

# STATE OF CONNECTICUT



*AUDITORS' REPORT  
OFFICE OF THE LIEUTENANT GOVERNOR  
FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2009 and 2010*

**AUDITORS OF PUBLIC ACCOUNTS**  
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

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# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

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September 28, 2011

### **AUDITORS' REPORT OFFICE OF THE LIEUTENANT GOVERNOR FOR THE FISCAL YEARS ENDED JUNE 30, 2008, 2009 and 2010**

We have examined the financial records of the Office of the Lieutenant Governor (Office) for the fiscal years ended June 30, 2008, 2009 and 2010. This report on that examination consists of the Comments, Recommendations and Certification that follow.

Financial statement presentation and auditing of the books and accounts of the state are presented on a Statewide Single Audit basis to include all state agencies, including the Office of the Lieutenant Governor. This audit has been limited to assessing compliance with certain provisions of financial related laws, regulations, and contracts, and evaluating certain internal control policies and procedures established to ensure such compliance.

The Department of Administrative Services provided accounting, purchasing, payroll and personnel services for the Office of the Lieutenant Governor during the audited period. The scope of our audit did not extend to the evaluation of the relevant controls at that Office.

## **COMMENTS**

### **FOREWORD:**

The Lieutenant Governor operates under the provisions of Article Fourth of the Constitution of the State of Connecticut. Michael Fedele served as Lieutenant Governor throughout the period under review. Under Section 3-2 of the General Statutes, the annual salary of the Lieutenant Governor is \$110,000.

The Department of Administrative Services was responsible for the administration of the Office's accounting, purchasing, payroll and personnel services during the period under review. It has administered these functions since January of 1995.

**RÉSUMÉ OF OPERATIONS:**

There were no General Fund cash receipts during the fiscal years ended June 30, 2008, 2009, and 2010.

General Fund expenditures totaled \$495,699, \$476,580 and \$442,990 for the fiscal years ended June 30, 2008, 2009, and 2010, respectively. A comparison of expenditures during the audited period is presented below:

	<b><u>Fiscal Year Ended June 30,</u></b>		
	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Personal Services and Employee Benefits	\$443,200	\$428,792	\$422,350
Purchased and Contracted Services	<u>52,499</u>	<u>47,788</u>	<u>20,640</u>
<b>Total Expenditures</b>	<b><u>\$495,699</u></b>	<b><u>\$476,580</u></b>	<b><u>\$442,990</u></b>

Purchased and Contracted Services included such items as motor vehicle rentals and fuel, information technology data services, promotional items and cellular communication services.

Capital Equipment Purchase Fund expenditures totaled \$4,715, \$0, and \$0 for the fiscal years ended June 30, 2008, 2009, and 2010, respectively.

**CONDITION OF RECORDS**

Our review of the Office of the Lieutenant Governor for the fiscal years ended June 30, 2008, 2009, and 2010 did not reveal any areas that require corrective action.

## RECOMMENDATIONS

Our prior report on the Office of the Lieutenant Governor covered the fiscal years ended June 30, 2005, 2006 and 2007, and contained two recommendations. The following is a summary of those recommendations and the action taken.

*Status of Prior Audit Recommendations:*

- **A procedure should be established to minimize the possibility of the Office ordering goods or services prior to the Department of Administrative Services processing a purchase order or alternative authorization.** Based on the results of our audit testing, this recommendation is not being repeated.
- **The Office should instruct the Department of Administrative Services to follow the mandates and recommendations of the State Property Control Manual in all matters relating to the administration of the property of the Office, and in the preparation of its annual CO-59 Reports. The Office should also instruct the Department of Administrative Services to provide a higher level of segregation of duties in connection with such tasks.** Based on the results of our audit testing, this recommendation is not being repeated.

*Current Audit Recommendations:*

Our current audit did not reveal any areas that require comment.

## 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, 2008, 2009 and 2010. This audit was primarily limited to performing tests of the Office's compliance with certain provisions of laws, regulations, contracts and grant agreements 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, contracts and grant agreements applicable to the Office are complied with, (2) the financial transactions of the Office are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, 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, 2008, 2009 and 2010, are included as a part of our Statewide Single Audits 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, contracts and grant agreements and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

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

Management of the Office of the Lieutenant Governor is responsible for establishing and maintaining effective internal control over financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts and grants. In planning and performing our audit, we considered the Office of the Lieutenant Governor's internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the Office's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of providing an opinion on the effectiveness of the Office's internal control over those control objectives. Accordingly, we do not express an opinion on the effectiveness of the Office of the Lieutenant Governor's internal control over those control objectives.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct on a timely basis, unauthorized, illegal or irregular transactions, or breakdowns in the safekeeping of any asset or resource. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions and/or material noncompliance with certain provisions of laws, regulations,

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contracts and grant agreements that would be material in relation to the Office of the Lieutenant Governor's financial operations will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance with requirements was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over the Office of the Lieutenant Governor's financial operations, safeguarding of assets, or compliance with requirements that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters:**

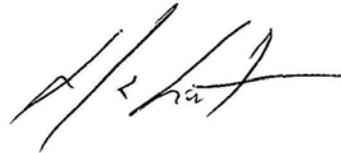
As part of obtaining reasonable assurance about whether the Office of the Lieutenant Governor complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Office's financial operations, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of Office management, 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 course of our examination.



Marc Amutice  
Associate Auditor

Approved:



John C. Geragosian  
Auditor of Public Accounts



Robert M. Ward  
Auditor of Public Accounts