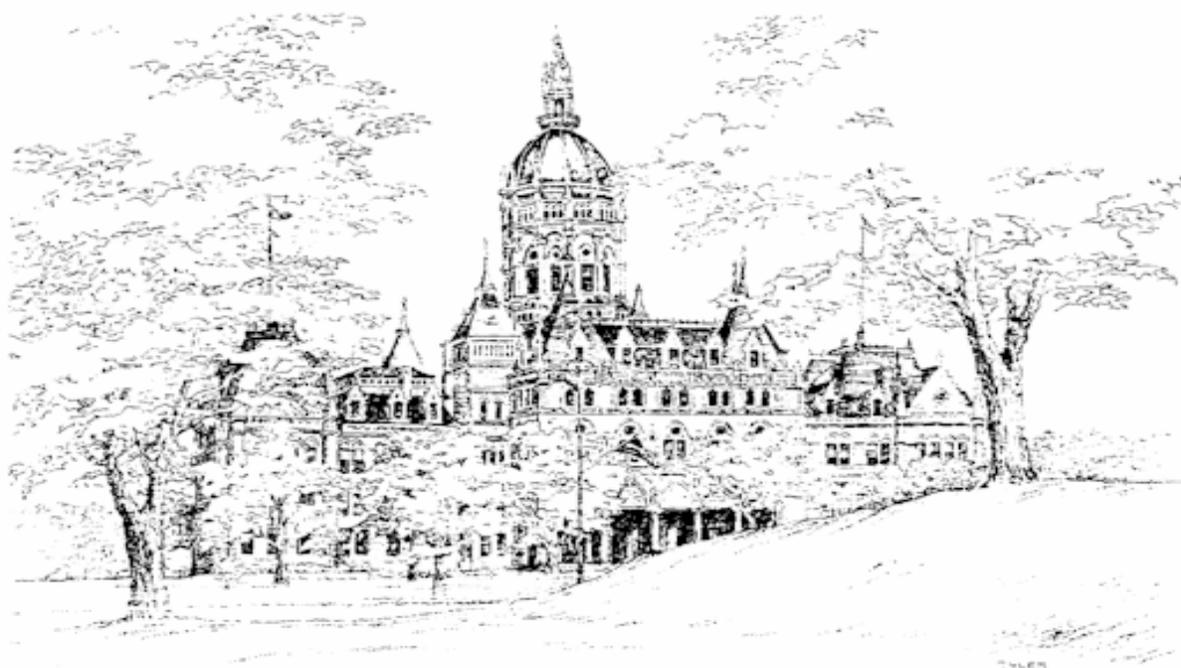


# 2003 ANNUAL REPORT to the Connecticut General Assembly



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

**January 30, 2004**

Members of the General Assembly:

In accordance with Section 2-92 of the Connecticut General Statutes, we are hereby submitting our annual report on the operations of the Office of Auditors of Public Accounts. Included in this report are several recommendations for your consideration during the upcoming legislative session.

Also, according to law, we maintain copies of reports and working papers for all audits conducted by our Office of State agencies, State quasi-public bodies and State supported institutions. All of these documents, except those classified by statute as confidential, are available for review by members of the General Assembly and the public. Copies of our reports can be picked up in our offices at rooms 114 or 116 in the State Capitol or you can call us for information at 240-8651 or 240-8653.

Our Office also has its own website on the Internet (<http://www.state.ct.us/apa>), a key feature of which is that it provides for the electronic distribution of our reports. Accordingly, members of the public and other interested parties may download, for viewing and/or printing, copies of reports issued by our Office. In addition, general information about the operations of our Office can be found on this website.

Further, a section of this report outlines the activities of our staff in researching confidential “whistle blower” complaints received by our Office under the provisions of Section 4-61dd of the General Statutes.

It is our hope that you will avail yourselves of our services and reports.

In transmitting this annual report, we stand ready to be of service to you, the members of the Connecticut General Assembly.

Respectfully submitted,

Kevin P. Johnston  
Auditor of Public Accounts

Robert G. Jaekle  
Auditor of Public Accounts

**TABLE OF CONTENTS**

Transmittal..... i  
 Table of Contents ..... ii  
 Organizational Structure..... iii

Section I - Report on the Operations of Our Office

Organization and Staff.....1  
 Auditing State Agencies .....2  
 Whistle Blower Matters.....8  
 Generally Accepted Government Auditing Standards (GAGAS).....13  
 Continuing Education.....13  
 Peer Review.....14  
 Recent Developments.....14

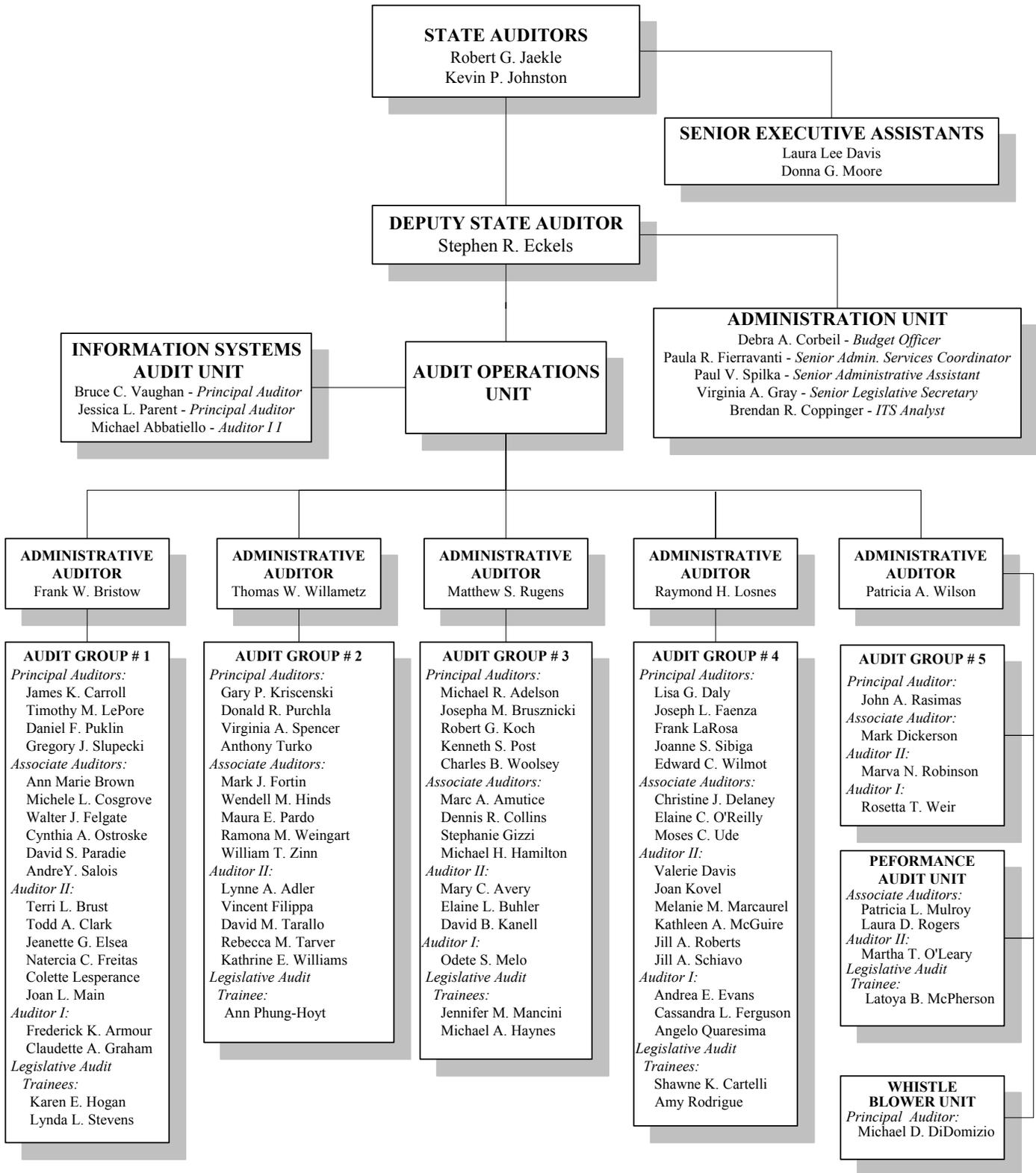
Section II - Recommendations

1. Limit Waivers of Competitive Bidding for Construction Projects .....16  
 2. Extend the Review Authority of the State Properties Review Board .....17  
 3. Limit the Conditions That May be Used to Justify a  
     Waiver from Competitive Bidding.....18  
 4. Clarify Statutory Provisions Governing the Procurement of  
     Contractual Services which are of a Consulting Nature.....19  
 5. Enact Legislation Requiring the Tracking and Evaluation  
     of Recidivism in the State’s Adult Offender Population.....20  
 6. Review Special Separation Agreements .....21  
 7. Review the Hiring of Retired Employees at a Higher Hourly Rate and for  
     an Extended Period for Critical Management Positions .....22  
 8. Improve Accountability over State Assistance Provided to the  
     Connecticut Economic Resource Center .....23  
 9. Establish Standards and Procedures for Privatizing State Services.....24  
 10. Enact Legislation Requiring Submission of Form PC-200  
     to the Department of Administrative Services .....25  
 11. Enact Legislation Granting Enforcement Powers  
     to the Public Records Administrator .....26

Technical Corrections and Other Matters:

a) Clarify Timing of Payments for Grants in Lieu of Taxes .....27  
 b) Newington Children’s Hospital – Name and Mission Change .....27  
 c) Require Periodic Inspection of Each Family Day Care Home .....27  
 d) Clarify Administering Agency of Yankee Ingenuity Initiative Program.....27  
 e) Apparent Conflict in Statutes Concerning Executive Director of  
     Police Officer Standards and Training Council .....27  
 f) Clarify Reporting Requirement of Foundation Auditors .....27  
 g) Approval for Extension of Collective Bargaining Agreements .....28

# AUDITORS OF PUBLIC ACCOUNTS ORGANIZATIONAL STRUCTURE



## SECTION I

**REPORT ON THE OPERATIONS OF OUR OFFICE****Organization and Staff:**

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 Comptroller was created, the Auditors of Public Accounts were placed under its supervision and remained so until 1937 when legislation established the independent status of the Office. Its organization with two Auditors of Public Accounts, 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.

The Office of the Auditors of Public Accounts presently consists of 95 employees, including the two positions of State Auditor. We are assisted in the management of the Office by a Deputy State Auditor. The audit operations staff is composed of 86 auditors organized into five audit groups with each group under the general direction of an Administrative Auditor, and a Performance Audit Unit and a Whistle Blower Unit under the general direction of one of the Administrative Auditors. There is also an Information Systems Audit Unit presently consisting of three auditors. The Administration Unit has five employees providing administrative assistance to the Office, support services to the field audit teams and report processing services.

The professional auditing staff of the Office has been and will continue to be hired through a competitive selection process. Advancement within the Office is made through a process which includes examinations conducted for us by the Department of Administrative Services. The staff is encouraged to continue studies for advanced degrees and/or professional certification and several of our staff members are completing requirements for such. About 45 members of our staff have relevant professional certifications and a total of 19 members have advanced degrees.

**Auditing State Agencies:**

During the 2003 calendar year, members of our field audit staff completed 55 audits and submitted reports covering financial activities of State agencies. A total of 378 audit recommendations were made in those reports. Agencies are asked to file with us corrective action plans related to those recommendations. Based on past experience agencies have implemented approximately 56 percent of our recommendations.

Our recommendations most frequently lead to benefits that cannot be quantified, such as new internal controls and management procedures put into place as a result of our audits. The benefits resulting from these improvements may be far more significant than any quantifiable savings that are identified. Nonetheless, some of our recommendations lead to documented cost savings and increased revenues. For example, during a performance audit of the billing and collection processes administered by the Department of Administrative Services, we recommended that the Department of Mental Retardation amend a computer program in order to properly identify all targeted case management services that should be referred to the Department of Administrative Services for billing to the Medicaid program. As a result of coding weaknesses contained in the aforementioned computer program, it is estimated that if all targeted case management services were properly billed to the Federal Medicaid program, the State could realize an additional \$2,000,000 in Federal reimbursements. Corrective action taken by the Department of Mental Retardation in this regard has already led to the recovery of a large portion of the Federal reimbursement the State is eligible to receive. During this same audit, our staff identified some \$3,100,000 in potential recoveries of public assistance payments which could be realized by the State from the probate courts, pursuant to Section 17b-95 of the General Statutes, if all probate districts would submit certain required information to the Department of Administrative Services for all probate cases that are opened in the courts. In addition, a performance audit of the Department of Children and Families identified an annual loss of potential State revenue of approximately \$6,724,000. The Department has subsequently made improvements which will likely significantly reduce the annual loss of potential revenue.

Our audit approach entails, among other procedures, an examination and verification of financial statements, accounting records and supporting documents, a determination of the agency's compliance with statutory and budgetary requirements, an evaluation of the agency's internal control structure, verification of the collection and proper handling of State revenue, and an examination of expenditures charged to State appropriations. Reports on these audits consist of findings and recommendations and, where appropriate, certified financial statements setting forth the condition and operations of the State funds involved.

In accordance with Section 2-90 of the General Statutes, we must report any unauthorized, illegal, irregular or unsafe handling or expenditure of State funds to the Governor, the State Comptroller, the Clerk of each House, the Legislative Program Review and Investigations Committee and the Attorney General. A total of ten such matters were reported by formal letter in calendar year 2003 while numerous less serious matters such as minor losses and acts of vandalism were reported collectively by memoranda. State agency reports, filed with this Office and the State Comptroller in accordance with Section 4-33a of

the General Statutes, disclosed approximately 756 losses, primarily through theft and vandalism, in the 2003 calendar year, involving an aggregate loss of some \$2,082,000.

In March 2003, this Office issued its annual Statewide Single Audit Report for the State of Connecticut. That report covered the audit of the financial statements as presented in the State's comprehensive annual financial report for the fiscal year ended June 30, 2002, and the schedule of Federal financial assistance received by the State during that year. This audit is done under the requirements of the Federal Single Audit Act and is a condition of the State's receiving nearly \$5,000,000,000 of Federal financial assistance.

In addition to this Statewide audit approach, we are also continuing to audit each State department on a cyclical basis and under a limited scope audit which focuses on the department's compliance with financial-related laws and regulations and its internal control structure. This auditing approach complements that being done annually under the Statewide Single Audit and avoids duplicating audit effort.

