

STATE OF CONNECTICUT



***AUDITORS' REPORT
STATE MARSHAL COMMISSION
FOR THE FISCAL YEARS ENDED JUNE 30, 2005, 2006 AND 2007***

AUDITORS OF PUBLIC ACCOUNTS

KEVIN P. JOHNSTON ❖ ROBERT G. JAEKLE

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December 3, 2008

**AUDITORS' REPORT
STATE MARSHAL COMMISSION
FOR THE FISCAL YEARS ENDED JUNE 30, 2005, 2006 AND 2007**

We have made an examination of the books, records and accounts of the State Marshal Commission for the fiscal years ended June 30, 2005, 2006 and 2007.

Financial statement presentation and auditing is performed annually on a Statewide Single Audit basis to include all State agencies. This audit examination has been limited to assessing the Commission's compliance with certain provisions of laws and regulations, and evaluating the internal control structure policies and procedures established to ensure such compliance. This report on that examination consists of the Comments, Recommendations, and Certification that follow.

COMMENTS

FOREWORD:

The State Marshal Commission (hereafter, the Commission) operates primarily under the provisions of Title 6, Sections 6-29 to 6-49a of the General Statutes.

In accordance with Section 6-38a of the General Statutes, State Marshals are identified as individuals who shall have the authority to provide legal execution and service of process in the counties of the State as an independent contractor compensated on a fee for service basis, determined, subject to any minimum rate promulgated by the State, by agreement with an attorney, court or public agency requiring execution or service of process.

The function of the Commission, in consultation with the State Marshals Advisory Board, is to adopt regulations to establish the selection requirements for filling State Marshal vacancies, as well as establish the applicable professional standards, training requirements, and minimum fees for the execution and service of process. The Commission is also responsible for the equitable assignment of service of restraining orders to State Marshals in each county and ensuring that such restraining orders are served expeditiously.

Subsection (1) of Section 6-38b of the General Statutes provides that the Commission be placed within the Department of Administrative Services for administrative purposes only.

State Marshal Commission Membership:

Section 6-38b, subsection (a), provides that the State Marshal Commission is to consist of eight members appointed as follows: (1) the Chief Justice shall appoint one member who shall be a judge of the Superior Court; (2) the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the majority and minority leaders of the House of Representatives and the majority and minority leaders of the Senate shall each appoint one member; and (3) the Governor shall appoint one member who shall serve as chairperson. No member of the Commission shall be a State Marshal, except that two State Marshals appointed by the State Marshals Advisory Board in accordance with Section 6-38c of the General Statutes, shall serve as ex-officio, nonvoting members of the Commission.

As of June 30, 2007, the Commission consisted of the following members:

Appointed by Governor:

Dennis F. Kerrigan, Jr., Esquire (Chairman)

Appointed by Chief Justice:

Honorable William Cremins

Appointed by Legislative Leaders:

Marie Knudsen

Joseph Ubaldi

William Cote, Esquire

Vincent Mauro

Joseph Quinn, Jr., Esquire

Morris Govan

Ex-Officio Members:

Allen DeLorenzo

Lisa Stevenson

State Marshals Advisory Board:

Section 6-38c of the General Statutes establishes a State Marshals Advisory Board to consist of 24 State Marshals. The State Marshals in each county shall elect from amongst themselves the following number of State Marshals to serve on the board: Hartford, New Haven, and Fairfield counties, four State Marshals; New London and Litchfield counties, three State Marshals; and Tolland, Middlesex and Windham counties, two State Marshals. The Board serves the Commission in an advisory capacity only.

