

STATE OF CONNECTICUT



*AUDITORS' REPORT
OFFICE OF GOVERNMENTAL ACCOUNTABILITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2012, 2013 AND 2014*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

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EXECUTIVE SUMMARY

The Office of Governmental Accountability (OGA) was created by Public Act 11-48, effective July 1, 2011, to consolidate the administrative functions of 9 state agencies that oversee ethics, elections, freedom of information, judicial review and selection, firearms permits, child and victim advocates, and state contracting standards. Subsequent to June 30, 2014, Public Act 16-3 of the May Special Session removed the 3 agencies overseeing ethics, elections, and freedom of information from OGA, effective July 1, 2016. The act also removed certain administrative functions from OGA and placed them within the Department of Administrative Services Small Agency Resource Team (SmART) unit.

In fulfillment of our duties under section 2-90 of the General Statutes, we present 8 recommendations within this report, including matters concerning reporting systems, inventory, dual employment and overtime rules, disaster recovery plans, and the following 3 matters:

Denial of Timely Hearing for Firearms Permits

Individuals who are denied a handgun permit at the state or local level may appeal to the Board of Firearms Permit Examiners (BFPE) and should expect to have a hearing scheduled within 10 days. This does not happen, and a significant backlog of 649 cases exists due to an increased interest in obtaining permits. At the estimated rate of 20 per month, BFPE could resolve this backlog in approximately 30 months. The delay between the appellant's request for an appeal and the related hearing is a denial of the right to a timely hearing. We recommend that BFPE continue its effort to reduce the hearing backlog to ensure compliance with the General Statutes. BFPE did not formally respond to our recommendation.

Investigation into Misuse of Computer

A widely-reported investigation into a State Elections Enforcement Commission computer found that 31 movies were downloaded onto a state-owned external hard drive and later transferred to a shared state-owned computer. It could not be determined which employee was responsible for this action.

Revenue due the State is Not Collected

When campaign financial disclosure forms are not filed, the State Elections Enforcement Commission imposes fees or penalties for which receivables should be established. In 3 of 25 receivables tested, we found the State Elections Enforcement did not follow up on the collection of receivable amounts totaling \$2,400.

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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August 28, 2018

AUDITORS' REPORT OFFICE OF GOVERNMENTAL ACCOUNTABILITY FOR THE FISCAL YEARS ENDED JUNE 30, 2012, 2013, AND 2014

We have audited certain operations of the Office of Governmental Accountability 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, 2012, 2013, and 2014.

The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions;
2. Evaluate the office's compliance with policies and procedures internal to the department promulgated by other state agencies, as well as certain legal provisions; and
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 provides such a basis.

The accompanying Résumé of Operations is presented for informational purposes. The information was obtained from the department's management and was not subjected to the procedures applied to our audit of the department. For the areas audited, we identified

1. Deficiencies in internal controls;
2. Apparent noncompliance with legal provisions; and
3. Need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations in the accompanying report present any findings arising from our audit of the Office of Governmental Accountability.

COMMENTS

FOREWORD

The Office of Governmental Accountability (OGA) was formed by Public Act 11-48, effective July 1, 2011, to consolidate the administrative functions of the following 9 agencies: Office of State Ethics (OSE), State Elections Enforcement Commission (SEEC), Freedom of Information Commission (FOIC), Judicial Review Council (JRC), Judicial Selection Commission (JSC), Board of Firearms Permit Examiners (BFPE), Office of the Child Advocate (OCA), Office of the Victim Advocate (OVA), and State Contracting Standards Board (SCSB). The Office of the Executive Administrator (OEA) of OGA performed administrative functions that included personnel, payroll, affirmative action, administrative and business office functions, and the information technology associated with these functions.

The Office of Governmental Accountability operates under the provisions of Chapter 15a of the General Statutes, sections 1-300 to 1-302.

The Office of Governmental Accountability Commission (GAC) was created by Public Act 11-48. The 9-member commission consists of the chairpersons of the Citizen's Ethics Advisory Board, SEEC, FOIC, JSC, BFPE, and SCSB; the JRC executive director; and the child and victim advocates or designees. Public Act 13-247 (section 44) provided that the designee shall not be a state employee. These members are listed below in their respective sections.

Significant New Legislation

Public Act 14-98 authorized bonding not to exceed \$1,000,000 for information technology improvements.

Office of the Executive Administrator

Public Act 11-48 required the Governmental Accountability Commission to provide the Governor with a list of 3 candidates from which to appoint the executive administrator. David Guay served as executive administrator from September 23, 2011 until October 17, 2013. Gloria Davis-Delancy served as interim from October 18, 2013 through January 10, 2014. Shelby Brown was appointed January 10, 2014 and served throughout the audited period.

Office of State Ethics

The Office of State Ethics is authorized by and operates under Title 1, Chapter 10 of the General Statutes. Section 1-80 (a) of the General Statutes provides that the Office of State Ethics shall consist of an executive director, a general counsel, an ethics enforcement officer, and other staff. In addition, a Citizens Ethics Advisory Board was established within the Office of State Ethics.

The Citizens Ethics Advisory Board is composed of 9 members. As of June 30, 2014, the members were as follows:

	<u>Term expires</u>
Appointed by the Governor:	
David W. Gay	September 30, 2014
Reverend Tommie Lee Jackson	September 30, 2016
Daniel M. Young, Esq.	September 30, 2016
Appointed by the President Pro Tempore of the Senate:	
Dennis Riley	September 30, 2014
Appointed by the Speaker of the House of Representatives:	
Roger L. Kemp	September 30, 2015
Appointed by the Majority Leader of the Senate:	
Mary Bigelow	September 30, 2017
Appointed by the Majority Leader of the House of Representatives:	
Susan Gruen	September 30, 2015
Appointed by the Minority Leader of the Senate:	
Charles F. Chiusano, Chairman	September 30, 2017

Appointed by the Minority Leader of the House of Representatives:

Herbert A. Grant, Vice Chairman September 30, 2015

Carol Carson served as executive director throughout the audited period.

State Elections Enforcement Commission

The State Elections Enforcement Commission operates by the authority of Sections 9-7a and 9-7b of the General Statutes.

Commission membership consists of 5 members appointed with the consent of the General Assembly. Public Act 11-48 reduced the terms of members appointed on or after July 1, 2011, from 5 to 3 years. It also prohibits members from serving consecutive terms. As of June 30, 2014, members with their appointing authorities are as follows:

	<u>Term expires</u>
Appointed by the Governor: Patricia Stankevicius	June 30, 2014
Appointed by the President Pro Tempore of the Senate: Stephen T. Penny	June 30, 2016
Appointed by the Speaker of the House of Representatives: Anthony J. Castagno, Chairperson	June 30, 2015
Appointed by the Minority Leader of the Senate: Michael J. Ajello	June 30, 2015
Appointed by the Minority Leader of the House of Representatives: Salvatore Bramante, Vice Chairperson	June 30, 2015

Albert P. Lenge served as the executive director and general counsel of the State Elections Enforcement Commission until October 1, 2011. Michael Brandi was appointed to this position, effective February 10, 2012, and served during the remainder of the audited period.

