



General Assembly

February Session, 2004

***Raised Bill No. 128***

LCO No. 679

\* \_\_\_\_\_SB00128GAEAPP031604\_\_\_\_\_\*

Referred to Committee on Government Administration and Elections

Introduced by:  
(GAE)

***AN ACT ESTABLISHING AN OFFICE OF INSPECTOR GENERAL.***

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

1 Section 1. (NEW) (*Effective October 1, 2004*) (a) There is established  
2 an Office of the Inspector General which shall act to detect and prevent  
3 fraud, waste and abuse in the management of state personnel, in the  
4 use and disposition of public property, and in the collection,  
5 disbursement and expenditure of state and federal funds administered  
6 by state or local governmental agencies. The Office of the Inspector  
7 General shall also evaluate the economy, efficiency and effectiveness of  
8 state agencies in the performance of their delegated duties and  
9 functions.

10 (b) The Inspector General shall be appointed by the Auditors of  
11 Public Accounts in accordance with this subsection. A committee  
12 consisting of the president pro tempore of the Senate, the speaker of  
13 the House of Representatives, the minority leaders of the Senate and  
14 the House of Representatives, the cochairpersons and ranking  
15 members of the joint standing committee having cognizance of matters  
16 relating to government administration and the cochairpersons of the

17 Legislative Program Review and Investigations Committee shall  
18 submit to the Auditors of Public Accounts the names of three  
19 candidates for appointment to the position of Inspector General. The  
20 Auditors of Public Accounts shall appoint one of such candidates to be  
21 Inspector General with the advice and consent of the General  
22 Assembly. The auditors, within ninety days of the submission to them  
23 by the committee of the candidates for appointment, shall make such  
24 appointment, provided if the auditors fail to make such appointment  
25 within said period the committee by majority vote shall make such  
26 appointment. The Inspector General shall be appointed on the basis of  
27 integrity and competence demonstrated in appropriate fields. The  
28 Inspector General shall hold office for a term of five years and until the  
29 appointment of a successor, unless sooner removed for just cause by  
30 the Auditors of Public Accounts. Such cause may include, but not be  
31 limited to, material neglect of duty, gross misconduct or conviction of  
32 a felony.

33       Sec. 2. (NEW) (*Effective October 1, 2004*) (a) The Office of the  
34 Inspector General shall be an independent office within the Joint  
35 Committee on Legislative Management for administrative purposes  
36 only.

37       (b) There is established, within available appropriations, a system  
38 for the coordination of efforts between the Office of the Inspector  
39 General and officials performing similar duties and internal auditing  
40 functions within the various state and local agencies. Such system may  
41 include continuing training programs for professional development,  
42 the adoption of standard guidelines and procedures and the  
43 organization of a communications network within the system. The  
44 internal auditors and support staff within the agencies shall remain  
45 assigned to such agencies but shall have their annual internal audit  
46 program approved by the Inspector General.

47       (c) The Inspector General may adopt regulations, in accordance with  
48 chapter 54 of the general statutes, to implement the provisions of

49 sections 1 to 4, inclusive, of this act. The Inspector General may employ  
50 necessary staff, within available appropriations.

51 Sec. 3. (NEW) (*Effective October 1, 2004*) (a) The Inspector General  
52 shall: (1) Conduct preemptive inspections, inquiries and investigations  
53 relating to programs and operations involving the collection,  
54 administration or expenditure of public funds, the use or disposition of  
55 state owned or leased property or the management practices and  
56 regulatory or statutory compliance of state agencies; (2) have access to  
57 all records, data and material maintained by or available to any  
58 governmental agency; and (3) have access to all records, data and  
59 material maintained by or available to any person or organization  
60 involved in the collection, expenditure or administration of public  
61 funds, control of state owned or leased property or management of  
62 state employees.

63 (b) The Inspector General may make application to a panel of three  
64 superior court judges, appointed by the Chief Court Administrator, for  
65 the issuance of a subpoena whenever such subpoena is necessary in  
66 order to obtain information which is not otherwise available and  
67 which is needed in the performance of the Inspector General's duties.  
68 Any person aggrieved by the issuance of a subpoena by the Inspector  
69 General may petition the superior court for relief.

70 Sec. 4. (NEW) (*Effective October 1, 2004*) (a) The Inspector General  
71 may make recommendations to the Governor, the General Assembly  
72 and to the Legislative Program Review and Investigations Committee  
73 concerning the prevention and detection of fraud, waste and abuse,  
74 including recommendations concerning legislation and regulations or  
75 the coordination of preventative measures by governmental and  
76 nongovernmental entities. The Inspector General may assist or request  
77 assistance from any governmental agency, state employee or person or  
78 organization collecting or expending public funds or controlling state  
79 owned or leased property.

80 (b) The Inspector General shall report findings of fact along with

81 any recommendations: (1) To the Chief State's Attorney or the State  
82 Ethics Commission, when there is a reasonable belief that a state law  
83 has been or is being violated; (2) to the Attorney General, when there is  
84 a reasonable belief that civil recovery proceedings are appropriate; (3)  
85 to the United States Attorney, when there is a reasonable belief that a  
86 federal law has been or is being violated or when civil recovery is  
87 appropriate; and (4) to the appropriate municipal authority when there  
88 is a reasonable belief that civil recovery proceedings are appropriate.