RÉSUMÉ OF OPERATIONS:

The Commission's restricted and miscellaneous revenues and budgeted and restricted expenditures for the audited period are summarized below:

Operating Revenues:	<u>2006-2007</u>	<u>2005-2006</u>	<u>2004-2005</u>
Annual State Marshal Fees	\$ 52,750	\$ 55,000	\$ 61,900
Miscellaneous Revenues	186	99	945
Total Operating Revenues	<u>\$ 52,936</u>	<u>\$ 55,099</u>	<u>\$ 62,845</u>
Operating Expenditures:	<u>2006-2007</u>	<u>2005-2006</u>	<u>2004-2005</u>
Payroll and Fringe Benefits	\$ 299,523	\$ 229,102	\$ 167,276
Other Expenses	62,574	35,504	80,230
Total Expenditures:	<u>\$ 362,097</u>	<u>\$ 264,606</u>	<u>\$ 247,506</u>

Total expenditures increased by \$17,100 during the fiscal year ended June 30, 2006, and increased by \$97,491 during the fiscal year ended June 30, 2007. These changes resulted primarily from the following significant increases.

Payroll and fringe benefits increased by \$61,826 during the fiscal year ended June 30, 2006, and increased by \$70,421 during the fiscal year ended 2007. These increases were attributed to the hiring of the Director of Operations in August of 2005 and the Staff Attorney in January of 2006.

Other expenses increased by \$27,070 during the fiscal year ended June 30, 2007. This increase was attributed to the training of fourteen State Marshals that were hired in June of 2007.

Pursuant to Public Act 01-09, of the June Special Session, a separate non-lapsing State Marshal Account was created in the General Fund. This Act required the State Marshals to pay an annual \$250 fee due October 1st. Also, this Act imposes an additional five dollar fee on anyone filing a civil action (except small claims) in Superior Court. These civil action fees collected by the Judicial Department were to be deposited into the General Fund.

However, effective July 1, 2004, Public Act 04-02 (May Special Session) eliminated the State Marshal Account and the requirement that the first \$250,000 collected from the two fees be credited to the State Marshal Account for the Commission's operating expenses. The five dollar civil action filing fee was also eliminated. However, monies collected from State Marshal annual fees must still be deposited in the General Fund.

CONDITION OF RECORDS

Our examination of the records of the State Marshal Commission disclosed certain areas requiring attention, which are detailed in this section of the report.

Payroll Related Issues:

- Criteria:* Section 5-247-11 of the State Regulations requires a medical certificate to be on file for employees who are out on sick leave for more than five consecutive workdays.
- Condition:* There was one instance in which the Commission did not have a medical certificate on file for an employee who was out on sick leave for more than five consecutive workdays.
- Effect:* Employees could be abusing their sick leave benefits.
- Cause:* This condition appears to be caused by a lack of administrative oversight.
- Recommendation:* The Commission should enforce the requirement that employees who are out on sick leave for more than five consecutive workdays be required to submit a medical certificate in accordance with Section 5-247-11 of the State Regulations. (See Recommendation 1.)
- Agency Response:* “The Commission agrees to enforce the requirement that employees who are on sick leave for more than five consecutive workdays are required to submit a medical certificate in accordance with Section 5-247-11 of the State Regulations, and it has. In the instance cited the employee did provide the required certificate. Apparently the certificate was misplaced or lost during its transfer from the Commission to the Department of Administrative Services.”

Adherence to Freedom of Information Laws:

- Criteria:* Subsection (b) of Section 1-225 of the General Statutes indicates that each public agency of the State shall file its schedule of regular meetings for the ensuing year before January 31st of each year.
- Condition:* The meeting schedules for the State Marshals Advisory Board were not submitted to the Secretary of the State’s Office.
- Effect:* Public notice was not provided for the Advisory Board meetings as required.

- Cause:* It appears that a lack of administrative oversight was responsible for the condition.
- Recommendation:* The Advisory Board should file meeting schedules with the Office of the Secretary of the State. (See Recommendation 2.)
- Agency Response:* “The Commission agrees that the Advisory Board should file meeting schedules with the Office of the Secretary of the State. The General Statutes of the State of Connecticut, Section 6-38c authorizes the creation and existence of the State Marshal Advisory Board. Although the Commission does have authority over the individual State Marshals, it does not have any authority over the Advisory Board. However, the Commission will express its concurrence with this finding to the Advisory Board.”

