



# ANNUAL REPORT

to the Connecticut General Assembly



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**STATE OF CONNECTICUT**  
Auditors of Public Accounts

# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL  
210 CAPITOL AVENUE  
HARTFORD, CONNECTICUT 06106-1559

CLARK J. CHAPIN

**January 30, 2023**

Members of the General Assembly:

We hereby submit our annual report on the operations of the office of the Auditors of Public Accounts (APA) in accordance with Section 2-92 of the Connecticut General Statutes.

In 2022, our office continued to achieve a high level of productivity despite the unprecedented retirement and departure of approximately 10% of our employees, including the majority of our upper management, with over 350 of combined years of service to the state. As a result, our office made significant changes to our management team, supervisors, and staff. We also hired 34 new employees since July of 2021.

The loss of so many senior employees was the opportune time to examine our organization to better address our current needs. It gave us a unique opportunity to make structural changes and add needed resources. As a result, we made major changes to our management structure. We also significantly increased our information technology, communications, and performance auditing capabilities.

We continued to contend with some of the challenges and requirements associated with the pandemic. Our office, like the agencies we audit, continued to operate both remotely and in-office in accordance with guidance from legislative leadership. Despite these challenges, we issued 41 reports in 2022. We continue to thank the legislative leaders for permitting our office to operate remotely.

During the past year, our management team continued to find new ways to make our office more efficient and enhance the professional reputation the APA continues to enjoy. Our achievements are described in Section I of this report. General information on the operations of our office also appears in that section. Pursuant to the provisions of Section 2-92 of the General Statutes, this report includes recommendations in Section II for your consideration during the upcoming legislative session.

Occasionally, we are asked, "Who audits the auditors?" Generally Accepted Government Auditing Standards (GAGAS) mandate that governmental audit organizations have an external quality control review assessment, known as a peer review, every three years. To comply with this requirement, our office participates in the peer review program sponsored by the National Association of State Auditors, Comptrollers and Treasurers (NASACT). Under this program, NASACT provides a team of qualified government auditors from other states as well as the federal government to conduct

a review of our quality control procedures. NASACT selects the teams from a pool of volunteer auditors that each participating state audit organization is obligated to provide.

The peer review team completed our most recent peer review during August of 2022, which covered the one-year period of July 1, 2021 through June 30, 2022. This team examined our quality control procedures to determine whether such procedures were sufficient to ensure our office conducted audits during the review period in accordance with professional auditing standards. The resulting report gave our office a peer review rating of pass, which is the highest rating possible. The report concluded that the Auditors of Public Accounts suitably designed and complied with the system of quality control during the review period to provide our organization with reasonable assurance of performing and reporting in conformance with GAGAS in all material respects. An external peer review team will perform our next review in 2025.

Our website (<https://wp.cga.ct.gov/apa/>) includes additional information on the operations of our office. A key feature of our website is the availability of reports (both present and past) that members of the public may access.

According to law, we maintain work papers for all audits we conduct of state agencies, state quasi-public bodies, and state-supported institutions. All of these documents, except those classified by statute as confidential, are available for review by members of the General Assembly and the public. While we distribute copies of our reports to all members of the General Assembly and various state officials when issued, if additional information is required for any of our published audit findings, we can be reached directly at [john.geragosian@cga.ct.gov](mailto:john.geragosian@cga.ct.gov) (860-240-8651) or [clark.chapin@cga.ct.gov](mailto:clark.chapin@cga.ct.gov) (860-240-8653) to provide any supporting information we have on file.

In transmitting this annual report, we wish to say that it is our pleasure to serve you, the members of the Connecticut General Assembly. We hope that you and your families are healthy and wish you the best during the legislative session.

Respectfully submitted,



John C. Geragosian  
State Auditor



Clark J. Chapin  
State Auditor

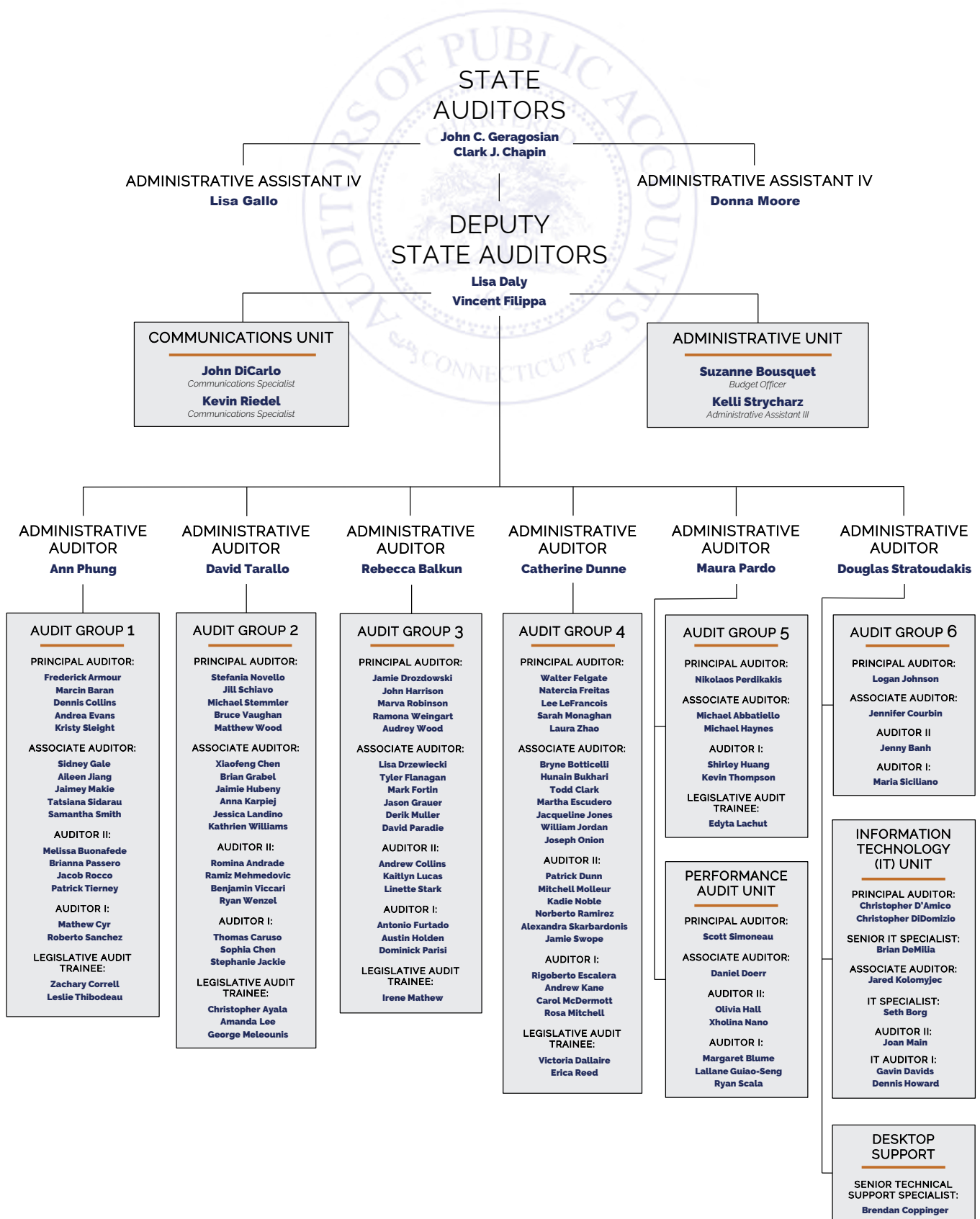
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1. Consider amending Section 1-210(b)(13) of the General Statutes to clarify that complaints filed under Section 4-61dd are exempt from disclosure under the Freedom of Information Act.	34
2. Consider amending Section 14-44(e) of the General Statutes to allow the Department of Motor Vehicles to receive periodic updates from federal and out-of-state criminal databases for active school bus drivers.	35
3. Consider amending Section 7-395(c) of the General Statutes to require the local legislative body or local or regional board of education to hold a public meeting prior to submitting a corrective action plan regarding an audit showing unsound or irregular financial practices, management letter comments, or lack of internal controls in relation to commonly accepted standards in municipal finance.	36
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# ORGANIZATIONAL STRUCTURE





# SECTION ONE

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Report on the  
Operations  
of our Office

## ORGANIZATION AND STAFF

# The Auditors of Public Accounts (APA) traces its origin to a charter granted in 1662 to the Colony of Connecticut by King Charles the Second of England.

