

# STATE OF CONNECTICUT



***AUDITORS' REPORT  
POLICE OFFICER STANDARDS AND TRAINING COUNCIL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2004 AND 2005***

**AUDITORS OF PUBLIC ACCOUNTS**

KEVIN P. JOHNSTON ❖ ROBERT G. JAEKLE

## Table of Contents

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<b>INTRODUCTION</b> .....	1
<b>COMMENTS</b> .....	1
Foreword.....	1
Legislative Changes.....	2
Members of the Council.....	2
Résumé of Operations.....	4
General Fund.....	4
Special Revenue Funds – Federal and Other Restricted Accounts.....	5
<b>CONDITION OF RECORDS</b> .....	6
Compensatory Time and Timesheets.....	6
Property Control and Annual Fixed Asset Report.....	8
Purchase Orders.....	11
<b>RECOMMENDATIONS</b> .....	13
<b>CERTIFICATION</b> .....	14
<b>CONCLUSION</b> .....	16

December 3, 2007

**AUDITORS' REPORT  
POLICE OFFICER STANDARDS AND TRAINING COUNCIL  
FOR THE FISCAL YEARS ENDED JUNE 30, 2004 AND 2005**

We have examined the financial records of the Police Officer Standards and Training Council for the fiscal years ended June 30, 2004 and 2005. This report on that examination consists of the Comments, Condition of Records, Recommendations and Certification which follow.

Financial statements presentation and auditing are being done on a Statewide Single Audit basis to include all State agencies. This audit has been limited to assessing the Police Officer Standards and Training Council's compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the Police Officer Standards and Training Council's internal control policies and procedures established to ensure such compliance.

**COMMENTS**

**FOREWORD:**

The Police Officer Standards and Training Council (POSTC) operates under the provisions of Title 7, Chapter 104, Sections 7-294a through 7-294z of the General Statutes. Section 2c-2b, subsection (c) (4), of the General Statutes provides for POSTC's termination effective July 1, 2010, unless reestablished by legislative act. In accordance with Section 7-294b of the General Statutes POSTC is within the Division of State Police of the Department of Public Safety for "administrative purposes only". The Department of Administrative Services' Financial Services Center had been performing certain business office functions for POSTC.

POSTC is charged with setting policy, training and licensing standards for all full-time and part-time municipal police officers throughout the State in regard to basic and continuing training. POSTC is also responsible for the certification of basic and review training programs conducted by

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

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

**Legislative Changes:**

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

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

**Members of the Council:**

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

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

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

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

The members of the Police Officer Standards and Training Council as of June 30, 2005, are

listed as follows:

Appointed Members:

Chairperson: Chief Anthony J. Salvatore, Sr., Cromwell  
Chief Peter A. Agnesi, Avon  
Chief Douglas L. Dortenzio, Wallingford  
Chief Louis J. Fusaro, Norwich  
Chief Robert S. Hudd, UConn  
Chief Edmund H. Mosca, Old Saybrook  
Chief Harry W. Rilling, Norwalk  
Chief Thomas J. Sweeney, Glastonbury  
Christopher L. Morano, Chief State's Attorney  
Carolyn J. Moffatt, Connecticut Coalition of Police and Corrections Officers  
First Selectman David L. Denvir, Killingworth  
Mayor Joseph Maturo Jr., East Haven  
Howard L. Burling II, Bristol  
Kurt P. Cavanaugh, Glastonbury  
James N. Tallberg, Esq., Westport  
Craig A. Zendzian, Ph.D., Southington  
Vacancy [Public member]  
Vacancy [member of the faculty of the University of Connecticut]

Ex-officio Members:

Leonard C. Boyle, Commissioner of Public Safety  
Michael J. Wolf, FBI Special Agent-in-Charge

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

Chief Thomas E. Flaherty, Milford  
Carol S. Bryan, Branford  
Thomas P. O'Dea Jr., Esq., Westport  
Arthur L. Spada, Commissioner of Public Safety

Susan Rainville was appointed Acting Executive Director on June 2, 2003, upon the retirement of Executive Director, T. William Knapp. Ms. Rainville served in that capacity until the appointment of Thomas E. Flaherty as Executive Director which became effective on November 1, 2003. Mr. Flaherty continues to serve as Executive Director.

