



## State of Connecticut

### GENERAL ASSEMBLY

STATE CAPITOL

HARTFORD, CONNECTICUT 06106-1591

June 8, 2018

Senator Mae Flexer  
Legislative Office Building, Room 1805

Representative Daniel Fox  
Legislative Office Building, Room 2202

Dear GAE Chairpersons,

As you may be aware, Section 216 of Public Act 17-2 requires committees of cognizance and the Government Administration and Elections (GAE) Committee to hold hearings regarding State Auditors' reports of state agencies. The hearings must be held within 180 days from the time the report is submitted to the legislature.

To date, there are three agency audit reports that are overdue for hearings and one other agency that will require hearings within the next month. Below is a list of the agencies and their deadlines for holding hearings:

Agency	Audit Report Issued	Hearing Deadline
Veterans' Affairs, Department of	11/8/2017	5/7/2018
Connecticut State University System Office	11/28/2017	5/27/2018
Criminal Justice, Division of (DCJ)	11/30/2017	5/29/2018
Connecticut Community College System	12/19/2017	6/17/2018

Below are some more specific findings made by State Auditors:

#### Veterans' Affairs

- We noted that 3 employee appreciation expenditures, totaling \$4,074, were made out of the agency's Institutional General Welfare Fund (IGWF) donations account. One transaction, totaling \$1,340, was charged to a donation account intended for employee use. However, 2 transactions, totaling \$2,734, were charged to donation accounts intended for veterans' activities.
- Agency personnel informed us that employee appreciation expenditures were funded by a donation received in July 2005, which was to be used for said purpose, but the agency was unable to provide documentation for the \$25,000 donation to support the assertion that employee appreciation was the intended use.

- Of the 34 disbursements selected for testing, 21 transactions did not have documented dates of approval, 5 transactions were approved by the commissioner after disbursements were made, and 1 transaction lacked the commissioner's approval.
- In each of the audited years, the department purchased 235 gift cards, valued at \$25 each, to be distributed to veterans in the residential facility for the holiday season, as well as 1 gift card valued at \$100 for a special appreciation gift. Our review noted that in the 2014-2015 fiscal year, the department did not maintain any certification of the receipt of gift cards by veterans or for the special appreciation gift. In addition, 9 gift cards from the 2013-2014 fiscal year and 12 gift cards from the 2014-2015 fiscal year were documented as returned to the business office. However, we were unable to verify the disposition of 9 of the 21 returned gift cards.

### **Division of Criminal Justice**

- Governor Rell's Executive Order 27-A provides that a retiree may be rehired for periods not to exceed 120 days per calendar year and that individual retirees can be rehired to work no more than two 120-day periods. In accordance with division policy, the process for obtaining authorization to fill, convert, transfer or create a permanent or temporary position requires authorization by the chief state's attorney.
  - Our review of 11 retirees rehired by the division during the audited period noted 9 instances in which retirees were rehired for more than the 2 period limit.
- In accordance with Chapter 4.0 of the Management of Receivables section of the State Accounting Manual, it is the responsibility of each state agency to collect amounts owed to the state in the most effective and efficient manner possible.
  - We reviewed the outstanding drug asset forfeiture receivables during the audited period, which totaled \$523,457. Of this amount, we noted that \$108,247 has been receivable for at least 1 year and \$26,516 has been outstanding for more than 10 years.
- We reviewed 39 monthly vehicle usage reports for 10 pool vehicles, covering the period January to June 2016, and noted the following:
  - In 5 instances, a usage report was not completed although the division's vehicle sign-out log showed that the vehicle was used. In 3 instances, no usage reports were filed for the month that the vehicle was used. In the other 2 instances, usage reports were filed for each individual use. However, 2 additional uses were noted with no associated report filed.
  - Three usage reports did not contain sufficient information, such as beginning or daily mileage, to determine whether the mileage reported for that month was accurate or reasonable.
  - 479 miles of use was not adequately supported on vehicle usage reports.

