

STATE OF CONNECTICUT

**AUDITORS' REPORT
BOARD OF FIREARMS PERMIT EXAMINERS
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2002**

**AUDITORS OF PUBLIC ACCOUNTS
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May 29, 2003

**AUDITORS' REPORT
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We have examined the financial records of the Board of Firearms Permit Examiners for the fiscal years ended June 30, 2001 and 2002. This report on that examination consists of the Comments, Recommendations and Certification which follow.

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

COMMENTS

FOREWORD:

The Board of Firearms Permit Examiners operates under Title 29, Chapter 529, Section 29-32b of the Connecticut General Statutes. The Board functions as an autonomous agency; however, Section 29-32b, subsection (a) of the General Statutes placed the Board under the Department of Public Safety for "administrative purposes only". The Department of Administrative Services, under a Memorandum of Understanding, provided human resource, payroll, fiscal and administrative support to the Board of Firearms Permit Examiners during the audited period.

The function of the Board is to hear appeals from persons aggrieved by the negative action of any authority with respect to permits to carry firearms. Such action, which may take the form of refusal to issue or renew a permit, limitation or revocation of an issued permit, or failure to supply upon request an application for the issuance of a permit, may be appealed to the Board. The Board is empowered to inquire into and determine the facts, and to either uphold the action or order the permit to be issued, renewed or restored, or the limitation removed or modified, as the case may be, should it find that relief should be granted to the appellant.

Members of the Board:

Auditors of Public Accounts

Under the provisions of Section 29-32b, subsection (a) of the General Statutes, the Board is comprised of seven members appointed by the Governor to serve during his term, and until their successors are appointed and qualify. Members of the Board serve without compensation for their services but are reimbursed for reasonable expenses incurred in performing their duties. The Board on June 30, 2002, was comprised of one nominee from each of the following agencies or organizations:

- Ye Connecticut Gun Guild, Inc.
Peter Kuck
- The Connecticut State Rifle and Revolver Association
Arthur C. Carr
- Commissioner of Public Safety
William P. Longo, Board Secretary
- Connecticut State Association of Chiefs of Police
Chief John Karangekis
- Commissioner of Environmental Protection
Captain Eric C. Nelson

The Public members of the Board are:

Adam Liegeot, Esq.
Philip Dukes Esq., Board Chairman

Public member Adam Liegeot, Esq. was appointed by the Governor in September 2001 in succession to George M. Carolan. The remaining members served on the Board throughout the audited period.

RÉSUMÉ OF OPERATIONS:

General Fund expenditures totaled \$90,739 and \$100,055 during the fiscal years ended June 30, 2001 and 2002, respectively. A comparison of total expenditures during the audited period and the fiscal year ended June 30, 2000, is presented below:

	Fiscal Year Ended June 30,		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
Personal services	\$60,967	\$58,570	\$49,718
Contractual services	13,093	7,169	12,636
Commodities and Other	<u>25,656</u>	<u>25,000</u>	<u>29,635</u>
Total Expenditures	<u>\$100,055</u>	<u>\$90,739</u>	<u>\$91,989</u>

The increase in personal services costs during the audited period was mostly due to the filling of a part-time clerk typist position that was vacant for much of the 1999-2000 fiscal year. The Commodities and Other charges consist primarily of administrative costs paid to the Department of Administrative Services under a personal service agreement for accounting, payroll, personnel and other services, as noted above.

For the fiscal year ended June 30, 2001, there were 187 requests for appeals of which 103 were scheduled for hearings. During the fiscal year ended June 30, 2002, there were 314 appeals of which 109 were scheduled for hearings. In our prior audit for the fiscal year ended June 30, 2000, the Board received 272 requests for appeals and scheduled 163 appeals for hearings.

The increase in the number of appeals in fiscal year ended June 30, 2002, resulted from a number of factors including an increase in permit requests following the destruction of the World Trade Center and a higher frequency of permit denials from the local authorities. The number of appeals actually heard and decided upon by the Board for the fiscal years ended June 30, 2001 and 2002, were 51 and 39, respectively. The remaining scheduled appeals were either resolved or cancelled prior to the scheduled hearing date.

As of January 22, 2003, the date of our field work, the hearing date was being scheduled fourteen months after an appellant filed a completed appeal with the Board. This compares unfavorably to the approximately three month back log between requests for appeals and the scheduled hearing dates noted in our prior audit. The actual delay between the appellant's appeal and the scheduled hearing is somewhat shorter as a result of cancellations and dispositions. This matter is discussed further in our "Condition of Records" section.

CONDITION OF RECORDS

Our examination of the financial records of the Board of Firearms Permit Examiners revealed two areas requiring improvement.

Backlog in Scheduled Hearing Dates:

- Criteria:* Section 29-32b, subsection (d), of the General Statutes provides that, “The board shall hold hearings at such times and places as it in its discretion reasonably determines to be required, but not less than once every ninety days, and shall give reasonable notice of the time and place of the hearing to the appellant and to the issuing authority.”
- Condition:* Our review found that the time lag between an appellant’s properly, completed request for a hearing before the Board and the scheduled hearing date increased from approximately three months at the beginning of the audited period to fourteen months as of January 22, 2003. The actual time lag may be somewhat shorter due to cancellations and other case dispositions. While silent as to a specific time limit between the receipt of a request for appeal and the scheduled hearing of the appeal, the length of the current backlog appears inconsistent with the “reasonably determines” clause of the statute.
- Effect:* Any person aggrieved by any refusal to issue or renew a permit or certificate appeals to the Board. The length of the delay between the receipt of a request for an appeal and the hearing of the appeal, may be considered a denial of the appellant’s right to a timely hearing.
- Cause:* Requests for permits increased after the destruction of the World Trade Center. Further, a higher percentage of such requests were denied at the local level. Also, the Board did not increase either the number of scheduled hearing dates or the number of appeals heard at each hearing to meet the escalating demand.
- Recommendation:* Appropriate steps should be taken to reduce the current time lag between the receipt of the request for an appeal and the scheduled hearing date. The Board should establish a standard that provides for a reasonable time period between the receipt of the appellant’s request for an appeal and the scheduled hearing, and should adjust its scheduled hearing dates and number of cases heard to meet that standard. (See Recommendation 1.)

- Agency Response:* “The Board recognizes the cause for the time lag between the request for appeal and the hearing date and is attempting to reduce it by:
- Sending a roster of appellants, a month in advance of a hearing scheduled, to the Department of Public Safety. The purpose is to have DPS review the appellants present status and possibly reinstate or issue a pistol permit. As a result the Board would replace the new vacancy with appellants waiting and decrease the backlog.
 - Increasing the number of appeals heard at a meeting.
 - Meeting with Board members and the Department of Public Safety to discuss a schedule to increase the number of meetings held per year.

Except:

- The Boards response to the backlog with the increase of meetings and appeals heard will also depend on the availability of the Department of Public Safety staff to prepare for and attend more meetings. New legislation passed in 2001, required an increase of DPS hours devoted to protecting victims, and with DPS budget constraints, resulted in a decrease of hours devoted to preparation of firearm appeal hearings.”

Board Member Hearing Attendance:

Criteria: Section 29-32b, subsection (a), of the General Statutes established the seven member Board of Firearms Permit Examiners. The Board hears appeals from persons who have been denied a permit or had a permit limited or revoked. Decisions of the Board shall be by a majority vote of members attending.

Condition: For the period July 1, 2000 through June 30, 2002, it was found that:

- An average of two members were absent in 23 hearings.
- One member missed all but three of the meetings during that period.
- Six hearings had four in attendance; two hearings had three in attendance; one hearing had only two in attendance. For such meetings a majority vote would constitute less than half the total complement of the Board.
- The Board has not established a firm standard for a Quorum. By extension the majority vote can vary from meeting to meeting.
- Minimum attendance requirements have not been established by the Board.

Effect: Such absences may have an affect on the hearing process due to the loss of input by the absent Board members. Also, the decisions of the Board could be affected as the number of votes needed for a majority is reduced by Board absences (i.e. four votes for a majority with full attendance; three votes for a majority with two absences; two votes for a majority with four absences, etc.).