Freedom of Information Commission

The Freedom of Information Commission operates by the authority of Section 1-205 of the General Statutes.

Commission membership consisted of 5 members appointed by the Governor with the advice and consent of either house of the General Assembly for four-year terms until the passage of Public Act 11-48. This act added 4 members appointed by the Senate President, House Speaker, Senate Minority Leader and House Minority Leader for two-year terms. As of June 30, 2014, the members were as follows:

	<u>Term expires</u>
Appointed by the Governor:	
Owen P. Eagan, Chairman	June 30, 2019
Michael Daly	June 30, 2016
Jay A. Shaw	June 30, 2018
Lenny T. Winkler	June 30, 2016
Vacancy	

Appointed by the President Pro Tempore of the Senate:	
Christopher P. Hankins	June 30, 2015

Appointed by the Speaker of the House of Representatives:	
Ryan P. Barry	June 30, 2015

Appointed by the Minority Leader of the Senate:	
Jonathan Einhorn	June 30, 2015

Appointed by the Minority Leader of the House of Representatives:	
Matthew E. Streeter	June 30, 2015

Colleen Murphy has served as the executive director and general counsel of the Freedom of Information Commission since February 1, 2006.

Judicial Review Council

Section 51-51k of the General Statutes provides for a Judicial Review Council. Scott J. Murphy was executive director of the Council as of June 30, 2014. The executive director is hired by the Judicial Review Council to manage its functions and duties.

The Judicial Review Council consists of 12 members and 13 alternate members who are appointed by the Governor with the approval of the General Assembly. The Judicial Review Council is empowered to hear complaints about the conduct of judges, perform investigations, and censure or suspend judges if necessary. Members receive no compensation for their services. Judicial Review Council members serve for a four-year term while alternate members are for a three-year term.

The composition of the Judicial Review Council and alternate members as of June 30, 2014 is as follows:

Council Members:	Term expires
Three Superior or Appellate Court Judge Members:	
Honorable Joan K. Alexander	November 30, 2015
Honorable Julia D. Dewey	November 30, 2015
Vacancy	

Auditors of Public Accounts

Three Attorney Members:

Martin B. Burke, Esq.	November 30, 2015
Barbara D. Aaron, Esq.	November 30, 2016
Richard T. Meehan, Esq. Chairman	Interim

Six Public Members:

Patricia LeBel-Lasse	November 30, 2016
John Soto	November 30, 2016
Jay A. Dirnberger	November 30, 2016
Clarence R. Grebey, III	November 30, 2014
Kenneth H. Neal, Jr.	November 30, 2014
Vacancy	

Alternate Members:

Judge Members:

Honorable Kevin G. Dubay	November 30, 2015
Honorable John J. Nazzaro	November 30, 2015

Attorney Members:

Carl M. Porto, Esq.	November 30, 2015
Russell L. London, Esq.	November 30, 2015

Public Members:

Ervin Gerven	November 30, 2015
Motkue Bowles	November 30, 2015
David A. Roche	November 30, 2015

Family Support Magistrate Members:

Honorable Frederic Gilman	November 30, 2015
Honorable Jane K. Grossman	November 30, 2015
Honorable Norma I. Sanchez-Figueroa	November 30, 2015

Workers' Compensation Commissioner (WCC) Members:

WCC Scott A. Barton	November 30, 2015
WCC Randy L. Cohen	November 30, 2015
WCC Jodi M. Gregg	November 30, 2015

Peter Clark served as executive director until July 1, 2011. Scott Murphy served from January 4, 2012 until January 1, 2013. Dennis O'Connor was appointed on August 29, 2014.

Judicial Selection Commission

The Judicial Selection Commission was established under the authority of Article XXV of the Amendments to the Constitution of the State of Connecticut. Additional authority is provided in Section 51-44a of the General Statutes. Section 51-44a provides that the commission shall seek, evaluate, and recommend qualified candidates to the governor for consideration in nominating new judges. This section also provides that the commission evaluate incumbent judges seeking re-nomination or nomination to a different court. Except for elected judgeships (probate judges), the Governor nominates judges for all state courts exclusively from the commission’s approved list.

The commission has 1 employee. The Department of Administrative Services performed many of the fiscal and administrative duties for the commission until it became part of the Office of Governmental Accountability.

Per Section 51-44a of the General Statutes, the Judicial Selection Commission consists of 12 members. The commission members serve for terms of 3 years and until their successors are appointed and have qualified or 90 days after the completion of their terms, whichever is earlier. Members and appointments as of June 30, 2014, are as follows:

	<u>Term expires</u>
Appointed by the Governor:	
Ndidi Moses, Esq., Chairperson	September 9, 2015
Frank Alvarado	March 5, 2017
Robert S. Bello	April 19, 2014*
Eric J. George, Esq.	June 30, 2015
Ulysses B. Hammond	April 19, 2014*
Milagros T. Limson	December 9, 2016
Appointed by the President Pro Tempore of the Senate:	
Joel Rudikoff, Esq.	April 30, 2017
Appointed by the Senate Majority Leader:	
Andrea Jackson-Brooks	March 31, 2015
Appointed by the Senate Minority Leader:	
David Cappiello	December 26, 2015
Appointed by the Speaker of the House of Representatives:	
Maureen Magnan	October 19, 2015
Appointed by the Majority Leader of the House of Representatives:	
William Watson III, Esq.	April 25, 2016
Appointed by the Minority Leader of the House of Representatives:	
Stephen J. Conover, Esq.	November 19, 2015

*Section 51-44a(d)(2) allows for members to serve until their successor is appointed or 90 days after the completion of their term, whichever is earlier.

Karen Netherton served as manager of the commission until June 1, 2013. Ann Gimmartino became manager on August 23, 2013 and continued to serve in that capacity throughout the audited period.

Board of Firearms Permit Examiners

The Board of Firearms Permit Examiners (BFPE) operates under Title 29, Chapter 529, Section 29-32b of the General Statutes.

The function of the BFPE is to hear appeals of any person aggrieved by any refusal to issue or renew a permit or certificate under the provisions of section 29-28 (local chief of police, warden of the borough, or first selectman) or 29-36f (commissioner of emergency services and public protection); or by any limitation or revocation of such permit or certificate; or by refusal to provide an application for such permit or certificate. On such appeal, the board is required to inquire into and determine the facts and, unless it determines that such refusal, limitation, or revocation would be for just cause, it shall order such permit or certificate to be issued, renewed, or restored or the limitation modified or rescinded, as the case may be.

Under the provisions of Section 29-32b, (a) of the General Statutes, the 7 members of the BFPE are appointed by and serve terms concurrently with the Governor until their successors are appointed and qualify. Members of the board are not compensated for their services, but are reimbursed for reasonable expenses incurred in performing their duties. Public Act 13-3 increased the members on the board from 7 to 9, with a Department of Mental Health and Addiction Services nominee and a retired Superior Court judge. As of June 30, 2014, the board was comprised of the following members, along with the agencies or organizations that appointed them:

Ye Connecticut Gun Guild, Inc.
Peter Kuck

The Connecticut State Rifle and Revolver Association, Inc.
Craig C. Fishbein, Esquire

Commissioner of Emergency Services and Public Protection
Gudrun K. Johnson

Connecticut State Association of Chiefs of Police
Chief Carl Rosensweig

Commissioner of Energy Environmental Protection
Colonel Kyle E. Overturf

Commissioner of Mental Health and Addiction Services
Dr. S. David Bernstein

Public Members:

Frank P. Blando, Esquire, Chairman
James A. Greer II, Esquire

There was one vacancy.