Lack of Control for Compliance with Personal Liability Insurance Requirements:

- Criteria:* Section 6-30a of the General Statutes indicates that each State Marshal shall be required to carry specific levels of personal liability insurance, including particular coverage for damages caused by reason of such Marshal’s tortious acts.
- Condition:* While the Commission does pursue copies of insurance certificates from State Marshals as evidence of personal liability coverage, there does not appear to be a process in place at the Commission to determine if the actual coverage provided includes the specific coverage for tortious acts identified by statute.
- Our review of one insurance policy used by a significant number of State Marshals did not appear to specifically identify coverage for tortious acts as defined in Section 6-30a of the General Statutes.
- Effect:* The failure of the Commission to ensure that each State Marshal’s personal liability insurance policy includes such coverage appears to increase the risk of liability to the State in the event of the commission of such acts.
- Cause:* It appears that the condition exists due to a lack of administrative oversight.
- Recommendation:* The Commission should establish a control to evaluate personal liability insurance obtained by State Marshals and ensure that such coverage specifically includes tortious acts as defined in Section 6-30a of the General Statutes. (See Recommendation 3.)
- Agency Response:* “Tortious acts are wrongful or negligent acts. Ninety-nine percent (99%) of the Connecticut’s 219 State Marshals procure their

liability insurance from the same insurance carrier. That policy has limits that far exceed the statutory requirement, however, the term of art in the policy is “wrongful acts.”

Appointment of State Marshal:

- Criteria:* Section 6-38b-5, subsection(b) of the State Regulations states that the Commission may deny appointment of an applicant because of a prior conviction of a crime, but the Commission must consider the nature of the crime and its relation to the job, the degree of rehabilitation and the time elapsed since the conviction.
- Condition:* In our review of the appointment of State Marshals we noted that two applicants that were appointed to the position of State Marshal had a prior criminal history. The Commission did not have documentation on file stating that consideration was given regarding the nature of the crime and its relation to the job, the degree of rehabilitation and the time elapsed since the conviction.
- Effect:* The Commission may be appointing State Marshals without considering the nature of the applicant’s prior crime and its relation to the job, the degree of rehabilitation and the time elapsed since the conviction.
- Cause:* The Commission did not document its consideration of an applicant’s prior criminal history.
- Recommendation:* The Commission should maintain documentation on file of the consideration of an applicant’s prior conviction of a crime. (See Recommendation 4.)
- Agency Response:* “The Commission agrees that it should maintain documentation regarding the consideration of an applicant for appointment as a State Marshal that has a prior conviction of a crime. The appointment process noted in this report was conducted prior to the arrival of the current Chairman of the Commission as well as the current Director of Operations. The current Chairman and Director will ensure that appropriate documentation of the prior criminal history of applicants will be maintained in the future.”

State Marshal Annual Fees:

- Criteria:* Section 6-38m of the General Statutes states that commencing October 1, 2001, and not later than October first each year thereafter, each State Marshal shall pay an annual fee of two hundred fifty dollars to the State Marshal Commission, which fee shall be deposited in the General Fund.

A properly designed and implemented internal control over the receipt of revenue dictates that a receipt log be maintained for accountability purposes.

Section 4-32 of the General Statutes states that each State department, institution, board, commission or other State agency and each official and employee thereof, including the clerk of the Superior Court, receiving any money or revenue for the State, shall, within twenty-four hours of its receipt, account for and, if the total of the sums received amounts to five hundred dollars or more, pay the same to the Treasurer or deposit the same in the name of the State in depositories designated by the Treasurer.

Condition: In our review of the submission of twenty-seven annual fees we noted that five annual fees were submitted late, ranging from twelve days late to twenty-seven days late.

While the Commission does maintain a log of annual fees received, this log only records the payee, the check number, and the amount of the check. The log does not state the date that the annual fee was received by the Commission.

We noted that twenty-six out of twenty-seven receipts tested were not deposited in a timely manner. We found that the checks were on hand between one and five days in excess of the allowed time.

Effect: Annual fees were not received by the Commission on a timely basis.

The lack of prompt deposits increases the opportunity for the loss or misappropriation of funds.

Cause: The separation of administrative functions between the Commission and the Department of Administrative Services regarding the receipt and depositing of annual fees appears to have contributed to these conditions.

