

STATE OF CONNECTICUT

**AUDITORS' REPORT
DEPARTMENT OF PUBLIC SAFETY
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2002**

**AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ♦ ROBERT G. JAEKLE**

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August 11, 2003

**AUDITORS' REPORT
DEPARTMENT OF PUBLIC SAFETY
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 AND 2002**

We have made an examination of the financial records of the Department of Public Safety for the fiscal years ended June 30, 2001 and 2002. This report thereon consists of the Comments, Recommendations and Certification, which follow.

Financial statement presentation and auditing has been done on a Statewide Single Audit basis to include all State Agencies. This audit has been limited to assessing the Department of Public Safety's compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the Department's internal control structure policies and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The Department of Public Safety (DPS) operates primarily under the provisions of Title 29, Chapters 528 through 541 of the General Statutes. The Commissioner of Public Safety is the chief administrative officer of the Department and is responsible for providing a coordinated, integrated program for the protection of life and property.

Department Organization:

Office of the Commissioner

Division of State Police:

Office of Administrative Services

Office of Field Operations

Division of Fire, Emergency and Building Services:

Office of the State Fire Marshal

Office of the State Building Inspector

Office of Statewide Emergency Telecommunications

Division of Scientific Services
Forensic Science Laboratory
Controlled Substances and Toxicology Laboratory
Computer Crimes Unit
Electronic Evidence Unit

The Municipal Police Training Council, Board of Firearms Permit Examiners, Military Department, Statewide Narcotics Task Force Policy Board and the Commission on Fire Prevention and Control were within the Department of Public Safety for administrative purposes only during the audited period. Our examinations of these agencies are reported upon separately with the exception of the Statewide Narcotics Task Force Policy Board, which is included in this report.

Arthur L. Spada was appointed Commissioner on June 1, 2000, and currently serves in that position.

STATEWIDE NARCOTICS TASK FORCE POLICY BOARD:

Statutory Authority	Section 29-179 of the General Statutes
Relation to DPS	Within DPS for administrative purposes only
Number of Members	Nine
Duties	Direct and supervise the formulation of policies and operating procedures and coordinate the activities of the Statewide Narcotics Task Force (SNTF) with other law enforcement agencies. Further, the Board may apply for and administer appropriations of grants made available for the SNTF, which operates under Sections 29-176 through 29-178 of the General Statutes. The operations of the SNTF are accounted for in the budgeted and restricted appropriation accounts of the Department of Public Safety.

The members of the Board at June 30, 2002, were as follows:

Arthur L. Spada, Commissioner of Public Safety
John M. Bailey, Chief State's Attorney
Thomas Pasquarello, Resident Agent-In-Charge, United States Drug Enforcement Administration
Chief John Solomon, Easton Police Department/President of the Connecticut Chiefs of Police Association

Chiefs of Police:
Wilbur Chapman
Joseph Faughnan
Thomas Flaherty
Michael E. Metzler
William Perry

RÉSUMÉ OF OPERATIONS:

During the fiscal years ended June 30, 2001 and 2002, DPS activity was accounted for in the General Fund, Special Revenue Funds, and Capital Projects Funds.

A summary of revenue and expenditures of funds administered by the Agency during the audited period is shown below:

	<u>Revenue</u>		<u>Expenditures</u>	
	<u>2000-2001</u>	<u>2001-2002</u>	<u>2000-2001</u>	<u>2001-2002</u>
General Fund	\$49,065,093	\$48,163,769	\$151,796,346	\$157,912,737
Special Revenue Funds	220,688	252,282	1,446,832	625,173
Capital Projects Funds	0	0	26,057,351	9,843,700
Fiduciary Funds	8,275	22,499	47,252	19,380
Total	<u>\$49,294,056</u>	<u>\$48,438,550</u>	<u>\$179,347,781</u>	<u>\$168,400,990</u>

General Fund:

General Fund receipts are summarized below:

	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Receipt Type:			
Licenses, permits and fees	\$ 3,227,870	\$ 3,082,603	\$ 2,992,414
Sales tax	14,137	32,424	54,929
Recoveries of Expenditures	1,413,993	1,327,656	1,050,717
Refunds of Expenditures:			
Services of resident trooper	5,940,038	5,717,706	4,084,401
Other refunds	5,794,272	11,378,235	10,404,179
Federal	3,229,284	6,814,966	6,768,533
Other grants and donations	20,397,990	20,693,687	22,536,502
Other receipts	12,893	17,816	272,094
Total General Fund Receipts	<u>\$40,030,477</u>	<u>\$49,065,093</u>	<u>\$48,163,769</u>

There were no significant changes in the General Fund receipts between the 2000-2001 and 2001-2002 fiscal years. The increase during the 2000-2001 fiscal year was caused by increases in current and prior year refunds of expenditures. These refunds consist primarily of payments from construction companies for services provided by the State Police at highway construction projects. There was also an increase in Federal grants received by the Agency.

General Fund expenditures are summarized below:

	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
Budgeted Accounts:			
Personal services	\$87,616,456	\$90,841,615	\$99,829,793
Contractual services	15,497,627	17,780,382	18,448,723
Commodities	6,550,288	6,807,971	6,334,483
Sundry charges	5,925,361	549,180	3,178,305
Equipment	2,682,099	2,647,292	1,774,857

Auditors of Public Accounts

Total Budgeted Accounts	<u>118,271,831</u>	<u>118,626,440</u>	<u>129,566,161</u>
Restricted Accounts:			
Federal	2,840,168	8,561,047	10,587,739
Other than Federal	<u>14,120,652</u>	<u>24,608,859</u>	<u>17,758,837</u>
Total Restricted Accounts	<u>16,960,820</u>	<u>33,169,906</u>	<u>28,346,576</u>
Total General Fund Expenditures	<u>\$135,232,651</u>	<u>\$151,796,346</u>	<u>\$157,912,737</u>

The increase in expenditures for budgeted accounts for the 2000-2001 and 2001-2002 fiscal years was caused primarily by increases in personal services expenditures. Those increases were caused by increases in sworn employees from 1,136 sworn employees as of June 30, 2000 to 1,179 and 1,228 sworn employees as of June 30, 2001 and 2002, respectively.

The increases in expenditures for the Federal restricted accounts were caused primarily by the implementation of new Federal grants and specifically by the initiation of the COPS Universal Hiring Grants program during the 2000-2001 fiscal year. That new program increased Federal grant expenditures by \$3,412,267 and \$3,586,604 during the 2000-2001 and 2001-2002 fiscal years, respectively. During the 2001-2002 fiscal year an additional increase in Federal grant expenditures was caused by a new Federal grant for the purchase of equipment to assist in the enforcement and prevention of driving under the influence of alcohol or drugs. Those expenditures totaled \$2,414,180.

The unusual increase in the Other than Federal restricted accounts during the 2000-2001 fiscal year was caused primarily by the purchase of telecommunications equipment totaling \$8,823,760.

General Fund Restricted Accounts - Other than Federal:

DPS utilized approximately 40 restricted accounts-other than Federal during the audited period. The largest accounts were the Indian Gaming Enforcement Accounts, which are for gaming enforcement at the two casinos in Ledyard; the Drug Enforcement Accounts, which are for the enforcement of Federal and State laws concerning controlled substances, related crime prevention, education, and training; and the Enhanced 911 Telecommunications Account which was used to purchase equipment.

General Fund Restricted Accounts - Federal:

During the audited period DPS charged expenditures to its General Fund Federal Restricted Accounts for 15 types of Federal programs. The majority of the Federal program funds expended were from; the State Justice Statistics Program for Statistical Analysis, the National Criminal History Improvement Program, the Byrne Formula Grant Program, the Public Safety Partnership & Community Policing Grants, the Drug Prevention Program and the State and Community Highway Program.

Special Revenue Funds:

The revenue from these funds was received from the Department of Public Works as interagency transfers for costs associated with capital improvements at various DPS locations, and for costs incurred by the Division of Fire, Emergency and Building Services for the projects at Adrian's Landing and Rentschler Field. Other expenditures of the special revenue funds were for capital equipment purchases.