The Board of Firearms Permit Examiners consisted of an office manager and assistant during the audited period.

Office of the Child Advocate

The Office of the Child Advocate operates primarily under the provisions of Title 46a, Chapter 813a of the General Statutes, sections 46a-13k to 46a-13s.

The purpose of the Office of the Child Advocate is to safeguard the legal and civil rights of children who reside in the state. This includes evaluating the procedures for and delivery of services to children by state agencies and those entities that receive state funds, investigating complaints about services for children, and various other activities specified in the statutes.

The child advocate is appointed by the Governor, based on the advice of the office's advisory committee, and is also a classified employee subject to civil service rules. Jeanne M. Milstein served as the child advocate until March 1, 2012. Miriam Kramer served as the interim child advocate from March 1, 2012 until November 2, 2012 and July 3, 2013 until September 9, 2013. Jamey Bell served from November 2, 2012 until July 3, 2013. Sarah Healy Eagan, Esq., became the child advocate on September 9, 2013 and served in that capacity throughout the audited period.

As provided in Section 46a-13r of the General Statutes, there exists an advisory committee for the Office of the Child Advocate. The advisory committee meets with the child advocate to review patterns of treatment and services for children. The committee must also evaluate the effectiveness of the Office of the Child Advocate. Membership currently consists of 7 members appointed to five-year terms. As of June 30, 2014, the members with their appointing authorities were as follows:

	<u>Term expires</u>
Appointed by the Governor: Jeanne Milstein	June 30, 2016
Appointed by the President Pro Tempore of the Senate: Shelley Geballe	June 30, 2016
Appointed by the Speaker of the House of Representatives: Rudolph Brooks	June 30, 2016
Appointed by the Majority Leader of the Senate: Attorney Joel Rudikoff	June 30, 2016

Appointed by the Majority Leader of the House of Representatives:
Vacant

Appointed by the Minority Leader of the Senate:
Catherine Cook June 30, 2017

Appointed by the Minority Leader of the House of Representatives:
John Fenton June 30, 2016

In addition, there exists a Child Fatality Review Panel in accordance with Section 46a-13l (b), of the General Statutes. The panel consists of 13 permanent members. As of June 30, 2014, the members were:

Sarah Healy Eagan, Child Advocate
Barbara Claire, J.D., Commissioner of Children and Families or Designee
Margie Hudson, R.N., Commissioner of Public Health or Designee
Sergeant Seth Mancini, Esq., Commissioner of Emergency Services and Public Protection or Designee
James Gill, M.D., Chief Medical Examiner or Designee
Anne Mahoney, Esq., Chief State's Attorney or Designee
Kirsten Bechtel, M.D., Pediatrician
Deputy Chief Jack Reed, Law Enforcement
Alexandra Dufresne, J. D., Attorney
Christopher Lyddy, Social Worker Professional
Vacant, Community Service Group Representative
Vacant, Psychologist
Steven Rogers, M.D., Injury Prevention Representative

There are 3 additional temporary members with particular expertise who were also selected by a majority of the panel:

Ted Rosenkrantz, M.D., Neonatal-Perinatal Practitioner
Tonya Johnson, Domestic Violence Representative
Michael Soltis, M.D., Child Abuse Physician

Office of the Victim Advocate

Section 46a-13b of the General Statutes charges the Office of the Victim Advocate to ensure the statutory and state constitutional rights of victims of crimes.

Section 46a-13h of the General Statutes provides for the advisory committee. The advisory committee previously consisted of 12 members. Public Act 11-48 eliminated the previous advisory committee and created a new advisory committee with 7 members. As of June 30, 2014, the committee with their appointing authorities consisted of:

	<u>Term expires</u>
Appointed by the President Pro Tempore of the Senate: Emily Landers	February 28, 2017
Appointed by the Speaker of the House of Representatives: Cathy Malloy (Resigned June 17, 2014)	August 31, 2016
Appointed by the Majority Leader of the Senate: Brenda Jones Barnes	June 30, 2017
Appointed by the Majority Leader of the House of Representatives: Vacant as of June 30, 2014	
Appointed by the Minority Leader of the Senate: Leonard F. Suzio	June 30, 2018
Appointed by the Minority Leader of the House of Representatives: Dawn Luddy	June 30, 2016
Appointed by the Governor: Michael Lawlor	June 30, 2016

The state victim advocate is appointed by the Governor based on the advice of the advisory committee. Michelle Cruz served as the state victim advocate until March 8, 2013. Garvin Ambrose was appointed on March 15, 2013 and served in the capacity until July 25, 2014. Natasha Pierre has been the state victim advocate since December 26, 2014.

State Contracting Standards Board

The State Contracting Standards Board operates under Chapter 62 of the General Statutes, Sections 4e-1 to 4e-50.

Section 4e-2 of the General Statutes established the State Contracting Standards Board to consist of 14 members whose terms are coterminous with the terms of the appointing authority. The Governor appoints the chairperson. The members were as follows on June 30, 2014.

Appointed by the Governor:
Claudia Baio, Chairperson
Albert Ilg
Jean Morningstar
Robert Rinker
Brenda Sisco
Three vacancies
Peter E. Reilly

Appointed by President Pro Tempore of the Senate:
Salvatore Luciano

Appointed by Speaker of the House of Representatives:
Charles W. Casella, Jr.

Appointed by Majority Leader of the Senate:
Vacant

Appointed by the Majority Leader of the House of Representatives:
Stuart Mahler

Appointed by the Minority Leader of the Senate:
Thomas Ahneman

Appointed by the Minority Leader of the House of Representatives:
Roy Steiner

Section 4e-2(f) of the General Statutes states that the Governor shall appoint the executive director of the board. David Guay has served as executive director since October 18, 2013.

Section 4e-2(g) of the General Statutes states that the State Contracting Standards Board shall appoint a chief procurement officer for a term not to exceed 6 years. Julia K. L. Marquis was appointed on March 3, 2014.

RÉSUMÉ OF OPERATIONS

General Fund Receipts

General Fund receipts during the fiscal years ended June 30, 2011, 2012, 2013, and 2014 are presented below:

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Recording Fees	\$ 777,050	\$ 125,120	\$ 818,847	\$ 93,698
Civil Penalties Imposed	46,144	71,523	58,829	64,088
Late fee – Elections/Financial Disclosure	34,375	15,450	24,352	29,573
Other	<u>(780)</u>	<u>1,488</u>	<u>1,314</u>	<u>10,707</u>
Total General Fund Receipts	<u>\$ 856,789</u>	<u>\$ 213,581</u>	<u>\$ 903,342</u>	<u>\$ 198,066</u>

Recording fees consist mainly of lobbyist fees. Fiscal years 2011 and 2013 reflect the lobbyist registration fee imposed by Section 1-95 of the General Statutes for a two-year period beginning in January of each odd-numbered calendar year. Lobbyists who commenced lobbying activities in an even-numbered year are required to pay half the normal fee in that year.

