



General Assembly

February Session, 2004

Raised Bill No. 607

LCO No. 2378

02378 _____ APP

Referred to Committee on Appropriations

Introduced by:
(APP)

AN ACT CONCERNING STATE AUDITS OF CERTAIN MUNICIPAL BUDGETS BY THE AUDITORS OF PUBLIC ACCOUNTS.

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

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2 232 of public act 03-6 of the June 30 special session, is repealed and the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

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 shall determine the scope and frequency of any audit they conduct.

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

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

18 (c) Said auditors shall audit, on a biennial basis if deemed most
19 economical and efficient, or as frequently as they deem necessary, the
20 books and accounts of : [each officer; department;] (1) Each officer,
21 department, commission, including the Connecticut Commission on
22 Arts, Tourism, Culture, History and Film, [;] board and court of the
23 state government; (2) all institutions supported by the state; [and] (3)
24 all public and quasi-public bodies, politic and corporate, created by
25 public or special act of the General Assembly and not required to be
26 audited or subject to reporting requirements [,] under the provisions of
27 chapter 111; and (4) any municipality that receives state funding in an
28 amount greater than thirty per cent of its annual operating budget.
29 Each such audit may include an examination of performance in order
30 to determine effectiveness in achieving expressed legislative purposes.
31 Each such audit of a municipality shall include any recommendations
32 for programmatic and management efficiencies and financial
33 improvements. The auditors shall report their findings and
34 recommendations to the Governor, the State Comptroller, the joint
35 standing committee of the General Assembly having cognizance of
36 matters relating to appropriations and the budgets of state agencies,
37 and the Legislative Program Review and Investigations Committee.

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

45 (e) If the Auditors of Public Accounts discover, or if it should come
46 to their knowledge, that any unauthorized, illegal, irregular or unsafe
47 handling or expenditure of state funds or any breakdown in the

48 safekeeping of any resources of the state has occurred or is
49 contemplated, they shall forthwith present the facts to the Governor,
50 the State Comptroller, the clerk of each house of the General Assembly,
51 the Legislative Program Review and Investigations Committee and the
52 Attorney General. Any Auditor of Public Accounts neglecting to make
53 such a report, or any agent of the auditors neglecting to report to the
54 Auditors of Public Accounts any such matter discovered by [him] such
55 agent or coming to [his] the knowledge of such agent shall be fined not
56 more than one hundred dollars or imprisoned not more than six
57 months or both.

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

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

66 (h) Where there are statutory requirements of confidentiality with
67 regard to such records and accounts or examinations of
68 nongovernmental entities which are maintained by a state agency,
69 such requirements of confidentiality and the penalties for the violation
70 thereof shall apply to the auditors and to their authorized
71 representatives in the same manner and to the same extent as such
72 requirements of confidentiality and penalties apply to such state
73 agency. In addition, the portion of any audit or report prepared by the
74 Auditors of Public Accounts that concerns the internal control
75 structure of a state information system shall not be subject to
76 disclosure under the Freedom of Information Act, as defined in section
77 1-200.

This act shall take effect as follows:

Section 1	July 1, 2004
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Statement of Purpose:

To provide oversight on behalf of state taxpayers and to assist municipalities in improving their budgeting and financial management procedures.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]