**RÉSUMÉ OF OPERATIONS:**

POSTC's operations, both revenues and expenditures were accounted for within the General Fund through the fiscal year ended June 30, 2003.

Public Act 04-02 of the May Special Session authorized the establishment of two new special revenue funds relative to grants and restricted accounts. During the 2003-2004 fiscal year, as a result of the implementation of a new State Accounting system and Public Act 04-02, the State Comptroller established a new Special Revenue Fund entitled "Federal and Other Restricted Accounts Fund" to account for certain Federal and other revenues that are restricted from general use and were previously accounted for in the General Fund as restricted contributions and accounts.

**General Fund:**

General Fund receipts totaled \$149 and \$121 for the fiscal years ended June 30, 2004 and 2005, respectively, as compared to \$249,797 for the fiscal year ended June 30, 2003. Receipts consisted of jury fees and photocopy revenues. The significant decrease in receipts for the fiscal year ended June 30, 2004, was due to the change in accounting procedures resulting from the implementation of the new State accounting system, as explained above. Federal funding for the Police Corps Grant accounted for most of POSTC's receipts in the fiscal year ended June 30, 2003.

A summary of General Fund expenditures for the fiscal years ended June 30, 2004, and 2005, as compared with the fiscal year ended June 30, 2003, is presented below:

	<b><u>Fiscal Year Ended June 30,</u></b>		
	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>
Budgeted Accounts:			
Personal services	\$1,628,434	\$1,517,388	\$1,634,685
Contractual services	623,184	633,598	661,512
Commodities	165,648	151,749	164,998
Sundry charges	61,183	962	32,225
Equipment	<u>1,000</u>	<u>1,000</u>	<u>1,883</u>
Total Budgeted Accounts	2,479,449	2,304,697	2,495,303
Restricted Contributions Accounts:	<u>357,774</u>	<u>-</u>	<u>-</u>
Total General Fund Expenditures	<b><u>\$2,837,223</u></b>	<b><u>\$2,304,697</u></b>	<b><u>\$2,495,303</u></b>

General Fund expenditures decreased 18.7 percent and increased eight percent in the fiscal years ended June 30, 2004 and 2005, respectively. The \$532,526 decrease in total expenditures in the 2003-2004 fiscal year was primarily due to the new Core-CT accounting system change. The change resulted in \$560,795 of expenditures being recorded in the Special Revenue Fund instead of the General Fund. The decrease in personal services and sundry charges in the 2003-2004 fiscal year was a result of two employees being laid off and three employees retiring. The increase in the 2004-2005 fiscal year was a result of refilling some of those positions and normal collective bargaining increases.

**Special Revenue Funds - Federal and Other Restricted Accounts:**

As previously explained, beginning with the 2003-2004 fiscal year, restricted accounts that had previously been reported in the General Fund were now being reported by the Comptroller in the newly established Special Revenue Fund. POSTC's Federal and other restricted grant receipts, as recorded by the State Comptroller, totaled \$402,621 and \$1,009,332 for the fiscal years ended June 30, 2004 and 2005, respectively. The increases in revenue primarily came from an interagency agreement between the Federal Office of Police Corps and Law Enforcement Education, Office of Justice Programs and POSTC which gave POSTC the responsibility for program moneys that would be used for payments in connection with the Police Corps Program.

Expenditures from this Account, as recorded by the State Comptroller for the fiscal years ended June 30, 2004 and 2005, are presented as follows:

	<b><u>Fiscal Year Ended June 30,</u></b>	
	<b><u>2004</u></b>	<b><u>2005</u></b>
Personal services	\$ 5,031	\$ 70,734
Contractual services	377,696	446,200
Commodities	14,942	69,767
Sundry charges	137,564	307,410
Equipment	<u>25,562</u>	<u>61,995</u>
Total Special Revenue Fund Expenditures	<u>\$ 560,795</u>	<u>\$ 956,106</u>

As shown above, the Special Revenue Fund is used to record expenditures relating to Federal grants and other restricted accounts. Contractual services and sundry charges expenditures were used to pay for training courses related to the Connecticut Police Corps program and for stipends paid to the participants of that program, as allowed by the grant.

In addition to the above Special Revenue Fund, POSTC also processed expenditures totaling \$21,100 and \$104,458 from the Capital Equipment Purchase Fund during the 2003-2004 and 2004-2005 fiscal years, respectively. These purchases were primarily for motor vehicles and data processing equipment.

