

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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Auditors of Public Accounts Testimony Fiscal Years 2022-23 Midterm Governor's Budget March 7, 2022

We want to thank you for last year's biennium budget, which addressed our past challenges. Thank you for putting our agency back on a sound fiscal track.

Governor's Proposed Midterm Budget Adjustment

The Governor's midterm budget adjustment included a proposal to provide our office with an additional \$218,770 to hire three auditors to review procurement and contracting processes. Those reviews are currently conducted by the State Contracting Standards Board.

Our office has a very good relationship with the board. Over the years, we have met with board members and the executive director to provide information and advice on the auditing process. While our office reviews elements of contracting as part of our audits, the board has an important mission that is different from ours.

Section 4e-6 of the General Statutes currently permits the Contracting Standards Board to enter into an agreement with our office to conduct their audits under that section. Therefore, we do not believe any statutory change is necessary. Specifically, we would not support the proposed change to Section 2-90 (c) of the General Statutes in Section 5 of Governor's Bill 9. That change could weaken our current authority to oversee state agency contracting practices.

Other Expenses – Request for \$50,000 in Additional Funding

Our office's Other Expenses appropriation has remained at \$275,000 since 2019. Additional information technology costs and increases in our software licenses have put a strain on our Other Expenses line item. This year, we had to transfer \$42,000 to cover our purchasing needs. In August, we will have to pay approximately \$25,000 for our triennial peer review. Therefore, we are requesting raising this line item to \$325,000 to account for these pricing adjustments and other demands.

Departing Employee Accruals and Payouts – \$200,000 Carryforward

The current budget provided our office with an additional \$500,000 in FY 22 to pay for significant retirement costs due to the most recent SEBAC agreement. The original SEBAC agreement provided for retirements by June 1, 2022. The Comptroller Retirement Division's July 2, 2021 memo clarified that the SEBAC changes will apply to employees who retire after July 1, 2022. Because of this clarification, our office will have to make some payouts in the next fiscal year. As a result, we are requesting a \$200,000 carryforward for this purpose.

New Computers – Possible \$150,000 Carryforward

Until 2017, our office leased computers in conjunction with Legislative Management (JCLM). We leased different computers than JCLM because our auditors deal with large data sets and must interact with our auditing software program. In 2017, we received the funds to purchase new computers through an FAC transfer.

Last year, you provided our office with a \$150,000 carryforward in Other Expenses to purchase new computers and related equipment. We placed the order last month. However, the vendor informed us that the computers are scheduled to be delivered on June 13, 2022. We need to clarify that the carryforward language in Section 30 of Special Act 21-15 can be used in FY 23. If not, we may need to carryforward the \$150,000 into the next fiscal year.

Thank you again for your support of our office. Please let us know if you need additional information or have any questions. You can reach John Geragosian at john.geragosian@cga.ct.gov and Clark Chapin at clark.chapin@cga.ct.gov.