Recommendation: The Commission should establish and implement procedures to ensure that all annual fees are received from State Marshals by the required date in accordance with Section 6-38m of the General Statutes.

The Commission should establish and implement procedures to ensure that the receipt date of revenue received is recorded in a receipt log.

The Commission should develop and implement procedures to ensure that receipts are deposited in accordance with Section 4-32 of the Connecticut General Statutes. (See Recommendation 5.)

Agency Response: “The Commission agrees that timely payment by the State Marshals of the annual fees and the timely deposit of those fees are critical. The Commission has been working with the Department of Administrative Services (DAS) on this very issue. Connecticut General Statutes, Section 6-38m directs each State Marshal to pay an annual fee to the State Marshal Commission. DAS, through its Small Agency Resource Team, provides several services to the Commission, including all business office functions. Annually the State Marshals send their fee to the Commission, which in turn sends it on to DAS for deposit. The current administrative process for deposits makes it very difficult to satisfy the aggressive 24 hour requirement of Connecticut General Statutes, Section 4-32. The Commission has modified its log book to reflect the actual date the funds were received by the Commission and the date the receipts are forwarded to DAS. The Commission will continue to work with DAS and the Office of the State Treasury to comply with the spirit of CGS, Section 4-32. Some of the options currently being explored include a daily courier service between the Commission and DAS, as well as an exception to the 24 hour requirement that is authorized in CGS, Section 4-32.”

Distribution of State Marshal Accounts upon Death or Disability:

Criteria: Section 6-38e of the General Statutes indicates that upon death or disability of a State Marshal, the Commission shall appoint a qualified individual to oversee the records and accounts of such State Marshal and render an accounting to the Commission.

Condition: There does not appear to be a written policy for distribution of State Marshal accounts when a State Marshal dies or resigns.

Effect: In the absence of a written policy, the distribution of State Marshal accounts may not be done in an equitable manner.

Cause: The condition appears to exist due to a lack of administrative oversight.

Recommendation: The Commission should comply with Section 6-38e of the General Statutes by establishing a written policy regarding the distribution of State Marshal accounts upon death or resignation. (See Recommendation 6.)

Agency Response: “The Commission agrees with this finding and since the receipt of this preliminary report has drafted a policy that is being

considered.”

Continuing Education of State Marshals:

- Criteria:* Section 6-38b (f) of the State Regulations states that in consultation with the State Marshal Advisory Board, the Commission shall adopt regulations to establish professional standards and training requirements.
- Condition:* While the Commission does have a requirement for the initial training of newly hired State Marshals, there does not appear to be any continuing education requirements for State Marshals.
- Effect:* In the absence of proper continuing education, the safety of the public and State Marshals may be at risk in the performance of their duties and subject the State to possible litigation.
- Cause:* A lack of administrative oversight appears to have contributed to the condition.
- Recommendation:* The Commission should develop continuing education requirements for State Marshals. (See Recommendation 7.)
- Agency Response:* “The Commission does have some recurring certification policies. All State Marshals that are part of the “Capias Unit” are required to keep current their certifications on the management of aggressive behavior, proper handcuffing techniques, the use of the baton, pepper spray, and firearms. The Commission, through Administrative Bulletins, keeps the State Marshals current on changing laws and policies and has issued a Manual that identifies recent changes in the law. The Commission has and will continue to work with the Advisory Board to identify additional areas that continuing education is appropriate.”

Expenditures:

- Criteria:* The *State Accounting Manual*, issued by the Office of the State Comptroller, includes policies and procedures that State agencies should follow for processing expenditure transactions.
- Condition:* We reviewed 25 State Marshal Commission transactions totaling \$20,176 that were expended during the Fiscal Years Ended June 30, 2005, 2006 and 2007. Our review disclosed that two transactions were not made in accordance with the provisions of the *State Accounting Manual*. We noted the following:
- One transaction was recorded in the incorrect fiscal year.

- One transaction was not supported by a vendor invoice or receipt.

Effect: The Commission did not comply with the *State Accounting Manual* in all instances.