Capital Projects:

Expenditures on capital projects totaled \$26,057,351 during the 2000-2001 fiscal year and \$9,843,700 during the 2001-2002 fiscal year. Expenditures were mainly for the installation of a statewide telecommunications system, development of the forensic laboratory and various facility improvements.

Collect System Fund:

The Connecticut On-Line Law Enforcement Communications Teleprocessing System (COLLECT) is a Statewide information network providing continuous on-line coverage to participating municipalities and State and Federal agencies. Information is available to the participants from the National Law Enforcement Teleprocessing System, and the National Crime Information Center. COLLECT also provides interdepartmental communication capability between various points on the system.

Financing of COLLECT is provided in part through annual billings, primarily to State and Federal agencies, for their use of the central processing unit and various on-site equipment. However, the primary source for financing COLLECT is from General Fund appropriations.

PROGRAM EVALUATION:

A performance audit concerning vehicle operations and management at the Department of Public Safety for the fiscal years ended June 30, 1999 and 2000, was performed and that audit report was released in February of 2002. The scope of that performance audit was to determine if the Agency utilized adequate management control systems for measuring, reporting, and monitoring the costs associated with its fleet operations. The report resulted in various recommendations concerning the controls over fuel consumption, vehicle maintenance, staff training and reporting of fleet operations. The implementation of the various report recommendations requires significant time and effort by the Agency. However, the Agency has begun to address some of the issues presented in the audit report, and has established groundwork for addressing the more difficult areas. For example, staff training has been provided, reporting systems are being developed, vehicle maintenance costs are being addressed and the Agency is reviewing the changing of the current gas fueling and reporting system. Since the Agency has had limited time to fully address and implement the audit recommendations, our review of the Agency's successful and effective implementation of those recommendations will be performed as part of our next scheduled audit of the Agency.

CONDITION OF RECORDS

We found various areas in need of attention and corrective actions. These areas are described in the following sections.

Payroll and Personnel - Leave Time Based on Nine-Hour Days:

Background: State troopers work a rotating schedule that cannot exceed an average of 40 hours per week nor can they work more than five days in any consecutive seven days period over an eight-week work cycle. Currently, over an eight-week work cycle, State troopers work 15 days at nine hours per day and 20 days at 9¼ hours per day. This totals 320 hours for the eight-week work cycle, which averages eight hours per day. The State troopers are paid based on 40 hours per week pay schedule. When an accrued leave day is used the attendance record is recorded in days and the State trooper is compensated for eight hours. All State trooper compensation is based on eight hours per day while on active duty.

Criteria: The collective bargaining agreement with the State Police Union (NP-1) states that vacation leave accrues monthly based on years of service. The accrual is based on days: one day per month during the first five years of service; 1¼ days after five years up to 20 years; and 1^{2/3} days for over 20 years.

The NP-1 agreement also provides that compensation is based on an approved pay plan. The pay plan per the agreement is based on eight hours per day.

The use of nine hours as an equivalent of each accrued leave day is not provided for in the NP-1 agreement, which expires June 30, 2004, or the managers (MP) pay plan.

Condition: State troopers' attendance and leave records are maintained and recorded by the Agency in days. The Agency converts each accrued leave day total to nine hours per day prior to determining the lump sum payments due to State troopers at separation from State service. The collective bargaining pay plan used by the Agency to determine compensation for accrued leave at separation is based on an eight hour day. Thus a day has a different value depending on the application. This inconsistency distorts the allowable amount of compensation at separation from State service.

Effect: State troopers who separate from State service are over compensated for accrued leave at separation. The accrued leave of a State trooper is of greater monetary value at separation from State service than while an active State employee. This represents an inconsistency in the monetary value of accrued leave.

Cause: The apparent basis for an accrued leave day equaling nine hours is a letter, dated August 9, 1985, from the Department of Administrative Services, Bureau of Labor Relations, to the Connecticut State Police Union, stating that available sick and vacation leave for State Police will be based on a standard nine hour work day.

Recommendation: The Department of Public Safety should convert State trooper accrued leave time per the employee attendance records in a manner consistent with the collective bargaining and management pay schedules. (See Recommendation 1.)

Agency Response: “In previous years, the agency sought the opinion of the State Office of Labor Relations regarding this issue. In a memorandum dated October 21, 1997, John Nord responded to our request citing the 1981-84 and 1984-87 contracts. His determination was because of the 16+ year past practice, absent negotiations specifically discontinuing or modifying this practice, this practice must be continued. (Attached are the documents previously submitted) We will submit a request to the State Office of Labor Relations to address this issue when contract negotiations for the NP-1 contract begin (current contract expires 6/30/04.)”

Dispatcher Overtime:

Criteria: In accordance with The Fair Labor Standards Act (FLSA) overtime pay is defined as a rate of at least one and one-half times the regular rate of pay at which an employee is actually employed. FLSA requires that non-exempt employees receive that rate of pay for all hours worked in excess of 40 hours per week. Good management, in an effort to efficiently and economically use resources should establish employee work schedules in a manner that effectively eliminates or minimizes the payment of overtime.

Condition: Dispatchers of the Department of Public Safety (DPS) are not exempt from FLSA and they work a non-standard workweek. These employees’ work schedules provide that each employee work a five-day on and three-day off work-schedule. To provide that type of schedule it is required that an employee work 9¼ hours on some days and 9 hours on other days. Thus each employee works 320 hours for an average of 40 hours per week over an eight-week period. The resulting schedule is that on three of the eight weeks the employee works 36 hours, on two of the eight weeks the employee works 37 hours, on one of the eight weeks the employee works 44½ hours and on the remaining two weeks the employee works 46¼ hours. DPS dispatchers are therefore working a schedule that by design is causing the State to incur the additional expense of paying these employees overtime to complete their normally scheduled regular workweek. For example during the two weeks in the

work schedule that a dispatcher is scheduled to work 46¼ hours, that dispatcher receives 6¼ hours of pay at an overtime rate without actually working hours in excess of the 40 hours averaging schedule.

Effect: The effect of this scheduling is that for two out of every four biweekly payroll periods these employees receive a FLSA payroll overtime adjustment. This FLSA adjustment is a payment at an overtime rate for hours that were already paid as part of the employee's normal workweek. This overtime amounts to 17 hours paid at an additional one and one-half the normal rate for these employees to work their regular schedule. One and one-half of the median hourly salary of a dispatcher of \$18.71 for approximately 80 dispatchers for 6½ scheduled time periods per year represents an estimated \$82,700 in extra payroll paid per year.

Cause: Traditionally the dispatchers have worked and continue to work a five days on three days off averaging schedule. That averaging schedule was effective when dispatchers worked an average of 35 hours per week, and when dispatchers were scheduled to work only eight hours per day and thus could not be scheduled for more than 40 hours per week. The current problem has arisen since the State went from a 35 to a 40 hour work week for its employees. Using the same averaging schedule with the required additional hours has resulted in certain weeks when 40 hours worked per week is exceeded by the schedule. This automatically results in an FLSA overtime payroll adjustment.

Recommendation: The Department of Public Safety should review its current work scheduling practices for scheduling dispatchers to minimize cost without diminishing performance. (See Recommendation 2.)

Agency Response: "The Department of Public Safety is currently reviewing the scheduling options of our dispatchers. Although we recognize the fiscal savings, it must be weighed against the administrative, job performance, functionality, collective bargaining, health and safety benefits. Previously this matter was brought to the attention of the Department of Administrative Services and the State Office of Labor Relations. The Department of Administrative Services, which has sole authority to negotiate such matters, has declined to act. Any such changes would need to be mutually agreed upon by both parties. The Department of Public Safety does realize that the State's increase of the work hours from 35 to 40 hours per week affected the FLSA adjustment. DAS and DPS must also find a balance of scheduling options, continuity of platoons, health and safety, past practice and the hiring of additional dispatchers."

Criteria: The Fair Labor Standards Act (FLSA) in accordance with the Code of Federal Regulations 29CFR778.114 sets forth a framework for calculating the FLSA adjustment for non-exempt employees who work a non-standard workweek resulting in a schedule that will require the employee to work in excess of 40 hours in some weeks and less than 40 hours during other weeks while receiving a fixed salary for each week worked. This type of scheduling results in an employee being paid a fixed salary for fluctuating hours, as allowed by FLSA. It also requires that all non-exempt employees be paid overtime for hours worked in excess of forty hours for any given week regardless of the work schedule.