### **Community Colleges**

- The Community Colleges *P-Card Policy and Procedures Manual* contains the policies and procedures related to purchasing card (P-Card) transactions. The manual also includes general and specific controls related to these purchases. Among the specific controls are a prohibition against restaurant charges and student activity purchases without authorization by the student government in accordance with its normal procedures.
  - Manchester CC: We noted 6 instances in which cardholders used their P-Cards at a restaurant.

- Three Rivers CC: Six college employees held a P-Card during the audited period, and we reviewed 16 individual monthly P-Card statements. We noted 2 instances in which a vendor receipt was not retained and 1 instance in which a student activity purchase was approved for \$400, as documented in the Student Government Association meeting minutes, while the actual purchase was for \$765.
- Section 5-208a of the General Statutes states, “No state employee who holds multiple job assignments within the same state agency shall be compensated for services rendered to such agency during a biweekly pay period unless the appointing authority of such agency or his designee certifies that the duties performed are not in conflict with the employee’s primary responsibility to the agency, that the hours worked on each assignment are documented and reviewed to preclude duplicate payment, and that there is no conflict of interest between the services performed.” These certification requirements also pertain to employees who hold positions with multiple state agencies.
  - Quinebaug Valley CC: We reviewed 10 dual employment situations and noted 4 instances in which there was no dual employment form on file.
- The State Comptroller’s *Property Control Manual* states, “State agencies shall not stockpile property.”
  - During our review of inventory procedures at Gateway Community College, we noted 3 printers that were in their original packaging and did not appear to have been used. The printers were purchased in mid-2012, more than 3 years prior to our review

The specific instances above are just a small portion of findings by State Auditors. Some of the numbers and dollar amounts above may seem small, but please keep in mind that in most cases State Auditors evaluate only a small fraction of transactions/situations.

We are respectfully requesting that you, as leaders of the GAE Committee, join us in scheduling and convening a joint public hearing (in conjunction with the committees of cognizance) so that we may better understand department deficiencies, as well as measures that the departments have taken or will take in the future to resolve deficiencies. We recommend that the appropriate agency personnel, as well as representatives from the State Auditors’ Office be invited to testify relating to the audit reports.

For efficiency, we suggest scheduling a single day of hearings for all four agencies detailed above. We are also attaching a complete schedule of deadlines for hearings relating to other agency audits if you are interested in expanding the hearing to include other agencies.

Thank you for your consideration of this important matter.

Sincerely,



Representative Laura Devlin  
Ranking Member



Senator Michael McLachlan  
Senate Co-Chair

## Schedule of Audit Reports Submitted and Deadlines for Committee Hearings

Agency / Program Audit	Audit Report Issued	Hearing Deadline
Veterans' Affairs, Department of	11/8/2017	5/7/2018
Connecticut State University System Office	11/28/2017	5/27/2018
Criminal Justice, Division of	11/30/2017	5/29/2018
Charter Oak State College Foundation, Inc.	12/7/2017	6/5/2018
Connecticut Community College System	12/19/2017	6/17/2018
Comptroller - State Financial Operations	12/29/2017	6/27/2018
Secretary of the State	1/9/2018	7/8/2018
DAS Avatar System Information Technology Security	1/17/2018	7/16/2018
SPECIAL: Statewide Purchasing Card Program	2/8/2018	8/7/2018
Connecticut Green Bank	2/15/2018	8/14/2018
PERFORMANCE: Private Providers of Special Education	2/22/2018	8/21/2018
PERFORMANCE: SDE Approval Process of Private Special Education Programs and Oversight of Non- approved Programs	2/22/2018	8/21/2018
PERFORMANCE: Monitoring of Contracts or Other Arrangements between Local and Regional Boards of Education and Private Providers of Special Education	2/22/2018	8/21/2018
Judicial Department	2/27/2018	8/26/2018
SPECIAL: Interim Report on the DECD 2017 Annual Report	4/24/2018	10/21/2018
Probate Court Administrator - Fiscal Years: 2013,2014,2015	4/27/2018	10/24/2018
Social Services, Department of - Fiscal Years: 2012,2013	5/3/2018	10/30/2018
DESPP - Fiscal Years: 2012,2013,2014	5/16/2018	11/12/2018
University of Connecticut Health Center - Fiscal Years: 2015,2016	5/24/2018	11/20/2018