Under existing disclosure requirements for the offering and sale of State bonds or notes, the Treasurer must prepare an Official Statement for each offering. Included with such Official Statements, and those of Quasi-Public Agencies which include State disclosures, are selected State financial statements which require an audit opinion. With each issuance of an Official Statement, we are required to examine such statements and prepare an audit opinion for inclusion in the Official Statement. We also provide separate audit opinions in connection with the bonding programs of the Second Injury Fund, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, and the UConn 2000 Program. During the 2003 calendar year we were required to give ten such audit opinions in connection with the sale of bonds or notes of the State or Quasi-Public Agencies and in connection with the separate bonding programs noted above.

Although financial-compliance auditing is the principal responsibility of this Office, Section 2-90 of the General Statutes authorizes examinations of performance in order to determine the effectiveness of the audited agency in achieving expressed legislative purposes. To that end, 13 of the 46 departmental reports issued during the year included a section outlining our review of some aspect of the agencies' performance. However, an additional five reports were devoted specifically to evaluations of agency or program performance. These performance audits included aspects of emergency medical services, billing and collection services, alternative to incarceration programs, monitoring of overweight/oversize commercial vehicles, and Federal reimbursement maximization within the Department of Children and Families.

Although the findings of an audit are usually made known to agency officials during the conduct of the audit, draft copies of the audit reports are delivered to agency officials for their comments. Such comments are then incorporated into the report in response to findings presented. When this is completed, the supervising auditor submits the report and its working papers for review. An Administrative Auditor conducting that review verifies that the audit met generally accepted auditing standards and that the findings of the report were supported by the evidence collected in the course of the audit. The report is also reviewed by

the Deputy State Auditor and both State Auditors to assure compliance with policies and procedures of this Office. Draft copies of the approved audit report are delivered to agency officials and, when requested, an exit conference is held with such officials before final release and distribution of the report. Distribution of final reports is then made to agency heads, the Leaders of the General Assembly, the Appropriations Committee, the Legislative Program Review and Investigations Committee, the Governor, the Comptroller, the Treasurer, the Attorney General, the Secretary of the Office of Policy and Management, the State Library, designated Federal agencies, news media and, when appropriate, to members of boards and commissions and others. Copies are also retained in our files and on our website for use by our staff, members of the General Assembly and other interested persons.

A listing of the audit reports issued during 2003 and the number of recommendations included in each report follows:

<u>Reports</u>	<u>Date of Issue</u>	<u>Recommendations</u>		
		<u>Current Report</u>	<u>Prior Report</u>	<u>Implemented</u>
<b>DEPARTMENTAL AUDITS:</b>				
<b>Legislative:</b>				
Joint Committee on Legislative Management	07/18/03	9	5	1
<b>Elected Officials:</b>				
Secretary of the State	01/10/03	4	7	6
Lieutenant Governor	03/31/03	0	0	0
State Treasurer – State Financial Operations	06/10/03	3	5	5
State Comptroller – State Financial Operations	08/13/03	0	0	0
State Treasurer – Departmental Operations	10/02/03	6	8	4
Governor	10/27/03	3	2	1
<b>General Government:</b>				
Office of Workforce Competitiveness	01/24/03	5	0	0
Judicial Selection Commission	04/17/03	0	1	1
State Insurance and Risk Management Board	04/28/03	1	3	2
Department of Information Technology	04/30/03	11	7	1
Investment Advisory Council	05/14/03	0	0	0
Department of Administrative Services	07/23/03	28	22	7
Department of Public Works	09/05/03	23	14	5
Division of Special Revenue	09/24/03	4	4	3
<b>Regulation and Protection of Persons and Property:</b>				
Department of Public Utility Control	01/22/03	5	3	1
Office of Protection and Advocacy for Persons with Disabilities	05/07/03	2	2	2
Board of Firearms Permit Examiners	05/29/03	2	2	1
Department of Labor	08/08/03	8	11	4

<u>Reports</u>	<u>Date of Issue</u>	<u>Recommendations</u>		
		<u>Current Report</u>	<u>Prior Report</u>	<u>Implemented</u>
Department of Public Safety	08/11/03	6	8	6
Military Department	09/08/03	4	5	5
Commission on Human Rights and Opportunities	10/21/03	3	2	1
Department of Motor Vehicles	11/07/03	21	16	8
<b>Conservation and Development:</b>				
Connecticut Historical Commission	09/10/03	1	2	2
<b>Health and Hospitals:</b>				
Department of Mental Retardation	09/15/03	10	13	3
<b>Higher Education:</b>				
Board for State Academic Awards	01/15/03	3	3	1
Northwestern Connecticut Community College	02/20/03	1	6	6
University of Connecticut	02/24/03	9	9	5
Naugatuck Valley Community College	05/06/03	3	4	4
Southern Connecticut State University	06/04/03	10	13	5
CCSU – Intercollegiate Athletics Program	07/30/03	0	0	0
Eastern Connecticut State University	08/01/03	8	13	7
University of Connecticut Health Center	09/03/03	9	8	6
Manchester Community College	11/10/03	4	2	2
Charter Oak College Foundation, Inc.	12/10/03	0	0	0
Middlesex Community College	12/12/03	8	7	1
<b>Other Education:</b>				
Board of Education and Services for the Blind	02/07/03	5	6	3
<b>Correction:</b>				
Board of Parole	08/06/03	2	0	0
<b>Judicial</b>				
Probate Court Administrator	03/13/03	2	4	3
Judicial Department	10/30/03	5	12	8
Public Defender Services Commission	11/03/03	4	3	2
<b>Authorities, State-Aided Institutions and Other:</b>				
American School for the Deaf	01/23/03	0	0	0
Connecticut Development Authority	03/27/03	5	8	6
Connecticut Student Loan Foundation	07/28/03	1	0	0
Connecticut Lottery Corporation	10/01/03	1	1	0

<u>Reports</u>	<u>Date of Issue</u>	<u>Recommendations</u>		
		<u>Current Report</u>	<u>Prior Report</u>	<u>Implemented</u>
Connecticut Housing Finance Authority	11/24/03	4	3	3
Executive Chambers Conservancy Incorporated	12/29/03	0	0	0
Total Recommendations - Departmental Audits		<u>243</u>	<u>244</u>	<u>131</u>
<b>STATEWIDE AUDITS:</b>				
State of Connecticut - Single Audit	03/21/03	<u>64</u>	<u>74</u>	<u>48</u>
<b>OTHER AUDITS:</b>				
<b>PERFORMANCE AUDITS:</b>				
Department of Children and Families	04/25/03	6		
Overweight/Oversize Commercial Vehicles	06/20/03	9		
Department of Administrative Services – Billing and Collection Services	07/11/03	7		
Alternative Incarceration	09/25/03	5		
<b>PERFORMANCE AUDIT FOLLOW-UP:</b>				
Department of Public Health – Administration of Emergency Medical Services	01/17/03	5	4	0
<b>INFORMATION SYSTEMS AUDITS:</b>				
Review of Dual Employment, Employee Numbers, Invalid or Questionable Social Security Numbers and Minimum Fair Wage	02/05/03	3		
<b>SPECIAL AUDITS:</b>				
Office of Policy and Management and Rentschler Field Stadium	11/26/03	3		
Total Recommendations – Other Audits		<u>38</u>	<u>4</u>	<u>0</u>
Total Recommendations - All Audits		<u>345</u>	<u>322</u>	<u>179</u>
Percentage of Recommendations Implemented or Resolved Within One Audit Cycle				<u>56%</u>

