



AUDIT SUMMARY

Connecticut Innovations, Incorporated

Fiscal Years Ended June 30, 2023 and 2024

ABOUT THE AGENCY



The mission of Connecticut Innovations, Incorporated (CI) is to be a leading source of financing and ongoing support for Connecticut's innovative, growing companies. CI seeks to fulfill this mission through the provision of flexible financing, strategic guidance, and introductions to valuable partners. CI is a quasi-public agency of the state under Chapter 12 of the General Statutes and is subject to the related requirements.

ABOUT THE AUDIT

We have audited certain operations of Connecticut Innovations, Incorporated in fulfillment of our duties under Sections 1-122, 2-90, and 32-42 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2023 and 2024. The objectives of our audit were to evaluate the:

1. Corporation's significant internal controls over compliance and its compliance with policies and procedures internal to the corporation or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the corporation has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds, and the distribution of loans, grants and other financial assistance;
2. Corporation's internal controls over certain financial and management functions; and
3. Effectiveness, economy, efficiency, and equity of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[Link to full report](#)

 **3 Findings**

 **1 Repeat Finding**

Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

NOTEWORTHY FINDINGS



Findings

1

Connecticut Innovations, Incorporated (CI) did not sufficiently monitor whether companies participating in business assistance and incentive programs complied with requirements in their Connecticut presence agreements. CI did not use an independent source to validate the companies' total employment outside of Connecticut, when their agreement required the companies to locate most of their U.S. based employees and subsidiaries in Connecticut. Further, CI's annual job survey did not provide sufficient information to determine compliance.

2

Our review of 15 statutorily required reports, disclosed that CI did not promptly submit eight reports. Delays ranged from nine days to six months and four days. In one instance, CI used incorrect data in the submission of a quarterly report.

3

Our review of CI's board of directors' attendance for the calendar years 2023 and 2024, disclosed that one board member appointed by the Governor missed three consecutive meetings and 80% of the meetings in 2024.



Recommendations

CI should strengthen its monitoring controls over the job data reported by companies participating in its business assistance and incentive programs. CI should use an independent source to validate the companies' total employment, when the Connecticut Presence agreement requires them to locate the majority of their U.S. based employees and subsidiaries in Connecticut. CI should also revise the annual job survey to include the necessary information.

CI should promptly and accurately submit all reports required by the General Statutes.

CI should ensure its board of directors comply with attendance requirements. CI should also update its bylaws to include attendance requirements as set forth in Section 32-35(b)(2) of the General Statutes.