General Fund Expenditures

General Fund expenditures during the fiscal years ended June 30, 2011, 2012, 2013, and 2014 are presented below:

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Personal Services	\$8,178,099	\$7,341,295	\$6,843,171	\$7,280,942
Purchased and Contracted Services	<u>709,729</u>	<u>603,384</u>	<u>670,809</u>	<u>713,668</u>
Total General Fund Expenditures	<u>\$8,887,828</u>	<u>\$7,944,679</u>	<u>\$7,513,980</u>	<u>\$7,994,610</u>

Expenditures decreased for personal services from fiscal year 2011 to 2013 as a result of a decrease in the number of paid positions from 90 to 84. The number of paid positions then increased in fiscal year 2014 to 91.

Capital Equipment Purchase Fund Expenditures

	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Capital – Office Equipment	\$ 0	\$ 0	\$ 67,073

Special Revenue Funds – Federal and Other Restricted Accounts

The Citizens’ Election Fund is non-lapsing. It is funded primarily from proceeds from the sale of unclaimed property in the state’s custody. In compliance with subsection (a)(2) of Section 3-69a of the General Statutes, the State Treasurer transfers the required amount to the Citizens’ Election Fund, which is restricted for the expenditures of the Citizens’ Election Program. The fund balances were \$17,853,455, \$20,311,016, and \$21,566,312 at June 30, 2012, 2013, and 2014, respectively. Receipts during the audited period, including the required transfers, are summarized below.

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Transfer from General Fund	\$18,373,174	\$10,600,000	\$10,907,776	\$11,083,065
Interest	54,606	24,143	26,951	39,233
Contributions to Fund	<u>252,308</u>	<u>45,131</u>	<u>146,104</u>	<u>194,392</u>
Total Citizens’ Election Fund Receipts	<u>\$18,680,088</u>	<u>\$10,669,274</u>	<u>\$11,080,831</u>	<u>\$11,316,690</u>

A comparison of expenditures for the Citizens’ Election Fund for the audited period is presented below:

	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>
Representative Campaign Grants	\$ 4,266,666	\$ 921,055	\$4,261,180	\$ 961,719
Senate Campaign Grants	3,952,298	341,287	4,361,937	439,879
Statewide Campaign Grants	15,142,425	(15)	0	8,652,564
Minor Equipment	<u>0</u>	<u>0</u>	<u>621</u>	<u>0</u>
Total Citizens’ Election Fund Expenditures	<u>\$23,361,389</u>	<u>\$1,262,327</u>	<u>\$8,623,738</u>	<u>\$10,054,162</u>

Expenditures are dependent on the election cycle. The 2013-2014 fiscal year included the election for Governor and constitutional officers, which resulted in an increase in statewide campaign grants.

Subsequent Events

Public Act 16-3, May Special Session, removed the Office of State Ethics, the State Elections Enforcement Commission, and the Freedom of Information Commission from OGA, effective July 1, 2016.

The OGA Office of the Executive Administrator was terminated and its functions were transferred to the Department of Administrative Services SmART unit for the 6 agencies that remain in OGA.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our review of the Office of Governmental Accountability for the fiscal years ended June 30, 2012, 2013, and 2014 noted the following conditions. The findings are identified by specific agencies within the Office of Governmental Accountability.

Hearing Backlog

This finding applies to the Board of Firearms Permit Examiners.

Background: The application process for individuals seeking a handgun permit is through their local authorities. The local authority may deny the permit or issue a temporary 60-day permit, pending further review by the Department of Emergency Services and Public Protection, according to Section 29-28 of the General Statutes. Applicants may appeal permit denial decisions by the local or state authority to the Board of Firearms Permit Examiners.

Criteria: Section 29-32b (b), (c), and (d), of the General Statutes indicate that the Board of Firearms Permit Examiners should schedule a hearing within 10 days of receiving an appeal at such time and place as the board reasonably determines, but not less than once every 90 days. While an appeal is pending, the Board of Firearms Permit Examiners may request such additional information from the appellant and the issuing authority as it deems reasonably necessary to conduct a fair and impartial hearing.

Condition: Our review found that the delay between an appellant's request for a hearing and the scheduled hearing date did not meet the statutory "reasonably determines" standard. There was a backlog of 649 cases, as of June 30, 2014.

Our review found that the delay between an appellant's request for a hearing and the scheduled hearing date increased significantly during the audited period compared to the previous audited period. This occurred even though the frequency and number of cases heard in each meeting increased each fiscal year. The number of meetings held were 18, 19, and 20 in 2012, 2013, and 2014, respectively. On average, 22 cases were heard per meeting.

Effect: The delay between the receipt of a request for an appeal and the related hearing or negotiated Department of Emergency Services and Public Protection settlement may be considered a denial of the appellant's right to a timely hearing.

Cause: There has been an increase in requests for permits since the Sandy Hook tragedy in 2012. As a result, there has been an increase in denials, resulting in an increase in appeals. The number of appeals

more than doubled, from 230 in the first half of the 2011-2012 fiscal year to 465 in the second half of the 2011-2012 fiscal year, resulting in an increased waiting period for a hearing.

Recommendation: The Board of Firearms Permit Examiners should continue its efforts to reduce the hearing backlog to ensure compliance with Section 29-32b of the General Statutes. (See Recommendation 1.)

Agency Response: The Board of Firearms Permit Examiners chose not to provide a response to this finding.

Reporting Systems

This finding applies to the Judicial Review Council, the Judicial Selection Committee, and the State Elections Enforcement Commission.

Background: The Office of Governmental Accountability is mandated by various sections of the Connecticut General Statutes to submit numerous reports. The designated recipients of those reports may be the Governor, the General Assembly, or various legislative committees. The information provided by the reports is necessary to facilitate both executive and legislative oversight of the office's activities.

Criteria: Section 4-60 of the General Statutes requires each budgeted agency to annually provide a report to the Governor of its activities of the previous fiscal year. The Governor then provides these reports to the Commissioner of Administrative Services who publishes these reports every year by December 1st.

Section 9-7a (c) of the General Statutes requires that the State Elections Enforcement Commission report the "action it has taken including, but not limited to a list of all complaints investigated by the commission and the disposition of each such complaint, by voting districts, where the alleged violation occurred; the names, salaries and duties of the individuals in its employ and the money it has disbursed" to the General Assembly and Governor each fiscal year.

Section 9-716 (a) of the General Statutes requires that "not later than June 1, 2007, and annually thereafter, the State Elections Enforcement Commission shall issue a report on the status of the Citizens' Election Fund during the previous calendar year. Such report shall include the amount of moneys deposited in the fund, the sources of moneys received by category, the number of contributions, the number of contributors, the amount of money expended by category, the recipients of moneys distributed from the fund and an accounting of the costs incurred by the commission in administering the provisions of this chapter."

Condition: We found exceptions for the following reports:

Section 4-60 report – various agencies

The reports required by Section 4-60 of the General Statutes were not filed or filed after our inquiry by the following agencies for the following years:

Judicial Review Council

Filed the reports late for the fiscal years ended June 30, 2012, 2013, and 2014.