Cause: It appears as if the controls in place were not completely effective.

Recommendation: The Commission should process expenditures in accordance with the *State Accounting Manual*. (See Recommendation 8.)

Agency Response: “The Commission agrees that every State agency should process expenditures in accordance with the *State Accounting Manual*. The Commission will work with the business office at DAS to ensure compliance.”

Lack of Compliance with Record Retention Statute:

Criteria: Subsection (b) of Section 11-8a of the General Statutes provides that the State Librarian may require each State agency to inventory all books, records, papers and documentation under its jurisdiction and to submit for approval retention schedules for all such. Each agency head shall notify the State Librarian of any changes in the administrative requirements for the retention of any book, record, paper or document subsequent to the approval of retention schedules by the State Librarian.

Subsection (f) of Section 11-8a of the General Statutes indicates that each State agency shall designate an agency employee to serve as the records management liaison officer.

Condition: We were informed by Commission staff that a records retention schedule was not on file with the State Library and an employee has not been designated to serve as records management liaison officer.

Effect: The lack of an established record retention schedule may hinder the protection of Commission records and documents.

Cause: A lack of administrative oversight appears to have contributed to the condition.

Recommendation: The Commission should take steps to ensure its compliance with the record retention requirements of Section 11-8a of the General Statutes. (See Recommendation 9.)

Agency Response: “The Commission agrees, and will work with the State Librarian to establish a records retention policy.”

Disaster Recovery/Business Continuity Plans:

- Criteria:* General data processing guidelines usually contain provisions for the retention of data in the form of back-ups. Adequate back-up procedures for data should be in place to ensure offsite storage and thus minimize loss of data in the event of a disaster. State agencies should have an established disaster recovery plan on file with the State Library. The Department of Information Technology is assigned the responsibility of overseeing most agencies' data processing and disaster recovery procedures.
- Condition:* We were informed that a disaster recovery plan is not in place at the Commission and that the State Marshal database, which contains all pertinent information pertaining to State Marshals, as well as the minutes to Commission meetings, had not been backed up for months. A provision for off-site storage of the most recent back-up had not been made.
- Effect:* The ability of the State Marshal Commission to function in the event of a calamity is greatly hampered.
- Cause:* Staff employed by the Commission have apparently not seen the need for formal disaster recovery provisions.
- Recommendation:* The Commission should consult with the Departments of Administrative Services and Information Technology to establish a disaster recovery plan, including provisions for routine back-up of data files with offsite storage. (See Recommendation 10.)
- Agency Response:* "The Commission agrees and will work with the Department of Information Technology and DAS to establish a disaster recovery plan, including provisions for routine back-up of data files with offsite storage."

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- The Commission should work with the Department of Administrative Services to ensure that policies regarding timesheets, compensatory time, and telecommuting are appropriately followed. The Commission also needs to incorporate a policy for ensuring compliance with Section 4-33a of the General Statutes. Our current audit disclosed that the Commission has worked with the Department of Administrative Services to ensure that policies are followed. However, our current audit disclosed that a medical certificate was not obtained for one employee that was out sick for five consecutive days. This recommendation will be restated. (See Recommendation 1.)
- As indicated in Robert's Rules of Order, procedures should be implemented to provide for a signed attestation by a designated representative that meeting minutes are approved. In addition, the Advisory Board should file meeting schedules with the Office of the Secretary of the State. Our current audit disclosed that the Commission meeting minutes are signed and approved by a designated representative. However, the Advisory Board does not file meeting schedules with the Office of the Secretary of the State. This recommendation will be restated. (See Recommendation 2.)
- The Commission should establish a control to evaluate personal liability insurance obtained by State Marshals and ensure that such coverage specifically includes tortious acts as defined in Section 6-30a of the General Statutes. Our current audit disclosed that the Commission receives copies of the declaration page of the State Marshals liability insurance, however there does not appear to be a process in place to determine if the actual coverage provided includes the specific coverage for tortious acts identified by statute. This recommendation will be repeated. (See Recommendation 3.)
- The Commission should ensure compliance with Section 4-32 of the General Statutes by arranging for the State Marshals' annual fees to be submitted directly to the Department of Administrative Services for recording and deposit. Additionally, a reconciliation should be performed between the Commission and the Department of Administrative Services to ensure the receipt and deposit of all expected State Marshal annual dues. This recommendation will be restated. (See Recommendation 5.)
- The Commission should comply with Section 6-38e of the General Statutes by performing periodic audits of Marshals' accounts and establishing a written policy regarding the distribution of State Marshal accounts upon death or resignation. Our current audit disclosed that the Commission is performing periodic audits of State Marshals' accounts; however, they have not established a written policy regarding the distribution of the State Marshal accounts upon death or resignation. This recommendation will be restated. (See Recommendation 6.)
- The Commission should adopt regulations to specifically address the training requirements for appointment to include continuing education and the special requirements of those State Marshals on the *capias* team. As dictated by State Regulation, the Commission should also finalize the manual to provide information