## CONDITION OF RECORDS

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

### **Compensatory Time and Timesheets:**

*Criteria:* State collective bargaining agreements set the criteria for employee payments and benefits including the conditions whereby employees making over an established overtime cap can accrue compensatory time. In accordance with Section 5-200, subsection (a)(6), of the General Statutes, the Department of Administrative Services Commissioner is responsible for administering hours of work and attendance for State employees. Pursuant to Section 5-267, State employees shall comply with and aid in carrying out the provisions of the State Personnel Act. Accurate timesheets that reflect actual hours worked or time off are the official record that affects such compliance with these statutes.

The Council received approval in November 1991 from the Department of Administrative Services to allow POSTC employees to work a flexible schedule. The flexible work schedule was allowed based on the agency's need to cover its training schedule and to limit overtime needs. The approval required that all employees record the actual hours worked on their timesheets, which would be strictly supervised, signed, and approved by management. It also required that one-half hour be taken for a lunch period.

*Condition:* We noted that 11 of 25 employees were earning and using compensatory time in lieu of receiving overtime payments. Ten of the employees were Training Officers and one employee was a License and Application Analyst and all were earning below the established overtime cap for those positions. The employees were accruing compensatory time based on a time and one-half rate for each hour worked over 40 in a week. There are no official permanent records maintained or centrally controlled to show that compensatory time was being accrued and used by these employees. Each employee was keeping their own records in a format of their choice to track the extra hours worked. Training officers would trade work days between themselves depending on an established training schedule without direct management knowledge or approval.

The employees completed their official timesheet inaccurately. Biweekly timesheets showed employees working a regular eight hour day on Monday through Friday. In actuality, most employees worked a flexible schedule and there were many instances where the employees were actually working either more than eight hours in a day; would perform training on a Saturday or Sunday based on the training schedule; or would not be in work at all because they were using compensatory time. We noted instances where

timesheets totaled 40 hours worked in a week; however, the actual hours of the day listed as working for one or more days only totaled eight hours. This appears to indicate that the employee was not taking a lunch break as required. We found one instance where a Training Officer had submitted a timesheet showing eight days worked; however, his own records indicated he had taken those days off as compensatory time used. All the timesheets were signed by both the employee and management even though they inaccurately reflected the actual time worked and/or days taken off.

We were told that the practice of earning compensatory time in lieu of overtime has been in effect for over 15 years. The compensatory time was allowed based on a verbal agreement between the POSTC's former Executive Director, an unnamed union representative and the employees. There were no written stipulations or any involvement from the Office of Labor Relations concerning this verbal agreement. The use of compensatory time by these employees was stopped when we made the current Executive Director aware of the situation on December 18, 2006.

*Effect:* POSTC management was circumventing the collective bargaining agreements by allowing employees to earn compensatory time without all the proper authorizations and without properly documenting the accrual/use of that time. Timesheets that are completed inaccurately and not properly monitored for the use of time could lead to fraudulent behavior going undetected.

*Cause:* The verbal agreement was initiated when the agency's budget did not have the money to pay for overtime and the agency needed the Training Officers to work more than 40 hours per week to meet its academic training requirements and evening activities. One employee who previously had child care issues was allowed to change her schedule and work hours based on her daily needs. Other causes were not determined.

*Recommendation:* Timesheets should be accurately completed and POSTC should seek proper authorization and maintain appropriate documentation concerning the use of compensatory time. (See Recommendation 1)

*Agency Response:* "This Agency agrees with this finding and recommendation. Effective December 18, 2006, the accrual of compensatory time and its use was stopped.

A new Basic Training sign-in sheet was immediately implemented to assure that employees actually scheduled to work were on the premises. All employees in both Basic Training and Certification have been instructed and reminded their time sheets must reflect the times that they are at work accurately.

The Agency implemented the use of the Department of Administrative

Services' "Overtime Request Form" for Basic Training Instructors and others which generally requires pre-approval of authorized overtime. For those employees who are entitled to Compensatory Time, this Agency has employed a second DAS form entitled, "Compensatory Accrual Request Form."

Following the implementation of the sign-in sheet in Basic Training, we met with a representative of the Office of Labor Relations and briefed him on the issue of compensatory time. We are currently working with the Office of Labor Relations and Union representatives on a resolution to this issue and on several employee grievances that have since been filed concerning the use of compensatory time."

