STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS
AGENCY GUIDE
(2019)

Table of Contents

WELCOME 4

HISTORY 4

- **The Origin of the Auditors of Public Accounts** 4
- **Today's Auditors of Public Accounts** 5

DUTIES 5

- **Financial Audits** 5
- **Compliance Audits** 5
- **Information Technology Audits** 6
- **Federal Single Audit** 6
- **Performance Audits** 6
- **Whistleblower Reviews** 6
- **Annual Report** 6
- **Other Reporting Requirements** 6
- **Agency Reporting Requirements** 6

AUDIT TYPES 7

- **Financial Audits** 7
  - **Financial Statement** 7
- **Performance Audits** 7
- **Compliance Audits (State and Quasi-Public Agencies)** 8
- **Federal Single Audit** 8
- **Comprehensive Annual Financial Report (CAFR) Audit** 9

AUDIT PROCESS 9

- **Step One: Entrance Conference** 9
- **Step Two: Fieldwork** 10
- **Step Three: Draft the Audit Report** 10
- **Step Four: APA Management Review** 10
- **Step Five: Exit Conference (Optional)** 10
- **Step Six: Report Release** 10

AGENCY RESPONSIBILITIES 10

- **Production of Information to the Auditors** 11
- **Attorney General Opinions Related to the Auditors' Access to Records and Information** 11

Agency Reporting Requirements 12
Recent Legislative Changes to Agency Reporting Requirements 12
QUESTIONS OR CONCERNS 13
Appendix 14

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS
STATE CAPITOL
JOHN C. GERAGOSIAN 210 CAPITOL AVENUE ROBERT J. KANE
HARTFORD, CONNECTICUT 06106-1559

WELCOME

The state of Connecticut Auditors of Public Accounts (APA) provides independent, unbiased, and objective opinions as well as recommendations on the operations of state government and guards against waste, fraud, and abuse. The primary goal of APA is to assist state and quasi-public agencies in serving the people of Connecticut more efficiently and effectively.

While our office is larger than most accounting firms, we do much more than accounting. Our auditors serve as the legislature's eyes and ears inside state and quasi-public agencies. APA auditors determine whether agencies are following laws, regulations, internal policies, and prudent business practices; whether they are following federal requirements on federal programs through our work on the Statewide Single Audit; and whether state programs or systems are operating efficiently and effectively through our performance audits and program reviews. Our office also receives and reviews whistleblower complaints from state employees and the public to detect and prevent waste, fraud, and abuse.

The Auditors of Public Accounts is a legislative agency of the State of Connecticut with the primary mission to audit state agencies. The office is under the direction of two state auditors appointed by the state legislature. Our professional staff of just over one hundred includes many certified public accountants (CPA), certified information system auditors (CISA), certified internal auditors (CIA), and certified fraud examiners (CFE).

This guide is designed to give agencies a better understanding of our office and what we do. It is also intended to inform state and quasi-public agencies of their responsibilities in relation to our office. We hope you find the information presented useful and informative.

HISTORY

The Origin of the Auditors of Public Accounts

The office of the Auditors of Public Accounts can trace its origin to a charter granted in 1662 to the Colony of Connecticut by King Charles the Second of England. The state statutes of 1750 refer to the auditing of "the Colony's account with the Treasurer of the Colony." In 1786, when the Office of the State Comptroller was created, the Auditors of Public Accounts was placed under its

supervision and remained so until 1937, when legislation established the independent status of the office. Its organization, with two state auditors not of the same political party, makes Connecticut unique among state auditing agencies. From its colonial origin, Connecticut's audit function has been performed by more than a single auditor.

Today's Auditors of Public Accounts

The Auditors of Public Accounts presently consists of over 100 full-time employees. The state auditors are assisted in the management of the office by a deputy state auditor, five administrative auditors, an administration unit, and two executive assistants. The administrative auditors oversee five audit groups generally divided by type and subject matter. The administration unit provides administrative assistance to the office, support services to the field audit teams, and report processing services. For additional information on the office, please see the latest Annual Report to the General Assembly.

DUTIES

The Auditors of Public Accounts serves the General Assembly and the public as an independent watchdog of all state and quasi-public agencies. As the only legislative branch agency embedded in many state agencies, our office provides independent, unbiased, and objective opinions and recommendations on the operation of state government and the state's effectiveness in safeguarding resources. Our office strives to assist state agencies in achieving effective fiscal management. Furthermore, we report on the integrity of the state's financial statements and whether state and federal funds are used in compliance with applicable laws, rules and regulations.

Our office determines whether these agencies are following laws, regulations, internal policies and prudent business practices; whether state agencies are following federal requirements on major federal programs through our work on the Statewide Single Audit; and whether state programs or systems are operating efficiently and effectively through our performance audits and program reviews. Our office also receives and reviews whistleblower complaints from state employees and the public in order to detect and prevent waste, fraud, and abuse.

In the performance of its duties, the Auditors of Public Accounts performs the following:

- **Financial Audits** – The Auditors of Public Accounts certifies whether the state's financial statements in the Comprehensive Annual Financial Report (CAFR) are presented fairly and accurately. This is accomplished with year-round monitoring of the offices of the State Comptroller and Treasurer by embedded auditors and field testing at numerous agencies. Our office also conducts financial statement audits of the University of Connecticut and UCONN Health Center.

- **Compliance Audits** – The Auditors of Public Accounts conducts audits of each state and quasi-public agency approximately every two years. These audits are intended to determine whether these agencies are following laws, regulations, internal policies and prudent business practices. They are also intended to detect and prevent waste, fraud, and abuse. These reports are distributed to policymakers, the public, and the media.

Agencies must provide the auditors with all records and accounts to conduct these audits. The Auditors of Public Accounts must protect confidential records from disclosure.

- **Information Technology Audits –** The Auditors of Public Accounts conducts audits of the state's information technology systems. These audits are intended to determine whether the state's information systems adequately maintain the integrity of data, protect against breaches of privacy, and ensure proper safeguards are in place to protect against fraud.

- **Federal Single Audit** – Our office determines whether state agencies are following federal requirements on major federally-funded programs through our work on the Statewide Single Audit. This audit is conducted to determine whether state agencies are following federal requirements on major federal programs such as Medicaid, Student Financial Aid, Energy Assistance (LIHEAP), Food Stamps (SNAP), and transportation projects. This audit is required annually as a condition of the state receiving more than $9 billion in federal financial assistance each year.

- **Performance Audits** – Performance audits are conducted to determine whether state programs or systems are operating efficiently and effectively. In 2017, five of the most senior employees of the legislature's Office of Program Review and Investigations (PRI) transferred to our office. This transfer reconstituted the performance audit function in our office.

- **Whistleblower Reviews** – Our office receives and reviews whistleblower complaints from state employees and the public in order to detect and prevent waste, fraud, and abuse. We review each complaint and report the results of our review to the Office of the Attorney General.

- **Annual Report** – The Auditors of Public Accounts presents an Annual Report to the General Assembly on its operations each February. The annual report also contains recommendations for legislative action.

- **Other Reporting Requirements** – Section 2-90 (e) of the Connecticut General Statutes states that if the Auditors of Public Accounts discovers, or if it is reported to the office, that any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds or any breakdown in the safekeeping of any resources of the state has occurred or is contemplated, it shall forthwith present the facts to the Governor, the State Comptroller, and the clerk of each house of the General Assembly.

- **Agency Reporting Requirements –** Section 4-33a of the Connecticut General Statutes requires all state and quasi-public agencies to promptly notify the Auditors of Public Accounts and the State Comptroller of any unauthorized, illegal, irregular, or unsafe handling or expenditure of state or quasi-public agency funds. This also includes breakdowns in the safekeeping of any other resources of the state or quasi-public agencies or contemplated action to do the same within their knowledge.

  The Auditors of Public Accounts reports this information to the Governor, Attorney General, and the clerks of each house of the General Assembly.

AUDIT TYPES

To accomplish our mission, audits must be both comprehensive and diversified. An audit of a state agency, program, activity, or function could include any of several types of audits, which are described below.

Financial Audits

- **Financial Statement –** determines (a) whether an audited agency's financial statements present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles or another comprehensive basis of accounting; and (b) whether the entity has complied with laws and regulations that may have a material effect on the financial statements.

Performance Audits

Section 2-90 of the Connecticut General Statutes authorizes the state auditors to examine the books and records of state departments, commissions and boards as well as certain quasi-public agencies. Subsection (c) provides that each such audit may include an examination of performance to determine effectiveness in achieving expressed legislative purposes.

According to Generally Accepted Government Auditing Standards (GAGAS) , also known as the Yellow Book, published by the federal Government Accountability Office (GAO), a performance audit provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. The term "program" is used in GAGAS to include government entities, organizations, programs, activities, and functions. Current GAO performance audit standards are included in *Government Auditing Standards*.

This performance audit work may be done either as a part of a compliance audit or as a separate performance audit depending on the scope of the review to be undertaken.

- **Economy and Efficiency –** determines (a) whether the entity is acquiring, protecting, and using its resources (such as personnel, property, and other resources) economically and efficiently; (b) the causes of inefficiencies or uneconomical practices; and (c) whether the entity has complied with laws and regulations pertaining to economy and efficiency.

- **Program Effectiveness –** determines (a) whether the desired results or benefits that the legislature or other authorizing bodies establish are being achieved; and (b) the effectiveness of organizations, programs, activities or functions, and whether the entity has complied with laws and regulations applicable to the program.

- **Compliance –** determines whether established laws, regulations, contract provisions, grant agreements, and other requirements that could affect the acquisition, protection, use, and disposition of the entity's resources and the quantity, quality, timeliness, and cost of services the entity produces and delivers are being complied with.

- **Prospective Analysis –** using information that is based on assumptions, determines events that may occur in the future along with possible actions that the audited entity may take in response to the future events.

The Auditors of Public Accounts is responsible for notifying an agency of the results of its audit so that the agency may take corrective action.

