



General Assembly

Substitute Bill No. 7090

January Session, 2025



AN ACT CONCERNING THE TIMING AND SCOPE OF AUDITS BY THE AUDITORS OF PUBLIC ACCOUNTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 2-90 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 (a) The Auditors of Public Accounts shall organize the work of their
4 office in such manner as they deem most economical and efficient and,
5 except as provided in subsection (d) of this section, shall determine the
6 scope and frequency of any audit they conduct.

7 (b) Said auditors, with the Comptroller, shall, at least annually and as
8 frequently as they deem necessary, audit the books and accounts of the
9 Treasurer, including, but not limited to, trust funds, as defined in section
10 3-13c, and certify the results to the Governor. The auditors shall, at least
11 annually and as frequently as they deem necessary, audit the books and
12 accounts of the Comptroller and certify the results to the Governor.
13 They shall examine and prepare certificates of audit with respect to the
14 financial statements contained in the annual reports of the Treasurer
15 and Comptroller, which certificates shall be made part of such annual
16 reports. In carrying out their responsibilities under this section, said
17 auditors may retain independent auditors to assist them.

18 (c) (1) Said auditors shall audit, on a biennial basis if deemed most
19 economical and efficient, or as frequently as they deem necessary, the
20 books and accounts, records of operations and activities, systems and
21 data of each officer, department, commission, board and court of the
22 state government, all institutions supported by the state and all public
23 and quasi-public bodies, politic and corporate, created by public or
24 special act of the General Assembly and not required to be audited or
25 subject to reporting requirements, under the provisions of chapter 111,
26 except as provided in subsection (d) of this section.

27 (2) Each such audit may include an examination of any relevant
28 information concerning the department, commission, board or court of
29 state government being audited that is in the possession or control of a
30 private entity that has a contract with such department, commission,
31 board or court, and such information shall be provided upon demand
32 in a format prescribed by the auditors at no cost to the auditors or the
33 department, commission, board or court.

34 (3) Each such audit may include an examination of performance in
35 order to determine effectiveness in achieving expressed legislative
36 purposes. The joint standing committee of the General Assembly having
37 cognizance of matters relating to government oversight or the legislative
38 committee having cognizance of the department, commission, board or
39 court being audited may request the auditors to perform a limited
40 performance audit. As used in this subdivision, a "limited performance
41 audit" means (A) an audit of a specific program or entity pursuant to an
42 engagement agreement between the applicable committee and the
43 auditors that includes specific procedures for reviewing transactions,
44 testing controls, analyzing data and any other tasks specified in the
45 engagement agreement, and (B) the report of the auditors is limited to
46 the results of the procedures performed and does not include a formal
47 opinion as to whether the audited entity's financial statements have
48 been prepared in accordance with accounting standards.

49 (4) The auditors shall report their findings and recommendations to
50 the Governor, the State Comptroller and the joint standing [committee]

51 committees of the General Assembly having cognizance of matters
52 relating to appropriations and the budgets of state agencies and
53 government oversight.

54 (d) Not later than July 1, 2026, and annually thereafter, the auditors
55 shall submit a proposed schedule for the audits they plan to conduct
56 during the following calendar year to the joint standing committee of
57 the General Assembly having cognizance of matters relating to
58 government oversight. The auditors shall audit any state agency more
59 frequently than biennially, upon the request of such committee. Not
60 later than July first of each year, such committee may request the
61 auditors to prioritize certain audits or to conduct more frequent follow-
62 up audits in cases where the findings of the most recent audit indicated
63 material violations of state statute or regulations by the audited state
64 agency during the following fiscal year.

65 [(d)] (e) The Auditors of Public Accounts may enter into such
66 contractual agreements as may be necessary for the discharge of their
67 duties. Any audit or report which is prepared by a person, firm or
68 corporation pursuant to any contract with the Auditors of Public
69 Accounts shall bear the signature of the person primarily responsible for
70 the preparation of such audit or report. As used in this subsection, the
71 term "person" means a natural person.

72 [(e)] (f) (1) If the Auditors of Public Accounts discover, or if it should
73 come to their knowledge, that any unauthorized, illegal, irregular or
74 unsafe handling or expenditure of state funds or quasi-public agency
75 funds or any breakdown in the safekeeping of any resources of the state
76 or a quasi-public agency has occurred or is contemplated, they shall
77 forthwith report the facts to the Governor, the State Comptroller, the
78 clerk of each house of the General Assembly, the joint standing
79 committee of the General Assembly having cognizance of matters
80 relating to government oversight and the Attorney General, except that
81 if a matter reported to the Auditors of Public Accounts pursuant to
82 section 4-33a is still under investigation by a state or quasi-public
83 agency, the Auditors of Public Accounts may give the agency a

84 reasonable amount of time to conduct such investigation prior to the
85 auditors reporting the matter to said officials and committee.

86 (2) If the Auditors of Public Accounts decide to delay reporting such
87 matter in accordance with subdivision (1) of this subsection, the auditors
88 shall immediately notify the Attorney General of such decision.

89 (3) Any Auditor of Public Accounts neglecting to make the report
90 required under subdivision (1) of this subsection, or any agent of the
91 auditors neglecting to report to the Auditors of Public Accounts any
92 such matter discovered by such agent or coming to such agent's
93 knowledge, shall be fined not more than one hundred dollars or
94 imprisoned not more than six months, or both.

95 (4) Any state agency or quasi-public agency that is the subject of a
96 report of the Auditors of Public Accounts that contains violations of
97 state statute or regulation, other than only minor or technical
98 recommendations, not later than six months after the issuance of the
99 auditors' report, shall report on the status of any corrective action
100 undertaken by such state agency or quasi-public agency to address such
101 violations, to the auditors, the Governor and the General Assembly, in
102 accordance with the provisions of section 11-4a.

103 ~~[(f)]~~ (g) All reports issued or made pursuant to this section shall be
104 retained in the offices of the Auditors of Public Accounts for a period of
105 not less than five years. The auditors shall file one copy of each such
106 report with the State Librarian.

107 ~~[(g)]~~ (h) Each state agency shall keep its accounts in such form and by
108 such methods as to exhibit the facts required by said auditors and, the
109 provisions of any other general statute notwithstanding, shall make all
110 records and accounts available to them or their agents, upon demand.
111 Notwithstanding any provision of the general statutes, no state agency
112 may deny the auditors access to their records or accounts.

113 ~~[(h)]~~ (i) Where there are statutory requirements of confidentiality
114 with regard to such records and accounts or examinations of

115 nongovernmental entities which are maintained by a state agency, such
116 requirements of confidentiality and the penalties for the violation
117 thereof shall apply to the auditors and to their authorized
118 representatives in the same manner and to the same extent as such
119 requirements of confidentiality and penalties apply to such state agency.
120 In addition, the portion of (1) any audit or report prepared by the
121 Auditors of Public Accounts that concerns the internal control structure
122 of a state information system or the identity of an employee who
123 provides information regarding alleged fraud or weaknesses in the
124 control structure of a state agency that may lead to fraud, or (2) any
125 document that may reveal the identity of such employee, shall not be
126 subject to disclosure under the Freedom of Information Act, as defined
127 in section 1-200.

128 [(i)] (j) Said auditors shall audit, in accordance with the provisions of
129 section 10-91g, the records and accounts of any private provider of
130 special education services, as defined in said section. Any private
131 provider of special education services being audited by said auditors
132 shall provide any information said auditors deem necessary to conduct
133 such audit.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2025	2-90

Statement of Legislative Commissioners:
In Subsec. (f)(1), "and committee" was added for consistency.

GOS *Joint Favorable Subst.*