Judicial Selection Commission

Did not file the reports for the fiscal years ended June 30, 2012, 2013, and 2014.

State Elections Enforcement Commission

Filed the report late for the fiscal year ended June 30, 2014.

Section 9-7a (c) report – State Elections Enforcement Commission

SEEC is required to file this report annually on June 30. We previously reported that the 2012 report was filed late on September 7, 2012. The 2013 and 2014 reports were filed on March 15, 2015, after we requested them. Additionally, as we reported in the previous audit, the reports continue to lack the following information required by statute: the location of the alleged violation; the names, salaries, and duties of the individuals in its employ; and the money the division has disbursed.

Effect: Information was not provided to the public in a timely manner.

There is a lack of compliance with Section 9-7a(c) of the General Statutes because the required reports were filed late and did not contain all statutorily required information.

Cause: Management did not ensure that certain reports were filed in a timely manner and submitted reports that lacked the required information.

Recommendation: Agencies of the Office of Governmental Accountability should file reports required by Section 4-60 of the General Statutes. The State Elections Enforcement Commission should file its annual report in a timely manner, as required by Section 9-7a(c) of the General Statutes. The report should include all statutorily required information. (See Recommendation 2).

JRC Response: “I agree that the reports required by C.G.S. Section 4-60 for the fiscal years ended June 30, 2012, 2013 and 2014 were not filed timely. JRC has taken steps internally to ensure that reports are filed in compliance with this statute.”

JSC Response: “The Judicial Selection Commission agrees with the finding. The previous employee who worked for the Commission as Manager in 2012 retired in 2013, and we have no knowledge of what happened during that period of time. A new employee started in the position as Manager in 2013, and she was not notified that there was such a report. In 2015, for the first time, the new employee was notified of the report by e-mail, and ever since that notification, she has filed the report.”

SEEC Response: “SEEC will review deadlines and verify that reports are timely submitted with the requisite information.”

Dual Employment

This finding applies to the State Elections Enforcement Commission.

Criteria: Section 5-208a of the General Statutes states that no state employee shall be compensated for services rendered to more than 1 state agency during a biweekly pay period unless the appointing authority of each agency or a designee certifies that the duties performed are outside the responsibility of the agency of principal employment, that the hours worked at each agency are documented and reviewed to preclude duplicate payment, and that no conflicts of interest exist between services performed.

Condition: One employee had an academic appointment at a community college. The employee’s agency signed off on his dual employment request form for all 4 semesters of our review, but the secondary agency did not sign off on the form for 3 of those semesters.

Effect: In the absence of proper monitoring and guidance regarding dual employment arrangements, duplicate payments and conflicts of interest may go undetected.

Cause: Management did not comply with dual employment requirements.

Recommendation: The State Elections Enforcement Commission should comply with Section 5-208a of the General Statutes regarding dual employment by ensuring that the dual employment request form is signed by both agencies prior to the employee working at the secondary agency. (See Recommendation 3).

SEEC Response: “During the time period of this audit, the responsibility of proper monitoring and guidance regarding dual employment was transferred from the SEEC to the Office of the Executive Administrator (OEA) Human Resources.

The State Elections Commission will comply with Section 5-208a of the General Statutes with regard to dual employment.”

Overtime

This finding pertains to the OGA Office of the Executive Administrator, State Elections Enforcement Commission, and Office of the Victim Advocate.

Criteria: The Office of Governmental Accountability policy states that overtime must be approved in advance by the employee’s supervisor. OGA also requires the signature of the chief fiscal/administrative officer on its overtime approval form. Prudent management practices also require that overtime be approved in advance by an employee’s supervisor.

Condition: We selected 5 employees who received overtime. The overtime preapproval form could not be located for 2 employees. One employee worked for the State Elections Enforcement Commission and one employee worked for the Office of the Victim Advocate. Overtime was not authorized in advance for the other 3 employees, and 1 employee did not have the approval of the chief fiscal/administrative officer. The 3 employees worked for OEA and SEEC.

Effect: There is less assurance that overtime expenses are appropriate and authorized.

Cause: Management did not ensure that overtime was approved in advance and that documentation was maintained properly.

Recommendation: The Office of Governmental Accountability, the State Elections Enforcement Commission, and the Office of the Victim Advocate should ensure that overtime is approved in advance by employees’ supervisors and retain the forms for audit purposes. (See Recommendation 4).

SEEC Response: “The SEEC was not aware of the OEA policy which required the signature of the chief fiscal/administrative officer on overtime pre-approval forms. It was also not the responsibility of the SEEC to follow up on OEA signatures as the appropriate pre-approval and post-overtime forms were executed by SEEC management. Overtime pre-approval forms will be closely monitored internally

be SEEC management and the forms will be retained for audit purposes.”

OVA Response:

“[The current State Victim Advocate] as appointed in 2014 and [stated that she did] not have the information personally. [She stated that] I have searched our office and archives and only have paper time sheets up to 2010. According to staff, 1) the electronic system began in late July and the records were kept by the former State Victim Advocate at that time 2) the former State Victim Advocate had to give her documentation to OGA when she left the position.”

Asset Management/Inventory Report/GAAP Reporting Form CO-59

This finding applies to the Office of State Ethics and the State Elections Enforcement Commission.

Criteria:

Section 4-36 of the General Statutes requires that each state agency establish and maintain an inventory in the form prescribed by the Comptroller. Agencies are required to annually submit to the Comptroller, on or before October 1st each year, a detailed inventory as of June 30th of all real property and personal property with a value of \$1,000 or more. The threshold was increased to \$5,000 for personal property acquired after July 1, 2015.

The State Property Control Manual prescribes requirements and standards that state agency property control systems must include to ensure that all assets currently owned by or in the custody of the state are properly acquired, managed, and disposed of. They are as follows:

- The Asset Management/Inventory Report/GAAP reporting Form (CO-59) should be used to report all property owned by each state agency. Agencies generate information from Core-CT on assets that are capitalized and depreciated, and include this information on the CO-59 form. Agencies use the asset management queries of Core-CT to complete the CO-59 form. If the values recorded on the CO-59 form do not reconcile with Core-CT, the agency must provide a written explanation of the discrepancy in an attachment.
- A software inventory must be established to track and control all agency software and the amount of this inventory should be recorded on the CO-59 form.

Condition:

Even though the 9 agencies became part of the Office of Governmental Accountability, each agency completed and submitted separate CO-59 forms to the Office of the State Comptroller by OGA staff during the audited period. We reviewed

the CO-59 forms for the agencies that had prior audit findings and noted the following:

Office of State Ethics

Additions of \$1,881 for equipment for the 2011-2012 fiscal year were incorrect.

Equipment deletions of \$7,270 and \$5,895 were reported for the 2012-2013 and 2013-2014 fiscal years, respectively. The deletions were not reflected in Core-CT for this same reporting period. The agency could not locate supporting documentation for these amounts.

The reported ending balance for equipment on June 30, 2014 was \$68,140 on the CO-59 form while the balance was \$73,485 in Core-CT.

The value of leased equipment of \$25,750 that the agency added on the CO-59 form was not entered into Core-CT for fiscal year 2013.