Compliance Audits (State and Quasi-Public Agencies)

Section 2-90 of the Connecticut General Statutes authorizes the state auditors to examine the books and records of state departments, commissions and boards as well as certain quasi-public agencies. Generally, these audits will cover two fiscal years and will focus on state, rather than federal, funds. These audits will be in addition to whatever audit work may have been done to satisfy the requirements for the Comprehensive Annual Financial Report (CAFR) audit and the federal Statewide Single Audit. A departmental audit is a compliance audit that focuses on the agency's internal control structure and compliance with certain laws, regulations, contracts, and grant agreements. A departmental audit is a type of performance audit as defined in the GAO Yellow Book. The financial statement audit is done as part of our work on the CAFR.

The transaction testing performed as part of a compliance audit at individual state agencies is directed at evaluating the internal control systems and compliance issues relative to the agency. Where the internal control structure or compliance issue is material or significant to issuing an opinion on the CAFR or to satisfy the requirements of the federal Single Audit Act, the internal control structure or compliance issue has been included under the scope of our CAFR or Single Audit work.

Federal Single Audit

Congress passed the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 to improve state and local governments' financial management of federal financial assistance programs, establish uniform requirements for audits of federal financial assistance, promote efficient and effective use of audit resources, and ensure that federal departments rely on and use the audit work performed under the act. The act establishes requirements for audits of the entity's financial statements, including the Schedule of Expenditures of Federal Awards (SEFA), and for testing and reporting on internal controls and compliance with laws and regulations relevant to federal financial assistance. The act requires independent auditors to perform the audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) as published by the Government Accountability Office (GAO) in its Yellow Book.

State and local governments must undergo a single audit if they receive federal financial assistance of $750,000 or more. A single audit consists of an audit of the basic financial statements and the federal financial assistance (FFA). Office of Management and Budget (OMB) Uniform Guidance specifies that FFA programs are to be classified as either Type A or Type B, depending on the total

FFA expended by the entity and provides a general explanation of how to determine the dollar threshold used to distinguish between the two types of programs. For federal programs selected for review, we have a responsibility to ensure controls are operating effectively. Additionally, our auditors must determine whether the agency has complied with laws, regulations, and the provisions of contracts or grant agreements that have a direct and material effect on each of its major federal programs. The compliance requirements applicable to FFA programs can be found in the Office of Management and Budget Uniform Guidance, which is published annually.

Comprehensive Annual Financial Report (CAFR) Audit

Each year, the Office of the State Comptroller issues a Comprehensive Annual Financial Report, prepared in accordance with generally accepted accounting principles. Included within this report are all necessary presentations and disclosures to present fairly, in all material respects, the financial position of the state at fiscal year-end and the results of the operations of the state for the fiscal year.

The Auditors of Public Accounts is responsible for auditing the records of the state in accordance with generally accepted auditing standards and expressing an opinion on the state's basic financial statements published in the CAFR. For our work on the CAFR, we complete financial testing at several state agencies in order to evaluate the statewide financial statements.

The federal Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996, requires that an annual audit be performed, which reviews the state's controls over federal funds and compliance with federal program requirements.

As part of this audit, federal Office of Management and Budget Uniform Guidance requires the auditor to determine whether the financial statements of the audited agency present its financial position fairly and the results of its financial operations in accordance with generally accepted accounting principles. Thus, the audit work performed to obtain the evidence necessary to issue the audit certificate included in the CAFR is also required by the Single Audit Act and becomes an integral part of the Statewide Single Audit.

AUDIT PROCESS

The process of conducting an audit typically includes five steps. The time required to complete each step varies based upon the scope and size of the audit. The Auditors of Public Accounts sends an **engagement letter** to the agency defining the audit scope, methodology, start date, and the name of the supervisor conducting the audit. The agency must grant the Auditors of Public Accounts access to suitable office space, parking, phones, agency information systems or anything else required for the auditors to conduct their work. The agency must also designate a liaison to be its direct contact person on the audit.

Step One: Entrance Conference

At this meeting, the auditors brief agency staff on what they can expect during the audit process. Questions are encouraged and arrangements are made for future communication between APA and agency staff.

Step Two: Fieldwork

Fieldwork includes information gathering and analysis of that information against standards or criteria. Information is gathered in various ways, including records review, data analyses, and interviews. This information is used to determine whether the agency is executing its responsibilities effectively, efficiently, and in compliance with state law.

Step Three: Draft the Audit Report

The draft audit report presents conclusions and recommendations and is shared with agency staff. The agency may provide written responses and express any concerns about the recommendations.

Step Four: APA Management Review

The draft audit report goes through a series of reviews that include the auditor's supervisor, deputy state auditor, and the state auditors. The report is checked for conformance with audit standards and accuracy. Any necessary changes are made and the state auditors make all final decisions on the report's content and presentation.

Step Five: Exit Conference (Optional)

At this meeting, APA provides the agency the formal opportunity to discuss the report draft and provide additional facts or context. Following the exit conference, APA typically offers agency staff a final opportunity to change any written responses published in the audit report. In addition, the agency's top management is required to sign a **management representation letter** attesting to various issues related to the audit.

Step Six: Report Release

APA releases its audit reports electronically to all legislators, press, and other interested parties. APA also posts the reports to its website. Each report includes a one-page executive summary that includes the report's key findings and conclusions.

AGENCY RESPONSIBILITIES

Our office endeavors to make the audit process as smooth as possible to ensure an accurate, useful, and timely audit report. Communication between the APA audit supervisor and agency audit liaison is important to foster understanding of the requirements and expectations of the audit. Agency staff should attend and participate in requested meetings with the auditors. Auditor requests for information should be fulfilled completely and in a timely manner. If agency staff and our auditors agree to a timeline, that timeline should be honored.

Production of Information to the Auditors

The Connecticut General Statutes require all agencies to provide our auditors any necessary information to facilitate the completion of audit work. This requirement supersedes any other statute or law related to confidentiality, privacy, health information, or attorney/client privilege. APA is subject to all of the agency's confidentiality mandates and penalties.

2-90 (g) and (h) of the Connecticut General Statutes state:

> "(g) Each state agency shall keep its accounts in such form and by such methods as to exhibit the facts required by said auditors and, the provisions of any other general statute notwithstanding, shall make all records and accounts available to them or their agents, upon demand.
>
> (h) Where there are statutory requirements of confidentiality with regard to such records and accounts or examinations of nongovernmental entities which are maintained by a state agency, such requirements of confidentiality and the penalties for the violation thereof shall apply to the auditors and to their authorized representatives in the same manner and to the same extent as such requirements of confidentiality and penalties apply to such state agency (Public Act 83-302). In addition, the portion of (1) any audit or report prepared by the Auditors of Public Accounts that concerns the internal control structure of a state information system or the identity of an employee who provides information regarding alleged fraud or weaknesses in the control structure of a state agency that may lead to fraud, or (2) any document that may reveal the identity of such employee, shall not be subject to disclosure under the Freedom of Information Act, as defined in Section 1-200."

At the beginning of each audit, we direct the agency to alert us to any confidentiality provisions that are relevant to records and other information provided to our office by the agency. We mark these records as confidential to ensure that they are not released. Agencies should carefully fulfill this responsibility.

Attorney General Opinions Related to the Auditors' Access to Records and Information

The Office of the Attorney General has issued four formal opinions by four different attorneys general related to the Auditors of Public Accounts' access to agency documents and records. All of those opinions uphold the requirements of Section 2-90 (g) and (h) of the Connecticut General Statutes and require the agency to provide APA with the requested information.

In the first opinion, issued April 5, 1978, the Attorney General concluded that the State Properties Review Board was required to disclose to the Auditors of Public Accounts information about state realty needs, despite a statute making disclosure of such information a misdemeanor.

In the second opinion, issued March 27, 1984, the Attorney General concluded that child abuse, education and drug and alcohol abuse records maintained by the Department of Children and Youth Services (now Department of Children and Families) must be disclosed to the Auditors of Public Accounts, even though these records are considered confidential by both state and federal statutes. The opinion determined that Section 2-90 of the Connecticut General Statutes, as

amended by Public Act 83-302, "requires full disclosure of all records to state auditors," and that this statute "establishes a clear Connecticut state mandate to give auditors an unrestricted access to records."

In the third opinion, issued June 21, 1999, the Attorney General concluded that the Judicial Selection Commission was required to provide the Auditors of Public Accounts its confidential information thus affirming its 1984 opinion.

In the fourth opinion, issued June 12, 2018, the Attorney General concluded that the Department of Correction was required to provide the Auditors of Public Accounts access to a contractor's report related to inmate medical care even though the document is privileged under the attorney-client and attorney work product privileges. The Attorney General also concluded that, while the Auditors of Public Accounts is entitled to review and copy the report, it must do so subject to all applicable legal privileges, and thus the Auditors may not further distribute or reveal the report or its contents.

Agency Reporting Requirements

Agencies are required to notify the Auditors of Public Accounts and the Office of the State Comptroller of losses due to theft, vandalism, inventory, or any other loss of any value. Other losses can include employee misconduct or issues like accepting counterfeit bills, cash drawers being out of balance, or misreading check amounts. Losses are generally reported using a **CO-853 Form**. Agencies sometimes report using a memo if the nature of the loss requires more explanation.

Section 4-33a of the Connecticut General Statutes states:

> "All boards of trustees of state institutions, state department heads, boards, commissions, other state agencies responsible for state property and funds and quasi-public agencies, as defined in Section 1-120, shall promptly notify the Auditors of Public Accounts and the Comptroller of any unauthorized, illegal, irregular or unsafe handling or expenditure of state or quasi-public agency funds or breakdowns in the safekeeping of any other resources of the state or quasi-public agencies or contemplated action to do the same within their knowledge."

This statute clearly requires all agencies to report any loss, regardless of its magnitude.

Our office reports all losses monthly to the Governor, Attorney General, State Library, Joint Committee on Legislative Management, Legislative Library, and the Clerks of the House and Senate. Our office has ongoing Freedom of Information requests for these reports from several media outlets. If you report any information that cannot be publicly released, due to an FOI exemption or other confidentiality provision, please inform our office.