89 (c) On or before October 31, 2005, and annually thereafter, the  
90 Inspector General shall submit a report concerning the activities of the  
91 office to the Governor, the joint standing committees of the General  
92 Assembly having cognizance of matters relating to appropriations and  
93 government administration and the Legislative Program Review and  
94 Investigations Committee. The Inspector General may make such other  
95 reports as the Inspector General deems appropriate.

96 (d) All records of the Office of the Inspector General relating to  
97 actual or potential inspections, or inquiries or investigations shall be  
98 confidential and shall not be public records under the Freedom of  
99 Information Act, as defined in section 1-200 of the general statutes,  
100 until such time as all such audits or investigations have been  
101 concluded and all criminal and civil actions arising from the records  
102 have been finally adjudicated or otherwise settled or to such extent as  
103 may be deemed appropriate by the Inspector General in the  
104 performance of the Inspector General's duties, whichever is earlier.  
105 Records which are otherwise public documents shall not be deemed  
106 confidential solely because they have been transferred to the custody  
107 of the Inspector General. Where there are statutory requirements of  
108 confidentiality with regard to such records, books, data, files and other  
109 material printed or otherwise, maintained by a state agency, such  
110 requirements of confidentiality and penalties for the violation of such  
111 requirements shall apply to the Inspector General and to the Inspector  
112 General's agents in the same manner and to the same extent as such  
113 requirements of confidentiality and penalties apply to such state

114 agency.

115 Sec. 5. Section 2-90 of the general statutes, as amended by section  
116 232 of public act 03-6 of the June 30 special session, is repealed and the  
117 following is substituted in lieu thereof (*Effective October 1, 2004*):

118 (a) The Auditors of Public Accounts shall organize the work of their  
119 office in such manner as they deem most economical and efficient and  
120 shall determine the scope and frequency of any audit they conduct.

121 (b) Said auditors, with the Comptroller, shall, at least annually and  
122 as frequently as they deem necessary, audit the books and accounts of  
123 the Treasurer, including, but not limited to, trust funds, as defined in  
124 section 3-13c, and certify the results to the Governor. The auditors  
125 shall, at least annually and as frequently as they deem necessary, audit  
126 the books and accounts of the Comptroller and certify the results to the  
127 Governor. They shall examine and prepare certificates of audit with  
128 respect to the financial statements contained in the annual reports of  
129 the Treasurer and Comptroller, which certificates shall be made part of  
130 such annual reports. In carrying out their responsibilities under this  
131 section, said auditors may retain independent auditors to assist them.

132 (c) Said auditors shall audit, on a biennial basis if deemed most  
133 economical and efficient, or as frequently as they deem necessary, the  
134 books and accounts of each officer; department; commission, including  
135 the Connecticut Commission on Arts, Tourism, Culture, History and  
136 Film; board and court of the state government; all institutions  
137 supported by the state and all public and quasi-public bodies, politic  
138 and corporate, created by public or special act of the General Assembly  
139 and not required to be audited or subject to reporting requirements,  
140 under the provisions of chapter 111. Each such audit may include an  
141 examination of performance in order to determine effectiveness in  
142 achieving expressed legislative purposes. The auditors shall report  
143 their findings and recommendations to the Governor, the State  
144 Comptroller, the joint standing committee of the General Assembly  
145 having cognizance of matters relating to appropriations and the

146 budgets of state agencies, and the Legislative Program Review and  
147 Investigations Committee.

148 (d) The Auditors of Public Accounts may enter into such contractual  
149 agreements as may be necessary for the discharge of their duties. Any  
150 audit or report which is prepared by a person, firm or corporation  
151 pursuant to any contract with the Auditors of Public Accounts shall  
152 bear the signature of the person primarily responsible for the  
153 preparation of such audit or report. As used in this subsection, the  
154 term "person" means a natural person.

155 (e) If the Auditors of Public Accounts discover, or if it should come  
156 to their knowledge, that any unauthorized, illegal, irregular or unsafe  
157 handling or expenditure of state funds or any breakdown in the  
158 safekeeping of any resources of the state has occurred or is  
159 contemplated, they shall forthwith present the facts to the Governor,  
160 the State Comptroller, the clerk of each house of the General Assembly,  
161 the Inspector General, the Legislative Program Review and  
162 Investigations Committee and the Attorney General. Any Auditor of  
163 Public Accounts neglecting to make such a report, or any agent of the  
164 auditors neglecting to report to the Auditors of Public Accounts any  
165 such matter discovered by [him] the auditor or coming to [his] the  
166 auditor's knowledge shall be fined not more than one hundred dollars  
167 or imprisoned not more than six months, or both.

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

172 (g) Each state agency shall keep its accounts in such form and by  
173 such methods as to exhibit the facts required by said auditors and, the  
174 provisions of any other general statute notwithstanding, shall make all  
175 records and accounts available to them or their agents, upon demand.

176 (h) Where there are statutory requirements of confidentiality with

177 regard to such records and accounts or examinations of  
178 nongovernmental entities which are maintained by a state agency,  
179 such requirements of confidentiality and the penalties for the violation  
180 thereof shall apply to the auditors and to their authorized  
181 representatives in the same manner and to the same extent as such  
182 requirements of confidentiality and penalties apply to such state  
183 agency. In addition, the portion of any audit or report prepared by the  
184 Auditors of Public Accounts that concerns the internal control  
185 structure of a state information system shall not be subject to  
186 disclosure under the Freedom of Information Act, as defined in section  
187 1-200.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>October 1, 2004</i>
Sec. 4	<i>October 1, 2004</i>
Sec. 5	<i>October 1, 2004</i>

**GAE**

*Joint Favorable C/R*

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