State Elections Enforcement Commission

Our prior audit noted that the State Elections Enforcement Commission did not maintain a software inventory and did not report software inventory developed by the agency on its CO-59 form. We found that, as of June 30, 2014, the agency still has not reported this software on its CO-59 form. The agency developed its own software in-house applications as follows: eCRIS (Electronic Reporting Information System), SEEC Support (Support/help ticket system), and CTS (Committee Tracking System).

We previously reported that the agency contracted with at least one vendor to help develop these software applications. The vendor was paid \$1,671,371 over several years. A staff member informed us that the agency paid at least one year of a commission employee's salary for the development of the software. We did not determine additional costs that should have been included in the audited period.

Effect: Agencies reported inaccurate amounts on their CO-59 forms. The Office of State Ethics understated its CO-59 form by \$5,345 and Core-CT by \$25,750. The State Elections Enforcement Commission understated its CO-59 form by at least \$1,671,371.

Cause: Management did not ensure that inventory and software were reported correctly.

Although the State Elections Enforcement Commission corrected its 2013-2014 fiscal year CO-59 form for a previous audit finding in the fine arts category, we could not determine why the amount for developed software was not added to the form.

Recommendation: The Office of State Ethics and the State Elections Enforcement Commission should ensure that their CO-59 forms include all required items and that the items are reported accurately. (See Recommendation 5).

OSE Response: “During the audit period, the Office of State Ethics was part of the Office of Governmental Accountability (OGA). The Executive Administrator’s Office of the OGA was responsible for maintaining asset management/inventory reports in Core-CT as well as preparing and submitting the CO-59 to the OSC. The Office of State Ethics has no access to the documentation regarding past asset management/inventory reports and had no access to Core-CT during the audit time period. The Office of State Ethics became a stand-alone independent agency on July 1, 2016 and is taking the appropriate steps, including working with individuals from the comptroller’s office and Core-CT, to ensure that all required items are appropriately accounted for and reported accurately in the future.”

SEEC Response: “Separate CO-59 forms were completed and submitted to the Office of State Comptroller by OGA staff during the audit period. There was confusion during the OGA consolidation in the assumption that OEA IT staff would follow up on all required reporting.

The SEEC will ensure that the CO-59 form includes all required items and that the items are reported accurately.”

Violations of the State’s Acceptable Use of State Systems Policy

This finding applies to the State Elections Enforcement Commission.

Criteria: The State of Connecticut Acceptable Use of State Systems Policy requires that state systems be used solely to conduct state business in compliance with federal and state laws, and agency policies and procedures.

Condition: The OEA executive administrator asked information technology employees to image 3 computers of former employees on December 24, 2014. During this procedure, the employees discovered that a computer contained images of a larger size of approximately 120 Gigabytes of data. Upon further inspection, they found several commercial movies and a software package used to burn movie files

to DVDs. The Division of Criminal Justice and a cybersecurity specialist hired by SEEC each investigated the matter.

The OEA executive administrator turned the computer over to the Chief State's Attorney's Office for further inspection and referred it to the Director of Information Systems for the Division of Criminal Justice on March 16, 2015. The review confirmed the following: there were 31 movies on the computer; a program called DVD maker in the hard drive; the Internet history and Internet Explorer temporary files were erased; and there were shortcuts in the desktop directory to non-state related sites.

The cybersecurity expert hired by the executive director reported that there were 31 movies loaded onto a state-owned external hard drive and then transferred to the state computer. The investigation could not determine which SEEC employee was responsible.

Effect: At least one SEEC employee did not comply with the state's Acceptable Use of State Systems Policy, as the storage and viewing of movies for entertainment purposes is not allowed on state-owned external hard drives and computers.

Cause: Correspondence from the SEEC executive director to the OGA executive director indicated that a previous executive director allowed the movies to be placed on the computer for children to watch on "bring-your-child-to work day."

Recommendation: The State Elections Enforcement Commission should remind its employees on a regular basis to comply with the state's Acceptable Use of State Systems Policy by not misusing state equipment. (See Recommendation 6).

SEEC Response: "The SEEC is issuing a new policy to have all staff review and execute the acceptable use policy on a regular basis."

Collections from Non-Filers

This finding applies to the State Elections Enforcement Commission.

Background: Section 9-608 (a) of the General Statutes requires each treasurer of a candidate committee, other than a state central committee, to file campaign financial disclosure forms (statements). These statements include, but are not limited to, an itemized accounting of each contribution, including the full name and complete address of each contributor and the amount of the contribution. If the treasurer does not file statements or does not file statements in a timely manner, SEEC imposes fees or penalties for noncompliance.

<i>Criteria:</i>	The State Accounting Manual requires that records of accounts receivable be accurate, complete, and should indicate the length of time the debt has been outstanding. Records should also indicate each action taken to collect an account, including the name of the person taking the action and the date the action was taken.
<i>Condition:</i>	We tested 25 non-filers and found 3 exceptions. The State Elections Enforcement Commission did not follow up on the execution of the final order and civil penalty payment in 2 instances, totaling \$2,400. In the third instance, SEEC staff informed us that the case was referred to the Office of the Attorney General for collection. They also informed us that they did not receive confirmation from the Attorney General that the case was in their possession. The Office of the Attorney General informed us that it could not locate the case.
<i>Effect:</i>	There is an increased risk that revenue due the state is not collected and older receivables are less likely to be collected.
<i>Cause:</i>	SEEC staff did not follow up in the first 2 instances. We were unable to determine why the Office of the Attorney General could not locate the case that SEEC staff say they referred.
<i>Recommendation:</i>	The State Elections Enforcement Commission should maintain a complete and accurate record of all accounts receivable due, including the length of time the receivable has been outstanding. Furthermore, the commission should ensure that all accounts are properly pursued. (See Recommendation 7).
<i>SEEC Response:</i>	“The SEEC has implemented a new system by staff which will maintain an updated record of all Attorney General referrals and payments [received] and follow up on said referrals with the Attorney General’s Office.”

Disaster Recovery and Continuity of Operations Plans

This finding applies to the Office of the Executive Administrator and Freedom of Information Commission.

<i>Background:</i>	<p>The Office of Governmental Accountability’s Office of the Executive Administrator developed a centralized database for all programs it administered. The database was housed on a server located at its main office. It included the information systems of 7 of the 9 OGA agencies. The Office of State Ethics and the State Elections Enforcement Commission continued to maintain their own information systems.</p> <p>After the audited period, several legislative changes were made to the Office of Governmental Accountability. Public Act 16-2 (May</p>
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Special Session) eliminated funding for the Office of the Executive Administrator and allocated funding to the Department of Administrative Services to enable it to provide business office functions, including information technology services to the remaining agencies. It also provided separate funding for the Freedom of Information Commission, the Office of State Ethics, and the State Elections Enforcement Commission to become separate agencies. This public act became effective July 1, 2016.

Public Act 12-1 (June Special Session) required the Department of Administrative Services to enter into a memorandum of understanding with each agency to which it provides services. One of the terms in the memorandum of understanding requires the Department of Administrative Services Bureau of Enterprise System and Technology to maintain data center resources, including storage, backup, and data center facility needs.