Recent Legislative Changes to Agency Reporting Requirements

Public Act 18-137 made changes to agency reporting requirements in Section 4-33a and the Auditors reporting responsibilities in Section 2-90 (e). The act (§§ 1-2) allows the Auditors of

Public Accounts to (a) delay a full report of certain misuses of state and quasi-public agency funds, including actual or contemplated security breaches, for a reasonable amount of time to allow the subject agency to complete its investigation into those activities and permits aggregate reporting by state and quasi-public agencies to the Auditors of Public Accounts of these activities. The act also adds breaches of security, as defined in Section 36a701b, to the list of agency reporting requirements.

Therefore, agencies should not delay reporting matters under investigation to our office.

QUESTIONS OR CONCERNS

The Auditors are always available to address agency questions or concerns. Do not hesitate to contact the audit supervisor if you have any questions or concerns. The state auditors are also available to meet to discuss any issues.

Robert J. Kane
State Auditor
860-240-8653

John C. Geragosian
State Auditor
860-240-8651

Appendix

1. Sample Engagement Letter
2. Sample Management Representation Letter
3. Attorney General Opinion #1 - State Properties Review Board (1978)
4. Attorney General Opinion #2 - Department of Children and Youth Services (1984)
5. Attorney General Opinion #3 - Judicial Selection Commission (1999)
6. Attorney General Opinion #4 - Department of Correction (2018)
7. Sample Loss Reporting (CO-853) Forms

1- Sample Engagement Letter

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS
STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1550

JOHN C. GERAGOSIAN

ROBERT J. KANE

April 17, 2018

Dr. James R. Gill, Chief Medical Examiner
Office of the Chief Medical Examiner
11 Shuttle Road
Farmington, Connecticut 06032

Dear Dr. Gill:

As you are aware, state law provides that the Auditors of Public Accounts audit each department of state government (Section 2-90 of the General Statutes). We are also responsible for auditing the financial statements of the state and for auditing federal financial assistance under the requirements of the federal Single Audit Act. We are ready to commence an audit of the Office of the Chief Medical Examiner covering the fiscal years ended June 30, 2016 and 2017.

Audit Objectives
Our primary audit objectives are to evaluate (1) internal controls over significant management and financial functions, (2) compliance with certain legal provisions, and (3) the economy and efficiency of certain management practices and operations, including certain financial transactions. However, other objectives may be added after survey work is completed.

Audit Scope and Methodology
Our methodology may include, but is not limited to, reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel, as well as certain external parties; and testing selected transactions. We will obtain an understanding of internal controls that are significant within the context of the audit objectives and assess whether such controls have been properly designed and placed in operation. We may test certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We will obtain an understanding of legal provisions that are significant within the context of the audit objectives, and we will assess the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we will design and

perform procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We will conduct our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The audit report will include (1) the objectives, scope, and methodology of the audit; (2) the audit results, including findings, conclusions, and recommendations, as appropriate; (3) a statement about our compliance with GAGAS; (4) a summary of the views of responsible officials; and (5) if applicable, the nature of any confidential or sensitive information omitted.

Depending on the timing of this engagement relative to our audit efforts necessary for preparing the State's Comprehensive Annual Financial Report (CAFR) and Single Audit, we may ask our staff to perform procedures related to these audits while this engagement is in process. If that work is deemed by us to be of a minimal nature, we will not issue a separate engagement letter. If that work is judged to be substantial, we plan to issue a separate letter discussing that engagement.

We intend to start audit field work at your department on April 30, 2018. Our Supervisory Auditor, Tyler Flanagan (tyler.flanagan@cga.ct.gov), will be responsible for overseeing that work. We request that you designate an appropriate person from your staff to serve as liaison to our representatives so that pertinent matters are properly communicated between our departments. Also, we would appreciate it if your designated liaison is able to arrange for access to your department's staff and records necessary for our audit. Please inform our representatives who you have designated as liaison as soon as is practical.

We would also expect that our representatives will be provided with safe and suitable work space and other facilities upon arrival and throughout their visit. As a minimum, access to a photocopier, e-mail, the Internet, a telephone, and parking as well as read-only access to applicable automated information systems are all necessary and will help expedite the completion of the audit. In addition, as we deal with sensitive and confidential information, secure storage space is desirable.

Our responsibilities for auditing the state's financial statements and federal financial assistance require adherence to auditing standards generally accepted in the United States of America, known as Generally Accepted Auditing Standards. Amongst these standards is Statement on Auditing Standards AU-C 240, *Consideration of Fraud in a Financial Statement Audit.* The objective of AU-C 240 is to provide additional guidance on the consideration of fraud, including a requirement that auditors make inquiries of management and staff throughout the entity regarding the potential risks for fraud and whether there are controls in place that address the risks. This requirement is driven in part from the reports of fraud specialists, which state that when a fraudulent act was committed, people with knowledge or suspicion of the act would have come forward if someone had asked the proper questions. We have chosen to adopt this standard for our work done under

both the financial and performance audit standards of GAGAS. Accordingly, we ask for your cooperation and support as our representatives perform routine interviews of your staff in order to fulfill our mandates. Employees of your agency should also be aware that Section 2-90 of the General Statutes permits the results of these interviews to be deemed confidential.if they contain information alleging fraud or weaknesses in internal control.

We will generally communicate our findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant findings are noted that warrant immediate attention by management or are required to be reported by us to those charged with governance. We will include the audited agency's views on such findings and recommendations. As our representative(s) completes the assignment, you will be provided, through your liaison, with a draft of any findings that have been developed. You will then have an opportunity to reply either in writing or orally within a reasonable time. Please be aware, however, that upon review by our managers and us, the draft findings may be changed and, possibly, additional findings may be drafted. After our auditors' work has been reviewed and approved, you will have a chance to comment on a final draft of our report and any findings it then contains.

Management Responsibilities

Management is responsible for making all records and related information available to us and for the accuracy and completeness of that information. You should be aware that state law makes available to us and our representatives all records of state agencies (Section 2-90 of the General Statutes). All statutory provisions requiring confidentiality of the information in any state records apply to us as well. Therefore, we request that you inform our representative, in writing, of any such statutory provision requiring confidentiality of any of your department's records. We will take steps to ensure that any confidential information gathered by our representatives is safeguarded from unauthorized disclosure.

Management is responsible for designing and implementing programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government and involving state officials, management, employees, and others. Your responsibilities include informing us of your knowledge of any known, alleged or suspected fraud affecting your entity and received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that your entity complies with applicable laws, contracts, grant agreements, and other legal provisions and for taking timely and appropriate steps to remedy any illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions that we may report.

Management is responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed above in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You also are responsible for providing management's views on our current findings, conclusions, and recommendations.

The responsibility for compliance with laws and regulations which might apply to the Office of the Chief Medical Examiner is yours. Accordingly, auditing standards require that we seek certain written assurances from you in that regard. As our representative(s) complete their assigned work, you will be formally requested to provide those assurances in the form of a management representation letter.

We hope that our audit work will proceed smoothly and without undue disruption of your department's routines. We also hope that staff from our respective departments can handle any problems that do arise. General management oversight for this assignment is the responsibility of our Administrative Auditor, Gregory Slupecki (gregory.slupecki@cga.ct.gov), who can be contacted should you have any questions or problems that you wish to refer to our management.

Please be assured, nonetheless, that we are always ready to try to alleviate any problem that does require our intervention or to respond to any reasonable request you might make of us.

Sincerely,

John C. Geragosian
State Auditor

Robert J. Kane
State Auditor

cc: Tyler Flanagan, Supervisory Auditor
Gregory Slupecki, Administrative Auditor
John A. Rasimas, Deputy State Auditor
Maura E. DeJoseph, D.O., Deputy Chief Medical Examiner, OCME
Lincoln Dwayne Gordon, Administrator, OCME

2 - Sample Management Representation Letter

STATE OF CONNECTICUT
Department of Motor Vehicles

Michael R. Bzdyra
Commissioner

Telephone: (860) 263-5015
Fax: (860) 263-5542
Michael.Bzdyra@ct.gov

December 5, 2018

John C. Geragosian/Robert J. Kane
State Auditors
Auditors of Public Accounts
State Capitol
210 Capitol Avenue
Hartford, CT 06106-1628

Gentlemen:

We are providing this letter in connection with your audit of the books and accounts of The Department of Motor Vehicles for the fiscal year(s) ended June 30, 2013 (2014 and 2015), for the purposes of reporting as to whether it complied in all significant respects with the provisions of certain laws, regulations, contracts and grants and of understanding and evaluating the effectiveness of its internal control process policies and procedures established to ensure such compliance.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

1. We are responsible for:

   a. The agency's compliance with laws, regulations, contracts and provisions of grant agreements applicable to it, and we have identified all such laws, regulations, contracts and provisions of grant agreements. We have complied with all aspects of laws, regulations, contracts and grants that would have a significant effect on the agency's operations in the event of noncompliance, including the state policies and procedures promulgated by various state agencies.

   b. The effectiveness of the internal controls that affect the agency's ability to record, process, summarize, and report financial and operational data consistent with the assertions embodied within the state's financial statements prepared by the Comptroller and the agency's ability to safeguard the state's resources.

   c. The design and implementation of programs and controls to prevent and detect fraud.

60 State Street, Wethersfield, CT 06161
An Affirmative Action / Equal Opportunity Employer

2. We have made available to you all:

   a. Financial records and related data.

   b. Minutes of meetings of any governing body directly affiliated with this agency's operations or any related organizations, or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. We have reported to you any irregularities or fraudulent acts involving any employee or others required to be reported to you under Section 4-33a of the General Statutes. We understand that the term "irregularities" refers to any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds or any breakdown in the safekeeping of any resources of the State. We also understand that the term "state funds" includes federal moneys, fiduciary funds, and all other moneys and resources for which our agency is responsible. We also acknowledge that there is no threshold of materiality with regard to such irregularities.

