



# House of Representatives

General Assembly

**File No. 64**

February Session, 2010

House Bill No. 5391

*House of Representatives, March 16, 2010*

The Committee on Appropriations reported through REP. GERAGOSIAN of the 25th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING QUASI-PUBLIC AGENCY COMPLIANCE AUDITS.**

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

1 Section 1. Section 1-122 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2010*):

3 The Auditors of Public Accounts shall [~~annually~~] biennially conduct  
4 a compliance audit of each quasi-public agency's activities during the  
5 [~~preceding agency fiscal year~~] agency's two fiscal years preceding each  
6 such audit or contract with a person, firm or corporation for any such  
7 audit or audits. Each such audit shall determine whether the quasi-  
8 public agency has complied with its regulations concerning affirmative  
9 action, personnel practices, the purchase of goods and services, the use  
10 of surplus funds and the distribution of loans, grants and other  
11 financial assistance. Each audit shall include a review of all or a  
12 representative sample of the agency's activities in such areas during  
13 [~~such fiscal year~~] the relevant fiscal years. The Auditors of Public  
14 Accounts shall submit each audit report to the Governor and two

15 copies of the audit report to the Legislative Program Review and  
16 Investigations Committee. Not later than thirty days after receiving  
17 copies of an audit report from the Auditors of Public Accounts, the  
18 Legislative Program Review and Investigations Committee shall  
19 prepare an assessment of whether the audit report complies with the  
20 requirements of this section and shall submit the assessment and a  
21 copy of the audit report to the joint standing committee of the General  
22 Assembly having cognizance of matters relating to the quasi-public  
23 agency. Each quasi-public agency shall pay the cost of conducting such  
24 [annual] biennial compliance audit of the agency.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	1-122

**APP**      *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill permits the Auditors of Public Accounts to perform quasi-public agency compliance audits biennially rather than annually. This is not anticipated to result in a fiscal impact.

This could result in staff hour savings approximate to one full-time employee (the average salary of an auditor is \$83,600, not including fringe benefits). However, it is expected that the Auditors would shift staff workload from quasi-public compliance audits to state agency audits. In FY 09, the Auditors completed 63 audits, and they anticipate performing 78 audits in FY 10.

The Auditors of Public Accounts conduct compliance audits of eight quasi-public entities: (1) the Connecticut Development Authority (CDA); (2) Connecticut Innovations, Inc. (CII); (3) Connecticut Health and Educational Facilities Authority (CHEFA); (4) Connecticut Higher Education Supplemental Loan Authority (CHESLA); (5) the Connecticut Housing Finance Authority (CHFA); (6) the Connecticut Resources Recovery Authority (CRRA); (7) the Capital City Economic Development Authority (CCEDA); and (8) the Connecticut Lottery Corporation (CLC).

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

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**OFA Bill Analysis**

**HB 5391**

***AN ACT CONCERNING QUASI-PUBLIC AGENCY COMPLIANCE AUDITS.***

**SUMMARY:**

The bill permits the Auditors of Public Accounts to perform quasi-public agency compliance audits biennially rather than annually.

EFFECTIVE DATE: July 1, 2010

**COMMITTEE ACTION**

Appropriations Committee

Joint Favorable

Yea 52 Nay 0 (03/08/2010)