



General Assembly

Substitute Bill No. 374

February Session, 2008

* SB00374PD 030508 *

AN ACT CONCERNING FINANCIAL AND MANAGEMENT AUDITS OF MUNICIPALITIES.

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

1 Section 1. Section 2-90 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2008*):

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

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

17 (c) Said auditors shall audit, on a biennial basis if deemed most
18 economical and efficient, or as frequently as they deem necessary, the

19 books and accounts of (1) each officer, department, commission, board
20 and court of the state government; [] (2) all institutions supported by
21 the state; and (3) all public and quasi-public bodies, politic and
22 corporate, created by public or special act of the General Assembly
23 [and] not required to be audited or subject to reporting requirements,
24 under the provisions of chapter 111, except that the auditors may audit
25 the books and accounts of any municipality that has a population of
26 more than seventy-five thousand, as determined by the most recent
27 decennial census, and that receives state funding in an amount that is
28 more than thirty-five per cent of the annual operating budget of such
29 municipality. Each such audit may include an examination of
30 performance in order to determine effectiveness in achieving
31 expressed legislative purposes. Each such audit of a municipality shall
32 include any recommendations for management efficiencies and
33 financial 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 and shall amend the following sections:		
Section 1	July 1, 2008	2-90

PD *Joint Favorable Subst.*