The departmental audit reports issued by our Office generally contain recommendations calling for various improvements in an agency’s internal control structure, as well as recommendations calling for compliance with certain laws, regulations, contracts and grants when instances of non-compliance are found. A summary analysis of the recommendations appearing in our audit reports is shown on the next page:

	<b><u>Number of Recommendations</u></b>
<b>Internal Control Recommendations:</b>	
Bank accounts, cash accounts, petty cash funds	7
Billings, receivables and control accounts	12
Budgeting and cost allocation	7
Cash management and cash handling and depositing	13
Computer operations	9
Equipment/supplies inventories	26
Financial reporting and accounting	11
General accounting and business office functions	14
Grant and other programs - administrative controls	9
Payroll and personnel control	32
Purchasing of goods and/or services	23
Establishment or amendment of written procedures, policies or guidelines	5
All others	<u>19</u>
Total Internal Control Recommendations	<u>187</u>
<b>Compliance Recommendations:</b>	
Accounting and auditing laws and regulations	9
Personnel, retirement and travel laws and regulations	12
Purchasing laws, regulations and contractual agreements	1
Reporting laws and regulations and public meeting laws	9
All other laws and regulations	<u>11</u>
Total Compliance Recommendations	<u>42</u>
<b>Miscellaneous Recommendations:</b>	
Amendment or clarification of laws or regulations	6
Improve or automate administrative practices	5
Various topics	<u>3</u>
Total Miscellaneous Recommendations	<u>14</u>
Total Departmental Audit Recommendations	<u>243</u>

In addition to the departmental audit recommendations mentioned above, our Office issued a Statewide Single Audit Report, which contained 64 audit recommendations calling for various improvements in controls over State-administered Federal programs and compliance with related laws and regulations. In addition, our Office issued several performance and special audit reports during the 2003 calendar year. These reports contained 38 audit recommendations calling for improvements in the operations of State programs and/or computer-based information systems.

**Whistle Blower Matters:**

Under the provisions of Section 4-61dd of the General Statutes, known as the Whistle Blower Act, we receive complaints from any person having knowledge of any matter involving corruption, unethical practices, violations of State laws or regulations, mismanagement, gross waste of funds, abuse of authority or danger to the public safety occurring in any State department or agency or quasi public agency. Section 4-61dd also applies to large State contracts. We investigate such matters and report our findings and recommendations to the Attorney General. At the request of the Attorney General or on our own initiative, we assist in any continuing investigation. During the fiscal year ended June 30, 2003, we received 99 complaints covering such matters as misuse of grant money, harassment, conflicts of interest and various fee collection problems.

As required by the aforementioned Section 4-61dd, an annual report on such matters was prepared as of August 29, 2003, and filed with the clerks of the House and Senate. By law, the identity of the complainant cannot be disclosed, but the general nature of each complaint is available in our Office.

In addition to the confidentiality of the complainant, the records of any investigation of whistle blower matters are considered exempt records and do not require disclosure under the Freedom of Information statutes. This exemption aids our investigation of complaints and permits the extension of anonymity to others providing information on the matter.

The following is a summary of those complaints received during the 2002-2003 fiscal year and the action taken thereon, updated to December 31, 2003.

<b>Whistle Blower Matters Received</b>		<b>Date Reported To Attorney General</b>
<b>Agency/Subject</b>	<b>Date</b>	
<b>Administrative Services:</b>		
Alleged Bidding and Contract Irregularities	09/11/02	12/18/02
<b>Auditors of Public Accounts:</b>		
Exam Results	07/17/02	07/29/02
<b>Board of Education and Services for the Blind:</b>		
Retaliation of Employees	01/07/03	05/05/03
Misuse of Funds	03/27/03	04/25/03
Coca Cola Contract	04/08/03	04/22/03
Industries Equipment	04/03/03	05/14/03
<b>Capital Community College:</b>		
Payroll Distribution	11/21/02	02/24/03

<b>Whistle Blower Matters Received</b>	<b>Date</b>	<b>Date Reported To Attorney General</b>
<b>Agency/Subject</b>	<b>Date</b>	<b>General</b>
<b>Children and Families:</b>		
Connecticut Juvenile Training School	07/17/02	07/29/02
Long Lane School	07/17/02	07/29/02
Riverview Hospital	08/01/02	08/05/02
Complaints Against Supervisor	09/19/02	04/22/03
Complaint about Non-Profit	10/25/02	*
Alleged Misuse of State Equipment for Political Purposes	11/01/02	11/12/02
Connecticut Children's Place	11/06/02	12/04/02
Alleged Failure to Protect a Parent's Children	12/18/02	02/11/03
Bidding Irregularities	01/10/03	02/06/03
Misuse of State Computer	01/27/03	04/04/03
Child Custody	01/30/03	03/05/03
<b>Commission on Human Rights and Opportunities:</b>		
Inadequate Investigation	02/13/03	03/05/03
<b>Connecticut State University:</b>		
Time and Attendance	02/06/03	03/17/03
<b>Corrections:</b>		
Release of Confidential Information	07/05/02	08/30/02
Altered Reports	07/01/02	08/05/02
Industries Program	04/30/03	*
Misuse of Time and Services MacDougall Industries	06/01/03	*
<b>Consumer Protection:</b>		
Reckless Driving With a State Vehicle	07/15/02	10/11/02
Consumer Complaint	08/26/02	11/21/02
<b>Economic and Community Development:</b>		
Alleged Ineffective Monitoring of Grants Funds ***	06/23/03	12/31/03
<b>Education Department:</b>		
Attendance Matters	02/26/03	04/30/03
Cooperative Education Service	01/30/03	03/10/03
Unaccounted Monies from Candy Sales	06/05/03	08/01/03

<b>Whistle Blower Matters Received</b>	<b>Date</b>	<b>Date Reported To Attorney General</b>
<b>Agency/Subject</b>	<b>Date</b>	<b>General</b>
<b>Environmental Protection:</b>		
False Report	08/05/02	10/02/02
Retaliation	09/27/02	11/12/02
Alleged Misuse of State Funds	03/27/03	05/09/03
Favoring One Contractor	05/08/03	06/20/03
Grants Funds Used by the Town of West Haven**	05/27/03	07/11/03
Alleged Ineffective Monitoring of Grants Funds ***	06/23/03	12/31/03
<b>Judicial Department:</b>		
State Marshals Payroll	12/12/02	02/24/03
Alleged Mishandling of a Client's Account	05/07/03	06/30/03
Hidden Assets	05/12/03	*
Computer Access	06/12/03	07/02/03
<b>Labor:</b>		
Alleged Inappropriate Use of Funds	08/07/02	08/26/02
Alleged Mishandling of a Client's Account	03/10/03	03/19/03
Work Hours	04/24/03	06/11/03
Questionable Use of State Vehicles	05/08/03	10/22/03
<b>Legislative Management:</b>		
Alleged Bid Irregularities	08/27/02	10/16/02
Rehiring Practices	01/07/03	03/05/03
Improper Hiring	04/03/03	05/05/03
Computer Use	04/21/03	08/11/03
<b>Mental Health and Addiction Services:</b>		
Alleged Retaliation Against a DMHAS Employee	07/09/02	07/17/02
Comp Time Fraud	08/06/02	12/27/02
Patient Mistreatment	08/13/02	12/18/02
Inadequate Investigation of a Complaint	09/20/02	12/27/02
Possible Retaliation	08/30/02	09/11/02
Grant Reporting by a Non-Profit	02/14/03	06/20/03
Treatment and Billing Issues Involving a Non-Profit	06/18/03	*
Connecticut Woman's Consortium of New Haven	06/24/03	10/30/03
Large State Contract	06/30/03	07/07/03