Criteria:

Disaster recovery and continuity of operation plans should address the resumption of business operations if a disaster or event that causes a major interruption in service occurs. The plans should include provisions for continuous service of its essential functions and operations so there is minimal disruption and for the protection of equipment, records, and assets.

Condition:

The Office of the Executive Administrator informed us that it did not have a current disaster recovery or continuity of operations plan for its information systems.

Upon the passage of Public Act 16-2 (May Special Session), funding was eliminated for the Office of the Executive Administrator. The server that was maintained by the Office of the Executive Administrator was taken over by the Department of Administrative Services. The 6 remaining agencies entered into a memorandum of understanding with the Department of Administrative Services for services that included the storage and backup of their information technology data. The Freedom of Information Commission's data is maintained on that server, but it did not enter into a memorandum of understanding with the Department of Administrative Services on the information technology services that would be provided.

Effect:

The lack of a memorandum of understanding between the Freedom of Information Commission and the Department of Administrative Services for a disaster recovery plan could impair the resumption of operations if a disaster or other major interruption in service were to occur.

Since the Office of the Executive Administrator no longer exists and the remaining agencies of the Office of Governmental

Accountability have memoranda of understanding with the Department of Administrative Services, we will not present a recommendation.

Cause: It appears that since this was a newly created agency, the Office of the Executive Administrator's information technology manager was in the process of obtaining data from the 9 agencies to develop comprehensive disaster recovery and continuity of operations plans. This manager left the agency prior to completion of the plans. When the Office of the Executive Administrator's server was transferred to the Department of Administrative Services, it was believed that the department would include the Freedom of Information Commission within its plan for disaster recovery.

Recommendation: The Freedom of Information Commission should enter into a memorandum of understanding with the Department of Administrative Services detailing its disaster recovery plan. (See Recommendation 8).

Agency Response: "After the dissolution of the former OGA, the FOIC was without support for its information technology functions. It entered into an MOU with the Office of State Ethics and the State Elections Enforcement Commission, for the purpose of sharing resources among the three agencies, including Human Resources, Business Office/Fiscal Actions and Information Technology Services. In relevant part, that agreement provides: "The information technology staff already employed by SEEC and OSE are responsible for providing information technology services to the FOIC, OSE, and SEEC, utilizing additional support available from DAS/BEST." The FOIC's information is housed on DAS/BEST's server but is maintained on a day-to-day basis (by the OSE) by way of a virtual server housed within the OSE. The FOIC believed that the MOU it entered into with the OSE and the SEEC sufficiently described the services to be performed and that it was intended to incorporate help desk, general support, maintenance, backup (and recover, if necessary) of information maintained on the server.

Following receipt of the draft recommendation, FOIC management met with representatives from DAS/BEST. The dialogue with DAS/BEST representatives affirmed that DAS views itself as a service provider to all state agencies (servicing twenty or thirty agencies in one way or another) and that of these, DAS/BEST only maintains MOUs with a couple of agencies with whom they share various significant costs (e.g., Department of Labor, with whom they share the cost of a mainframe). DAS does not believe an MOU was essential or required, although it was willing to do so, if requested.

DAS/BEST did recommend moving the FOIC servers to Groton. FOIC would still have total access to the server and it would be maintained by the OSE pursuant to its MOU with the FOIC. In the event of a disaster, DAS/BEST would recreate the server and the FOIC/OSE would load their applications and data onto the server (the move will apparently save steps and time in the event of a disaster). FOIC Management plans to follow the advice of DAS/BEST and has begun the process to transfer the servers to Groton. All of the steps will be documented, including what DAS/BEST will do for FOIC. At this time, FOIC management does not anticipate entering into a MOU with DAS – the issue of whether MOUs are the appropriate means to outline the role DAS/BEST plays vis a vis state agencies appears to be a topic that needs to be resolved state and agency wide. If there comes a time when MOUs in this area become statewide practice or further direction is given, the FOI will accordingly revise its course.”

RECOMMENDATIONS

Our prior reports on the 9 agencies contained 22 recommendations, 5 of which are repeated. The current audit contains 3 additional recommendations.

Status of Prior Audit Recommendations:

Board of Firearms Permit Examiners:

- 1. To ensure compliance with Section 29-32b, the Board of Firearms Permit Examiners should continue its efforts to reduce the backlog to a minimum of 3 months or less.** Although some action has been taken on this recommendation and there has been a surge in the number of permit requests and denials, this finding will be repeated as Recommendation 1.
- 2. The Board of Firearms Permit Examiners should propose changes to its statutes and regulations by formalizing the Department of Administrative Services as its administrative purposes only agency and by correcting its address in the regulations.** Since the Board of Firearms Permit Examiners is now within the Office of Governmental Accountability, that portion of the recommendation no longer applies. The Board of Firearms Permit Examiners informed us that, in order to change the address, it would have to go through the regulation process to make a technical change, which can be a lengthy and time-consuming process. Since most people use the Internet for address information, we will not repeat this finding.

Freedom of Information Commission:

- 3. Freedom of Information Commission personnel responsible for authorizing and managing compensatory time should implement procedures to ensure compliance with DAS Management Personnel Policy 06-02. Procedures should also be implemented to ensure that compensatory time is approved in accordance with commission policy for non-managers.** This finding will not be repeated. We did not find any violations of DAS policy for compensatory time.
- 4. The Freedom of Information Commission should take steps to ensure that backup tapes are stored in a state-approved and secure off-site location.** This finding has been resolved, as the Department of Administrative Services now maintains the commission's server and backs up the commission's files daily.
- 5. The Freedom of Information Commission should implement procedures to ensure that access to the state's Core-CT computer system is deactivated immediately upon termination of an employee.** This finding will not be repeated, as our review of terminated employees did not find any exceptions.

Office of State Ethics:

6. **The Office of State Ethics should comply with provisions within collective bargaining unit contracts regarding compensatory time.** This finding will not be repeated, as employees who improperly received compensatory time instead of overtime are now properly receiving overtime.
7. **The Office of State Ethics should improve its controls to ensure that receipts are deposited and recorded promptly, in accordance with section 4-32 of the Connecticut General Statutes.** This finding will not be repeated, as we did not find any instances of receipts and deposits not recorded promptly.
8. **The Office of State Ethics should implement review procedures to ensure all invoices are paid based on established rates in accordance with state contracts. Efforts should be made to recover overpaid funds.** OSE and OGA made attempts to recover overpaid funds. The vendor stated that it was paid in accordance with DAS contractual rates. Although DAS informed us that the vendor should have been paid at the reduced rate based on a memo amending the contract, it did not have the effective date of the decrease in the hourly rate for select employees of the vendor posted on its website. We will consider this finding resolved.
9. **The Office of State Ethics should implement procedures to ensure that all amounts stated on the CO-59 inventory report are accurate and supported by detailed records. The agency should also ensure that the CO-59 is submitted annually as required.** Since the agency's CO-59 forms were incorrect during the audited period, this finding will be repeated as Recommendation 5.

