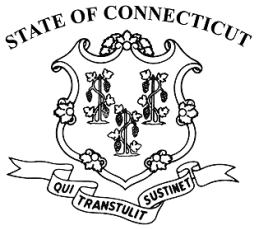

Substitute House Bill No. 7090

Public Act No. 25-147

AN ACT CONCERNING THE TIMING AND SCOPE OF AUDITS BY THE AUDITORS OF PUBLIC ACCOUNTS.

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

Section 1. Section 2-90 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2025*):

(a) The Auditors of Public Accounts shall organize the work of their office in such manner as they deem most economical and efficient and, except as provided in subsection (d) of this section, shall determine the scope and frequency of any audit they conduct.

(b) Said auditors, with the Comptroller, shall, at least annually and as frequently as they deem necessary, audit the books and accounts of the Treasurer, including, but not limited to, trust funds, as defined in section 3-13c, and certify the results to the Governor. The auditors shall, at least annually and as frequently as they deem necessary, audit the books and accounts of the Comptroller and certify the results to the Governor. They shall examine and prepare certificates of audit with respect to the financial statements contained in the annual reports of the Treasurer and Comptroller, which certificates shall be made part of such annual reports. In carrying out their responsibilities under this section, said auditors may retain independent auditors to assist them.

(c) (1) Said auditors shall audit, on a biennial basis if deemed most economical and efficient, or as frequently as they deem necessary, the books and accounts, records of operations and activities, systems and data of each officer, department, commission, board and court of the state government, all institutions supported by the state and all public and quasi-public bodies, politic and corporate, created by public or special act of the General Assembly and not required to be audited or subject to reporting requirements, under the provisions of chapter 111, except as provided in subsection (d) of this section.

(2) Each such audit may include an examination of any relevant information concerning the department, commission, board or court of state government being audited that is in the possession or control of a private entity that has a contract with such department, commission, board or court, and such information shall be provided upon demand in a format prescribed by the auditors at no cost to the auditors or the department, commission, board or court.

(3) Each such audit may include an examination of performance in order to determine effectiveness in achieving expressed legislative purposes. The joint standing committee of the General Assembly having cognizance of matters relating to government oversight may request the auditors to perform a limited performance engagement. Not later than sixty days after receipt of such request, the auditors shall respond regarding whether they will perform such limited performance engagement and, if so, the suggested scope and schedule for such engagement. The auditors shall perform any such limited performance engagement within available appropriations. As used in this subdivision, a "limited performance engagement" means a review of a specific program or entity pursuant to an agreement between the chairpersons and ranking members of the joint standing committee of the General Assembly having cognizance of matters relating to government oversight and the auditors concerning the objectives, scope,

methodology and timing of such engagement.

(4) The auditors shall report their findings and recommendations to the Governor, the State Comptroller and the joint standing **[**committee**]** committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and government oversight.

(d) Not later than July 1, 2026, and annually thereafter, the auditors shall submit a proposed schedule for the audits they plan to conduct during the following fiscal year to the joint standing committee of the General Assembly having cognizance of matters relating to government oversight.

[(d)**]** (e) The Auditors of Public Accounts may enter into such contractual agreements as may be necessary for the discharge of their duties. Any audit or report which is prepared by a person, firm or corporation pursuant to any contract with the Auditors of Public Accounts shall bear the signature of the person primarily responsible for the preparation of such audit or report. As used in this subsection, the term "person" means a natural person.

[(e)**]** (f) (1) If the Auditors of Public Accounts discover, or if it should come to their knowledge, that any unauthorized, illegal, irregular or unsafe handling or expenditure of state funds or quasi-public agency funds or any breakdown in the safekeeping of any resources of the state or a quasi-public agency has occurred or is contemplated, they shall forthwith report the facts to the Governor, the State Comptroller, the clerk of each house of the General Assembly, the joint standing committee of the General Assembly having cognizance of matters relating to government oversight and the Attorney General, except that if a matter reported to the Auditors of Public Accounts pursuant to section 4-33a is still under investigation by a state or quasi-public agency, the Auditors of Public Accounts may give the agency a

reasonable amount of time to conduct such investigation prior to the auditors reporting the matter to said officials and committee.

(2) If the Auditors of Public Accounts decide to delay reporting such matter in accordance with subdivision (1) of this subsection, the auditors shall immediately notify the Attorney General of such decision.

(3) Any Auditor of Public Accounts neglecting to make the report required under subdivision (1) of this subsection, or any agent of the auditors neglecting to report to the Auditors of Public Accounts any such matter discovered by such agent or coming to such agent's knowledge, shall be fined not more than one hundred dollars or imprisoned not more than six months, or both.

(4) Any state agency or quasi-public agency that is the subject of a report of the Auditors of Public Accounts that contains violations of state statute or regulation, other than only minor or technical recommendations, not later than six months after the issuance of the auditors' report, shall report on the status of any corrective action undertaken by such state agency or quasi-public agency to address such violations, to the auditors, the Governor and the General Assembly, in accordance with the provisions of section 11-4a. Upon the receipt of the agency's report, the joint standing committee of the General Assembly having cognizance of matters relating to government oversight may request the auditors to verify any matter in the agency's corrective action report and the auditors shall have not more than sixty days to respond to such request.

[(f)**]** (g) All reports issued or made pursuant to this section shall be retained in the offices of the Auditors of Public Accounts for a period of not less than five years. The auditors shall file one copy of each such report with the State Librarian.

[(g)**]** (h) 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. Notwithstanding any provision of the general statutes, no state agency may deny the auditors access to their records or accounts.

[(h)**]** (i) 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. 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.

[(i)**]** (j) Said auditors shall audit, in accordance with the provisions of section 10-91g, the records and accounts of any private provider of special education services, as defined in said section. Any private provider of special education services being audited by said auditors shall provide any information said auditors deem necessary to conduct such audit.

Governor's Action:
Approved July 8, 2025