4. We are not aware of:

   a. Any allegations, including information received in communications from employees, former employees, analysts, regulators, or others, of fraud or suspected fraud affecting the agency involving management, employees, former employees, or others other than those matters which already have been reported to you.

   b. Any communications, other than those matters which already have been reported to you, from state and federal regulatory agencies or other auditors, internal or external, indicating noncompliance with laws, regulations, contracts and provisions of grant agreements or deficiencies in internal controls. We acknowledge that "regulatory agencies" include State oversight agencies such as the Office of State Ethics and the Citizens' Ethics Advisory Board.

   c. Any significant deficiencies in the design or operation of internal controls, other than those matters which already have been reported to you, that could adversely affect the agency's ability to record, process, summarize, and report financial or operational data consistent with the assertions embodied by the Comptroller in preparing the State's financial statements or could adversely affect the agency's ability to safeguard the State's resources.

   d. Any transactions, including any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, that have not been properly disclosed to the Attorney General.

5. We have disclosed to you the existence of all entities related to the agency such that any transactions conducted with those entities would be considered related party transactions. If, during the audited period, this agency has had any related party transactions and related amounts receivable or payable, including revenues, expenditures/expenses, loans, transfers, leasing arrangements and guarantees, we confirm that it is our policy to disclose such to the Comptroller or Attorney General, as applicable.

6. The agency has satisfactory title to all owned assets. Such assets have no liens or encumbrances, nor have any assets been pledged. We have no plans or intentions that may materially affect the carrying value or classifications of any assets or liabilities.

The following space is provided so that the agency can add on or explain any "except for" matters. Any such comments should be numbered to correspond to the other items on this letter.

To the best of our knowledge and belief, no events have occurred subsequent to June 30, 2013 (2014 and 2015), and through the date of this letter that would have an adverse effect on the existing control structure or compliance with laws, regulations, contracts and grants.

Signed:	Signed:
Title: Commissioner	Title: CFO
Date: December 5, 2018	Date: December 5, 2018

Attorney General Opinion #1

4-9-78

State of Connecticut

Telephone: 566-2203

CARL R. AJELLO
ATTORNEY GENERAL

Office of The Attorney General
30 TRINITY STREET
HARTFORD 06115

April 5, 1978

Mr. Henry P. Gionfriddo
Chairman
Properties Review Board
State Office Building
Hartford, Connecticut

Re: State Auditors' Request to Review
Properties Review Board Minutes

Dear Mr. Gionfriddo:

This is in response to your Board's recent request for advice as to "how much information we are allowed to give to the State Auditors with regard to the limitations that are placed on us by the Statutes under which we operate...". Subsequent telephone conversations have revealed that you are concerned about disclosing information about state realty needs in violation of Sec. 4-26i of the General Statutes. This information is contained in the minutes of your meetings which the Auditors are seeking to review.

Your inquiry takes us into the sensitive area of inter-agency responsibilities. Governing your action is Sec. 4-26i, which provides as follows:

> "Sec. 4-26i. Disclosure of state realty needs. Unauthorized disclosure class A misdemeanor. No person affiliated with any requesting agency shall discuss outside of that agency its real estate needs or interests prior to formal notification to the commissioner, and in no event without the authorization and supervision of the public works commissioner, which authorization shall be filed with the review board; nor shall anyone with knowledge of said needs gained as a result of his employment by the

Mr. Henry P. Gionfriddo
Chairman
Properties Review Board

April 5, 1978

> state disclose any information regarding state real estate needs to anyone except as authorized by the commissioner. Anyone who discloses any such information without authority by the commissioner before said information is made public by the commissioner shall be guilty of a class A misdemeanor."

On the other hand, Sec. 2-90 which spells out the duties of the Auditors provides in pertinent part that:

> "The auditors of public accounts shall organize the work of their office in such manner as they deem most economical and efficient and shall determine the scope and frequency of any audit they conduct...They shall audit the accounts of each officer, department, commission, board and court of the state government authorized to expend or contract for expenditure of any state appropriation, and of all institutions supported by the state. They shall audit the accounts, inventories, records and books of each agency of the state receiving and handling state funds. They shall report their findings to the governor, to the joint standing committee on legislative management of the general assembly, the joint standing committee on appropriations and, in the event their findings concern the effectiveness or efficiency of the management of state programs, to the legislative program review and investigations committee of the general assembly...They shall, as often as they deem necessary, examine the operations and performances of state agencies to determine their effectiveness in achieving their legislative purposes, and report their findings and recommendations for improvements in state services to the governor and the joint committees on appropriations and legislative management...If the auditors of public accounts discover any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds or if it should come to their

Mr. Henry P. Gionfriddo
Chairman
Properties Review Board

April 5, 1978

> knowledge that any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds is contemplated but not consummated, they shall forthwith present the facts to the governor and joint committee on legislative management...Each budgeted agency shall keep its records and accounts in such form and by such methods as to exhibit the facts required by said auditors and shall make such records and accounts available to them or their authorized agents, upon demand."

It is important to note that the Auditors of Public Accounts are a legislative agency whose two State Auditors are appointed by the General Assembly to provide the independence and impartiality required for effective auditing. It is also relevant to note that Sec. 4-26i was promulgated in the same Act, P.A. 75-425, as was the expansion of the responsibility and authority of the Auditors of Public Accounts to conduct not only fiscal and compliance audits but also performance or management type audits as well. Moreover, it is important to note that should the Auditors disclose any confidential information received by them from your minutes, they would be subject to the same penalty as you are under Sec. 4-26i.

Considering the broad scope of the Auditors' duties and responsibilities as outlined above, it is our advice that your minutes should be made available for their review.

The question remains whether prior permission of the public works commissioner must be sought by your agency without incurring a penalty. Albeit such an interpretation is possible, this would needlessly impair the proper functioning of the Auditors pursuant to Sec. 2-90; thus, it is our opinion that such prior permission is not necessary. Under the circumstances, an approach to the legislature to make the doings of the Auditors under Sec. 2-90 an exception to 4-26i would not be unreasonable.

Your letter also indicates concern about the manner of the Auditors' review and "how they would maintain the confidentiality of any information they take from our minutes."

Mr. Henry P. Gionfriddo
Chairman
Properties Review Board

April 5, 1978

We suggest that these matters could easily be negotiated at a meeting between the two agencies since neither agency desires to violate Sec. 4-26i.

We trust this answers your questions.

Very truly yours,

CARL R. AJELLO
ATTORNEY GENERAL

By: Barney Lapp
Barney Lapp
Assistant Attorney General

BL:dr

Bob Statchen

STATE OF CONNECTICUT

PROPERTIES REVIEW BOARD

HENRY P. GIONFRIDDO, CHAIRMAN
WILLIAM F. GEREETY, VICE CHAIRMAN
KENNETH J. BORST, SECRETARY
SALVATORE GAGLIARDI
JOSEPH T. GORMLEY
DANIEL J. TASILLO

March 23, 1978

STATE OFFICE BUILDING
HARTFORD, CONNECTICUT 06115
203—566-4608

'78 MAR 28 PM 2:54

TO: The Honorable Carl R. Ajello
Attorney General

FROM: William G. Weaver, Jr.
Executive Director

SUBJ: State Auditors' Request To Review Properties Review Board Minutes

ATTN: Assistant Attorney General Robert Statchen

As per my telephone call to you on March 23, 1978 requesting how much information we are allowed to give to the State Auditors with regard to the limitations that are placed on us by the statutes under which we operate, I have discussed with Mr. George Lincoln of the State Auditors' Office what they want and how they would handle it. He had indicated to me that the auditors want to review the Board's minutes and that they would only review these minutes within the Board's office and would not take them to the Auditors' Office.

The Board feels that if the auditors are allowed to review our minutes, that they should be reviewed only in our office. Also, the Board is very concerned that any notes taken by the auditors might possibly become available to reporters, or the general public, through the Auditors Office. Mr. Lincoln indicated to me that the auditors are also concerned about this and as of this date they have not worked out how they would maintain the confidentiality of any information they take from our minutes.

The Board, in general, feels that unless there is a statutory right given to the auditors which supercedes the confidentiality required by the statutes under which the Board operates, that these minutes should not be made available to anyone.

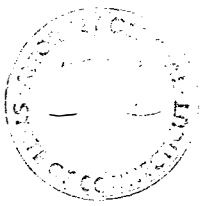
Your early opinion will be greatly appreciated.

William G. Weaver, Jr.
William G. Weaver, Jr.
Executive Director

WGW:mw

Attorney General Opinion #2

State of Connecticut



JOSEPH I. LIEBERMAN
ATTORNEY GENERAL

Office of The Attorney General

[illegible] 1984

The Honorable Mark J. Marcus
Department of Children and Youth Services
170 Sigourney Street
Hartford, Connecticut 06105

Dear Commissioner Marcus:

I am responding to your letter of November 2, 1983 in which you inquire as to your responsibility to disclose otherwise confidential department records to state auditors.

At the outset, I will note that you have correctly concluded that Connecticut law now requires full disclosure of all records to state auditors. Section 2-90 C.G.S., as amended by Public Act 83-302, provides for the audit by the auditors of Public Accounts, of the accounts of all state departments. The 1983 Act specifically deals with the issue of confidentiality as follows:

> Each budgeted agency shall keep its records and accounts in such form and by such methods as to exhibit the facts required by said auditors and the provisions of any other General Statute notwithstanding shall make such records and accounts available to them or their authorized agents, on demand.

Since the foregoing establishes a clear Connecticut state mandate to give auditors an unrestricted access to records, it remains to consider whether federal law and regulations in any way conflict with this mandate. I have examined the federal law and regulations pertaining to child abuse records and educational records; and alcohol and drug abuse records; these appear to be the only three categories which affect your Department.

Child Abuse Records

Federal regulations pertaining to child abuse and the records

thereof are contained in 45 C.F.R., Section 1340. These regulations state the federal requirements for state child abuse programs and include detailed requirements of confidentiality for records pertaining thereto. Prior to January 26, 1983, the regulations were silent as to the status of state auditors who wished to inspect confidential records. At that time, it was highly speculative as to whether access came within an exception to otherwise strict requirements of confidentiality.