Office of the Victim Advocate:

10. **The Office of the Victim Advocate, in consultation with the Office of Governmental Accountability, should establish a disaster recovery plan that covers the loss of data and their current workspace. Additionally, the Office of the Victim Advocate should continue efforts to acquire a case management database system that includes off-site back-up.** This finding will not be repeated. Since August 2016, the DAS Bureau of Enterprise Systems and Technology will maintain the Office of the Victim Advocate's backup and storage needs, and coordinate the OVA application systems and vendors providing 3rd party support to OVA systems.
11. **The Office of the Victim Advocate should establish internal controls over receipts as identified within the State Accounting Manual in order to track its compliance with Section 4-32 of the General Statutes by depositing and recording revenue in a timely manner.** This finding will not be repeated, as donations received after June 1, 2015, for the vendor program, are sent to the Connecticut State Employees Campaign for deposit.

12. The Office of the Victim Advocate should take greater care to review the propriety of timesheet data and bargaining unit contract provisions prior to submitting timesheets for processing. Additionally, the Office of the Victim Advocate should work with those providing administrative support to have clear lines of responsibility and establish better communications regarding the payroll process. As the Office of Governmental Accountability provided payroll and human resource services, and timesheets were entered using self-serve in Core-CT during the audited period, this finding will not be repeated.

State Elections Enforcement Commission:

13. The State Elections Enforcement Commission should require that agency personnel responsible for authorizing and managing compensatory time become familiar and comply with state and agency requirements for compensatory time. This finding will not be repeated, as we did not find any violations of the use of compensatory time.

14. The State Elections Enforcement Commission should seek reimbursement for the overpayments of termination pay made to 2 employees and provide another employee with his proper longevity payment. This finding will not be repeated. The State Elections Enforcement Commission attempted to seek reimbursement for the overpayment of termination pay made to 2 employees. One employee was provided with his proper longevity payment.

15. The State Elections Enforcement Commission should comply with Section 5-208a of the General Statutes with regard to dual employment. This finding will be repeated as Recommendation 3, as the dual employment form was not signed by the other employing agency for one employee.

16. The State Elections Enforcement Commission should ensure that actual time worked is properly reflected on employee time records. This finding will not be repeated as we did not find changes to employee time records once they were approved.

17. The State Elections Enforcement Commission should develop and adhere to sound internal control policies that include documentation of the receipt of goods and services and process expenditures in accordance with the State Accounting Manual. This finding will not be repeated. All expenditures reviewed contained documentation regarding the receipt of goods and services.

18. The State Elections Enforcement Commission should become familiar with and enforce the state's regulations and policies governing the use of purchasing cards. This finding will not be repeated as we did not identify any exceptions in this area during the audited period.

- 19. The State Elections Enforcement Commission should formalize and enforce its internal control procedures relating to receipts to ensure compliance with the state’s 24-hour deposit requirement and that receipts are posted to the general ledger in a timely manner.** This finding will not be repeated. The agency is complying with the 24-hour deposit rule and posting receipts to the general ledger in a timelier manner.
- 20. The State Elections Enforcement Commission should follow the State Comptroller’s instructions to report the loss to the local police department if state property is damaged in a criminal or malicious manner.** Since the agency recovered the cost of the items damaged, we will not repeat this finding.
- 21. The State Elections Enforcement Commission should review its procedures for the preparation of the CO-59 form and ensure that all required items are reported and that non-reportable items are not.** The agency partially complied with this recommendation so it will be repeated as Recommendation 5.
- 22. The State Elections Enforcement Commission should file the annual reports required by Section 9-7a(c) of the General Statutes in a timely manner. The report should include all information required by statute.** Since the reports were not filed until after we requested them, this will be repeated as Recommendation 2.

Current Audit Recommendations:

- 1. The Board of Firearms Permit Examiners should continue its efforts to reduce the hearing backlog to ensure compliance with Section 29-32b of the General Statutes.**

Comment:

Even though the Board of Firearms Permit Examiners increased the frequency of hearings and the number of cases heard, there still continues to be a significant backlog of cases. The Sandy Hook tragedy further increased the backlog, as there have been more requests for permits resulting in more denials and more appeals.

- 2. Agencies of the Office of Governmental Accountability should file reports required by Section 4-60 of the General Statutes. The State Elections Enforcement Commission should file its annual report in a timely manner, as required by Section 9-7a(c) of the General Statutes. The report should include all statutorily required information.**

Comment:

Certain OGA agencies did not file or filed late reports required by Section 4-60 of the General Statutes. The State Elections Enforcement Commission did not file its report as required by Section 9-7a(c) of the General Statutes by June 30th. The report does not include all the data required by the statutes.

- 3. The State Elections Enforcement Commission should comply with Section 5-208a of the General Statutes regarding dual employment by ensuring that the dual employment request form is signed by both agencies prior to the employee working at the secondary agency.**

Comment:

We found that 1 employee did not have a completed dual employment form signed by the secondary agency for 3 of the 4 semesters that the employee worked at that agency.

- 4. The Office of Governmental Accountability, the State Elections Enforcement Commission, and the Office of the Victim Advocate should ensure that overtime is approved in advance by employees' supervisors and retain the forms for audit purposes.**

Comment:

Overtime was not authorized in advance for 3 employees, and the agency could not find the form authorizing overtime in advance for 2 employees.

- 5. The Office of State Ethics and the State Elections Enforcement Commission should ensure that their CO-59 forms include all required items and that the items are reported accurately.**

Comment:

The amounts reported on the CO-59 form did not agree with the amounts in the state's accounting system for the Office of State Ethics. The State Elections Enforcement Commission did not report an amount for its agency-created software.

- 6. The State Elections Enforcement Commission should remind its employees on a regular basis to comply with the state's Acceptable Use of State Systems Policy by not misusing state equipment.**

Comment:

Two investigations revealed that an employee downloaded 31 movies onto a state-owned external hard drive. Although it could not be determined which employee downloaded the movies, these movies were later transferred to a state-owned computer.

One of the investigations also revealed that the Internet history and Internet Explorer temporary files were erased, and found shortcuts in the desktop directory to non-state related sites.

7. **The State Elections Enforcement Commission should maintain a complete and accurate record of all accounts receivable due, including the length of time the receivable has been outstanding. Furthermore, the commission should ensure that all accounts are properly pursued.**

Comment:

We found 3 instances out of 25, in which SEEC did not follow up on the collection of receivables.

8. **The Freedom of Information Commission should enter into a memorandum of understanding with the Department of Administrative Services detailing its disaster recovery plan.**

Comment:

The Office of the Executive Administrator housed case documentation and case management databases for the Freedom of Information Commission on its server. When the Office of the Executive Administrator was de-funded, the server with the Freedom of Information Commission's data was taken over by the Department of Administrative Services. There is no memorandum of understanding in place regarding a disaster recovery plan.

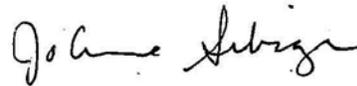
ACKNOWLEDGEMENT

The Auditors of Public Accounts would like to recognize the auditors who contributed to this report:

Marcin Baran
Anna Karpiej
Amy Rodrigue
Laura Rogers

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation shown to our representatives by the personnel of the Office of Governmental Accountability during the course of our examination.



JoAnne Sibiga
Principal Auditor

Approved:



John C. Geragosian
State Auditor



Robert J. Kane
State Auditor