relevant to the duties and responsibilities of State Marshals. While the Commission has finalized a manual regarding the duties and responsibilities of State Marshals, there does not appear to be a continuing education requirement for State Marshals. This recommendation will be restated. (See Recommendation 7.)

- The Commission should consider establishing more detailed procedures regarding the review and investigation of State Marshal complaints to include the investigation of anonymous complaints and when referral to the Commission's Oversight Committee is required. Also, the Commission should address the outstanding complaints which have not been addressed or resolved since the loss of the Commission's Investigator and ensure that reports are issued for investigated complaints as stated in Section 6-38b-7 of the State Regulations. Our current audit disclosed that the Commission established detailed procedures over the investigation of State Marshal complaints and the Commission has also addressed prior outstanding complaints. This recommendation has been implemented.
- The Commission should consider taking actions to reduce the high number of outstanding capias warrants and determine if State Marshals, due to inactivity, are responsible for such under Section 6-32 of the General Statutes. Our current audit disclosed that the Commission has taken steps to reduce the high number of outstanding capias warrants; since 2005 the Commission has reduced the backlog by approximately 2,500. This recommendation has been implemented.
- The Commission should take steps to ensure its compliance with the record retention requirements of Section 11-8a of the General Statutes. Our current audit disclosed that the Commission has not taken steps to ensure its compliance with record retention requirements. This recommendation will be repeated. (See Recommendation 9.)
- The Commission should consult with the Departments of Administrative Services and Information Technology to establish a disaster recovery plan, including provisions for routine back-up of data files with offsite storage. Our current audit disclosed that the Commission has not consulted with the Department of Administrative Services and Information Technology to establish a disaster recovery plan. This recommendation will be repeated. (See Recommendation 10.)

RECOMMENDATIONS

Current Audit Recommendations:

- 1. The Commission should enforce the requirement that employees who are out on sick leave for more than five consecutive workdays be required to submit a medical certificate in accordance with Section 5-247-11 of the State Regulations.**

Comment:

Our review disclosed that a medical certificate could not be located for one employee that was out on sick leave for more than five consecutive workdays.

- 2. The Advisory Board should file meeting schedules with the Office of the Secretary of the State.**

Comment:

Our review found that the State Marshal Advisory Board does not file its meeting schedules in accordance with State law.

- 3. The Commission should establish a control to evaluate personal liability insurance obtained by State Marshals and ensure that such coverage specifically includes tortious acts as defined in Section 6-30a of the General Statutes.**

Comment:

Our review found that while the Commission does receive copies of insurance certificates from State Marshals, the Commission does not review the personal liability insurance obtained by the State Marshals for specific compliance with State law regarding coverage of tortious acts.

- 4. The Commission should maintain documentation on file of the consideration of an applicant's prior conviction of a crime.**

Comment:

Our review found that two applicants that were appointed to the position of State Marshal had a prior criminal history. The Commission did not have documentation on file stating that consideration was given regarding the nature of the crime and its relation to the job, the degree of rehabilitation and the time elapsed since the conviction.

