



# AUDIT SUMMARY

## Connecticut Innovations, Incorporated and CTNext, LLC

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Fiscal Years Ended June 30, 2021 and 2022

### ABOUT THE AGENCIES



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 is a quasi-public agency of the state under Chapter 12 of the General Statutes and is subject to the related requirements.

CTNext, LLC is a subsidiary of CI. The purpose of CTNext is to support Connecticut innovators and entrepreneurs and initiate practice changes to improve the statewide entrepreneurial ecosystem.

### ABOUT THE AUDIT

We have audited certain operations of the Connecticut Innovations, Incorporated and CTNext, LLC 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, 2021 and 2022. 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 agency or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the agency 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**

**2 Repeat Findings**

Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

## NOTEWORTHY FINDINGS



### Findings



### Recommendations

**1**

Connecticut Innovations, Incorporated (CI) does not validate the number of jobs created and retained for the business assistance and incentive programs it administers.

CI should ensure the accuracy of the number of created and retained jobs reported in the Department of Economic and Community Development annual report.

**2**

Our review of 13 statutorily required reports disclosed that CI and CTNext did not promptly submit five reports. Delays ranged from 62 days to more than one year. In addition, the CTNext March 31, 2022, quarterly financial report included data from the incorrect period. CTNext never submitted a financial report with the March 31, 2022, data.

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

**3**

CI did not establish the Connecticut New Opportunities Fund as required by Section 32-41v(b) of the General Statutes.

CI should seek legislation to eliminate Section 32-41v of the General Statutes regarding the establishment of the Connecticut New Opportunities Fund.