
OLR Bill Analysis

sHB 7090

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

SUMMARY

This bill generally gives the Government Oversight Committee greater control over the timing and scope of audits performed by the Auditors of Public Accounts (APA).

Current law generally requires APA to audit each state officer, department, commission, board, court, quasi-public agency, and institution supported by the state at least once every two years, or as frequently as it deems necessary. The bill requires APA, starting by July 1, 2026, to annually give the Government Oversight Committee a proposed schedule for the audits it will perform over the following calendar year. It requires APA to audit a state agency more frequently than biennially if the committee requests it. It also allows the committee to ask APA, by July 1 each year, to prioritize certain audits or do more frequent follow-up audits if an agency's most recent audit indicated material violations of state laws or regulations.

Under the bill, if an APA report on a state agency or quasi-public agency includes violations of state laws or regulations, other than minor or technical recommendations, the agency must report on the status of any corrective actions it has taken. It must make this report to APA, the governor, and the legislature within six months after the report was issued.

The bill also allows the Government Oversight Committee or the committee with cognizance over the department, commission, board, or court being audited, to ask APA to perform a limited performance audit. Under the bill, this is an audit of a specific program or entity under an engagement agreement between the applicable

committee and APA that includes specific procedures for reviewing transactions, testing controls, analyzing data, and other tasks specified in the agreement. The limited performance audit's report is limited to the results of the procedures performed and does not include a formal opinion on whether the preparation of the audited entity's financial statements meets accounting standards.

The bill also expands APA's current reporting requirements to include the Government Oversight Committee. Current law requires APA to report its audits' findings and recommendations to the governor, comptroller, and Appropriations Committee, and the bill requires that the committee also receive them. The bill also requires APA to report to the committee whenever it learns that the following has occurred or is contemplated: (1) an unauthorized, illegal, irregular, or unsafe handling or expenditure of state or quasi-public agency funds or (2) a breakdown in safekeeping of state or quasi-public resources. As under current law, APA must also report this to the governor, comptroller, attorney general, and clerks of the House and Senate. By law, unchanged by the bill, APA can delay making these reports to give the agency a reasonable time to investigate, but it must notify the attorney general about the decision to delay reporting.

EFFECTIVE DATE: October 1, 2025

COMMITTEE ACTION

Government Oversight Committee

Joint Favorable Substitute

Yea 12 Nay 0 (03/18/2025)