Cause: The Board has not established and enforced standards setting the number of members necessary for a quorum and majority vote for its meetings and for the minimum attendance requirements for its members.

Recommendation: The Board should take steps to improve its members' attendance at hearings. Further, the Board should establish and enforce standards for a quorum and majority vote for its meetings, and for the minimum attendance requirements of its members. (See Recommendation 2.)

Agency Response: "The Board has and will continue to take steps to improve its members' attendance at hearings. The Board Chairman has informed members of the importance attendance at meetings, and the need for quorum for a majority vote. Members were also notified that meetings would be cancelled if a quorum was not met. The Board regulations do not provide the required minimum attendance of its members who are volunteers appointed by the Governor. Only the Governor is allowed to appoint or replace members to the Board. The Board Chairman with the support of the Commissioner of the Department of Public Safety notified the Governor regarding the DPS member's failure to attend more than 3 meetings in 3 years. The Commissioner of the DPS has recommended a new member to the Governor. The Governor has yet to reappoint a Board member.

In addition, Board members are notified of hearings by:

- An annual calendar of hearing dates and location is provided to each member.
- A location is reserved a year in advance at the Department of Public Safety, Middletown, CT to provide convenient access to all members.
- A memo with the hearing date and time is sent two weeks in advance of each hearing.
- A follow up phone call confirming attendance is made at least two days in advance of hearing."

RECOMMENDATIONS

Status of Prior Audit Recommendations:

Two recommendations were presented in our prior report. The following is a summary of the prior recommendations and the actions taken by the Board.

- Appropriate steps should be taken to bring the equipment records up-to-date and maintain them in an accurate manner. Equipment should be tagged immediately upon receipt. Disposal of assets should follow the guidelines set forth in the Property Control Manual. Our current review found that the Board has complied with the recommendation. This recommendation is not being repeated.
- The Board should take steps to improve its members' attendance at permit hearings. This recommendation has been repeated in modified form. (See Recommendation 2.)

Current Audit Recommendations:

- 1. Appropriate steps should be taken to reduce the current time lag between the receipt of the request for an appeal and the scheduled hearing date. The Board should establish a standard that provides for a reasonable time period between the receipt of the appellant's request for an appeal and the scheduled hearing, and should adjust its scheduled hearing dates and number of cases heard to meet that standard.**

Comment:

Our review found that the time lag between an appellant's properly completed request for a hearing before the Board and the scheduled hearing date increased from approximately three months at the beginning of the audited period to fourteen months as of January 22, 2003.

- 2. The Board should take steps to improve its members' attendance at hearings. Further, the Board should establish and enforce standards for a quorum and majority vote for its meetings, and for the minimum attendance requirements of its members.**

Comment:

The Board has not established and enforced standards setting the number of members necessary for a quorum and majority vote for its meetings and for the minimum attendance requirements for its members.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of

the Board of Firearms Permit Examiners for the fiscal years ended June 30, 2001 and 2002. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations and contracts, 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 and contracts 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 Board of Firearms Permit Examiners for the fiscal years ended June 30, 2001 and 2002, are included as a 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 Board of Firearms Permit Examiners complied in all material or significant respects with the provisions of certain laws, regulations and contracts 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 and contracts applicable to the Board of Firearms Permit Examiners is the responsibility of the Board of Firearms Permit Examiners' management.

As part of obtaining reasonable assurance about whether the Agency complied with laws, regulations and contracts, 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 year ended June 30, 2001 and 2002, we performed tests of its compliance with certain provisions of laws, regulations and contracts. 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 under *Government Auditing Standards*. However, we noted certain immaterial or less than significant instances of noncompliance, which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

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

The management of the Board of Firearms Permit Examiners is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and

compliance with the requirements of laws, regulations and contracts 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 Board of Firearms Permit Examiners financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations and contracts, and not to provide assurance on the internal control over those control objectives.

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 material or significant weaknesses. 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 and contracts or failure 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. We noted no matters involving internal control that we consider to be material or significant weaknesses.

However, we noted other matters involving internal control over the Agency's financial operations, safeguarding of assets, and/or compliance, which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

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

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Board of Firearms Permit Examiners during the course of our examination.

Michael R. Adelson
Associate Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts