

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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Auditors of Public Accounts Testimony Fiscal Years 2024-25 Governor's Budget March 6, 2023

In past years, we testified before you about various issues in our budget. The last biennium budget addressed many of those challenges. Thank you for putting our agency back on fiscal track.

In 2022, our office continued to achieve a high level of productivity despite the unprecedented retirement and departure of approximately 10% of our employees, including most of our upper management, with over 350 years of service to the state. As a result, our office made significant changes to our management team, supervisors, and staff. We also hired 35 new employees since July of 2021. As of today, we have 123 full-time employees and hope to hire two performance auditors and an IT specialist in the coming months to bring us to our full complement of 126.

The loss of so many senior employees was the opportune time to examine our organization to better address our current needs. It gave us a unique opportunity to make structural changes and add needed resources. As a result, we made major changes to our management structure. We also significantly increased our information technology, communications, and performance auditing capabilities.

Governor's Proposed Budget

The Governor's budget proposal includes a \$137,500 reduction to Personal Services each year to "reflect historical expenditure level." While we understand the intent of this reduction, it would not leave us with sufficient funding. We have added 14 employees since we submitted our budget request. As a result, these trends would not apply. Therefore, we are asking you to restore the \$137,500 cut in both fiscal years.

Fiscal Year 2024

With the \$137,500 "historical expenditure" restoration to Personal Services and the Governor's \$55,000 addition to Other Expenses, there would be sufficient funding for our operations. That would fund our 2024 Personal Services at \$13,791,308.

We are also requesting a \$250,000 carryforward from this year's Personal Services to FY 2024 Other Expenses which we explain in further detail below.

Fiscal Year 2025

In addition to the \$137,500 "historical expenditure" restoration, we will need an additional \$797,336 in Personal Services to fund cost of living and merit adjustments. That would fund our 2025 Personal Services at \$14,588,644.

As a Legislative Branch agency, our office is responsible for paying employee raises out of our budget. We only provide raises when other legislative employees receive them. We also fund vacation and sick payouts when our employees retire or otherwise separate from state service.

\$250,000 Carryforward for Information Technology Transition

We are also requesting a \$250,000 carryforward from this year's Personal Services to FY 2024 Other Expenses.

In 2022, our office issued a request for proposal (RFP) for a cloud-based auditing software to replace our 2010 server-based system. We chose a cloud-based system because it would provide greater security and control over our data. It would also provide our employees easier file accessibility and improve our ability to adapt to flexible work environments.

We closed the RFP without selecting a vendor because we were unable to find a suitable solution at an acceptable price. We determined that we could build a more suitable system on the Microsoft Office 365 SharePoint platform at a long-term cost savings.

To facilitate the development of the SharePoint system, our office will need to contract with an external vendor to enable us to administer our own Microsoft Office account and develop the main features of the audit management system. An additional staff person specializing in Office 365 administration would assist us in maintaining and further customizing the system. They would also act as an ongoing administrator, assist with other growing internal IT needs, and minimize our need to rely on future outside contractors.

Our office also continues to incur additional software and hardware costs. In fiscal year 2023-2024 or 2024-2025, we will need to purchase an updated version of Adobe Acrobat or Adobe subscription for each employee. We must continue to update this software when it is no longer supported by its manufacturer or other integrated software.

This \$250,000 carryforward will eliminate a significant amount of the costs we currently pay to our auditing software vendor.

Thank you again for all of your support for our office. Please let us know if you need additional information or have any questions. You can reach Clark Chapin at Clark.Chapin@cga.ct.gov or 860-240-8653 and John Geragosian at John.Geragosian@cga.ct.gov or 860-240-8651.

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