On January 26, 1983, the Department of Health and Human Services published an amendment to 45 C.F.R., Section 1340. This amendment, 45 C.F.R., Section 1340.14, published in 48 Federal Register pp. 3704 reads as follows:

> Eligibility Requirements
>
> i) Confidentiality - 1) The state must provide by statute that all records concerning reports and reports of child abuse and neglect are confidential and that their unauthorized disclosure is a criminal offense. 2) If a state chooses to, it may authorize by statute disclosure to any or all of the following persons and agencies under limitations and procedures the state determines:
>
> (X) An appropriate state or local official responsible for administration of the child protective service or for oversight of the enabling or appropriating legislation, carrying out his or her official functions....

It appears clear to me that 45 C.F.R., 1340.14i(2)X provides for access by state auditors. The exception provides for access by a "state...official responsible...for the oversight of the enabling...legislation carrying out his or her official duties." This adequately describes the auditing function; as noted, this function is mandated by Public Act 83-302.

Education Records

Regulation 45 C.F.R., Section 99 sets forth regulations

establishing standards for federally audited educational institutions. Among other things, these regulations mandate that records of such institutions be kept confidential, subject to specified exceptions. Regulation 45 C.F.R., Section 97.35 provides as follows:

> Nothing in Section 438 of the Act or this part shall preclude authorized representatives, officials listed in Section 91.31(a)(3) from having access to students' and other records which may be necessary in connection with the audit and evaluation of federally supported educational programs, or in connection with the enforcement or compliance with the federal legal requirements.
>
> (b) ...any data collected by officials listed in Section 99.31(a)(3) shall be protected in a manner which will not permit the personal identification of students and their parents by other than those officials, and personally identifiable data shall be destroyed when no longer needed for such audit, evaluation, or compliance with federal legal requirements.

Regulation 45 C.F.R., Section 99.31(a)(3) lists officials referred to in Section 99.35(a) as follows:

> Subject to the conditions set forth in Section 99.35, to authorize representatives of:
>
> (i) The Comptroller General of the United States
>
> (ii) The Secretary
>
> (iii) The Commissioner, the Director of the National Institute of Education, or the Assistant Secretary for Education

or

(iv) State Education authorities.

Although state auditors, under the structure of Connecticut state government are in a separate department they must be considered to be representatives of "State Education Authorities" for the purpose of these regulations. Their functions, among others, include the authority to determine the propriety and honesty of funds spent by various state departments for educational purposes. These regulations clearly recognize the necessity of the auditing function and they cannot reasonably be construed to prevent this function from being carried out. It should also be noted that the auditors, in dealing with educational records are bound by the provisions of 45 C.F.R., Section 97.35(b) which requires that they safeguard "personally identifiable data."

As further support for the proposition that state auditors may have access to educational records 45 C.F.R. Section 99.31(a)(5) provides for access "[t]o state and local officials or authorities to whom information is specifically required to be reported or disclosed pursuant to state statute adopted prior to November 19, 1974. This subparagraph applies only to statutes which require that specific information be disclosed to state and local officials and does not apply to statutes which permit, but do not require, disclosure."

Statutes pertaining to state auditors were first enacted in the very early part of this century. The statute in effect on November 19, 1974 is Public Act No. 71-778, which provides, in relevant part, as follows:

> Said auditors...shall audit annually, and as much oftener as they deem necessary, the accounts of each office, department, commission, board and court of the state government authorized to expend or contract for expenditure of any state appropriation, and of all institutions supported by the state. They shall audit the accounts, inventories, records and books of each agency of the state receiving and handling state funds."

This is a clear mandate to audit DCYS "accounts, records and books." It cannot be carried out unless the auditors have the right to inspect the individual records of children, on whose behalf money is expended by DCYS for placement or otherwise. Each DCYS child has, in a single volume, a record containing his educational record, treatment record and records which are pertinent to state auditors such as institution or home of placement, time of placement, time of discharge and special conditions, if any, of payment relevant to placement. Without access to these records the auditors cannot complete an audit; thus violating Public Act 71-778 and its successor Public Act 83-302.

Drug and Alcohol Abuse Records

The federal statutes pertaining to drug and alcohol abuse provide for a clear exception to the usual requirement of confidentiality of records to permit financial audits. 21 U.S.C.A. §1175 provides in part as follows:

> "Confidentiality of patient records"
>
> (a) Records of the identity, diagnosis, prognosis, or treatment of any patient which are maintained in connection with the performance of any drug abuse prevention conducted, regulated or directly or indirectly assisted by any department or agency of the United States shall, except as provided in subsection (c), be confidential and be disclosed only for the purposes and under the circumstances expressly authorized under subsection (b) of this section.
>
> (b)(2) Whether or not the patient with respect to whom any given record referred to in subsection (a) of this section is maintained gives his written consent, the contents of such records may be disclosed as follows:
>
> (B) To qualified personnel for the

> purpose of conducting scientific research, management audits, financial audits, or program evaluations, but such personnel may not identify directly or indirectly, any individual patient in any report of such research audit or evaluation or otherwise disclose patient identities in any manner.

42 U.S.C. 290-dd-2, contains identical language with reference to patients treated for alcohol abuse.

Thus, subject to the requirement that identities of individual patients not be disclosed, the auditors may examine records pertaining to drug and alcohol treatment.

For the foregoing reasons, I advise you that federal statutes and regulations do not interfere with the mandate of Public Act 83-302 to disclose the records of your department to the state auditors.

Very truly yours,

Joseph I. Lieberman
Attorney General

John H. Doermann
Assistant Attorney General

JIL:JHD:mc

STATE OF CONNECTICUT
DEPARTMENT OF CHILDREN AND YOUTH SERVICES

WILLIAM A. O'NEILL
GOVERNOR

November 2, 1983

MARK J. MARCUS
COMMISSIONER

Honorable Joseph I. Lieberman
Attorney General
30 Trinity Street
Hartford, CT

Re: Confidentiality - State Auditors

Dear Joe:

I am writing to inquire as to the duties and responsibilities of this department to keep confidential records during state audits under the provisions of applicable federal regulations.

I am aware of the passage of P.A. 83-302 which appears to make it clear under state law that the auditor is not to be impeded by confidentiality statutes. The question which still concerns me, however, is as to the legal effect of federal regulations which do not provide for an exception to confidentiality regulations for the auditing process. I refer specifically to Subtitle B of 45 CFR, Chap. 13, Part 1340, which imposes stringent requirements of confidentiality on all records pertaining to child abuse. Although these regulations set forth certain exceptions to these requirements, the auditing process is not among them. I do note that in other regulations of the same department (HEW), a specific exception is provided for state and federal audits of educational records. My concern is that if we provide unrestricted access to all our records to state auditors, as they seem to require, that the federal government will either shut off our funds or otherwise discipline us.

If you have further questions, please let me know.

Sincerely,

Mark J. Marcus
Commissioner

MJM/nem

Telephone: (203) 566-3536
170 Sigourney Street • Hartford, Connecticut 06105

Attorney General Opinion #3

Attorney General's Opinion

Attorney General Richard Blumenthal

June 21, 1999

Kevin P. Johnston
Robert G. Jaekle
Auditors of Public Accounts
State Capitol
210 Capitol Avenue
Hartford, CT 06106-1559

Dear Mr. Johnston and Mr. Jaekle:

This is in response to your request for an opinion concerning your access, as the Auditors of Public Accounts, to certain documents of the Judicial Selection Commission (the "Commission") in connection with audits of the Commission pursuant to Conn. Gen. Stat. § 2-90. In particular, you ask whether, pursuant to subsection (g) of that statute, the Commission is obligated to provide you with documents concerning the evaluation of judicial candidates and incumbents that are considered confidential under Conn. Gen. Stat. § 51-44a (j).

The dispute between you and the Commission is based on your respective interpretations of your statutory authority and responsibilities. In your view, review of these documents, including minutes of Commission meetings, is necessary to permit you to fulfill your statutory responsibility of examining the Commission's "performance in order to determine effectiveness in achieving expressed legislative purposes." Conn. Gen. Stat. § 2-90 (c). The Commission, on the other hand, believes that Conn. Gen. Stat. § 51-44a (j) prohibits the disclosure of these records, even to the Auditors, and states that it "cannot operate without complete confidentiality.. . . and with the assurances given to applicants and informers as to the confidential nature of the Commission." For the reasons that follow, we conclude that the Commission must make these records available to you for purposes of the audit, but we urge you to establish procedures jointly with the Commission to safeguard the interests in confidentiality that the Commission justifiably raises.

Resolution of this issue requires an examination of the relevant statutes governing both the Auditors' and the Commission's authority. Conn. Gen. Stat. § 2-90 governs the duties of the Auditors of Public Accounts. This statute requires the Auditors to conduct periodic audits of the "books and accounts of each officer, department, commission, board and court of the state government, all institutions supported by the state . . . ." Conn. Gen. Stat. § 2-90(a) and (c). Prior to 1975, these duties were limited to reviewing the financial accounts of agencies receiving state funds. In 1975, the legislature enacted two amendments to Conn. Gen. Stat. § 2-90 that substantially expanded the scope of the Auditors' reviews. First, in addition to financial reviews, the Auditors were given the authority to "examine the operations and performance of state agencies to determine their effectiveness in achieving their legislative purposes. . . ," and to report their findings and recommendations to the Governor and the legislature. P.A. 75-425,

§10.[1] At the same time, the Auditors were given the authority to "determine the scope and frequency of any audit they conduct." P.A. No. 75-245. Representative Vicino explained the reason for this change:

It changes the existing law by allowing the State Auditors to expand their audits. The frequency and type of audits. Their audits would also or could also go into administrative performance which they cannot do at this time.

H.R. Proc., May 6, 1975, p. 2365.

These amendments thus established the Auditors' power to inquire into the performance of audited agencies, in addition to reviewing their financial operations, in order to evaluate and report on their effectiveness in achieving their statutory purposes.

Audited agencies have always been required to make their "records and accounts available to [the auditors] or their authorized agents, upon demand." In 1983, apparently responding to a reluctance on the part of some agencies to make available to the Auditors records that were confidential under other provisions of the general statutes, the legislature again amended §2-90 to clarify that the Auditors must be given access to all agency records and accounts, even those that have been deemed confidential for other purposes by other sections of the general statutes. By Public Act No. 83-302, titled "An Act To Ensure the Availability of State Records for Auditing Purposes," §2-90 was amended to provide: "Each state agency shall keep its accounts in such form and by such methods as to exhibit the facts required by said auditors and, *the provisions of any other general statute notwithstanding*, shall make *all* records and accounts available to [the Auditors] or their agents, upon demand." P.A. No. 83-302 (Emphasis added.)[2] By inserting the phrase "the provisions of any other general statute notwithstanding," the Legislature evinced its intent that the Auditor's disclosure provision take precedence over any confidentiality provision in an audited agency's authorizing statutes.

Along with this change, in order to allay the concerns of audited agencies and to ensure that confidential records were not disclosed by the Auditors, Public Act 83-302 also made the Auditors subject to the same requirements of confidentiality pertaining to confidential records as the agency that they are auditing, with the same penalties for breach. The relevant portion, now codified as subsection (h) of Conn. Gen. Stat. § 2-90, provides:

Where there are statutory requirements of confidentiality with regard to such records and accounts or examination of nongovernmental entities which are maintained by a state agency, such requirements of confidentiality and the penalties for the violations thereof shall apply to the auditors and to their authorized representatives in the same manner and to the same extent as such requirements of confidentiality and penalties apply to such agency.

Representative Frankel explained the reasons for these amendments:

The bill clarifies that the auditors of public accounts have authority to examine records of each budgeted agency, *notwithstanding any provisions of the other general statutes*. The auditors have found that on certain occasions when they go into a particular agency, there is a reluctance on the

part of the agency to fully cooperate, particularly with records that they consider confidential. All this bill does is say that *the auditors shall have access to these records* and that the same statutes of confidentiality shall apply to them as to the individual agency.

H.R. Proc., May 10, 1983, p. 4015 (comments on P.A. 83-302) (emphasis added).[3]

Accordingly, it is apparent from the plain language of Conn. Gen. Stat. §§ 2-90(g) and (h) and the legislative history of these sections that the legislature intended to and did provide the Auditors full access to the records of all state agencies and commissions, even those designated as confidential by other provisions of the general statutes, for the dual purposes of ensuring the proper handling and expenditure of all state funds and of reviewing each agency's "performance to determine the effectiveness in achieving expressed legislative purposes."

The Commission does not contest that it is subject to audit by the State Auditors, or that it must make its financial records available to them for review. Rather, it claims that under Conn. Gen. Stat. § 51-44a (j), certain of its records pertaining to the evaluation of judicial candidates and incumbents are confidential and cannot be disclosed, even to the Auditors. Section 51-44a(j) provides:

Except as provided in subsections (e) and (m) of this section, *the investigations, deliberations, files and records of the commission shall be confidential and not open to the public or subject to disclosure* except that the criteria by which candidates or incumbent judges who seek reappointment to the same court or appointment to a different court are evaluated and the procedural rules adopted by the commission shall be public.

(Emphasis added.)

The Commission argues that numerous documents and statements of an intensely personal nature, such as medical records, financial statements, and candid evaluations, have been submitted by and about candidates and incumbents on the express assurance that these records would be kept confidential, and the requirement of disclosure of these records to the Auditors would severely undermine the Commission's duty to evaluate prospective jurists and recruit qualified individuals to the judiciary. Therefore, it maintains that, while it is fully prepared to make available all records concerning the Commission's expenditure of State funds and the appointment and qualifications of Commissioners, it believes that the confidentiality provisions of §51-44a (j) should override the authority of the Auditors to obtain these types of records. While we believe that the Commission's position is based on its sincere commitment to its statutory responsibilities and the oath taken by its members, we conclude that under the current state of the law, the records in question must be made available to the Auditors.

The Commission was established in 1986, following the adoption of a constitutional amendment requiring that judges of all courts, except those who are elected, be nominated by the Governor exclusively from a list of candidates submitted by the Commission. Conn. Const. amend. XXV. Pursuant to Conn. Gen. Stat. § 51-44a (e) and (f), the Commission is directed to "seek qualified candidates for consideration by the Governor for nomination as judges." The Commission is charged with establishing, by regulations, the criteria for evaluating the qualifications for judicial

candidates and incumbent judges seeking reappointment or appointment to a different court. The Commission has done this in State Agency Regs. §§ 51-44a-19, 51-44a-20, and 51-44a-21, establishing 23 different criteria for each candidate for judicial appointment, and 31 additional criteria for each incumbent judge whose reappointment is being considered. Although, as the Commission has noted, Conn. Gen. Stat. § 51-44a (j) makes the Commission's records "confidential and not open to the public or subject to disclosure," there is nothing in this statute or any other that expressly precludes the Auditors from reviewing these records. The issue raised here, then, is whether the general confidentiality provision of §51-44a (j) supersedes the authority of the Auditors to review all records of audited state agencies, "the provisions of any other general statute notwithstanding."

In construing statutes, the "'fundamental objective is to ascertain and give effect to the apparent intent of the legislature. . . . In seeking to discern that intent, we look to the words of the statute itself, to the legislative history and circumstances surrounding its enactment, to the legislative policy it was designed to implement, and to its relationship to existing legislation and common law principles governing the same general subject matter. . . . Furthermore, [w]e presume that laws are enacted in view of existing relevant statutes . . . because the legislature is presumed to have created a consistent body of law.'" *Shawmut Mortgage Co. v. Wheat*, 245 Conn. 744, 748-9, 717 A.2d 664 (1998), *quoting Conway v. Wilton*, 238 Conn. 653, 663-64, 680 A.2d 242 (1996). In interpreting a statute, "a radical departure from an established policy cannot be implied. It must be expressed in unequivocal language." *Jennings v. Connecticut Light & Power Co*., 140 Conn. 650, 667, 103 A.2d 535 (1954). Exceptions to statutes are to be strictly construed. *Hartford Hospital v. Department of Consumer Protection*, 243 Conn. 709, 715 (1998).

This Office has twice had occasion to consider the scope of the Auditors' access to records that are statutorily confidential, and in both instances, we have concluded that the Auditors are entitled to examine the relevant records, subject to the same confidentiality obligations imposed on the audited agency. In the first opinion, this Office concluded that the State Properties Review Board was required to disclose to the Auditors information about state realty needs, despite a statute making disclosure of such information a misdemeanor. *See* Conn. Gen. Stat. §4-26i. In determining that disclosure to the Auditors was required, we noted:

It is important to note that the Auditors of Public Accounts are a legislative agency whose two State Auditors are appointed by the General Assembly to provide the independence and impartiality required for effective auditing. It is also relevant to note that sec. 4-26i was promulgated in the same Act, P.A. 75-425, as was the expansion of the responsibility and authority of the Auditors of Public Accounts *to conduct not only fiscal and compliance audits but also performance or management type audits as well.* Moreover, it is important to note that should the Auditors disclose any confidential information received by them from your minutes, they would be subject to the same penalty as you are under Sec. 4-26i.

1978 Conn. Op. Atty. Gen. (April 5, 1978) (emphasis added).

In the second opinion, this Office concluded that child abuse, education and drug and alcohol abuse records maintained by the Department of Children and Youth Services (now Department of Children and Families) must be disclosed to the Auditors, even though these records are

considered confidential by both state and federal statutes. The opinion determined that Conn. Gen. Stat. §2-90, as amended by P.A. 83-302, "requires full disclosure of all records to state auditors," and that this statute "establishes a clear Connecticut state mandate to give auditors an unrestricted access to records."[4] 84 Conn. Op. Atty. Gen. (March 27, 1984).

These opinions buttress our conclusion that disclosure is required here. By providing a requirement that the Auditors observe the same requirements of confidentiality imposed on the audited agency itself, the legislature clearly contemplated that the Auditors would have access to otherwise confidential agency documents. Since there is nothing in section 51-44a(j), or any other section of the Commission's authorizing statutes, that expressly exempts its records from the disclosure provisions of section 2-90(g), we believe that this statute, and the policy for full disclosure underlying it, requires the Commission to provide you with access to its records for the purpose of audit.

The Legislature has made a clear policy choice - that all State agencies are subject to audit pursuant to Conn. Gen. Stat. § 2-90, and that audited agencies must make "*all* records and accounts," even otherwise confidential ones, available to the Auditors "upon demand." The Legislature considered and addressed the legitimate concerns of agencies, like the Commission, regarding disclosure of confidential records by subjecting the Auditors to the same confidentiality provisions and penalties as the agencies themselves. Absent specific statutory language exempting an agency's confidential records from disclosure to the Auditors, the agency is subject to the disclosure provisions of section 2-90(g).

While we acknowledge, and the Commission's authorizing statutes recognize, that confidentiality is necessary for its proper functioning, we do not believe that disclosure of the records to the Auditors under the provisions of Conn. Gen. Stat. §2-90 will undermine the Commission's functions because the Auditors are prohibited by law from disclosing any confidential records of the Commission to the same degree, and with the same penalties, as the Commission itself.

We note that you have stated that your "objective is not to attempt to evaluate the reasonableness of the Commission's decisions, but to verify that all of the required criteria have been considered." Letter of May 27, 1998, to James K. Robertson. To that end, you have agreed to accept the relevant documents with the candidates' names redacted, as well as the records of Commission votes with the members' names blacked out. You have also agreed to examine the records in the Commission's offices, without photocopying them. We urge you to meet with the Commission to work out mutually acceptable procedures for review of these records that will permit you to carry out your important work while still respecting the Commission's valid concerns.

We trust that this opinion answers your question.

Very truly yours,

RICHARD BLUMENTHAL
ATTORNEY GENERAL

RB/sqc

---

[1] Currently, the relevant language states: "Each such audit may include an examination of performance in order to determine effectiveness in achieving expressed legislative purposes." §2-90 (c). *See* P.A. 89-81.

[2] This provision is now codified in subsection (g) of §2-90.

[3] Senator O'Leary made a similar point, noting that "[t]he bill itself would clarify that the auditors of public accounts have the authority to examine the records of each budgeted agency *notwithstanding the provisions of any other general statute.* The auditors further would be required to observe any existing confidentiality requirement and they would be subject to the same penalties for violating confidentiality that applied to the agencies to be audited." Sen. Proc., May 17, 1983, pp. 2907-08 (remarks of Sen. O'Leary).

[4] As to the federal statutes, the opinion concluded that disclosure of the records to the Auditors was permitted under certain express exceptions to confidentiality contained in those statutes.

Attorney General Opinion #4

GEORGE JEPSEN
ATTORNEY GENERAL

55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

(860) 808-5319

Office of the Attorney General
State of Connecticut

June 12, 2018

Robert J. Kane, State Auditor
John C. Geragosian, State Auditor
Auditors of Public Accounts
State Capitol, Room 116
Hartford, CT 06106-1559

Dear Messrs. Kane and Geragosian:

You have asked my opinion regarding the ability of the Auditors of Public Accounts (APA or Auditors) to review and copy a report of a private contractor to the Department of Corrections (DOC) regarding the medical care of certain DOC inmates, even though the document is privileged under the attorney-client and attorney work product privileges. In my opinion, the APA is entitled to review and copy the report, but it must do so subject to all applicable legal privileges, and thus may not further distribute or reveal the report or its contents. Release by the APA of privileged records, such as those at issue, could expose the State of Connecticut and its taxpayers to adverse legal and/or fiscal consequences.

You report that you have learned that DOC contracted with a private party to conduct a review of about twenty inmate medical cases. You report that the contract includes a provision requiring that "[t]he Contractor shall make all of its . . . Records available at all reasonable hours for audit and inspection by . . . the Connecticut Auditors of Public Accounts . . . ." You further report that you have requested a copy of the report from DOC, but DOC has not provided it because DOC asserts that it is privileged under the attorney-client and work product privileges,[1, 2] and because the report is a draft and contains confidential

---

[1] "In Connecticut, the attorney-client privilege protects both the confidential giving of professional advice by an attorney acting in the capacity of a legal advisor to those who can act on it, as well as the giving of information to the lawyer to enable counsel to give sound and informed advice." *Metropolitan Life Ins. Co. v. Aetna Cas. And Sur. Co.*, 249 Conn 36, 52 (1999).

[2] "Work product can be defined as the result of an attorney's activities when those activities have been conducted with a view to pending or anticipated

information. You note that my office has also concluded that the document is privileged, as has the Freedom of Information Commission. *Kovner v. Commissioner, Dept. of Corr.*, FIC #2017-0310, 12/13/2017.

The general authority of your office is set out in Conn. Gen. Stat. § 2-90. As provided in § 2-90(c), the auditors "shall audit . . . the books and accounts of each officer [and] department . . . . Each such audit may include an examination of performance in order to determine effectiveness in achieving expressed legislative purposes." Further, § 2-90(g) provides that "[e]ach state agency . . . , the provisions of any other general statute notwithstanding, shall make all records and accounts available to [the auditors] or their agents upon demand." The provision in DOC's contract with its consultant requiring access by the Auditors appears to be in furtherance of this provision.

We also note that Conn. Gen. Stat. § 52-146r(b) provides that "[i]n any civil or criminal case or proceeding or in any legislative or administrative proceeding, all confidential communications shall be privileged and a government attorney shall not disclose any such communications unless an authorized representative of the public agency consents to waive the privilege and allow such disclosure." Finally, we note that § 2-90(h) provides that "[w]here there are statutory requirements of confidentiality with regard to such records and accounts or examinations of nongovernmental entities which are maintained by a state agency, such requirements of confidentiality and the penalties for the violation thereof shall apply to the auditors and to their authorized representatives in the same manner and to the same extent as such requirements of confidentiality and penalties apply to such state agency."

Because we conclude that, under applicable law pertaining to the statutory attorney-client privilege described in Conn. Gen. Stat. § 52-146r(b), the document in question must be disclosed to the Auditors but remains fully protected by that privilege, there is no need to analyze the separate question of the effect or applicability of the attorney work product privilege. We also do not further consider DOC's assertion that the document is "confidential," and a "draft,"

---

litigation. The attorney's work must have formed an essential step in the procurement of the data which the opponent seeks, and the attorney must have performed duties normally attended to by attorneys." *The Stanley Works v. New Britain Redevelopment Agency,* 155 Conn. 86, 95 (1967) (citations and internal quotation marks omitted).

because there is no privilege that exempts "confidential" or "draft" documents from disclosure to the Auditors.

This Office has answered a similar question in the past. In an opinion to the Auditors of Public Accounts of June 21, 1999, we answered a question from your Office as to whether the Auditors had the legal authority to review all records of the Judicial Selection Commission, in spite of the fact that those records are confidential under Conn. Gen. Stat. § 51-44a(j). We replied in the affirmative. In that opinion, we noted that

> In 1983, apparently responding to a reluctance on the part of some agencies to make available to the Auditors records that were confidential under other provisions of the general statutes, the legislature again amended § 2-90 to clarify that the Auditors must be given access to <u>all</u> agency records and accounts, even those that have been deemed confidential for other purposes by other sections of the general statutes. By Public Act No. 83-302, titled "An Act To Ensure the Availability of State Records for Auditing Purposes," § 2-90 was amended to provide: "Each state agency shall keep its accounts in such form and by such methods as to exhibit the facts required by said auditors and, *the provisions of any other general statute notwithstanding*, shall make *all* records and accounts available to [the Auditors] or their agents, upon demand." P.A. No. 83-302 [now Conn. Gen. Stat. § 2-90(g)] (Emphasis added.) By inserting the phrase "the provisions of any other general statute notwithstanding," the Legislature evinced its intent that the Auditor's disclosure provision take precedence over any confidentiality provision in an audited agency's authorizing statutes.
>
> Along with this change, in order to allay the concerns of audited agencies and to ensure that confidential records were not disclosed by the Auditors, Public Act 83-302 also made the Auditors subject to the same requirements of confidentiality pertaining to confidential records as the agency that they are auditing, with the same penalties for breach. The relevant portion, now codified as subsection (h) of Conn. Gen. Stat. § 2-90, provides:
>
> Where there are statutory requirements of confidentiality with regard to such records and accounts or examination of

> nongovernmental entities which are maintained by a state agency, such requirements of confidentiality and the penalties for the violations thereof shall apply to the auditors and to their authorized representatives in the same manner and to the same extent as such requirements of confidentiality and penalties apply to such agency.
>
> . . . .
>
> Accordingly, it is apparent from the plain language of Conn. Gen. Stat. §§ 2-90(g) and (h) and the legislative history of these sections that the legislature intended to and did provide the Auditors full access to the records of all state agencies and commissions, even those designated as confidential by other provisions of the general statutes, for the dual purposes of ensuring the proper handling and expenditure of all state funds and of reviewing each agency's "performance to determine the effectiveness in achieving expressed legislative purposes."
>
> . . . .
>
> The Legislature has made a clear policy choice – that all State agencies are subject to audit pursuant to Conn. Gen. Stat. § 2-90, and that audited agencies must make "*all* records and accounts," even otherwise confidential ones, available to the Auditors "upon demand." The Legislature considered and addressed the legitimate concerns of agencies, like the Commission, regarding disclosure of confidential records by subjecting the Auditors to the same confidentiality provisions and penalties as the agencies themselves. Absent specific statutory language exempting an agency's confidential records from disclosure to the Auditors, the agency is subject to the disclosure provisions of section 2-90(g).

1999 Conn. Op. Atty Gen. 008, 1999 WL 1581419 (June 21, 1999).

Legally, the question you ask appears to present essentially the same question as the one we answered in 1999. As nothing in the applicable law has changed since that opinion, our analysis and answer remain the same: State agencies are required to provide the Auditors with any materials the Auditors request, and the Auditors are required to maintain the privileged and confidential nature of documents that are subject to a legal privilege.

There is one additional potential issue we did not discuss in our 1999 Opinion, but which we consider here. Even though Conn. Gen. Stat. § 2-90(g)

clearly requires that DOC provide the document to the Auditors, someone might argue that nevertheless the act of providing the document to the Auditors constitutes a waiver of the attorney-client privilege by the agency. Such an argument is not supportable under Connecticut's statutes.

The basic purpose of the attorney-client privilege is to insure that clients may speak candidly to their attorneys in order to obtain sound legal advice without exposing confidential facts to public view in a way that could be detrimental to the client.

> The attorney–client privilege is the oldest of the privileges for confidential communications known to the common law. 8 J. Wigmore, Evidence § 2290 (McNaughton rev. 1961). Its purpose is to encourage full and frank communication between attorneys and their clients and thereby promote broader public interests in the observance of law and administration of justice. The privilege recognizes that sound legal advice or advocacy serves public ends and that such advice or advocacy depends upon the lawyer's being fully informed by the client.

Upjohn Co. v. U.S., 449 U.S. 383, 389 (1981). "The privilege exists to protect not only the giving of professional advice to those who act on it but also the giving of information to the lawyer to enable him [or her] to give sound and informed advice." *Shew v Freedom of Information Com'n,* 245 Conn. 149, 157 (1998).

While the preceding discussion of the general principles of attorney-client privilege refers to the common law privilege, developed by the courts, rather than the specific statutory privilege created by Conn. Gen. Stat. § 52-146r(b), that is a distinction of no legal significance. As explained by Representative Doyle, the sponsor of the bill that became § 52-146r(b), 1999 Conn. Legis. Serv. P.A. 99-179 (S.H.B. 5432), the statute was intended simply to clarify that the common law attorney-client privilege, which the Connecticut Supreme Court had recently determined [presumably in *Shew v. FOIC, supra*] applied fully to communications between municipal officials and their attorneys, also applied to communications between state officials and their attorneys. Conn. Gen. Assembly Proceedings, 42 H.R. Proc., Pt. 10, 1999 Sess., pp. 3609-10 (June 1, 1999) (remarks of Representative Doyle).

Even though the attorney-client privilege serves an important purpose, the voluntary sharing of attorney-client privileged material beyond the attorney and

the client and their staffs may constitute a waiver of the privilege. *State v. Taft*, 258 Conn. 412, 421 (2001); *Harp v. King*, 266 Conn. 747, 767 (2003). Accordingly, we must consider whether the sharing of the report in question with the Auditors, as required by Conn. Gen. Stat. § 2-90, would waive the attorney client privilege created or clarified by Conn. Gen. Stat. § 52-146r(b). We conclude that the answer is "no."

We consider the relationship of these two statutes, Conn. Gen. Stat. § 2-90 and Conn. Gen. Stat. § 52-146r(b), in light of basic rules of statutory construction. In general, the legislature is presumed to have created a harmonious and consistent body of law. *Allen v. Comm'r of Revenue Servs.*, 324 Conn. 292, 309 (2016); *State v. Menditto*, 315 Conn. 861, 869 (2015). To put it slightly differently, statutes should be read to harmonize with each other, and not to conflict with each other. *State v. Victor O.*, 320 Conn. 239, 251 (2016); *Efstathiadis v. Holder*, 317 Conn. 482, 492-93 (2015); *In re Jusstice W.*, 308 Conn. 652, 671 (2012); *Brown & Brown, Inc. v. Blumenthal*, 297 Conn. 710, 734 (2010). Stated yet another way, if two statutes appear to be in conflict but can be construed as consistent, a court must give effect to both; if possible, two statutes must be read to construe each to leave room for the meaningful operation of the other. *Dorry v. Garden*, 313 Conn. 516, 531-32 (2014).

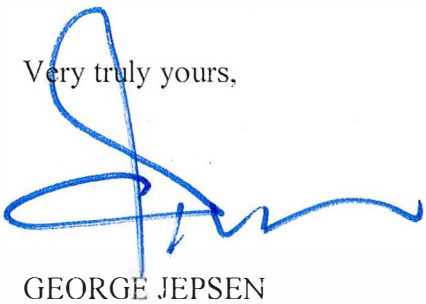
Applying this basic rule of statutory construction, however phrased, makes it plain that the legislature could not have intended the nonsensical result of requiring that privileged materials be provided to the Auditors subject to the privilege, but that nevertheless, providing those privileged materials would constitute a waiver of the important statutory privilege acknowledged in Conn. Gen. Stat. § 52-146r(b). As discussed above, the purpose of the attorney-client privilege is to ensure that clients, specifically including state agencies and officials, can receive sound legal advice. It is obvious that one of the benefits of sound legal advice for state officials is the protection of the interests, financial and otherwise, of the state and its citizen taxpayers. Similarly, it is obvious that the basic purpose of the legislature in creating the Auditors of Public Accounts and giving that office essentially unfettered access to privileged documents, subject to the privilege, was also to protect citizen taxpayers by providing broad independent review and oversight of the actions of state officials. In light of the facts that both the powers of the Auditors under Conn. Gen. Stat. § 2-90, and the privilege created by Conn. Gen. Stat. § 52-146r(b), were enacted by the legislature to protect the State and its taxpayers, it is inconceivable that the legislature could have intended to undermine the attorney-client privilege by

requiring the disclosure of privileged documents to the Auditors. Such a result would require construing the two statutes to destroy the protections they were intended to provide. That would not be a reasonable construction.

In light of the facts and legal analysis described above, I conclude that the APA is entitled to review and copy the report, but it must do so subject to all applicable legal privileges, and thus may not further distribute or reveal the report or its contents.

Finally, we note that while Conn. Gen. Stat. § 2-90 provides the Auditors with access to privileged materials, it does not provide any enforcement mechanism if an agency fails to provide requested materials. The statute appears to be premised on the assumption that agencies will comply with its requirements. If they do not, the Auditors are free to bring that refusal to public attention, or to seek such action by the General Assembly as they may deem appropriate.

Very truly yours,



GEORGE JEPSEN
ATTORNEY GENERAL

Sample Loss Report - Form CO-853

REPORT OF ADJUSTMENT TO STATE-OWNED REAL AND PERSONAL PROPERTY

CO-853 REV. 4/2015

DATE OF DISCOVERY
06/26/18

INSTRUCTIONS:

1. USE THIS FORM TO MAKE ADJUSTMENTS TO STATE-OWNED REAL AND PERSONAL PROPERTY. ADJUSTMENTS MAY INCLUDE BUT ARE NOT LIMITED TO: THEFT, VANDALISM, LACK OF SUPPORTING DOCUMENTATION, CRIMINAL OR MALICIOUS DAMAGE, MISSING ITEMS, SPOILED OR EXPIRED PRODUCTS, LOST OR MISPLACED FUNDS, OR ITEMS RECOVERED. NOTIFY LOCAL POLICE, OR, IF APPLICABLE, LOCAL SECURITY DIVISION IF LOSS IS CAUSED DUE TO CRIMINAL ACTIVITY.

2. PREPARE AND ELECTRONICALLY SUBMIT THE FORM TO OSC.CO-853@CT.GOV. SUBMIT A COPY ELECTRONICALLY TO AUDITORS OF PUBLIC ACCOUNTS AT DONNA.G.MOORE@CGA.CT.GOV AND STATE INSURANCE AND RISK MANAGEMENT BOARD AT EILEEN.MCNEIL@CT.GOV. RETAIN ONE COPY ELECTRONICALLY FOR YOUR FILE.

QUESTIONS: ADMINISTRATIVE SERVICES DIVISION, 55 ELM ST, HARTFORD, CT 06106-1775 (860)702-3440

AGENCY NAME AND ADDRESS Central Connecticut State University, 1615 Stanley Street, New Britain, CT 06050

LOCATION OF PROPERTY PERTAINING TO ADJUSTMENT Maria Sanford Room 1020120, New Britain, CT

BRIEF DESCRIPTION OF PROPERTY
One (1) Laptop - Dell Latitude model # E6410.

REASON FOR ADJUSTMENT State Property Lost/Missing

REPLACEMENT VALUE *(Make the necessary adjustments to your property control records as required)*

1) **DATE PURCHASED OR RECEIVED AND TAG #** 6/25/2010, 7802097370

2) **VALUE REPORTED ON THE ANNUAL INVENTORY REPORT TO THE COMPTROLLER (CO-59)** $ 1,013.04

3) **DEPRECIATED VALUE** $ 0.00

4) **COST IF NOT REPORTED ON CO-59** $ N/A

SECURITY (Indicate by placing a checkmark in the appropriate block)

☒ **ADEQUATE** ☐ **INADEQUATE**

WHAT STEPS HAVE BEEN TAKEN WITHIN YOUR AGENCY TO PREVENT A RECURRENCE? EXPLAIN:

If a presentation needs arises at a loation out of the office, The Marketing & Communication Department staff will arrange it wilh the Information Technology Departtment, Event Managemnt or the Student Center (depending on the location).

IF ITEM WAS NOT REPORTED IMMEDIATELY, INDICATE REASON FOR DELAY
Not applicable. The Original CO-853 was submitted on June 26, 2018.

NAME OF INDIVIDUAL TO BE CONTACTED RELATIVE TO ADJUSTMENT	AREA CODE TELEPHONE
Brian Wood, Director of Accounting	(860) 832-2541

DATE
Revised - July 16, 2018

Sample Loss Report - Letter

State of Connecticut

JUDICIAL BRANCH
ADMINISTRATIVE SERVICES
BUDGET, PLANNING AND INTERNAL AUDIT
80 Washington Street, Hartford, CT 06106
Administration (860) 756-7850

July 27, 2017

John C. Geragosian
Robert J. Kane
Auditors of Public Accounts
State Capitol
Hartford, CT 06106

Gentlemen:

Pursuant to Section 4-33a of the Connecticut General Statutes, this is to apprise you of the unsafe handling of funds held in trust by the Windham Judicial District Superior Court in Putnam, Connecticut.

Condition

On June 27, 2017, it was discovered by the Windham Judicial District Superior Court Clerk's Office that a check drawn on the court's Trust Account in the amount of $41,677.10 was inadvertently issued to the wrong party in a foreclosure case.

The Trust Account is used as a repository for various types of funds held in "trust" by the Clerk of the Court, including, as in this case, proceeds from a foreclosure sale. Disbursements from the account are issued by the Clerk upon order of the Court or by operation of law.

Action Taken

Superior Court Operations Division management notified the Connecticut State Police (CSP) of the incident. At this time, CSP-Troop D has assigned a detective to the matter to determine the necessity of proceeding with an investigation to ascertain if criminal activity was involved.

Additionally, upon discovery of the incorrect issuance, $29,000 was immediately recovered from the unintended payee; however, the remaining of balance of $12,677.10 could not be immediately recovered. As a result, a stipulated agreement exists between the Clerk of the Court and the payee stating repayment of the balance at a rate of $200 per month, which agreement was accepted and entered as an order of the court.

To avoid such incidents in the future, the Clerk's Office has adopted an enhanced procedure in which an additional safeguard will be employed to verify that the material elements of an instrument

accurately reflect the court order, ensuring the correct amount and appropriate payee.

Should you wish additional information or have any questions, please contact me at 860-756-7911.

Sincerely,

Joyce P. Santoro
Director of Budget and Planning

cc: Office of the State Comptroller
Budget and Financial Analysis Division
Fiscal Policy Programs

DAS Insurance and Risk Management Board

Thomas A. Siconolfi
Temporary Executive Director, Administrative Services Division

Joseph D. D'Alesio
Temporary Executive Director, Superior Court Operations Division

Tais C. Ericson
Director, Court Operations

Martin R. Libbin
Director, Legal Services

Vicki Nichols
Director, Administration