



General Assembly

Substitute Bill No. 251

February Session, 2026



**AN ACT CONCERNING THE AUDITORS OF PUBLIC ACCOUNTS,
AUDITS OF PRIVATE ENTITIES AND PERFORMANCE AND
ACCOUNTABILITY STANDARDS FOR STATE AND QUASI-PUBLIC
AGENCIES.**

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

1 Section 1. Section 2-90 of the 2026 supplement to the general statutes
2 is repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2026*):

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

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

17 reports. In carrying out their responsibilities under this section, said
18 auditors may retain independent auditors to assist them.

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

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

35 (3) For each such audit of a private entity that receives two hundred
36 fifty thousand dollars or more in state funds annually to provide
37 housing or human services, the auditors shall visit the principal office
38 of such entity as part of the audit, unless such entity is subject to a single
39 audit or a program-specific audit pursuant to section 4-231.

40 [(3)] (4) Each such audit may include an examination of performance
41 in order to determine effectiveness in achieving expressed legislative
42 purposes. The joint standing committee of the General Assembly having
43 cognizance of matters relating to government oversight may request the
44 auditors to perform a limited performance engagement. Not later than
45 sixty days after receipt of such request, the auditors shall respond
46 regarding whether they will perform such limited performance
47 engagement and, if so, the suggested scope and schedule for such
48 engagement. The auditors shall perform any such limited performance

49 engagement within available appropriations. As used in this
50 subdivision, a "limited performance engagement" means a review of a
51 specific program or entity pursuant to an agreement between the
52 chairpersons and ranking members of the joint standing committee of
53 the General Assembly having cognizance of matters relating to
54 government oversight and the auditors concerning the objectives, scope,
55 methodology and timing of such engagement.

56 [(4)] (5) The auditors shall report their findings and recommendations
57 to the Governor, the State Comptroller and the joint standing
58 committees of the General Assembly having cognizance of matters
59 relating to appropriations and the budgets of state agencies and
60 government oversight.

61 (d) Not later than July 1, 2026, and annually thereafter, the auditors
62 shall submit a proposed schedule for the audits they plan to conduct
63 during the following fiscal year to the joint standing committee of the
64 General Assembly having cognizance of matters relating to government
65 oversight.

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

73 (f) (1) If the Auditors of Public Accounts discover, or if it should come
74 to their knowledge, that any unauthorized, illegal, irregular or unsafe
75 handling or expenditure of state funds or quasi-public agency funds or
76 any breakdown in the safekeeping of any resources of the state or a
77 quasi-public agency has occurred or is contemplated, they shall
78 forthwith report the facts to the Governor, the State Comptroller, the
79 clerk of each house of the General Assembly, the joint standing
80 committee of the General Assembly having cognizance of matters

81 relating to government oversight and the Attorney General, except that
82 if a matter reported to the Auditors of Public Accounts pursuant to
83 section 4-33a is still under investigation by a state or quasi-public
84 agency, the Auditors of Public Accounts may give the agency a
85 reasonable amount of time to conduct such investigation prior to the
86 auditors reporting the matter to said officials and committee.

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

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

96 (4) Any state agency or quasi-public agency that is the subject of a
97 report of the Auditors of Public Accounts that contains violations of
98 state statute or regulation, other than only minor or technical
99 recommendations, not later than six months after the issuance of the
100 auditors' report, shall report on the status of any corrective action
101 undertaken by such state agency or quasi-public agency to address such
102 violations, to the auditors, the Governor and the General Assembly, in
103 accordance with the provisions of section 11-4a. Upon the receipt of the
104 agency's report, the joint standing committee of the General Assembly
105 having cognizance of matters relating to government oversight may
106 request the auditors to verify any matter in the agency's corrective
107 action report and the auditors shall have not more than sixty days to
108 respond to such request.

109 (5) The auditors may establish performance and accountability
110 standards for any state agency or quasi-public agency that is the subject
111 of a report of the Auditors of Public Accounts that contains substantial
112 violations of state statute or regulation concerning one or more

113 contracts. The auditors may require the state agency or quasi-public
114 agency to meet such standards, to the satisfaction of the auditors, prior
115 to the agency or quasi-public agency renewing such contracts.

116 (g) All reports issued or made pursuant to this section shall be
117 retained in the offices of the Auditors of Public Accounts for a period of
118 not less than five years. The auditors shall file one copy of each such
119 report with the State Librarian.

120 (h) Each state agency shall keep its accounts in such form and by such
121 methods as to exhibit the facts required by said auditors and, the
122 provisions of any other general statute notwithstanding, shall make all
123 records and accounts available to them or their agents, upon demand.
124 Notwithstanding any provision of the general statutes, no state agency
125 may deny the auditors access to their records or accounts.

126 (i) Where there are statutory requirements of confidentiality with
127 regard to such records and accounts or examinations of
128 nongovernmental entities which are maintained by a state agency, such
129 requirements of confidentiality and the penalties for the violation
130 thereof shall apply to the auditors and to their authorized
131 representatives in the same manner and to the same extent as such
132 requirements of confidentiality and penalties apply to such state agency.
133 In addition, the portion of (1) any audit or report prepared by the
134 Auditors of Public Accounts that concerns the internal control structure
135 of a state information system or the identity of an employee who
136 provides information regarding alleged fraud or weaknesses in the
137 control structure of a state agency that may lead to fraud, or (2) any
138 document that may reveal the identity of such employee, shall not be
139 subject to disclosure under the Freedom of Information Act, as defined
140 in section 1-200.

141 (j) Said auditors shall audit, in accordance with the provisions of
142 section 10-91g, the records and accounts of any private provider of
143 special education services, as defined in said section. Any private
144 provider of special education services being audited by said auditors

145 shall provide any information said auditors deem necessary to conduct
146 such audit.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026</i>	2-90

GOS *Joint Favorable Subst.*