**Property Control and Annual Fixed Asset Report:**

*Criteria:* Section 4-36 of the General Statutes requires each State agency to establish and maintain an inventory record as prescribed by the State Comptroller. The State Property Control Manual establishes the standards and sets reporting requirements for maintaining an inventory system to provide for complete accountability and safeguarding of assets. These standards and procedures include: performing complete annual physical inventories to verify the existence and condition of inventory items, promptly tagging new purchases, and adding required information onto the agency's permanent inventory record. All loaned out equipment should be properly accounted for and any damaged or lost equipment should be promptly reported. Beginning with the 2005-2006 fiscal year, agencies must use generated information from within the Core-CT Asset Management Module (Core-CT Asset Record) for inventory and reporting purposes.

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

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

*Condition:* We noted numerous errors/omissions during our review of equipment inventory. The following are some of our findings:

- Nine of ten equipment items tested, totaling approximately \$25,696, were tagged and recorded on an older agency maintained inventory list without a dollar value. The same items have not been added to the Core-CT Asset Record.
- Six of 11 items tested were not found at the location listed on the Core-CT Asset Record.
- Five donated laptop computers have been tagged but not been added to the Core-CT Asset Record.
- A computer and printer totaling \$5,327 were disposed of during the 2004-2005 fiscal year but not removed from the Core-CT Asset Record.
- Sixteen new purchases, made during the 2004-2005 fiscal year and totaling \$241,661, were tagged and the value added to the CO-59 report total but have not been added to the Core-CT Asset Record.
- There was no written agency policy addressing loaned out equipment. The agency did not designate a person to be responsible for centrally maintaining records related to State equipment that is loaned out to individuals or various municipal police academies. No loss reports were filed for three items, totaling \$4,064, which were loaned out and were later found to be damaged or lost.
- A complete physical inventory has not been conducted by DAS Asset Management personnel. Equipment that has been loaned out to other training academies and POSTC vehicles are among the items that have never been physically observed or verified for their existence and condition by DAS personnel. In addition, information pertaining to the vehicles owned by POSTC has never been added to the Core-CT Asset Record.

The following were some of the errors noted during our review of the Agency's CO-59 annual report for the 2004-2005 fiscal year:

- The report lists four buildings valued as \$210,277 as part of POSTC's assets. We were unable to confirm if this information is accurate since there appears to be several questions as to usage of the space and if two buildings, that are actually trailers, meet the definition of a building.
- The Books, Maps and Records category reported \$2,654 as deletions, however, these were not actual deletions, but a transfer between audio visuals and film records.

- There were no additions made to the report for automobiles although three new vehicles were purchased in the 2004-2005 fiscal year totaling \$59,424.
- A mobile gun training trailer valued at \$250,000 was erroneously recorded in furnishings and equipment and coded in the inventory record as guns and gun peripherals instead of being designated as part of the vehicle category.

*Effect:* The above conditions indicate a weakness in controls and accountability that resulted in a misstatement of reported fixed assets and could result in additional lost/stolen or damaged assets going undetected.

*Cause:* There appears to be a lack of communication between POSTC, DAS and DPS personnel concerning the responsibilities that each agency has relating to equipment and inventory controls and reporting requirements. Other causes were not determined.

*Recommendation:* Internal controls need to be strengthened over fixed assets/inventory procedures and the annual reporting of such assets. (See Recommendation 2.)

*Agency Response:* “The Agency partially agrees with this recommendation and partially disagrees. There is no doubt that there is weakness in the Inventory and Annual Fixed Asset Report. This Agency, however, should not be faulted when one considers the history of the inventory process. Since this Agency has minimal control over the recording and reporting of assets, we believe that the weakness in controls is primarily a Department of Administrative Services issue and not a POSTC issue.

Prior to the implementation of Core-CT, a complete inventory was prepared by Agency personnel and provided in disc format to the DAS Property Management Unit. With the implementation of the Small Agency Resource Team, when we receive new purchases we tag the item and then fax the inventory data to the DAS Property Management Unit. This Agency makes no entries into the Core-CT Asset Management Module. That is the exclusive responsibility of the DAS Property Management Unit personnel which POSTC has no control over.