Condition: Currently the State's BOSS payroll system, an automated payroll system, calculates FLSA adjustments paid to employees. The system currently uses two separate formulae for this calculation for DPS employees, one for employees on a 28-day averaging schedule and another for non-exempt employees. The formula used for the 28-day averaging schedule establishes a FLSA variable rate and the formula for the non-exempt employees automatically uses the employee's hourly rate of pay, which may or may not be higher than the FLSA variable rate. A problem arises when non-exempt employees work an averaging schedule. In these instances the BOSS system incorrectly uses the formula for non-exempt employees instead of the appropriate formula for employees on an averaging schedule. This results in payments that are either less or more than is required under FLSA.

Effect: Since the implementation of the automatic calculation of the FLSA rate on the BOSS system, as of July 1998, the FLSA calculations have been incorrect in relation to the required rate in accordance with the Code of Federal Regulations 29CFR778.114. This has resulted in certain weeks when employees were not paid in compliance with FLSA and other weeks when the Agency paid more than was required.

Cause: The cause appears to be a system problem. Prior to the implementation of the automatic FLSA calculation using the BOSS system the Agency manually calculated the FLSA rate using the appropriate calculation formula. It seems the BOSS system was not correctly programmed to select the appropriate formula.

Recommendation: The Agency should notify the Department of Administrative Services (DAS) of the incorrect FLSA calculation made by the BOSS system for certain DPS employees and seek assistance from DAS to determine the appropriate means to review and adjust the incorrect payroll payments made since July 1998. (See Recommendation 3.)

Agency Response: "With the state's pending conversion to CORE-CT, the resources allocated to the BOSS Group have been almost totally transferred to the CORE-CT conversion project. We have been informed that no changes

will be made to BOSS because it will cease to exist in September, 2003. We will be able to address this calculation issue with the CORE-CT conversion team as we begin to go through mock conversions and simulated Payroll tests. Audits will have to be conducted on previously calculated FLSA payments to identify any overpayments/underpayments and make the necessary adjustments/recoveries.”

Dispatcher Scheduling:

Criteria: Employee work schedules should be established in the most efficient and cost effective manner within the parameters of collective bargaining and sound fiscal management.

Condition: The work performed by the dispatchers at the Agency’s troop locations requires three work shifts per day seven days a week. This creates 21 work shifts per week that must be manned by a dispatcher at each of the 12 troop locations. The Agency does not have a sufficient number of dispatchers assigned to the troops to man all the shifts. This unavoidably creates a number of unassigned shifts. These unassigned shifts are manned through the use of dispatcher or trooper overtime, or by assigning troopers to work out of class. Optimizing the scheduling of the current number of dispatchers will create 231 unassigned shifts for the 12 troops for the normal eight-week dispatcher work schedule. Our review of eight-week work schedules for dispatchers at the 12 troop locations collectively revealed that there were 286 work shifts during that eight-week cycle for which a dispatcher was not assigned.

Effect: There were 55 unassigned shifts in excess of the minimum, which resulted in overtime or employees working out of class. Poor scheduling results in unnecessary overtime costs and an inefficient use of staff.

Cause: There is an inconsistency in the scheduling of dispatchers’ work schedules among the various troop locations. For example one troop with four dispatchers assigned to it had 49 unassigned shifts, whereas another troop with the same number of dispatchers had only 28 unassigned shifts during the same eight-week period.

Recommendation: The Agency should review its scheduling of dispatchers at the troop levels to optimize the use of its dispatchers and eliminate unnecessary overtime. (See Recommendation 4.)

Agency Response: The Agency’s response to this recommendation was incorporated as part of its response for recommendation 2 above.

“The Department of Public Safety is currently reviewing the scheduling options of our dispatchers. Although we recognize the fiscal savings, it

must be weighed against the administrative, job performance, functionality, collective bargaining, health and safety benefits.DPS must also find a balance of scheduling options, continuity of platoons, health and safety, past practice and the hiring of additional dispatchers.”

Timely Receipt Deposits:

Criteria: In accordance with Section 4-32 of the General Statutes, an agency receiving \$500 or more of State funds shall within 24 hours of its receipt deposit the funds in a designated depository.

Condition: Our review of 25 deposits for the 2000-2001 and 2001-2002 fiscal years revealed that some receipts were not deposited timely in accordance with Section 4-32 of the General Statutes. The sample revealed that there were 36 receipts totaling \$64,530 and 10 receipts totaling \$12,102 during the 2000-2001 and 2001-2002 fiscal years respectively, that were not deposited in compliance with the Statute. These instances of noncompliance monetarily represent less than one percent of the total deposits sampled for the two fiscal years. Our review also indicated that the timely deposit of receipts by the Agency improved significantly during the 2001-2002 fiscal year and the instances of noncompliance were early in the fiscal year and appeared to be isolated instances. The Agency did improve its processing procedures during the 2001-2002 fiscal year primarily by computerizing the collection and processing of various licenses and permits.

Effect: In these instances the Agency is not in compliance with Section 4-32 of the General Statutes.

Cause: The Agency administers large volumes of receipts on a daily basis. The monetary amounts of daily receipts are often in the hundreds of thousands of dollars and the numbers of daily receipts usually exceed hundreds of transactions. Many of the receipt transactions are for minimal amounts, less than \$100. The receipts vary in type from the collection of various permits, licenses and accounts receivable. Thus the probable risk for the occurrence of noncompliance with Section 4-32 of the General Statutes during the course of a fiscal year is relatively high.

Recommendation: The Agency should continue its efforts to deposit receipts in compliance with Section 4-32 of the General Statutes. (See Recommendation 5.)

Agency Response: “The Department has procedures in place to ensure that receipts are deposited within 24 hours. These procedures have been restated to the fee collecting units and the Department should comply with this recommendation.”

Boiler Inspections:

- Criteria:* Section 29-237, subsection (3) of the General Statutes requires low-pressure steam or vapor heating boilers, hot water boilers, hot water supply boilers, and hot water heaters to be inspected externally biennially.
- Condition:* The Agency has a backlog of over 2,000 boilers that have not been inspected within the biennial time requirement.
- Effect:* The Agency was not in compliance with the General Statutes.
- Cause:* The Agency does not have the appropriate manpower to perform the volume of inspections to comply with Section 29-237, subsection (3) of the General Statutes.
- Recommendation:* The Agency should comply with the requirements of Section 29-237, subsection (3) of the General Statutes and perform a biennial inspection of the low pressure boilers. (See Recommendation 6.)
- Agency Response:* “The Department recently filled 1 vacant boiler inspector position and has permission to fill 2 more vacant boiler inspector positions. After the training period for the new inspectors, this will resolve the issue of overdue inspections.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Department of Public Safety should convert State trooper accrued leave time per the employee attendance records in a manner consistent with the collective bargaining and management pay schedules. This recommendation is repeated. (See Recommendation 1.)
- The Agency should implement effective control procedures to ensure that troopers' schedules worked are in compliance with Section 5-246 (a) (1) of the General Statutes. The Agency has complied with this recommendation.
- DPS should ensure that bi-weekly attendance records are properly approved to support the accuracy and propriety of its payroll. The Agency has complied with this recommendation.
- DPS should continue its efforts to implement an agreement for services it renders to the Department of Transportation (DOT). This recommendation is not repeated.
- The Agency should implement controls to ensure that cellular telephones are appropriately and effectively used for State business. The Agency has instituted supervisory review and approval of individual cellular telephone usage. This recommendation is not repeated.
- The Agency should comply with the requirements of Section 29-237 subsection (3) of the General Statutes and perform a biennial inspection of the low pressure boilers. This recommendation is repeated. (See Recommendation 6.)
- The Agency should maintain a perpetual supplies inventory and report the amount of Federal Government assets on hand to the State Comptroller. The Agency has complied with this recommendation.
- DPS should maintain its computer software inventory in accordance with the State of Connecticut Property Control Manual. The Agency has complied with this recommendation.