<b>Whistle Blower Matters Received</b>	<b>Date</b>	<b>Date</b>
<b>Agency/Subject</b>	<b>Date</b>	<b>Reported To Attorney General</b>
<b>Mental Retardation:</b>		
Camp Harkness	09/06/02	06/18/03
Miscellaneous Complaint	08/06/02	05/05/03
<b>Military Department:</b>		
Personnel Issues	11/07/02	02/11/03
Personnel Issues	02/19/03	05/07/03
Personnel Issues	04/14/03	11/26/03
Personnel Issues	06/23/03	11/14/03
<b>Office of Policy and Management:</b>		
Grants Funds Used by the Town of West Haven**	05/27/03	07/11/03
<b>Public Health:</b>		
Inadequate Investigation of a Complaint	04/02/03	04/25/03
<b>Public Works:</b>		
Building Conditions	08/08/02	09/25/02
Security Guards on the Norwich Hospital Grounds	01/09/03	04/10/03
<b>Public Safety:</b>		
Misuse of Funds	03/26/03	04/21/03
<b>Revenue Services:</b>		
Alleged Acceptance of Gifts by an Employee	03/07/03	04/25/03
Improper Collection of Sales Tax	03/12/03	06/11/03
<b>Secretary of the State:</b>		
Alleged Non-State Business Conducted in the Workplace	06/20/03	12/19/03
<b>State Marshal Commission:</b>		
Failure to Act on a Complaint	07/29/02	12/04/02
<b>Social Services:</b>		
Alleged Attendance Fraud	07/30/02	08/30/02
Yale New Haven Hospital	02/24/03	03/19/03
Contractor ECHN	05/06/03	07/02/03
Unfair Audit Practices	05/27/03	09/24/03

<b>Whistle Blower Matters Received</b>		<b>Date Reported To Attorney General</b>
<b>Agency/Subject</b>	<b>Date</b>	
<b>Southern Connecticut State University:</b>		
Delay in Refunding Tuition Overpayment	10/03/02	11/13/02
<b>Special Revenue:</b>		
Release of Confidential Information	09/11/02	09/19/02
Attendance Matters	12/19/02	03/05/03
<b>Transportation:</b>		
Alleged Theft by DOT Employee	07/15/02	10/11/02
I-95 Service Facility, No Water	07/30/02	09/04/02
Perjury	01/29/03	03/05/03
Construction Project Route 4 Cornwall	06/18/03	06/20/03
<b>Treasurer's Office:</b>		
Alleged Failure to Act on a Violence in the Workplace Complaint	07/02/02	07/22/02
<b>Tunxis Community College:</b>		
Alleged Bid Irregularities	08/19/02	02/24/03
<b>University of Connecticut:</b>		
Misconduct and Financial Allegations	10/04/02	*
Volume of Overnight and Priority Mailings	02/14/03	04/11/03
Owner Controlled Insurance Program	04/28/03	12/12/03
<b>University of Connecticut Health Center:</b>		
Questionable Hiring	11/12/02	03/26/03
Director of the Cancer Center	11/13/02	03/05/03
Leave Accruals and Payroll Issues	12/13/02	02/06/03
Mandated Reporting	01/27/03	03/05/03
Alleged Waste of Funds	03/12/03	*
Grant Billings	06/05/03	*
<b>Various State Agencies:</b>		
DAYTOP Treatment Facility	10/08/02	03/12/03
Prescription Drug Pricing, Benefit Manager, Group Purchases Organizations	10/28/02	11/22/02

**Veterans Affairs:**

Client's Estate	09/23/02	12/27/02
Alleged Misuse of a State Computer and a Cell Phone	11/08/02	01/06/03
Alleged Misuse of a State Computer	05/16/03	11/24/03

**Western Connecticut State University:**

Student Financial Aid	11/05/02	04/21/03
Assistance to Students	03/14/03	07/16/03

- \* Matters currently under review
- \*\* 03-88 Whistle Blower against two agencies DEP & OPM
- \*\*\* 03-95 Whistle Blower against two agencies DEP & DECD

**Generally Accepted Government Auditing Standards (GAGAS):**

An audit consists of a review and examination of records, documents and financial statements and the collection of information needed to certify to the fairness of presentations in financial reports and compliance with statutory requirements and regulations and to evaluate management's efficiency and effectiveness in carrying out responsibilities. Standards have been set by national organizations for the conduct of audits and for the preparation and issuance of audit reports. Generally Accepted Government Auditing Standards (GAGAS) are auditing standards established by the United States General Accounting Office (GAO) that are codified into a publication entitled "Government Auditing Standards," which is more commonly referred to as "the Yellow Book."

Although the standards prepared by GAO are only required in connection with entities supported by or receiving Federal assistance, they are so comprehensive that their application to all governmental audits is generally encouraged. Because the Auditors of Public Accounts in the State of Connecticut function in many respects as the GAO in the Federal Government, we have chosen to accept and follow "Government Auditing Standards" in the performance of virtually all of our audit work.

Following GAGAS has had a significant impact on our operations. Continuing education for our professional staff, periodic external quality control review assessments (peer reviews) and compliance with recent Statements on Auditing Standards (SAS) issued by the American Institute of Certified Public Accountants (AICPA) require constant attention, updating of policies and procedures, and monitoring.

**Continuing Education:**

With respect to continuing education, auditors responsible for planning, directing, conducting, or reporting on government audits must complete, every two years, at least 80 hours of appropriate continuing education and training, with at least 24 of the 80 hours in subjects directly related to the government environment and government auditing. Accordingly, we have

adopted and follow a training policy statement which provides for reasonable assistance in the form of expanded training and seminars on State time and at State expense, together with tuition reimbursement programs for staff taking appropriate courses on their own time. As a matter of economy and convenience, during 2003 the training program included in-house presentations and contracted seminars.

**Peer Review:**

With respect to an external quality control review assessment, GAGAS mandates that audit agencies have such reviews at least once every three years. Our last review, commonly referred to as a "peer review," was in the Spring of 2003 and resulted in a very favorable unqualified opinion. An organization such as ours is also expected to monitor its operations between peer reviews to ensure continuing effectiveness of the quality control system. To that end, we require an annual inspection to assure us that the control system is working as intended. We will soon designate members of our staff to perform such an inspection for the 2003 calendar year.

**Recent Developments:**

Under Special Act 03-2 of the January 2003 Regular Session of the General Assembly, an Early Retirement Incentive Program was offered to eligible State employees who retired by June 1, 2003. In all, ten members of this Office accepted the early retirement offer. The staff reductions which resulted from this early retirement incentive program have required our Office to rearrange the scheduling of certain of its audit work. As part of this effort, audit staff members were reassigned to help fill critical staffing vacancies so that certain mandated audit responsibilities could be completed in a timely manner. Such responsibilities primarily include the annual audit of the State's financial statements and the annual Single Audit of all Federal financial assistance expended by the State. We anticipate that these audits will be completed within the required reporting timeframes.

As provided for in Section 2 of Public Act 03-133 of the January 2003 Regular Session of the General Assembly, our Office is required to conduct or contract for an annual compliance audit of each quasi-public agency that is subject to the audit requirements of Chapter 12 of the General Statutes. To this end, our Office is currently in the process of developing revised audit procedures for all of our quasi-public agency audit engagements. The effect of these revisions will be to expand the scope of our audit coverage so that it meets the audit requirements of Public Act 03-133. It should be noted that this Act also requires that such audits be conducted on an annual basis. As our Office currently employs a biennial audit basis on all of its quasi-public agency audit engagements, we will likely need to allocate additional staff resources to this audit effort.

As provided for in Section 69, subsection (g), of Public Act 03-6 of the June 30, 2003 Special Session of the General Assembly, our Office was required to conduct an audit of the internal controls in place over the Rentschler Field Stadium Facility operation. Furthermore, this audit was to be completed by November 30, 2003. As noted earlier in this report, a final report on our review of the Rentschler Field Stadium Facility operation was issued by our Office on November 26, 2003.

Back during February 2000, the Governor and the State Comptroller jointly announced the undertaking of a major project to replace the State's aging core financial and administrative systems with a more modern enterprise resource planning software package. This new system, which is based on a customized version of PeopleSoft's enterprise resource planning software, is known as the Core-CT System. During the 2003 calendar year, after more than three years of evaluation and systems development work, the Core-CT System was finally placed into production by the State in two separate phases. The financial applications of the Core-CT System were placed into production on July 8, 2003, while the human resources applications were placed into production on October 28, 2003.

Due to the complexity and state-of-the-art technology employed by the Core-CT applications, learning how to process State financial and human resource transactions under the Core-CT System has been a challenging process for all State agencies involved in the implementation of this new computer system. Our own business office staff has attended numerous training classes and has spent many hours preparing our agency's data for conversion to the new Core-CT System. Overall, implementation of this new computer system has required a significant amount of extra work by our administrative staff.

Unlike most State agencies, in addition to getting our business office staff trained on how to use this new computer system, we must also provide training for our professional audit staff. In order for our audit staff to be able to conduct audits under the new Core-CT System, they will need to know how transactions are processed under this new system, as well as how to retrieve transaction data for audit purposes. In addition to training our professional audit staff, many of our standard audit procedures will need to be revised in order to accommodate transaction processing under the new Core-CT System. While work in this regard has already begun, we anticipate that this will be an on-going process over the coming months.

To assist us in this regard, we have relied heavily on the personnel assigned to our Information Systems Audit Unit. In addition to fulfilling their normal audit function, this Unit has also served as a source of technical, educational and training support for our staff on various Core-CT related issues that have arisen. Accordingly, our Office plans to expand this Unit in the coming months to better handle the extra work that will need to be done in the information systems area as a result of the Core-CT System implementation.

SECTION II

**RECOMMENDATIONS**

Many recommendations of a financial or recordkeeping nature are presented in the written audit reports prepared in this Office. Most of these are addressed to department heads and stress the need for compliance with legislative policies or sound accounting and business principles. Areas encountered in which statutory revisions or additional legislative actions appear desirable are presented to the General Assembly throughout the year and in the following recommendations.

- 1. The General Assembly should consider limiting the conditions under which waivers of established State control procedures for construction contracts should be used.**

Comment:

Section 4b-91 of the General Statutes specifies that contracts estimated to exceed \$500,000 for the construction, repair, or demolition of any public building for work by the State shall be awarded to the lowest responsible qualified bidder on the basis of competitive bids. The passage of Public Act 03-215 appears to have strengthened the controls over the awarding of such contracts.

In recent years, however, legislation has been enacted, which is designed to expedite the completion of certain projects managed by the Departments of Public Works and the Department of Transportation. Waivers from competitive bidding allowed the selection of contractors by interview and negotiation. Legislation was also passed removing certain municipal school construction projects from normal oversight of the Department of Education.

Regardless of the statutory provisions that are in place, by-passing these same internal control procedures eliminates many of the requirements that would normally be used as benchmarks to both discern the optimum proposal and identify any irregularities that may have occurred in the selection process. For this reason, waivers of established State control procedures covering the selection and oversight of construction contractors should be used only rarely and with sufficient deliberation.

**2. The General Assembly Should Consider Introducing Legislation Extending the State Properties Review Board's Authority.**

Comment:

The State Properties Review Board is required by Statute to review and approve specific types of real estate transactions including:

- The acquisition of land and buildings for State use
- Leasing of private buildings for State agencies
- Sale or lease of surplus State buildings and land
- State acquisitions of development rights to agriculture land
- Assignment of State agencies to State buildings, and
- Selections of design professionals and other consultants for the Department of Public Works

However, other significant real estate transactions are not subject to its review. For instance, the Board does not have the authority to review construction contracts awarded by the Department of Public Works. During the 2002-2003 fiscal year, construction contract awards amounted to \$2,254,630, while during the 2001-2002 fiscal year construction contract awards amounted to \$127,802,751. Nor does the Board have the authority to review construction change orders approved by the Department of Public Works. During the 2002-2003 fiscal year, change orders processed by the Department of Public Works amounted to approximately \$17,000,000, while during the 2001-2002 fiscal year change orders processed amounted to approximately \$8,000,000. Finally, the Board does not have the authority to review property management contracts entered into by the Department of Public Works. During the 2002-2003 fiscal year, twenty-four such contracts, amounting to \$86,492,772, were in effect.

By law, the Board is comprised of individuals having varied real estate expertise, including expertise in construction, leasing, and the operation of State institutions. Accordingly, it has the expertise to review construction contracts, change orders, and the State's property management contracts. Extending the Board's review to such transactions would improve control and could also be cost effective. The Board's records indicate that its reviews resulted in savings of \$14,675,147 during the 2002-2003 fiscal year and \$1,617,272 during the 2001-2002 fiscal year. Extending those reviews to these other transactions could similarly result in savings in those areas.

3. **The General Assembly should consider limiting the conditions that may be used to justify a waiver from competitive bidding, when services are contracted for under a personal service agreement. Limiting such conditions to those that are specifically presented within Section 4-215, subsection (a), of the General Statutes would accomplish that objective.**

Comment:

State agencies that are proposing to enter into personal service agreements with a cost of more than \$20,000 are to competitively bid for the services unless a waiver is obtained from the Office of Policy and Management (OPM). Section 4-215, subsection (a), of the General Statutes provides OPM with authority to adopt guidelines for determining the types of services that may qualify for such waivers. The Statute presents specific conditions that would justify a granted waiver, but also gives OPM discretion in establishing such, in that it is not limited to the specific conditions presented. OPM has added two additional conditions to those presented in the Statute. One often-used condition is that a waiver may be obtained if such services are “provided by a contractor who has special capability or experience.” This is an overly broad condition that could conceivably be argued to exist for any agreement that is entered into with a contractor somewhat experienced in a given field and thus its use may limit competition

4. **The General Assembly should consider adopting the language that had been used within Section 4-205 of the General Statutes (Repealed as of October 1, 2000) to define “consultants,” and consider incorporating such language into the definition of “personal service contractor,” as defined within Section 4-212. It should also consider clarifying Section 4a-50 by better defining “other service arrangements where the services are provided by persons other than State employees” to mean other services, excluding those that are of a consulting nature.**

Comment:

During our review we became aware of two contracts for data processing and accounting systems related services, totaling \$9,000,000, awarded to a contractor to assist in replacing the State’s aging core financial and administrative computer systems. The contractor would appear to meet the definition of a “personal service contractor,” as defined in Section 4-212, subsection (2) of the General Statutes. According to that Section, “personal service contractor” means any person, firm, or corporation not employed by the State, who is hired by a State agency for a fee to provide services to the agency. That Section also states that the term “personal service contractor” does not include a person, firm or corporation providing “contractual services,” as defined in Section 4a-50. Section 4a-50, subsection (3), defines “contractual services” to be “any and all laundry and cleaning service, pest control service, janitorial service, security service, the rental and repair, or maintenance, of equipment, machinery and other State-owned personal property, advertising and photostating, mimeographing, and other service arrangements where the services are provided by persons other than State employees.”

As a “personal service contractor,” a personal service agreement would need to be executed in accordance with Sections 4-212 through 4-219 of the General Statutes; the Office of Policy and Management (OPM) would need to approve the agreement before such agreement could be executed. Barring a waiver from the OPM, the contract would need to be bid competitively, as required by Section 4-216 of the General Statutes.

The Department of Administrative Services administered the two contracts described above and determined that they fell under the category of “other service arrangements,” as described in Subsection (3) of Section 4a-50. The services contracted for in those two contracts were of a consulting nature and do not appear to be similar to those that are described explicitly within Section 4a-50. As a result, such contracts would not appear to be excludable from the provisions of Sections 4-212 through 4-219 of the General Statutes.

Section 4-205 of the General Statutes, which had been repealed effective October 1, 2000, defined “consultants” in a more specific manner than Section 4-212 defines “personal service contractors.” Subsection (1) of Section 4-205 defined “consultant” as “a person, firm or corporation not employed by the State, who is hired by a State agency for a fee to provide professional advice or services to the agency under a contract that defines the services or end product to be delivered.”

5. **The General Assembly should enact legislation and provide sufficient funding to enable the Department of Public Safety, the Department of Correction and the Judicial Department to jointly track and evaluate recidivism in the State's adult offender population.**

Comment:

Our performance audit report, issued on September 25, 2003, dealt with alternative incarceration programs. It was noted that while various evaluations on recidivism rates have been completed on the Juvenile Alternative programs versus traditional juvenile lock-down facilities, there was no information on the same data for the adult offender population. A prior recommendation in this area issued by the Legislative Program Review and Investigation Committee was addressed to the Department of Public Safety. Although the tracking and evaluation of recidivism rates is essential in determining the success of the judicial and correctional systems, both through the alternative incarceration programs and the correctional institutions, currently no single State agency tracks the rate of recidivism among released inmates or the large group of convicted felons placed on probation rather than incarcerated in prison.

6. **The General Assembly should enact legislation to address the practice of negotiating special separation agreements that provide for separation payments or other benefits in excess of that currently allowed to employees leaving state service.**

Comment:

Our performance audit report, issued on January 30, 2001, dealt with special compensation agreements or payments to State employees. It was noted that State agencies have been granting separation payments, called “notice period pay,” under an unwritten policy that has been in effect since 1973. This policy, as explained by the Department of Administrative Services, “is to allow agencies some flexibility where the affected employee's presence at the regular work site could create disruption and discord.” The “notice period pay” is intended to facilitate the immediate removal of an employee from the workplace. Although we understand that the immediate removal of an employee is sometimes necessary, this policy does not place any limitation on the number of days granted the employee as paid leave and has had the effect of granting to such employees more monetary or other benefits than is presently allowed by State statutes and regulations. This unwritten policy does not have its basis in the statutes or in the regulations, and without guidelines that are more specific or provide more oversight, benefits to certain State employees can be granted in a manner that may be unfair or discriminatory to other State employees.

7. **The General Assembly should enact legislation to address the practice of reemploying retirees, for the same or similar position the retired employee originally held, at a higher hourly rate. It should also address the practice of reemploying retirees for critical management positions including agency heads on a part time basis for considerable lengths of time.**

Comment:

Our performance audit report, issued on January 30, 2001, dealt with former State employees that have been granted reemployment contracts. We noted that the General Statutes allow retired State employees to be reemployed for a maximum of 120 working days in any one calendar year without loss of retirement benefits, if that reemployment is not on a permanent basis. We found it is a common practice for State agencies to rehire retirees as consultants or for special projects, or for retired employees to refill their original assignment until replacement staff is recruited. However, there have been contracts granted with hourly rates greatly in excess of what a full time State employee in a comparable position would receive.

In addition, we have noted cases in which senior managerial level employees were reemployed in their previous positions on a part time basis after retirement for an extended period. While we recognize that it may be advantageous to hire a former employee on an interim basis, managers in critical positions, particularly those assigned to agencies involved with the safety of the public and the safety of clients under the State's care, should be held directly responsible for administering those agencies on a full time basis.

8. **The General Assembly should repeal or revise Section 32-4a of the General Statutes, entitled “Assistance to Connecticut Economic Resource Center, Incorporated,” to preclude State funds from being spent without adequate safeguards and accountability.**

Comment:

Section 32-4a specifies that “The State, acting through the Department of Economic and Community Development or any other State agency, governmental entity or the private sector, may, within available appropriations, provide financial assistance, lend staff or provide other in-kind contributions to the Connecticut Economic Resource Center, Incorporated (CERC).” Other than this statutory provision for providing assistance to CERC, we can find no other reference in the Statutes to CERC or to what the State can expect to receive in return for the assistance it provides to CERC.

We have concluded that Section 32-4a may serve to encourage the uneconomical expenditure of State resources in that it permits State agencies to provide State funds to the Connecticut Economic Resource Center, Incorporated, without utilizing such normal safeguards as competitive bidding. Further, under Section 32-4a, a State agency could provide resources to CERC without obtaining any service or product in return for that support. We recognize that it is possible that CERC may provide valuable services and that State agencies may be able to exert some degree of control through contractual or other provisions. However, given Section 32-4a, there is currently no statutory way to guarantee that the State receives value for the support it provides because nothing is required of CERC in return for the State resources it receives.

We thus recommend that the General Assembly repeal Section 32-4a. Repealing this section would not prevent State agencies from doing business with CERC if CERC proves it can economically provide services in competitive bidding situations. If, however, the General Assembly believes that CERC has certain unique capabilities that other organizations do not possess and which are necessary to further the well being of the State, we would recommend that the General Assembly enact new legislation that would incorporate CERC as a Quasi-Public agency such as the Connecticut Innovations, Incorporated. In this way, the General Assembly could ensure that the purposes that it envisions for CERC would be defined and that an annual audit would be accomplished to ensure accountability.

- 9. The General Assembly should establish formal standards and procedures for the evaluation and approval of contracts to privatize services provided by State departments.**

Comment:

We have noted that the only State guidelines and requirements in place over the execution of privatization contracts are the standard State purchasing laws and regulations that govern the procurement of all goods and services by State agencies. It is possible that operational areas of the State government, such as parts of the information technology services, may be selected as possible candidates for privatization in the future.

Given the inherent risk that attaches to privatization initiatives originating in the government sector, and the potential they have for dramatically impacting the way government services are delivered to the public, there exists a need for the General Assembly to establish formal standards and procedures in order to help ensure that sufficient planning and analysis have been conducted to support a decision by State management to enter into a contract for the privatization of government services.

10. **The General Assembly should enact legislation to require the probate courts to submit all forms PC-200 (Application for Administration or Probate of Will) to the Department of Administrative Services for that agency's research and, if warranted, action to recover prior assistance payments to the decedent and/or his or her heirs.**

Comment:

In addition to its billing and collection services, the Department of Administrative Services is responsible for recovering the cost of various types of public assistance in certain circumstances. One way the Department effects collection is through a claim on the estate of a decedent when the decedent or his or her heirs has ever received care or aid from the State of Connecticut or the Department of Veterans' Affairs. The probate courts are required to submit forms PC-200 (Application for Administration or Probate of Will) when the applicant indicates that the decedent or the spouse or children of the decedent did receive such assistance.

The Department of Administrative Services and the Probate Court Administration have undertaken a voluntary cooperative effort whereby all the probate courts are requested to notify DAS of all probate cases that are opened in the State, not just those where prior assistance has been indicated with an "x" in the appropriate box on the form. DAS can then research these cases and, if warranted, try to recover the cost of public assistance provided to a decedent and/or his or her heirs.

The Probate Court Administration issued TR 00-506 in July 2000. This document requests that the probate court judges and personnel cooperate with DAS by forwarding copies of all forms PC-200 to the Department of Administrative Services. For calendar year 2001, compliance with this request was 68.3 percent overall, and ranged from 0.00 percent to 100 percent among the 133 probate courts in the State.

Collection results were remarkable, with a 93.7 percent increase in collections from April 2001 through March 2002 over the same time frame in the previous year. April 2001 marked the beginning of increased collections attributable to the increased PC-200 reporting. Recoveries totaled \$11,226,687 for this 12-month period compared to \$5,795,819 for the previous 12-month period. The \$7,073,449 collected from April 1, 2002, through September 30, 2002, represents a 38.3 percent increase over the same six-month period in the prior year.

With an increase in the number of probate applications submitted to DAS for its review and action, revenues are expected to increase even more. A statutory requirement, supplanting the current voluntary arrangement, would ensure that DAS is promptly notified of the opening of all probate cases in the State.

11. **The General Assembly should enact legislation within Title 11, Chapter 188, of the General Statutes to provide enforcement powers to the Public Records Administrator with regard to the records management program. The legislation should include penalties to those employees who destroy records without prior approval of the Public Records Administrator. Legislation should also be enacted for the Public Records Administrator to provide an annual report to the General Assembly indicating those departments that are not in compliance with and/or have violated Record Retention laws.**

Comment:

The State Librarian has been given the responsibility for a records management program and has appointed an assistant to be the Public Records Administrator in accordance with Section 11-8 of the General Statutes. However, the General Statutes do not provide for penalties to State agencies or employees who do not comply with records retention rules or who destroy records without prior approval of the Public Records Administrator.

Section 1-240 of the General Statutes, under the Freedom of Information Act, provides penalties for persons who destroy records. Section 53-153 of the General Statutes, within Chapter 942 of the General Statutes, Offenses Against Public Justice, also provides penalties for the unlawful removal or alteration of records. However, neither of these Statutes is referenced as penalties that the Public Records Administrator can enforce when the Administrator determines that an employee has destroyed State records.

A recent audit of the Department of Environmental Protection revealed that a Director had instructed his employees to dispose of land records without the approval of the Public Records Administrator. Each State agency is required to have a designated Record Management Liaison Officer. The Department's designated Liaison Officer became aware of the disposing of records situation after some records were already sent to the recycling center. Upon inspection of the Department of Environmental Protection premises at a later date, the Liaison Officer found more bins of records that were about to be disposed of and saved these records. The Liaison Officer had the Public Records Administrator and State Archivist determine if these saved records should have been disposed of without prior authorization. The Public Records Administrator and State Archivist stated in a letter to this Director at Department of Environmental Protection, dated January 30, 2002, that "original State Land Acquisition records were disposed of without prior authorization from the State Library." It should also be noted that since January 1990 the State Records Administrator has been informing this same Director that his land records are permanent and vital to the operations of the State. Also, this same Director is required to submit a records retention schedule and has been requested to do so for some time. As of December 30, 2003, a records retention schedule still has not been filed by the Director for approval by the State Records Administrator. It should be noted that there were no penalties to this employee or the Department for the destruction of records and the failure to comply with developing a records retention schedule for the land records

**Technical Corrections and Other Matters:**

- a. Section 12-19a of the General Statutes should be reviewed and clarified, if needed, to ensure proper payment of grants in lieu of taxes on State property. Section 12-19a requires a grant to municipalities equal to 100 percent of property taxes lost due to the tax exemption on property used for correctional facilities. The grant is payable based on an annual August 1 certification by the Commissioner of Correction of such facilities in use during the preceding fiscal year. Although it would seem that the phrase “preceding fiscal year” means the fiscal year immediately before the certification, in practice it has been interpreted to be the year before the municipalities’ assessment date. This postpones by a year the 100 percent calculation and requires only a 20 percent calculation as is used for other types of State property for one extra year.
- b. Newington Children’s Hospital changed its name to Connecticut Children’s Medical Center and entered into a relationship agreement with Hartford Hospital. Since the former Hospital and its operation are referred to in a number of sections of the General Statutes, revisions are needed to reflect the name change and, possibly, to recognize the expanded mission of the former Hospital and its relationship with Hartford Hospital.
- c. Sections 19a-87b of the General Statutes provides for the inspection of at least one-third of the family day care homes each year but does not require that each facility be inspected within any fixed time period. By regulation the Department of Public Health must inspect each licensed child day center or group day care home at least every two years. Section 19a-87b should be amended to require each family day care home to be inspected at least every two or three years.
- d. Section 10a-25g of the General Statutes provides that the Department of Economic and Community Development is to administer two of three programs collectively known as the Yankee Ingenuity Initiative Program. However, beginning in the 1992-1993 fiscal year the Legislature passed various special acts, which appear to have transferred the administration of the Program to Connecticut Innovations, Inc., which in fact administers it. Section 10a-25g should be amended to recognize this situation.
- e. Section 4-9 of the General Statutes provides that the Governor appoint Executive Directors of all boards and commissions with few exceptions. However, Section 7-294d, subsection (a), (14), authorizes the Police Officer Standards and Training Council to employ an Executive Director. This apparent conflict in statutes should be resolved.
- f. Public Act 98-68 resulted in the creation of Section 4-37j of the General Statutes. This Section adds whistle blower protection to foundation employees and requires the development of policies for the investigation of corruption and various abuses. Section 4-37f, (8) delineates audit requirements for the foundations and specifies reporting on conformance with Sections 4-37e to 4-37i. Reference to Section 4-37j is not included in the reporting requirement. Section 4-37g, subsection (b), grants access by our Office to

books of the foundations and workpapers of auditors that report violations of Section 4-37e through 4-37i inclusive “and any other provision of the general statutes.” Given the nature of Section 4-37j, it would appear reasonable to expect auditors to report on the failure of foundations to comply with that Section as well as any other statute. While Section 4-37g could certainly be construed to include Section 4-37j, specifying that Section in the law would appear more appropriate.

- g. Public Act 93-80, Section 56, attempted to limit the provisions of expired collective bargaining agreements which may remain in effect until approval of a new agreement. However, Section 5-278a continues to permit negotiated extension agreements without General Assembly approval even though they might include provisions of expired agreements which Public Act 93-80 attempted to limit. A consistent legislative policy is needed for such extension agreements if the General Assembly intends to limit such extensions to salary and compensation matters.