Likewise, annual physical inventories and the Annual Fixed Assets/Property Inventory Report (CO-59) are exclusively prepared by the Property Management Unit, not this Agency. DAS has informed us that since the Core-CT asset module was implemented in October 2006, there were still issues to be worked out. DAS will make corrections to the Core-CT asset records and to the 2007 CO-59 report for the items noted.

There has been some confusion over what exactly needs to be reported under

the JESTIR system. We expect that in the very near future, a complete, accurate accounting of buildings and renovations will be finalized.

The Agency has implemented a written policy, effective May 1, 2007, addressing loaned out equipment along with a loaned equipment log to record such loans and the return of loaned equipment in conjunction with our Academy Accreditation efforts.”

**Purchase Orders:**

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

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

*Condition:* Our review of personal service agreement expenditures relating to training courses disclosed that purchase orders were not prepared until the services were partially or fully rendered in nine out of 20 contracted services tested. These purchase orders were prepared between nine and 114 days after the training courses were completed.

*Effect:* Incurring expenditures prior to the commitment of funds could result in sufficient funding being unavailable at the time payments are due.

*Cause:* The causes were not determined.

*Recommendation:* Purchasing procedures should be improved to ensure compliance with Section 4-98 of the General Statutes. (See Recommendation 3.)

*Agency Response:* “The Agency partially agrees with this issue. We are working with the Attorney General’s Office and the Department of Administrative Services SMART Unit to attain compliance with Section 4-98 of the General Statutes.

The personal service agreements are in many cases hand delivered to the Attorney General’s Office and then delivered back here when signed. Many times there is a delay because of the volume and limited time of the Assistant Attorney General who is assigned to review these contracts. In some cases, this individual will call this Agency and provide verbal authorization to proceed with scheduling classes. In these cases the purchase order may not have been completed prior to the services beginning.

With the implementation of the DAS' SMART Unit, when the signed contracts are received back here, they are promptly forwarded to the Department of Administrative Services for the issuance of a purchase order. DAS will not process the purchase order without the signed personal service agreement. This Agency will try to complete personal service agreements allowing for more lead time. However, the Agency no longer has control over when that purchase order is actually processed and issued, since this is now a DAS SMART Unit function."

## RECOMMENDATIONS

### *Status of Prior Audit Recommendations:*

Our prior auditors' report on the Police Officer Standards and Training Council contained no recommendations.

### *Current Audit Recommendations:*

- 1. Timesheets should be accurately completed and POSTC should seek proper authorization and maintain appropriate documentation concerning the use of compensatory time.**

Comment:

We noted that several employees did not prepare timesheets that accurately reflected actual hours worked. These employees were allowed to accrue and use compensatory time although contrary to collective bargaining agreements and without management getting all the proper authorizations to allow it.

- 2. Internal controls need to be strengthened over fixed assets/inventory procedures and the annual reporting of such assets.**

Comment:

There were numerous errors found on the Core-CT asset management records which also indicated that a complete physical inventory had not been taken. In addition there were errors noted in the totals reported on the Annual Fixed Asset/Property Inventory Report.

- 3. Purchasing procedures should be improved to ensure compliance with Section 4-98 of the General Statutes.**

Comment:

Purchase orders for training personal service agreements were not always prepared in a timely manner to properly commit funds prior to services being rendered.

## INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Police Officer Standards and Training Council for the fiscal years ended June 30, 2004 and 2005. 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 Police Officer Standards and Training Council for the fiscal years ended June 30, 2004 and 2005, are included as part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Police Officer Standards and Training Council complied in all material or significant respects with the provisions of certain laws, regulations, contracts and 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 Police Officer Standards and Training Council is the responsibility of the Police Officer Standards and Training Council's 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, 2004 and 2005, 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 *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 Police Officer Standards and Training Council 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 of 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 Police Officer Standards and Training Council's 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 certain matters involving the internal control over the Agency's financial operations, safeguarding of assets, and/or compliance that we consider to be reportable conditions. 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 the following findings represent reportable conditions: the lack of adequately prepared timesheets and use of compensatory time, the inadequate reporting of equipment inventory on the annual report and untimely preparation of purchase orders.

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 conditions described above are not material or significant weaknesses.

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 cooperation and courtesies extended to our representatives by the personnel of the Police Officer Standards and Training Council during the course of this examination.

Virginia A. Spencer  
Principal Auditor

Approved:

Kevin P. Johnston  
Auditor of Public Accounts

Robert G. Jaekle  
Auditor of Public Accounts