

FY 2018 SCSB Audit Summary Report  
(Audits conducted during FY 2020)

Members of the State Contracting Standards Board conducted an audit of eleven state agencies via their authority under Section 4e-6 C.G.S of FY 2018. Summarized below are the aggregates and general finding of those audits.

Audits were conducted on a self-reporting basis, with follow-up done by Board members as necessary. Due to the limited resources of the Board, the focus of the audit was quite narrow and collected information on total numbers and general types of contracts. Even still, the information gleaned can still provide important information on the trends of state procurement and areas of improvement, both for the selected agencies and the Contracting Standards Board.

The eleven agencies audited are as follows:

- |   |                                     |
|---|-------------------------------------|
| 1. Dept. of Rehabilitation Services – State Unit on Aging | 6. Office of State Ethics           |
| 2. Dept. of Agriculture                                   | 7. Connecticut State Library        |
| 3. Dept. Consumer Protection                              | 8. Office of Chief Medical Examiner |
| 4. Office of Early Childhood                              | 9. Dept. of Motor Vehicles          |
| 5. State Elections Enforcement Commission                 | 10. Teacher’s Retirement Board      |
|   | 11. Dept. of Veteran’s Affairs      |

Figure 1 displays the quantitative information gathered from the agencies. From the eleven agencies, a total of 493 contracts were reported on, 305 of which were competitively procured, which accounts for a 62% competitive procurement rate.

A common response to the self-audit questionnaire regarding the process by which the agency conducted the procurement, was that because the contracts the agency was utilizing were part of the Department of Administration’s Master Contract program, the agency did not believe that it was required to conduct cost-benefit analyses or cost-effectiveness evaluations for certain contracts. This response would indicate there is a deficit in proper training of agency procurement personnel. The Board needs to develop with DAS and OPM training materials that include when CBA and CEE are necessary and codify such standards in regulation. This undertaking of course has been an ongoing need, and where training may be more effectual and quicker to affect change in agency behavior, it should be the priority for the Board.

A common response to the questionnaire, which asks about accountability, transparency, and results-based outcomes, was “no response”. Of those agencies that did provide a response, either in the questionnaire or in writing, expressed confusion over what information the Board was seeking or referenced a change in leadership.

Due to the limited scope of the self-audit questionnaire, there was no data provided about the value of the contracts nor the term-length of contracts. These two pieces of information should be included in the next version of the audit questionnaire to provide a clearer picture of the impact that competitive procurement, or lack thereof, has on the State.

One piece of information that came out of the 2020 legislative testimony session in front of the Appropriations committee was that agencies were increasingly utilizing MOU and MOA for interagency services. While the Board's authority is not explicitly clear on interagency agreements, in the case where procured services may be being shared or moved between agencies, the Board should investigate to ensure that proper transparency and accountability standards are being met. Further, in future legislative or regulatory agendas, clarifying the Board's authority on interagency MOU and MOA arrangements should be considered.

Figure 1: Agency Audit Questionnaire Responses

| Agency                     | Total # of Contracts | # Competitive Procurement | %          | # Non Comp. | # Sole Source | # Small Purchase | # Privatization | # post 2014 | # w/ CBA | # CEE    | #POS/PSA   | # program waivers |
|----------------------------|----------------------|---------------------------|------------|-------------|---------------|------------------|-----------------|-------------|----------|----------|------------|-------------------|
| Dept. Motor Vehicles       | 126                  | 108                       | 86%        | 18          | 13            | 5                | 20              | 9           | 0        | 2        | 5          | 0                 |
| Office State Ethics        | 16                   | 0                         | 0%         | 16          | 0             | 0                | 0               | 0           | 0        | 0        | 0          | 0                 |
| Dept. Consumer Protection  | 2                    | 0                         | 0%         | 2           | 2             | 0                | 0               | 0           | 0        | 0        | 0          | 0                 |
| Dept. Veteran's Affairs    | 90                   | 90                        | 100%       | 0           | 0             | 0                | 0               | 0           | 0        | 0        | 0          | 0                 |
| Office of Early Childhood  | 41                   | 6                         | 15%        | 35          | 35            | 6                | 9               | 9           | 0        | 0        | 30         | 2                 |
| State Unit on Aging        | 82                   | 22                        | 27%        | 60          | 0             | 0                | 0               | 0           |          | 0        | 60         | 0                 |
| SEEC                       | 16                   | 0                         | 0%         | 16          | 0             | 0                | 0               | 0           | 0        | 0        | 0          | 0                 |
| Chief Medical Examiner     | 56                   | 53                        | 95%        | 3           | 1             | 6                | 0               | 0           | 0        | 0        | 1          | 0                 |
| Dept. of Agriculture       | 16                   | 13                        | 81%        | 3           | 0             | 6                | 0               | 0           | 0        | 0        | 3          | 0                 |
| CT State Library           | 41                   | 7                         | 17%        | 34          | 3             | 30               | 0               | 0           | 0        | 0        | 3          | 0                 |
| Teacher's Retirement Board | 7                    | 6                         | 86%        | 1           | 0             | 0                | 0               | 0           | 0        | 0        | 0          | 0                 |
| <b>Total</b>               | <b>493</b>           | <b>305</b>                | <b>62%</b> | <b>188</b>  | <b>54</b>     | <b>53</b>        | <b>29</b>       | <b>18</b>   | <b>0</b> | <b>2</b> | <b>102</b> | <b>2</b>          |