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The Colonial Charter of 1750 refers to the auditing of "the Colony's account with the Treasurer of the Colony." When the office of the Comptroller was created in 1786, the Auditors of Public Accounts was placed under its supervision and remained so until 1937, when legislation established the independent status of the office. Its organization with two state auditors, not of the same political party, makes Connecticut unique among state auditing agencies. Connecticut's audit function has been performed by more than a single auditor since its colonial origin.

The office of the Auditors of Public Accounts presently consists of 123 employees, including the state auditors. We are assisted in the management of the office by two deputy state auditors. One focuses on audit quality control and the other focuses on our overall operations. The audit operations staff is currently composed of 106 employees organized into six audit groups, with each group under the general direction of an administrative auditor. Included within these groups are a seven-member Performance Audit Unit and an eight-member Information Systems Audit Unit. The Information Systems Audit Unit is responsible for audit support, data analytics, security, and web development. Other units provide various support services including a two-person Administration Unit that performs the operational functions (human resources, procurement, etc.) of the office, a two-person Communications Unit that assists with internal and external communications, and a one-person Desktop Support Unit that provides user support for our information technology systems and equipment.

Our office hires professional auditing staff through a competitive selection process and promotes employees using a comprehensive method that includes annual performance evaluations and interviews by the state auditors. Our employees are encouraged to continue studies for advanced degrees and professional certifications, such as certified public accountant (CPA), certified internal auditor (CIA), certified fraud examiner (CFE), or certified information systems auditor (CISA). Forty-seven members of our audit staff met relevant professional certification requirements and 61 attained advanced degrees.



# AUDITING STATE AND QUASI-PUBLIC AGENCIES AND OTHER REVIEWS

During 2022, our auditors completed 41 audits of state and quasi-public agencies and made 429 audit recommendations. During the past calendar year, these agencies have implemented approximately 39% of our prior recommendations.

## Our Approach

Our audit approach entails, among other procedures:

- An examination and verification of financial statements, accounting records, and supporting documents;
- A determination of the agency's compliance with statutory and budgetary requirements;
- An evaluation of the agency's internal control structure;
- A verification of the collection and proper handling of state revenue;
- An examination of expenditures charged to state appropriations.

Our audit reports consist of findings and recommendations and, where appropriate, certified financial statements setting forth the condition and operations of the state funds involved.

## Our Reporting Requirements

In accordance with Section 2-90(e) of the General Statutes, we report any unauthorized, illegal, irregular, or unsafe handling or expenditure of state funds to the Governor, the State Comptroller, the clerk of each house, and the Attorney General. We report these matters in our audit reports or by formal letter and collectively report less serious matters such as minor losses and acts of vandalism.

*State loss reports filed in 2022 with this office and the State Comptroller, in accordance with Section 4-33a of the General Statutes, disclosed approximately **365 losses**, primarily through theft, vandalism, and inventory shortages involving an **aggregate loss of \$2,142,900**.*

During the past year, we reviewed the reporting agencies' systems and evaluated whether they resolved the issues related to their reported losses.



## Annual Audits

Section 2-90(b) requires our office to complete an annual audit of the books and accounts of the State Comptroller and the State Treasurer. We audited the financial statements of the Office of the State Treasurer for the fiscal year ended June 30, 2022 and issued our audit opinion on December 30, 2022, as included with the financial statements within the [Treasurer's Annual Report](#). We expect to issue our audit opinion on the state's financial statements for the fiscal year ended June 30, 2022 in February, as presented by the Office of the State Comptroller in the state's [Annual Comprehensive Financial Report \(ACFR\)](#). In addition, during September 2022, our office issued its annual [Statewide Single Audit Report](#) for the State of Connecticut covering the fiscal year ended June 30, 2021. This report included the audited financial statements presented in the state's Annual Comprehensive Financial Report and the schedule of expenditures of federal awards received by the state. We conduct this audit under requirements of the federal Single Audit Act, and it is a condition for the state to receive some \$18,425,000,000 of federal financial assistance.

## State Bonds and Notes

Current disclosure requirements for the offering and sale of state bonds or notes mandate the State Treasurer to prepare an official statement for each offering. The statements include state financial statements along with an audit opinion issued by our office. During 2022, our audit opinions were included with the official statements in five offerings. In addition, we participate in due diligence meetings with the state's bond disclosure counsel and underwriters when requested.

## Coronavirus Relief, American Rescue Plan, and Infrastructure Investment and Jobs Act Funds Oversight

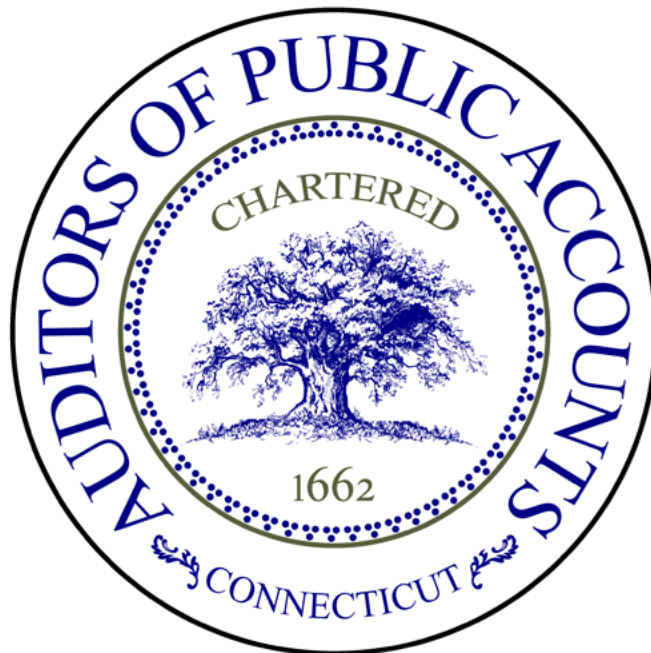
We continue to participate in regular meetings with federal, state, and local officials and certified public accounting firms from across the country. These meetings have focused on the unique challenges on public and private auditors in their oversight of the Coronavirus Relief, American Rescue Plan, and Infrastructure Investment and Jobs Act funds. They also provided an unprecedented opportunity to share the oversight work of federal, state, and local entities to keep us informed about issues of waste, fraud, and abuse. Through these interactions, we now have a single point of contact with federal officials regarding any federal program. One of the most informative resources we garnered from these interactions is the Pandemic Response Accountability Committee (PRAC). This office was established by 21 federal inspectors general to improve oversight of federal Coronavirus funds. The PRAC [website](#) is a valuable source of state and local reports and data.

## State Agency Audits

In addition to statewide single audits and financial audits, we also continue to **audit each state agency on a cyclical basis**, focusing on each agency's internal control structure and compliance with various laws and regulations. This auditing approach complements the Statewide Single Audit and avoids duplicative audit efforts.

## Production and Distribution of Our Audit Reports

We disclose audit findings to agency officials during the audit and share draft copies of audit reports with agency officials for their comments. We include agency responses to each audit finding in the report. When this is completed, the supervising auditor submits the report and its workpapers for review. An administrative auditor conducts that review, verifies that the audit met generally accepted government auditing standards and certifies that the evidence collected during the audit supports the findings in the report. A deputy state auditor and both state auditors then review the report to ensure compliance with policies and procedures of this office. Our office provides draft copies of the approved audit report to agency officials and, upon the agency's request, will hold an exit conference with agency officials before final release and distribution of the report. Distribution of final reports is then made to agency heads, all members of the General Assembly, Governor, Lieutenant Governor, Comptroller, Treasurer, Attorney General, Secretary of the Office of Policy and Management, Connecticut State Library, designated federal agencies, news media and, when appropriate, members of boards and commissions and others. We also post copies of all reports and recently-developed summaries on our [website](#).



# 2022 AUDIT REPORTS

Below is a listing of audit reports released by our office in 2022. Also included are the number of recommendations included in each report.

## Departmental Audits

### RECOMMENDATIONS

	Issue Date	Current Report	Prior Report	Implemented
General Government				
State Comptroller – State Employee and Retiree and Other Benefits	02/17/22	0	1	1
State Comptroller – State Retirement Funds and State Retiree Benefits	02/17/22	3	9	6
State Comptroller – State Financial Operations	02/24/22	1	1	0
Dept of Administrative Services	04/07/22	36	33	13
Office of Policy and Management	04/21/22	3	8	5
Dept of Revenue Services	06/21/22	12	16	9
Office of Governmental Accountability	11/03/22	1	2	1
State Treasurer - State Financial Operations	12/30/22	1	1	1

# Departmental Audits (continued)

## RECOMMENDATIONS

	Issue Date	Current Report	Prior Report	Implemented
Regulation and Protection				
Dept of Labor	03/09/22	8	13	6
Workers' Compensation Commission	06/27/22	1	1	1
Department of Banking	08/31/22	1	6	5
Dept of Emergency Services and Public Protection	12/01/22	11	12	2
Commission on Human Rights and Opportunities	12/21/22	6	10	4
Conservation and Development				
Dept of Energy and Environmental Protection	03/10/22	24	18	6
Department of Housing	04/26/22	20	14	3
Connecticut Agricultural Experiment Station	10/05/22	4	1	1
Health and Hospitals				
Dept of Mental Health and Addiction Services	06/08/22	18	23	6
Dept of Developmental Services	11/16/22	22	20	7
Transportation				
Dept of Transportation	02/16/22	9	13	7
Human Services				
Dept of Children and Families	01/26/22	22	15	6



# Departmental Audits (continued)

## RECOMMENDATIONS

	Issue Date	Current Report	Prior Report	Implemented
<b>Education</b>				
University of Connecticut Health Center	02/22/22	10	14	8
Office of Early Childhood	02/23/22	18	17	6
Connecticut State University System Office	03/14/22	6	5	2
Connecticut Community College System	03/16/22	30	32	15
Central Connecticut State University	08/04/22	5	2	1
Western Connecticut State University	10/06/22	16	10	1

## Judicial

Division of Public Defender Services	10/19/22	2	5	4
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## Quasi-Public Agencies

Connecticut Health Insurance Exchange	03/01/22	4	5	3
Materials Innovation and Recycling Authority	03/03/22	2	2	1
State Education Resource Center	03/29/22	5	3	1
Connecticut Lottery Corporation	06/15/22	0	2	2
Connecticut Airport Authority	09/08/22	0	0	0
Connecticut Innovations, Inc.	10/12/22	4	7	4

## Total Recommendations – Departmental Audits

305

321

138

# Other Audits

## RECOMMENDATIONS

	Issue Date	Current Report	Prior Report	Implemented
<b>Statewide Audits</b>				
State of Connecticut – Federal Single Audit	09/20/22	76	57	18
<b>Performance and Special Reviews</b>				
Bradley Enterprise Fund MOU	01/27/22	1	0	0
Part 2 of Auditors Evaluation of the Revised DECD 2017 Annual Report – Follow-up Report	04/06/22	21	32	11
Dept of Social Services – Community First Choice	06/01/22	6	NA	NA
Connecticut Prescription Monitoring Program – Follow-up Report	08/24/22	20	21	1
<b>Other Financial Statement Audits</b>				
Charter Oak State College Foundation, Inc.	10/25/22	0	0	0
University of Connecticut	12/09/22	0	NA	NA
University of Connecticut Health Center	12/15/22	0	NA	NA
<b>Total Recommendations – Other Audits</b>		<b>124</b>	<b>110</b>	<b>30</b>
<b>Total Recommendations – All Audits</b>		<b>429</b>	<b>431</b>	<b>168</b>

**39%** Resolved Within Current Audit Cycle

# RECOMMENDATION SUMMARY

The departmental audit reports issued by our office generally contain recommendations calling for various improvements in an agency's internal control structure as well as recommendations to better ensure compliance with certain laws, regulations, contracts, and grant agreements when we find instances of noncompliance. A summary analysis of the 305 recommendations appearing in our departmental audit reports identified the following conditions that were presented in a significant number of audits:

## Classification of 2022 Audit Recommendations

### Internal Control Recommendations

Personnel administration	39
Equipment/supplies inventories	22
Payroll and time and attendance	16
Purchasing of goods and/or services	16
Financial reporting and recordkeeping	13
All other internal control recommendations	76
<b>TOTAL INTERNAL CONTROL RECOMMENDATIONS</b>	<b>182</b>

### Compliance Recommendations

Payroll and personnel laws, regulations and/or policies	28
Miscellaneous laws	15
Reporting laws and regulations	13
Miscellaneous regulations and/or policies	12
All other compliance recommendations	30
<b>TOTAL COMPLIANCE RECOMMENDATIONS</b>	<b>98</b>

### Miscellaneous Recommendations

Information technology	9
Inefficient administrative practices	8
Laws, by-laws, regulations and/or internal procedures	6
All other miscellaneous recommendations	2
<b>TOTAL MISCELLANEOUS RECOMMENDATIONS</b>	<b>25</b>

### **TOTAL DEPARTMENTAL AUDIT RECOMMENDATIONS**

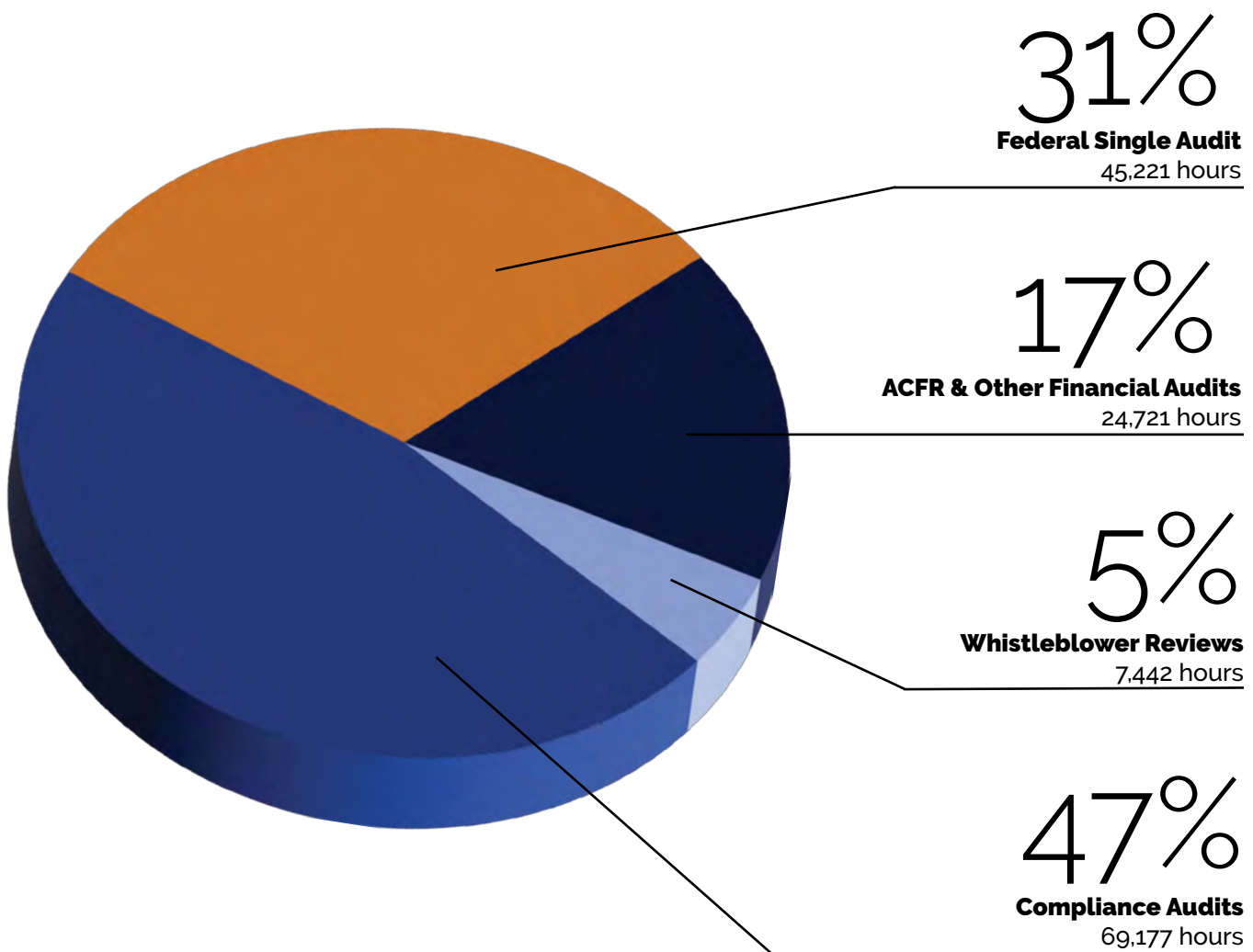
**305**

In addition to the departmental audit recommendations, our office issued a Statewide Single Audit Report, which contained 76 audit recommendations calling for various improvements in controls over state-administered federal programs and compliance with related laws and regulations. We also performed financial statement audits at the University of Connecticut and the University of Connecticut Health Center. Additionally, our office issued one other financial statement audit report and four performance, special, or other reviews during 2022.

# AUDIT HOURS

During the fiscal year ended June 30, 2022, our office expended 146,561 audit hours. The following chart provides a breakdown of these audit hours:

## Actual Audit Hours For FYE 2022



**Our federal Single Audit work generated approximately \$1.7 million in costs eligible for federal reimbursement** to the state's General Fund during the 2021-2022 fiscal year. The state realizes these recoverable costs through a state-prepared statewide cost allocation plan approved by the federal government each year. In accordance with this plan, the state charges our office's Single Audit costs to the federal programs in which the state participates. In turn, the federal government reimburses the state for a portion of these costs using the indirect cost recovery rates included in the statewide cost allocation plan.



## Special Audits and Reviews

This past year, our office released multiple special audits and reviews. We also performed follow-up reviews of a prior performance audit to gauge the implementation of recommendations provided in the original audits. On June 1, 2022, we released our report on the [Department of Social Services-Community First Choice](#), a program that allows eligible individuals to access personal care assistants (PCA) and other services and supports through self-direction. The report contained sixteen recommendations to improve the program's oversight and operations. On August 8, 2022, we released a follow-up review of the [Connecticut Prescription Monitoring Program](#). The [initial report](#) included 21 recommendations to help strengthen the Department of Consumer Protection's oversight of prescription drug dispensers. Although we repeated 20 of the 21 recommendations, we noted that the department appeared to have at least partially implemented 24% of the prior audit recommendations.

## Evaluations and Performance Audits of Economic Development Programs and Tax Incentives

Section 2-90c of the General Statutes requires the Auditors of Public Accounts to evaluate the Department of Economic and Community Development's (DECD) management practices and operations regarding the ease or difficulty for taxpayers to comply with the requirements of the incentive programs. It also mandated that our office suggest recommendations for improving the administrative efficiency or effectiveness of the incentive programs.

On April 4, 2022, we issued our follow-up report of the [Part 2 Evaluation of the Revised DECD 2017 Annual Report](#). Our [initial report](#), released on May 21, 2019, included 32 recommendations to improve efficiency or effectiveness in this area. Our current review noted that DECD appeared to have partially or fully implemented 50% of our prior audit recommendations.

# WHISTLEBLOWER MATTERS

During FYE June 30, 2022, we received and evaluated 152 whistleblower complaints.

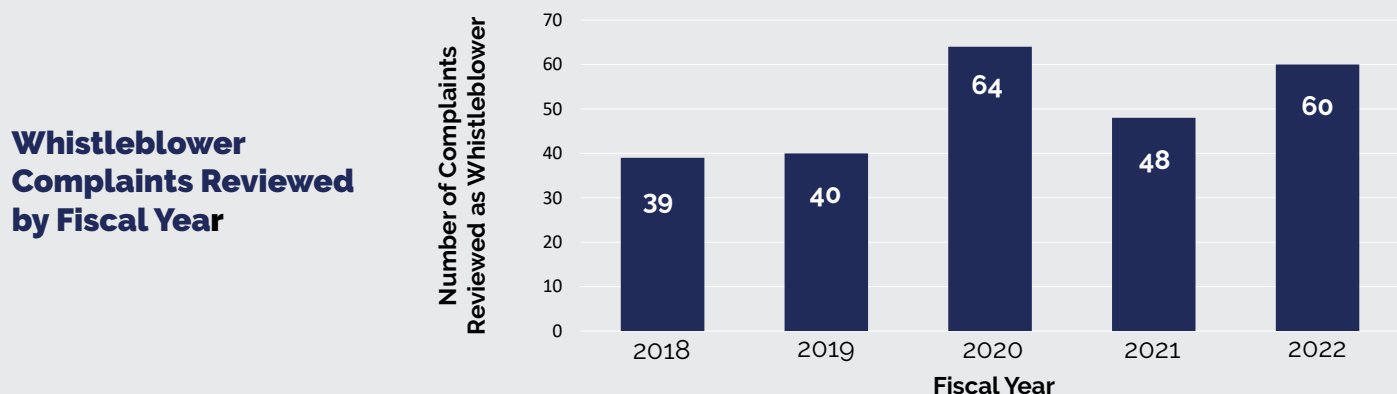
## The Whistleblower Act

The provisions of Section 4-61dd of the General Statutes, known as the Whistleblower Act, allow our office to receive complaints from anyone having knowledge of any matter involving corruption, unethical practices, violations of state laws or regulations, mismanagement, gross waste of funds, abuse of authority, or danger to public safety occurring in any state department or agency or quasi-public agency. Section 4-61dd also applies to state contracts in excess of \$5 million. We review all such whistleblower matters and report our findings and recommendations to the Attorney General. At the request of the Attorney General, or on our own initiative, we can assist in any continuing investigation.

During the fiscal year ended June 30, 2022, we received and evaluated 152 complaints. We handled 60 of them as whistleblower complaints, covering matters such as alleged misuse of state funds, employee misconduct, personnel issues, and violations of federal or state law. The remaining 92 complaints were rejected in accordance with Section 4-61dd(b) and were often referred to our field auditors for consideration in their regular agency audits.

## Our Reporting Requirements

Section 4-61dd of the General Statutes requires an annual report on all whistleblower complaints, which our office prepared and filed on August 30, 2022 with the clerks of the House and Senate. By law, our office cannot disclose the identity of the complainant unless the complainant authorizes it or it is otherwise unavoidable, but the general nature of each complaint is available from our office. In addition to the confidentiality of the complainant, the records of any investigation of whistleblower matters are considered exempt records and are exempt from disclosure under the Freedom of Information statutes. A summary of the whistleblower complaints we reviewed during the 2021-2022 fiscal year, as compared to preceding fiscal years, follows:



# 2022 WHISTLEBLOWER SUMMARY

The following is a summary of whistleblower complaints reviewed during the 2021-2022 fiscal year and the date we reported the results of our review to the Office of the Attorney General:

## Whistleblower Matters Received

	Month Received	Date Reported to Attorney General
<b>Administrative Services</b>		
Unfair hiring process	09/21	*
Job class concerns	11/21	*
Overcharging for services	03/22	*
<b>Board of Regents</b>		
Potential conflict	09/21	12/10/21
Inappropriate payout of leave accruals	10/21	07/05/22
Project accounting deposit	02/22	04/26/22
<b>Central Connecticut State University</b>		
Student-athlete investigation	02/22	07/21/22
Abuse of authority and other various concerns	03/22	*

# Whistleblower Matters Received (continued)

## Children and Families

	Month Received	Date Reported to Attorney General
Improper investigation	09/21	*
Hostile work environment	01/22	*
Reclassifications and other concerns	01/22	*
Unethical handling of case	01/22	*
Abuse of authority, lack of assistance from ombudsman and other various concerns	04/22	*
Various concerns, abuse of power, lack of care	04/22	*
Improper threat assessment, lack of diversity	06/22	*

## Community Colleges

Nepotism	08/21	04/12/22
Student Records	03/22	05/13/22

## Correction

Outsourcing and concerns over prescriptions	07/21	*
Improper use of Covid Relief Funds	10/21	*
Lack of controls for overtime	02/22	*



# Whistleblower Matters Received (continued)

	Month Received	Date Reported to Attorney General
<b>Developmental Services</b>		
Concerns over care and access to a client	10/21	05/23/22
Wasted funds	12/21	07/12/22
Segregation of duty and overtime	01/22	*
Failure to train employees properly	06/22	*
<b>Economic and Community Development</b>		
Alleged failure to monitor grant	04/22	*
<b>Education</b>		
Hostile work environment, failure to investigate, questionable appointment	06/22	*
<b>Emergency Services and Public Protection</b>		
Illegal shooting range	04/22	*
Poor building conditions	06/22	*
<b>Energy and Environmental Protection</b>		
Improper investigation	02/22	*
Lack of proper oversight by PURA	05/22	*

# Whistleblower Matters Received (continued)

Month  
Received

Date Reported to  
Attorney General

## Human Rights and Opportunities

Failure to follow procedures

05/22

\*

## Labor

Alleged employee not working

04/22

07/13/22

Nepotism and abuse of power

04/22

\*

## Mental Health and Addiction Services

Alleged inappropriate contact with clients

01/22

\*

Hostile work environment, failure to investigate,  
questionable appointment

01/22

\*

Nepotism, employee not working

03/22

\*

Questionable care and doctors' scheduling

04/22

\*

Remote work

04/22

\*

## Motor Vehicles

Violence and hostile work environment

02/22

\*

## Policy and Management

Failure to monitor municipal grant

08/21

\*

Failure to monitor municipal grant

09/21

\*

# Whistleblower Matters Received (continued)

	Month Received	Date Reported to Attorney General
<b>Port Authority</b>		
Lack of public bidding and favoritism	08/21	*
<b>Probate Court Administration</b>		
Segregation of duties, misuse of funds	07/21	08/20/22
<b>Public Defender</b>		
Misuse of state vehicle	05/22	*
<b>Public Health</b>		
Various matters	08/21	*
Inappropriate disposal	06/22	*
<b>Revenue Services</b>		
Employees' workloads	06/22	*
<b>Secretary of the State</b>		
Nepotism, favoritism, employees not working	05/22	*

# Whistleblower Matters Received (continued)

## Social Services

	Month Received	Date Reported to Attorney General
Lack of monitoring of vendor	03/22	*
Inequitable hiring	03/22	*
Questionable promotional and hiring, misuse of funds	05/22	*

## State Treasurer

Questionable bidding process, lack of compliance unit, failure to investigate	11/21	04/29/22
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## Transportation

Nepotism and improper promotion	08/21	12/23/21
Waste of funds for new (larger) bridge	04/22	*

## University of Connecticut

UCONN questionable bidding practices	03/22	*
Fraudulent time, lack of investigation	04/22	07/13/22
Attorneys' salaries	05/22	*



# Whistleblower Matters Received (continued)

## Western CT State University

	Month Received	Date Reported to Attorney General
Unethical practices and mismanagement	10/21	04/25/22
Mismanagement, noncompliance, lack of transparency	05/22	*

## Workers Compensation

Employee not working, falsifying records	05/22	*
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\* Indicates the matter is still under review

## Whistleblower Matter Summary

Total Complaints Received During 2021 – 2022	60
Complaints Closed During 2021 – 2022	10
Prior Year Complaints Closed During 2021 – 2022	33

# Year-Over-Year Whistleblower Comparison

A summary of the whistleblower matters transmitted to our office for the 2021-2022 fiscal year, as compared to the 2020-2021 fiscal year, follows:

	2020 - 2021	2021 - 2022
<b>Disposition of Complaints</b>		
<b>Total Complaints Received</b>	<b>171</b>	<b>152</b>
<b>Whistleblower Complaints Recorded</b>		
Total Complaints Reviewed as Whistleblower	48	60
Complaints Closed as of June 30	11	10
Complaints Under Review as of June 30	37	50
<b>Whistleblower Complaints Closed</b>		
Fiscal Year 2022	-	10
Fiscal Year 2021	11	21
Fiscal Year 2020	24	12
Fiscal Year 2019	8	-
<b>Total Whistleblower Complaints Closed</b>	<b>43</b>	<b>43</b>

## Rejected Whistleblower Matters

As noted above, our office also received information on **92 other matters that were rejected** under the provisions of Section 4-61dd(b)(1) of the General Statutes. The following is the breakdown of how our office handled these rejected complaints:

	2020 - 2021	2021 - 2022
<b>Reason for Rejection</b>		
Handled as part of scheduled audit	40	34
Not related to a state or quasi-public agency	19	25
There are other available remedies	43	10
Other complaints have greater priority	7	6
Better investigated by another agency	13	16
Not Timely	1	1
<b>Total Rejected Complaints</b>	<b>123</b>	<b>92</b>

# GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS (GAGAS)

An audit consists of a review and examination of records, documents, and financial statements; the collection of information needed to certify the fairness of presentations in financial reports; compliance with statutory requirements and regulations; and evaluation of management's efficiency and effectiveness in carrying out responsibilities. National organizations set standards for the conduct of audits and the preparation and issuance of audit reports. **Generally Accepted Government Auditing Standards (GAGAS) are standards established by the United States General Accountability Office (GAO)** that are codified into a publication entitled [Government Auditing Standards](#), which is more commonly referred to as the Yellow Book.

Although the standards prepared by the GAO are only required in connection with entities supported by or receiving federal assistance, they are so comprehensive that their application to all governmental audits is generally encouraged. Because the Auditors of Public Accounts in the State of Connecticut functions in many respects as the GAO does in the federal government, we have chosen to accept and follow government auditing standards in the performance of virtually all of our audit work

Following GAGAS and compliance with recent Statements on Auditing Standards (SAS) issued by the American Institute of Certified Public Accountants (AICPA) has significantly impacted our operations. As a result, we monitor and stay informed on new continuing education requirements for our professional staff, periodic internal and external quality control review assessments, and updates of policies and procedures.

# CONTINUING EDUCATION AND PROFESSIONAL ORGANIZATIONS

## Continuing Education

Auditors responsible for planning, directing, conducting, or reporting on governmental audits must complete at least **80 hours of appropriate continuing education and training** every two years, with at least 24 of those hours in subjects directly related to the governmental environment and governmental auditing. Accordingly, we follow a training policy statement that provides for reasonable assistance in the form of expanded training and seminars, together with tuition reimbursement programs for our employees taking appropriate courses. To provide training that is more effective for our auditors, this year's training program included contracted seminars, webinars, and self-study courses.

In 2022, our office again utilized significant in-house continuing education for our auditors, providing certain educational materials and programs directly rather than contracting with outside providers. This afforded our staff quality training that is more relevant and affordable, thereby saving taxpayer dollars.

## Professional Organizations

Our office participates in various professional organizations involved in governmental auditing. On the national level, we are actively involved with the [National Association of State Auditors, Comptrollers and Treasurers \(NASACT\)](#) and the [National State Auditors Association \(NSAA\)](#). Our state auditors and other members of our office serve on various NASACT and NSAA committees. One of our state auditors is the NSAA President, serves on the NASACT Executive Committee, and chairs the NASACT Constitution and Bylaws Committee. Several of our auditors volunteered to participate in the 2023 NSAA peer review and one audit supervisor was recently selected for the team scheduled to conduct the South Dakota review. Regionally, we continue to be actively involved with the [New England Intergovernmental Audit Forum \(NEIAF\)](#) and serve on its executive committee. Our office supports and encourages our employees to serve in professional audit organizations in various capacities including locally on the committees of the [Connecticut Society of Certified Public Accountants \(CTCPA\)](#) and the [Connecticut Chapter of the Association of Certified Fraud Examiners \(ACFE\)](#). These affiliations enable our office to receive information affecting our profession, present educational opportunities for our employees, and provide valuable information sharing.

# QUALITY CONTROL REVIEWS

## Peer Review

Generally Accepted Government Auditing Standards (GAGAS) mandate that governmental audit organizations have an external quality control review assessment, known as a peer review, every three years. To comply with this requirement, our office participates in the peer review program sponsored by the National Association of State Auditors, Comptrollers and Treasurers (NASACT). Under this program, NASACT provides a team of qualified government auditors from other states and the federal government to conduct a review of our quality control procedures. NASACT selects the teams from a pool of volunteer auditors that each participating state audit organization is obligated to provide.

The peer review team completed our most recent peer review during August of 2022, which covered the one-year period of July 1, 2021 to June 30, 2022. The peer review team examined our quality control procedures to determine whether such procedures were sufficient to ensure our office conducted audits during the review period in accordance with professional auditing standards. The resulting [report](#) gave our office a peer review rating of pass, which is the highest rating. The report concluded that the Auditors of Public Accounts suitably designed and complied with the system of quality control during the review period to provide our organization with reasonable assurance of performing and reporting in conformance with GAGAS in all material respects.

In addition, representatives of various federal inspector general offices periodically conduct an external quality control review of our office's federal audit work. Our 2022 peer review team included a representative from the Department of Health and Human Services' Office of the Inspector General, who conducted a review of select work papers supporting our 2020 Single Audit of the State of Connecticut. While this federal review did not cite any audit deficiencies, the reviewer informally conveyed three matters for further consideration to our management team, highlighting areas in which our office could make improvements in our single audit documentation. Because of this federal review, our office implemented these improvements.

Our next external peer review, covering the one-year period ending June 30, 2025, will be conducted in the summer of 2025.