Current Audit Recommendations:

- 1. The Department of Public Safety should convert State trooper accrued leave time per the employee attendance records in a manner consistent with the collective bargaining and management pay schedules.**

Comment:

The Department of Public Safety continues to compensate State troopers for accrued leave based on nine hours per accrued leave day at separation from State service. The collective bargaining and management pay schedules are based on an eight hours per day work schedule. In addition, a State trooper, as an active employee, works a schedule that is based on an average of eight hours per day. Thus the payment of accrued leave at separation based on nine hours per day is inconsistent with the pay schedules and the work schedules.

- 2. The Department of Public Safety should review its current work scheduling practices for scheduling dispatchers to minimize cost without diminishing performance.**

Comment:

Every four biweekly payroll periods the dispatchers receive overtime pay for hours that are already a part of their normal workweek simply because of the design of the dispatchers' work schedule. This overtime amounts to approximately 17 hours paid at an additional one and one-half the normal hourly rate. One and one-half of the median hourly salary of a dispatcher of \$18.71 for approximately 80 dispatchers for 6½ scheduled time periods per year represents an estimated \$82,700 in extra payroll costs paid per year.

- 3. The Agency should notify the Department of Administrative Services (DAS) of the incorrect FLSA calculation made by the BOSS system for certain DPS employees and seek assistance from DAS to determine the appropriate means to review and adjust the incorrect payroll payments made since July 1998.**

Comment:

Since the implementation of the automatic calculation of the FLSA rate on the BOSS system, as of July 1998, the FLSA calculations have been incorrect in relation to the required rate in accordance with 29CFR778.114. This has resulted in certain weeks when employees were not paid in compliance with FLSA and other weeks when the Agency paid more than was required.

- 4. The Agency should review its scheduling of dispatchers at the troop levels to optimize the use of its dispatchers and eliminate unnecessary overtime.**

Comment:

Our review of eight-week work schedules for dispatchers at the 12 troop locations collectively revealed that there were 55 unassigned shifts in excess of the minimum possible, which resulted in overtime or employees working out of class.

- 5. The Agency should continue its efforts to deposit receipts in compliance with Section 4-32 of the General Statutes.**

Comment:

Our review of 25 deposits for the 2000-2001 and 2001-2002 fiscal years revealed that some receipts were not deposited timely in accordance with Section 4-32 of the General Statutes. The sample revealed that there were 36 receipts totaling \$64,530 and 10 receipts totaling \$12,102 during the 2000-2001 and 2001-2002 fiscal years respectively, that were not deposited in compliance with the Statute.

6. **The Agency should comply with the requirements of Section 29-237 subsection (3) of the General Statutes and perform a biennial inspection of the low pressure boilers.**

Comment:

The Agency has a backlog of over 2,000 low pressure boilers that were not inspected within the time period required by Section 29-237(b) of the General Statutes.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Department of Public Safety for the fiscal years ended June 30, 2001 and 2002. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations, 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 Department of Public Safety for the fiscal years ended June 30, 2001 and 2002 are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial-related audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Department of Public Safety 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 Department of Public Safety is the responsibility of the Department of Public Safety'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, 2001 and 2002, 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 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 Department of Public Safety is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts and grants applicable to the Agency. In planning and performing our audit, we considered the Agency's internal control over its financial operations,

safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Agency's financial operations in order to determine our auditing procedures for the purpose of evaluating the Department of Public Safety'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: there was a lack of sufficient control over compliance with Section 4-32 of the General Statutes concerning the prompt deposit of receipts and, with Section 29-237, subsection (3) of the General Statutes concerning the biennial inspection of low pressure boilers.

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 none of the reportable conditions described above is a material or significant weakness.

We also noted other matters involving internal control over the Agency's financial operations and over compliance, which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

This report is intended for the information of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Public Safety during the course of our examination.

Raymond Losnes
Administrative Auditor

Approved:

Robert G. Jaekle
Auditor of Public Accounts

Kevin P. Johnston
Auditor of Public Accounts