



AUDIT SUMMARY

Office of the Treasurer

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Fiscal Years Ended June 30, 2021 and 2022

ABOUT THE AGENCY



The Office of the Treasurer operates primarily under the provisions of Article Four of the State Constitution and Title 3, Chapter 32 of the General Statutes. The Office of the Treasurer is responsible for various functions such as administering Unclaimed Property, the Second Injury Fund and the Connecticut Higher Education Trust, which are covered within the scope of this departmental audit, along with review of business office, human resources, and information technology functions. The Office of the Treasurer is also responsible for administering the state's pension funds, debt management, and cash management which are included in our review of financial operations which is issued under separate cover.

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ABOUT THE AUDIT

We have audited certain operations of the Office of the Treasurer in fulfillment of our duties under Section 2-90 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. Office's internal controls over significant management and financial functions;
2. Office's compliance with policies and procedures internal to the office or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency 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 and instances of noncompliance with laws, regulations, or policies.

NOTEWORTHY FINDINGS



Findings

1

We reviewed 20 assets, totaling \$164,373, removed from the office's inventory records during the fiscal years ended June 30, 2021 and 2022. We noted three instances in which the office lacked disposal authorization records, four instances in which the office did not have complete disposal authorization records, and 13 instances in which the office did not remove the assets from its inventory records until one to three years after disposal.

2

We requested ethics and confidentiality agreements from all participants in the office's requests for proposals (RFP) between February 2021 and September 2022 and noted the office lacked four certification forms, participants signed 19 of the forms one to four months after the office started the process, and the office did not ensure the RFP participants recertified seven forms. They also recertified 15 forms up to five months after the RFP process ended.

3

We reviewed 55 paid unclaimed property claims, totaling \$26,631,064, during the fiscal years ended June 30, 2021 and 2022 and identified five claims over \$250,000 missing final approval from the assistant treasurer or division controller. The five claims totaled \$2,326,721.

We also noted that in one instance, despite proper approval, the division lacked supporting documentation for a \$254,688 claim.



Recommendations

The office should improve internal controls over the asset disposal process and accuracy of its property control records to ensure compliance with the State Property Control Manual.

The office should strengthen internal controls to ensure compliance with its ethics and confidentiality agreement procedures.

The Unclaimed Property Division of the Office of the State Treasurer should strengthen internal controls to ensure it follows established claim approval guidelines.