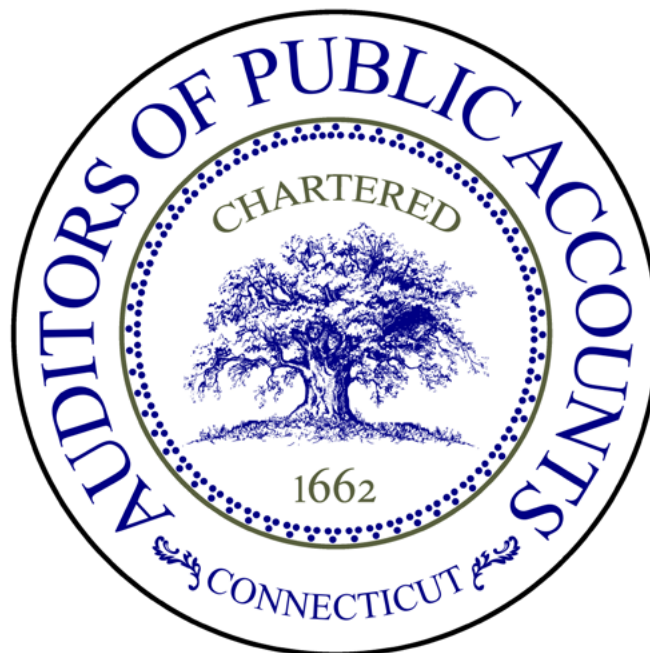
## Internal Review

Our office is also required to monitor its operations between peer reviews to ensure continuing effectiveness of the quality control system. In June of 2022, two of our auditors completed an internal inspection of our office's system of quality control for the fiscal period ended June 30, 2021. Another team will complete the fiscal year 2022 internal inspection and will issue a report in the coming months.

# RECENT LEGISLATIVE CHANGES

During the 2021 legislative session, the General Assembly passed [Public Act 21-145](#), An Act Implementing the Recommendations of the Auditors of Public Accounts. The act changed various statutes related to our office, auditing, and other related topics. Among other things, the act:

- Explicitly prohibits state agencies from denying the Auditors access to their records or accounts (Section 1).
- Requires certain new or amended state contracts to contain a provision allowing the agency to access any relevant data upon demand, at no additional cost, in the agency's prescribed format and allows the Auditors access to this data when auditing the agency (Sections 2 and 3).
- Requires state agencies to notify the Auditors at least 15 days before contracting for auditing services and prohibits agencies from entering these contracts until the Auditors advise whether it can perform the work instead (Section 4).
- Extends ethics code provisions on prohibited activities that apply to state-hired consultants and independent contractors to their employees (Section 12).





# RESTRUCTURING AND EXPANSION IN 2022

## **Additional Deputy State Auditor**

Our former deputy state auditor retired in April of 2022 after more than 37 years of service to the state. We asked him to report to us regarding his successor and improvements to the structure, efficiency, and effectiveness of our office. He reported to us that his day-to-day duties, which included reviewing every report and handling all administrative matters, did not allow him to focus on broader office goals. As a result, he recommended that we add another deputy state auditor.

After careful consideration, we accepted his recommendation and created a second deputy state auditor position. One deputy's duties focus on our audit work, which includes reviewing every audit report and ensuring that our work adheres to government and other professional auditing standards and office policies. The other deputy is responsible for all other administrative functions, which include personnel matters (recruiting, hiring, and discipline), procurement, other reporting (annual report, agency guide, etc.), Freedom of Information requests, and all other administrative functions.

This new structure is working out very well, especially in focusing on recruiting new employees. Since the addition of the second deputy in April of 2022, we hired 17 new employees.

## **Improved Information Technology Capabilities and Oversight**

Information technology (IT) has become more prevalent in all aspects of our lives. To address the growing need to evaluate, monitor, and audit the state's use of IT systems to operate and monitor its programs, our office added a sixth administrative auditor to oversee an information technology division. The division also includes oversight of the Department of Administrative Services and Office of Policy and Management audits. The inclusion of these agencies into the information technology division gives our office an increased ability to comprehensively audit the state's human resources, procurement, and information technology functions.

In 2022, we obtained additional information technology resources to further expand our use of data analytics. We continued to increase our IT Unit's support to our field audit teams to sort and aggregate data and trends to enhance the audit process. We will continue to expand the use of our data specialists in our day-to-day audit work.

We continue to evaluate the effectiveness of the state's information technology structure to determine whether state systems adequately maintain data integrity, protect against privacy breaches, and ensure proper safeguards are in place to protect against fraud. In 2022, we expanded our information technology audit capabilities by adding experienced staff and implementing new types of security reviews. We will continue to increase these capabilities to better respond to the state's recent consolidation of its IT environment.

# RESTRUCTURING AND EXPANSION IN 2022 (continued)

## Improved Communications

We have one of the most professional state audit agencies in the country, and we have always been proud of the great work our employees produce. However, while we maintained the quality of our work, we wanted to improve the look, feel, and usefulness of our reports. Since 2013, we wanted to improve how we communicate with state government, the public, and our employees.

In August 2022, we finally were able to create an internal Communications Unit with two experienced communication specialists to improve our internal and external communications. The unit is working to enhance our reports, publications, and presentations to make them modern, useful, and impactful; manage the content and design of our Internet and Intranet sites and social media platforms to ensure that information is available, current, and valuable for our external users and internal organization; assist with the development of continuing education programs and materials for additional in-house training opportunities; and assist with recruiting efforts through creative outreach and the design of attractive recruiting materials.

In a short time, the Communications Unit helped create a more informative and user-friendly [Agency Guide](#) and this report. They also created concise audit summaries that present key findings and recommendations in our most recent audit reports. One of their first summaries highlighted the findings and recommendations in the federal [2021 Statewide Single Audit](#).

They also improved our social media presence by creating a [LinkedIn](#) page to network with other professionals and help attract new employees and increase our communications and connections with our users on [Twitter](#). Finally, they developed an internal SharePoint informational site to promptly and effectively disseminate news, announcements, and technical information within our organization.

We hope that these changes can better inform you about our work and provide valuable information as you address the state's challenges.

*The past year was one of significant challenges and advancements for the office of the Auditors of Public Accounts. We are proud that our professional team worked to overcome those challenges. We will continue to find new ways to work more efficiently and enhance the professional reputation our office has always enjoyed.*



# SECTION TWO

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Recommendations

# RECOMMENDATION 1

The General Assembly should consider amending Section 1-210(b)(13) of the General Statutes to clarify that complaints filed under Section 4-61dd are exempt from disclosure under the Freedom of Information Act.

## **Comment:**

Section 1-210(b)(13) of the General Statutes excludes the disclosure of records of an investigation or the name of an employee providing information under the provisions of Section 4-61dd (Whistleblower Act). A recent Freedom of Information case sought the public release of a whistleblower complaint, arguing that it is not a record of the investigation. In April of 2022, the Freedom of Information Commission dismissed the matter, finding that the whistleblower complaint was not releasable in this case. However, the commission did not extend its ruling to future cases.

The confidentiality of whistleblower records has been upheld by the General Assembly, as well as court and Freedom of Information Commission decisions. Section 4-61dd(g) is the only statute referencing the public reporting of whistleblower information. It requires our office to report, by September 1st annually, the number of matters for which facts and information were transmitted to the auditors pursuant to 4-61dd during the preceding state fiscal year and the disposition of each such matter. Our office also reports on whistleblower activity in our annual report each February. The annual report includes a listing of all whistleblower complaints received during the preceding year, a general description of each complaint, and whether and when our office reported its findings to the Office of the Attorney General. The annual report also contains general information on the disposition of all complaints, including those rejected under Section 4-61dd(b).

Releasing these complaints publicly could have a chilling effect on the whistleblower process. It potentially jeopardizes the identity of complainants. Even a redacted complaint may provide evidence of the complainant's identity or position within an agency. This could lead to fewer complaints because potential complainants would fear exposure of their identity. It is also likely that it would lead to more anonymous complaints. This would make it more difficult for our office to review the complaint because it would be almost impossible to gather additional information from the complainant.

Our last concern is that publicly releasing whistleblower complaints would lead to malicious filings aimed to tarnish a person's reputation. The current whistleblower process, which treats the complaint as a confidential record of the investigation, allows our office to discretely conduct its review to determine the validity of the complaint. We report the results of all our reviews to the Office of the Attorney General.

# RECOMMENDATION 2

The General Assembly should consider amending Section 14-44(e) of the General Statutes to allow the Department of Motor Vehicles to receive periodic updates from federal and out-of-state criminal databases for active school bus drivers.

## **Comment:**

Our office issued a 2019 [performance audit](#) (The Department of Motor Vehicles Background Check Process for Student Transportation Employees) and [follow-up report](#) in 2021. We found that the Department of Motor Vehicles does not conduct comprehensive criminal history checks for current school bus drivers. The department does not check with the FBI national crime history database for criminal activity after its initial background check during the application process.

The Department of Motor Vehicles regularly compares student transportation drivers against the Department of Emergency Services and Public Protection's (DESPP) criminal database and its driver suspension data. Currently, the department is not authorized to periodically check national crime databases. Section 14-44(e) of the Connecticut General Statutes only references the checking of the national criminal database (fingerprint check) at the time of issuance.



# RECOMMENDATION 3

The General Assembly should consider amending Section 7-395(c) of the General Statutes to require the local legislative body or local or regional board of education to hold a public meeting, prior to submitting a corrective action plan regarding an audit showing unsound or irregular financial practices, management letter comments, or lack of internal controls in relation to commonly accepted standards in municipal finance. The meeting should include a discussion of the nature of any of these audit deficiencies and should address the causes for these conditions and potential corrective action.

## **Comment:**

Section 7-395(b)(2) states that, if the secretary of the Office of Policy and Management finds that a municipality or regional school district's audit contains evidence of unsound or irregular financial practices, management letter comments, or lack of internal controls in relation to commonly accepted standards in municipal finance, then the secretary shall prepare a report concerning such finding, including, but not limited to, information to aid in the evaluation of such finding and recommendations for corrective action. The secretary must submit the report to the Municipal Finance Advisory Commission, the Auditors of Public Accounts, and the chief executive officer and clerk of the municipality or superintendent of schools for the regional school district.

Section 7-395(c) currently states that, upon receipt of a report submitted pursuant to subsection (b) of this section, the chief executive officer of a municipality, audited agency, or superintendent of schools for the regional school district shall attest to and explain the secretary's findings and submit a plan for corrective action, in writing, to the secretary.

We recommend that, prior to the submission of the corrective action plan, the legislative body or, in a municipality where the legislative body is a town meeting, the board of selectmen or regional or local board of education shall hold a public meeting to discuss the nature of the unsound or irregular financial practices, management letter comments, or lack of internal controls related to commonly accepted municipal finance standards. The meeting shall also address the causes for these conditions and potential corrective action. This would ensure that local officials and the public are aware of these issues and can monitor efforts to address them.



# RECOMMENDATION 3

## (continued)

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This recommendation stemmed from recent scandals in the City of West Haven. The city's 2020 audit included a finding and recommendation related to its approved vendor list. The city's auditor found that it allowed purchases without first approving vendors. The auditor found that this could increase the risk of fictitious vendors, limit the ability to obtain the best price, and create unintentional conflicts of interest.

If the city held a hearing on this audit, it may have reduced or prevented these fraudulent transactions.

# TECHNICAL CORRECTIONS AND OTHER MATTERS

- a. The General Assembly should consider amending all sections of the General Statutes that contain any reference to “a separate, non-lapsing account within the General Fund,” and should consider drafting any future legislation accordingly.** This would ensure consistency between statutory requirements and the state’s current accounting practices in which the Federal and Other Restricted Accounts Special Revenue Fund is used to account for such funds.

Prior to the 2003 implementation of the state’s Core-CT accounting system, the General Fund was used for the accounting of budgeted and private restricted funds. However, since the implementation of Core-CT, these funds were segregated in the system through the creation of the General Fund (11000), which is used for the state’s general operations, for which the funds commonly lapse at fiscal year-end. The system also has a Federal and Other Restricted Accounts Special Revenue Fund (12060) that is used to account for the funds reflected in the language of current law. This change would ensure consistency between statutory language and current accounting practices and avoid noncompliance.

- b. The General Assembly should replace all statutory references to a Comprehensive Annual Financial Report with Annual Comprehensive Financial Report (ACFR).**

The Governmental Accounting Standards Board (GASB) implemented this change in response to stakeholder concerns that the common pronunciation of the acronym for Comprehensive Annual Financial Report sounds like a profoundly objectionable racial slur. This change is effective for fiscal years ending after December 15, 2021. Our office has already adopted the new language.

The following sections of the General Statutes refer to the Comprehensive Annual Financial Report:

- Section 3-115b
- Section 4-72
- Section 8-169mm
- Section 15-120
- Section 32-605

# RECENTLY ADOPTED RECOMMENDATIONS

1. The General Assembly should consider strengthening Section 2-90(g) of the General Statutes to explicitly require agencies to provide records or accounts to our office upon demand. (2021 PA 21-145 Section 1)
2. The General Assembly should consider requiring state statutes and contract language to include provisions to grant our office and contracting state agencies access to agency data held by third-party contractors. The contractors should promptly provide that information to the state at no cost. (2021 PA 21-145 Section 2)
3. The General Assembly should consider updating the language in Section 2-90(c) of the General Statutes to reflect current conditions and coincide with the overall audit responsibilities delineated in the statutes. (2021 PA 21-145 Section 3)
4. The General Assembly should consider modifying the state's procurement laws to include a general provision that the Auditors of Public Accounts be given the right of first refusal on all procurement of audit services. (2021 PA 21-145 Section 4)
5. The General Assembly should consider amending Section 10-91g of the General Statutes to clarify what is a private provider and what constitutes special education services. (2021 PA 21-145 Section 5)
6. The General Assembly should consider amending Section 4b-21 of the General Statutes to establish deadlines for the Department of Administrative Services in the real property surplus process. (2021 PA 21-145 Section 8)
7. The General Assembly should consider amending statutory provisions addressing Bradley International Airport law enforcement services to reflect the current organizational structure, terminology, and federal restrictions. The General Assembly should consider reevaluating the need for a separate audit of reimbursements from the Bradley Enterprise Fund to the Department of Emergency Services and Public Protection for those services. (2021 PA 21-145 Section 18)
8. The General Assembly should consider amending Section 31-426 of the General Statutes to remove certain references to management functions placed on the Auditors of Public Accounts related to the Connecticut Retirement Security Authority. (2021 PA 21-145 Section 7)

# RECENTLY ADOPTED RECOMMENDATIONS (continued)

9. The General Assembly should consider amending Section 1-86e of the General Statutes to include employees of consultants or independent contractors. The General Assembly also should consider requiring consultants, independent contractors, and their employees to disclose any financial benefit or potential conflict with any person or entity they recommend to the state (or state agency) for the purchase of goods or services. (2021 PA 21-145 Section 12)
10. The General Assembly should consider amending Section 10-292(a) of the General Statutes to ensure that school safety documents are reviewed and approved prior to the approval of design and construction documents for school building projects funded with school construction grants. (2021 PA 21-145 Section 13)
11. Section 2-90(b) of the General Statutes requires our office to, "conduct an audit of reimbursements made from the Bradley Enterprise Fund to the Department of Emergency Services and Public Protection to cover the cost of Troop W operations..."

The Department of Emergency Services and Public Protection merged Troop W into Troop H, effective March 9, 2012. As such, the reference to Troop W within section 2-90(b) should be changed to Troop H. (2021 PA 21-145 Section 18)

12. Section 32-42 of the General Statutes states that, for audit requirements of the quasi-public Connecticut Innovations, Incorporated, "The accounts of the corporation shall be subject to annual audits by the State Auditors of Public Accounts." (2021 PA 21-145 Section 11)

Section 8-260 of the General Statutes states that, for audit requirements of the quasi-public Connecticut Housing Finance Authority, "The accounts of the authority shall be subject to annual audits by the State Auditors of Public Accounts." (2021 PA 21-145 Section 9)

Section 15-120kk of the General Statutes states that, for audit requirements of the quasi-public Connecticut Airport Authority, "The accounts of the authority shall be subject to annual audits by the State Auditors of Public Accounts." (2021 PA 21-145 Section 10)

Since July 1, 2010, annual audits of quasi-public agencies were no longer required. Public Act 10-172 changed quasi-public audits from annual to biennial, effective July 1, 2010. The audit language in sections 32-42, 8-260, and 15-120kk should be amended or removed to reflect that change.

# RECENTLY ADOPTED RECOMMENDATIONS (continued)

13. Section 1-122 of the General Statutes specifies the requirements for the Auditors of Public Accounts to conduct audits of all quasi-public agencies. However, in several sections of the General Statutes, there is potentially conflicting language for audits of certain quasi-public agencies.

For the Materials Innovation and Recycling Authority, Section 22a-263 states that "The authority shall be subject to audit by the state Auditors of Public Accounts in accordance with normal audit practices prescribed for departments, boards, commissions and other agencies of the state." For consistency, we would recommend eliminating that language.

For the Connecticut Retirement Security Authority, Section 31-426 states that "(b) The Auditors of Public Accounts may conduct a full audit of the books and accounts of the authority pertaining to such activities, receipts and expenditures, personnel, services or facilities, in accordance with the provisions of section 2-90. For the purposes of such audit, the Auditors of Public Accounts shall have access to the properties and records of the authority, and may prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the authority." For consistency, we would recommend eliminating that language.

For the State Education Resource Center, Section 10-357b(14)(c)(2) includes the language "...and (2) audit by the Auditors of Public Accounts under section 2-90." For consistency, we would recommend eliminating that language. (2021 PA 21-145 Section 6)

14. Section 15-120kk of the General Statutes states that, for audit requirements of the quasi-public Connecticut Airport Authority, "The accounts of the authority shall be subject to annual audits by the State Auditors of Public Accounts."

Since July 1, 2010, annual audits of quasi-public agencies were no longer required. Public Act 10-172 changed quasi-public audits from annual to biennial, effective July 1, 2010. The audit language in section 15-120kk should be amended or removed to reflect that change. (2021 PA 21-145 Section 10)

15. Section 17a-10c(d) of the General Statutes states that, when a child is placed out of home, the caseworker shall, among other requirements, "explain to the child that the child may contact the caseworker, the child's attorney, the Department of Children and Families regional office, the Department of Children and Families Office of the Ombudsman or the Office of the Child Advocate if the child feels that his or her rights under the Sibling Bill of Rights has been violated, and provide the child with contact information for such caseworker, such regional office, the Department of Children and Families Office of the Ombudsman..."

# RECENTLY ADOPTED RECOMMENDATIONS (continued)

Section 17a-10e(d) of the General Statutes states that when a child is placed out of home, the caseworker shall, among other requirements, "explain to the child that the child may contact the caseworker, the child's attorney, the Department of Children and Families regional office, the Department of Children and Families Office of the Ombudsman or the Office of the Child Advocate if the child feels that his or her rights have been violated or expectations have not been met under the Children in Care Bill of Rights and Expectations, and provide the child with contact information for such caseworker, such regional office, the Department of Children and Families Office of the Ombudsman..."

The Department of Children and Families renamed the Office of the Ombudsman to the Office of Community Relations in 2019. As such, the references to the Office of the Ombudsman in sections 17a-10c(d) and 17a-10e(d) should be updated to reflect the name change. (2021 PA 21-145 Section 17)

16. The General Assembly should consider limiting the conditions that may be used to justify a waiver from competitive bidding when services are procured under a personal services agreement. Limiting such conditions to those that are specifically presented within Section 4-215 of the General Statutes would accomplish that objective. (2019 PA 19-117 Section 104)

Note: While Public Act 19-117 did not fully address our recommendation, it implemented important reporting and transparency measures to the competitive bidding process. The act requires the OPM secretary to post any approved personal services agreement (PSA) waiver requests on the state contracting portal. It also requires the OPM secretary to submit a report, by January 15, 2020, and annually thereafter, to the Appropriations and Government Administration and Elections committees and the State Contracting Standards Board. The report must (1) list any PSA waiver requests received during the prior year and (2) include the justification for granting or denying the requests.

The act also requires each executive branch agency to submit an agency procurement plan, by January 1, 2020, and every three years thereafter, to the OPM secretary for approval. The plan must include a list of all services and programs the agency intends to contract for over the next three years and a planned schedule of procurements indicating whether the (1) procurement will be based on competitive negotiation or competitive quotation, or (2) agency has determined that a sole source procurement is required and intends to apply to the secretary for a waiver.

17. The General Assembly should consider enacting legislation to amend Section 2-90 and Section 4-33a of the General Statutes to encourage timely reporting by agencies of matters that may be currently under investigation. (2018 PA 18-137 Section 1)



# RECENTLY ADOPTED RECOMMENDATIONS (continued)

18. The General Assembly should consider enacting legislation to amend Section 4-33a of the General Statutes to allow the Auditors of Public Accounts flexibility in determining the manner in which agencies report matters with large numbers of reportable events in their normal course of business. (2018 PA 18-137 Section 2)
19. The General Assembly should consider including agency human resources directors as mandated reporters of ethics violations, as required for others by Section 1-101pp of the General Statutes. (2018 PA 18-137 Section 3)
20. The General Assembly should consider an amendment to Section 4-37g(b) of the General Statutes to allow the Auditors of Public Accounts to conduct a full audit of the books and accounts of any foundation established under that section, in accordance with the provisions of Section 2-90, if the foundation failed to have a full audit of its books and accounts as required under Section 4-37f(8) of the General Statutes. Also, the General Assembly should consider an amendment to Section 4-37f(8) of the General Statutes to require that the foundation's audit be completed and the audit report issued within six months of the end of the foundation's fiscal year. (2018 PA 18-137 Sections 4 and 5)
21. The General Assembly should consider an amendment to Section 5-164a(c) of the General Statutes to reflect the policy changes implemented by the State Employees Bargaining Agent Coalition (SEBAC) agreements, Office of Labor Relations General Notices, Governor Rell's Executive Order No. 27-A, and Governor Malloy's Executive Order No. 3 related to rehired state retirees. (2018 PA 18-137 Section 23)
22. The General Assembly should consider revising Section 2-90(b) of the General Statutes to allow our office to conduct audits of security services reimbursements from the Bradley Enterprise Fund to the Department of Emergency Services and Public Protection on a biennial basis rather than an annual basis. (2018 PA 18-137 Section 6)
23. The General Assembly should consider modifying the existing procurement laws to include a requirement that the Auditors of Public Accounts review all requests from executive branch agencies anticipating a need for audit services to determine whether such services are necessary and whether the Auditors of Public Accounts could provide this work. (2018 PA 18-137 Section 9)
24. The General Assembly should consider amending Section 19a-80(c) of the General Statutes to change the background check requirement to a precertification process. (2018 PA 18-137 Section 25)

# RECENTLY ADOPTED RECOMMENDATIONS (continued)

25. The General Assembly should consider amending Section 38a-660 of the General Statutes to eliminate conflicting provisions pertaining to the lapsing of funds in the surety bail bond agent examination account. (2018 PA 18-137 Section 10)
26. The General Assembly should revisit the Brokered Transactions Guaranty Fund established by Sections 38a-880 through 38a-889 of the General Statutes and determine whether it is reasonable to maintain \$500,000 in the fund when it has paid no claims in 20 years. (2018 PA 18-137 Section 24)
27. The General Assembly should consider restricting any payments related to non-disparagement agreements or those made by state agencies to departing state employees for the purpose of avoiding litigation unless such payment is made pursuant to (1) a settlement agreement entered into by the Attorney General on behalf of the state agency, or (2) an authorization by the Governor pursuant to section 3-7 of the General Statutes. The General Assembly also should consider restricting any language in a non-disparagement or settlement agreement that explicitly prohibits separating employees from the ability to exercise their rights under the state's Whistleblower Act or similar federal law. (2018 PA 18-137 Sections 8 and 26)
28. The General Assembly should consider amending Section 4-33a of the General Statutes to require state agencies to notify the Auditors of Public Accounts when breaches involving personally identifiable information or private health information occur by the agencies or their contractors. (2018 PA 18-137 Section 2)
29. The General Assembly should consider repealing Section 32-605(b) of the General Statutes to eliminate a redundant compliance audit of the Capital Region Development Authority. (2018 PA 18-137 Section 11)
30. The General Assembly should consider amending Part III of the State Code of Ethics to allow the Office of State Ethics to receive complaints and investigate alleged violations of state or quasi-public agencies retaining lobbyists, as prohibited by 1-101bb of the Connecticut General Statutes. (2018 PA 18-137 Sections 17 through 22)
31. The General Assembly should consider amending Section 4-37f(8) of the General Statutes to increase the threshold for requiring an annual audit of foundations established for the principal purpose of supporting or improving a state agency from \$100,000 to \$250,000. (2018 PA 18-137 Section 4)

# RECENTLY ADOPTED RECOMMENDATIONS (continued)

32. The General Assembly should consider amending Section 1-123(4) of the General Statutes to refer to a complete set of financial statements. (2018 PA 18-137 Section 7)
33. The General Assembly should consider repealing certain obsolete legislation pertaining to the Office of the County Sheriffs under Title 6 of the General Statutes. (2018 PA 18-137 Section 27)
34. The General Assembly should consider enacting legislation to include provisions within Title 8, Chapter 127c of the General Statutes to prohibit the disclosure of the names or any information concerning applicants for or recipients of assistance from the Department of Housing, unless directly related to the administration of the assistance program. (2017 PA 17-177 Section 1)
35. The General Assembly should consider clarifying whether the State Fund Commission that administers the Solders', Sailors' and Marines' Fund is a public agency subject to freedom of information laws. (2017 PA 17-189 Section 1)
36. The General Assembly should amend the Statutory Provisions of the State Whistleblower Act to include Probate Courts. (2017 PA 17-136 Section 1)