- 5. The Commission should establish and implement procedures to ensure that all annual fees are received from State Marshals by the required date in accordance with Section 6-38m of the General Statutes. The Commission should establish and implement procedures to ensure that the receipt date of revenue received is recorded in a receipt log. The Commission should develop and implement procedures to ensure that receipts are deposited in accordance with Section 4-32 of the Connecticut General Statutes.**

Comment:

We found that, of our review of the submission of twenty-seven annual fees, five were submitted late, ranging from twelve days late to twenty-seven days late. While the Commission does maintain a log of annual fees received, this log only records the payee, the check number and the amount of the check, the log does not state the date that the annual fee was received at the Commission. Our review also disclosed that of twenty-seven cash receipts reviewed, twenty-six were not deposited in a timely manner. We found that the checks were on hand between one and five days in excess of the allowed time.

- 6. The Commission should comply with Section 6-38e of the General Statutes by establishing a written policy regarding the distribution of State Marshal accounts upon death or resignation.**

Comment:

Our review disclosed that there does not appear to be a written policy for distribution of State Marshal accounts when a State Marshal dies or resigns.

- 7. The Commission should develop continuing education requirements for State Marshals.**

Comment:

Our review disclosed that there does not appear to be any requirement for State Marshals to receive continuing education even though the Commission has the authority to establish professional standards and training requirements.

- 8. The Commission should process expenditures in accordance with the *State Accounting Manual*.**

Comment:

Our review disclosed that two transactions were not made in accordance with the provisions of the *State Accounting Manual*.

- 9. The Commission should take steps to ensure its compliance with the record retention requirements of Section 11-8a of the General Statutes.**

Comment:

Our review disclosed that a records retention schedule is not on file with the State Librarian nor has a records management liaison officer been assigned.

- 10. The Commission should consult with the Department of Administrative Services and Information Technology to establish a disaster recovery plan, including provisions for routine back-up of data files with offsite storage.**

Comment:

Our review disclosed that a disaster recovery plan including back-up and offsite storage of Commission data was not in place.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the State Marshal Commission for the fiscal years ended June 30, 2005, 2006 and 2007. This audit was primarily limited to performing tests of the Commission's compliance with certain provisions of laws, regulations, contracts and grants and to understanding and evaluating the effectiveness of the Commission's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the Commission are complied with, (2) the financial transactions of the Commission are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the Commission are safeguarded against loss or unauthorized use. The financial statement audits of the State Marshal Commission, for the fiscal years ended June 30, 2005, 2006 and 2007, 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 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 State Marshal Commission complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements 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.

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

In planning and performing our audit, we considered the Commission's internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Agency's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing assurance on the effectiveness of the Agency's internal control over those control objectives.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis unauthorized, illegal, or irregular transactions or the breakdown in the safekeeping of any asset or resource. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to properly initiate, authorize, record, process, or report financial data reliably consistent with management's direction, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grant agreements such that there is more than a remote likelihood that a financial misstatement, unsafe treatment of assets, or noncompliance with laws, regulations, contracts and grant agreements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with certain provisions of laws, regulations, contracts, and grant agreements or the requirements to safeguard assets that would

be material in relation to the Agency's financial operations, noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions, and/or material financial misstatements by the Agency being audited will not be prevented or detected by the Agency's internal control.

Our consideration of the internal control over the Agency's financial operations, safeguarding of assets, and compliance with requirements would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over the Agency's financial operations, safeguarding of assets, and compliance with requirements that we consider to be material weaknesses, as defined above.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Commission complied with laws, regulations, contracts and grant agreements, 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, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we reported to Agency management in the accompanying "Condition of Record" and "Recommendations" sections of this report.

The State Marshal Commission's response to the findings identified in our audit are described in the accompanying "Condition of Records" section of this report. We did not audit the State Marshal Commission's response and, accordingly, we express no opinion on it.

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 appreciation for the courtesy and cooperation extended to our representatives by the personnel of the State Marshal Commission during the course of this examination.

Amy Bialek
Auditor 2

Approved:

Robert G. Jaekle
Auditor of Public Accounts

Kevin P. Johnston
Auditor of Public Accounts