while on a leave of absence without pay for eight days.

Cause: A lack of management review and manpower appears to have contributed to the conditions.

Recommendation: Time sheets should be properly signed and a review of employee attendance and leave records should be conducted with appropriate adjustments made. (See Recommendation 1.)

Agency Response: "The Agency recognizes the importance of having properly signed time sheets and accurate leave balances. We will notify all supervisory staff responsible for signing time sheets of their responsibility to ensure that the employee has signed as well. We will establish procedures for submitting time sheets when the employee is unavailable to sign to ensure that upon return the employee signs the time sheet to verify its accuracy. Also, we will initiate a review upon receipt in payroll to ensure all signatures are properly affixed. In addition, a review of leave balances will be initiated on a quarterly basis to ensure accuracy and avoid overpayments due to inaccurate balances."

Internal Control over Expenditures:

Criteria: The State Accounting Manual describes the accepted procedures for the payment of expenditures.

Condition: In our test-sample of 50 batch expenditures, we found that two lacked authorizing signatures for payment and one lacked support documentation. Also, we noted the purchase of equipment (radios) that was miscoded as general repairs and the contract used was with a vendor for installation, removal and repairs.

Effect: There was a lack of compliance with State procedures and effective internal control.

Cause: Staff shortages and management oversight appears to have contributed to conditions noted.

Recommendation: Efforts to improve purchasing and payment practices should continue. (See Recommendation 2.)

Agency Response: "Staff shortages will continue to hamper efforts to ensure 100 percent compliance with State procedures and to effect internal control. However, increased diligence of the staff assigned to these duties as well as increased review and monitoring of such procedures will be undertaken."

Equipment Inventory and Reporting:

Criteria: State requirements and good administration over equipment require adequate controls. The State of Connecticut's Property Control Manual and Section 4-36 of the General Statutes require that agencies submit a detailed inventory as of June 30 of each year.

Condition: 1. Complete physical inventories were not taken for either the 1997-98

or the 1999-00 fiscal year.

2. The Annual Inventory Reports (CO-59) for the audited fiscal years were filed late, after the August 1 due date.

3. Our test of property records for 25 equipment items disclosed errors such as missing equipment, items not tagged and found in different locations than posted to inventory, and equipment listed on inventory that was scrapped and disposed of.

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

Cause: Inadequate manpower appears to have contributed to the conditions.

Recommendation: A complete physical inventory of personal property should be taken annually and inventory records should be maintained in accordance with the State Comptroller's instructions. (See Recommendation 3.)

Agency Response: "The lack of staff to properly conduct annual inventory continues to hamper the Agency's efforts to be timely and in compliance with these requirements. The Agency will review the current process and initiate a procedure that requires field staff to conduct inventories and report to the Central Office."

RECOMMENDATIONS

Our prior audit examination of the County Sheriffs' Agency contained six recommendations. A summary of those recommendations and the action taken follows:

Status of Prior Audit recommendations:

- The Agency should seek a formal opinion of the Attorney General as to whether the New Haven lockup operation is in full compliance with all applicable laws and regulations. An opinion was sought and the operation is in compliance; therefore, the recommendation was resolved and is not being repeated.
- The Agency should consider having all current sheriffs meet approved training requirements and continue with efforts to develop a manual and training program for Deputy Sheriffs as statutorily mandated. Sufficient efforts were made to have current sheriffs meet training requirements and a manual and a training program were developed; therefore, the recommendation is not being repeated.
- The Agency should promptly report losses or theft to appropriate State agencies. Improvements were noted; therefore, the recommendation is not being repeated.
- The Agency should improve purchasing and payment practices. Some improvements were noted such as an adequate separation of duties and no late payments made, however, payment authorizations and support documentation were lacking in some cases; therefore, the recommendation was not fully acted upon and is being repeated as Recommendation 2.
- A complete physical inventory of the Agency's personal property should be done and inventory records should be maintained properly. The recommendation was not fully implemented and, as the result of our current review, is being repeated as Recommendation 3.
- Written policies and procedures covering all areas of Agency responsibilities should be updated. Improvements were noted; therefore, the recommendation is not being repeated.

One recommendation resulting from our current examination together with two from our prior report, repeated as recommendation 2 and 3, are presented below.

Current Audit Recommendations:

- 1. Time sheets should be properly signed and a review of employee attendance and leave records should be conducted with appropriate adjustments made.**

Comments:

A review of such records disclosed unsigned time sheets and posting errors that resulted in inaccurate accrued balances, thus, contributing to weakened controls and possible incorrect current payments and payments at the time of the employee's termination. Additionally, a \$733 overpayment of gross pay was noted for an employee on a leave of absence without pay for eight days.

- 2. Efforts to improve purchasing and payment practices should continue.**

Comments:

Our test check of expenditures found two batch expenditures that lacked authorizing signatures for payment and one lacked proper support documentation. Additionally, we noted an incorrect contract that was used for the purchase of radio equipment.

- 3. A complete physical inventory of personal property should be taken annually and inventory records should be maintained in accordance with the State Comptroller's instructions.**

Comments:

Administrative office staff did not conduct a complete physical inventory for the 1997-98 and 1999-00 fiscal years. Also, the CO-59 reports for the audited fiscal years were filed late. Additionally, some equipment was found to be missing, not tagged or in correct locations per the inventory register.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the County Sheriffs' Agency for the fiscal years ended June 30, 1998, 1999 and 2000. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, contracts and grants, 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 grants applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audits of the County Sheriffs' Agency for the fiscal years ended June 30, 1998, 1999 and 2000, 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 generally accepted auditing standards and the standards applicable to financial-related 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 County Sheriffs' Agency complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grants and to obtain a sufficient understanding of the internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Compliance:

Compliance with the requirements of laws, regulations, contracts and grants applicable to the County Sheriffs' Agency is the responsibility of the County Sheriffs' Agency management.

As part of obtaining reasonable assurance about whether the Agency complied with laws, regulations, contracts, and grants, 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 for the fiscal years ended June 30, 1998, 1999 and 2000, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with these 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 that are required to be reported herein under generally accepted government auditing standards.

We did, however, note certain immaterial or less than significant instances of noncompliance that we have disclosed in the "Condition of Records" and "Recommendations" sections of this report. Such instances are contained in Recommendations 1, 2 and 3 concerning payroll, certain purchases and expenditures and property control.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

The management of the County Sheriffs' Agency is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts and grants applicable to the Agency. In planning and performing our audit, we considered the Agency's internal control over its financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Agency's financial operations in order to determine our auditing procedures for the purpose of evaluating the County Sheriffs' Agency financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grants, and not to provide assurance on the internal control over those control objectives.

However, we noted a certain matter involving the internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that, in our judgment, could adversely affect the Agency's ability to properly record, process, summarize and report financial data consistent with management's authorization, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grants. We believe that our finding regarding insufficient control over the Agency's equipment inventory represents a reportable condition.

A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants or the requirements to safeguard assets that would be material in relation to the Agency's financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to the Agency being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over the Agency's financial operations and over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material or significant weaknesses. However, we believe that the reportable condition described above is not material or a significant weakness.

However, we noted other matters involving internal control over the Agency's financial operations and over compliance which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report. Such matters are contained in Recommendations 1 and 2 concerning payroll and certain purchases and expenditures.

This report is intended for the information of 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 shown to our representatives by the personnel of the County Sheriffs' Agency during the course of our examination.

William T. Zinn
Associate Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts