

STATE OF CONNECTICUT

**AUDITORS' REPORT
OFFICE OF THE LIEUTENANT GOVERNOR
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 and 2004**

**AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ♦ ROBERT G. JAEKLE**

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December 15, 2004

**AUDITORS' REPORT
OFFICE OF THE LIEUTENANT GOVERNOR
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 and 2004**

We have examined the financial records of the Office of the Lieutenant Governor for the fiscal years ended June 30, 2003 and 2004.

This report on that examination consists of the Comments and Certification that follow. Financial statements pertaining to the operations and activities of the Office of the Lieutenant Governor are presented on a Statewide Single Audit basis to include all State agencies. This audit has been limited to assessing the Office of the Lieutenant Governor's compliance with certain provisions of laws and regulations and evaluating the Office's internal control structure, policies, and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The Lieutenant Governor operates under the provisions of Article Fourth of the Constitution of the State of Connecticut. M. Jodi Rell served as Lieutenant Governor during the audited period. Kevin B. Sullivan was sworn in as Lieutenant Governor on July 1, 2004. Under Section 3-2 of the General Statutes, the annual salary of the Lieutenant Governor was \$71,500 until January 8, 2003, when Public Act 00-231 increased it to \$110,000.

RÉSUMÉ OF OPERATIONS:

General Fund cash receipts for the agency totaled \$343 and \$0 during the fiscal years ended June 30, 2003 and 2004. These receipts were comprised of refunds of expenditures.

General Fund expenditures totaled \$297,908 and \$349,320 for the fiscal years ended June 30, 2003 and 2004. A comparison of expenditures during the audited period and the fiscal year ended June 30, 2002, is presented below:

	<u>Fiscal Year Ended June 30,</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Personal services	\$307,752	\$251,544	\$228,845
Contractual services	24,368	21,716	23,924
Commodities and other	17,200	23,148	20,894
Equipment	<u>0</u>	<u>1,500</u>	<u>0</u>
Total Expenditures	<u>\$349,320</u>	<u>\$297,908</u>	<u>\$273,663</u>

We noted an additional \$2,605 and \$1,064 was expended from the Capital Equipment Purchase Fund during the fiscal years ended June 30, 2003 and 2004, respectively.

The Department of Administrative Services has been responsible for the financial administration of the Lieutenant Governor's Office since January 1995.

CONDITION OF RECORDS

Our review of the Office of the Lieutenant Governor for the fiscal years ended June 30, 2003 and 2004 did not reveal any areas which appear to need corrective action.

RECOMMENDATIONS

Our current audit has not revealed any areas which would require a recommendation. Our prior report also contained no recommendations.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Office of the Lieutenant Governor for the fiscal years ended June 30, 2003 and 2004. This audit was primarily limited to performing tests of the Office's compliance with certain provisions of laws, regulations and contracts, and to understanding and evaluating the effectiveness of the Office's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations and contracts applicable to the Office are complied with, (2) the financial transactions of the Office are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the Office are safeguarded against loss or unauthorized use. The financial statement audits of the Office of the Lieutenant Governor for the fiscal years ended June 30, 2003 and 2004, are included as a part of our Statewide Single Audit of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Office of the Lieutenant Governor complied in all material or significant respects with the provisions of certain laws, regulations and contracts and to obtain a sufficient understanding of the internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Compliance:

Compliance with the requirements of laws, regulations and contracts applicable to the Office of the Lieutenant Governor is the responsibility of the Office of the Lieutenant Governor's management.

As part of obtaining reasonable assurance about whether the Office complied with laws, regulations and contracts, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Office's financial operations for the fiscal years ended June 30, 2003 and 2004, we performed tests of its compliance with certain provisions of laws, regulations, and contracts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

The management of the Office of the Lieutenant Governor is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations and contracts applicable to the Office. In planning and performing our audit, we considered the Office's internal control over its

financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Office's financial operations in order to determine our auditing procedures for the purpose of evaluating the Office of the Lieutenant Governor's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations and contracts, and not to provide assurance on the internal control over those control objectives.

Our consideration of the internal control over an Agency's financial operations and over compliance would not necessarily disclose all matters in the internal control that might be material or significant weaknesses. A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations and contracts or failure to safeguard assets that would be material in relation to an Agency's financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to an Agency being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control that we consider to be material or significant weaknesses.

This report is intended for the information of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Office of the Lieutenant Governor and the Department of Administrative Services during the examination.

Patricia L. Mulroy
Associate Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts