



*Office of Governmental Accountability
The State Contracting Standards Board*

Triennial Audit Report

Fiscal Year Ended June 30, 2024

Rochelle L. Palache
Board Chairperson



Gregory F. Daniels, Esquire
Executive Director



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Executive Director's Letter

The State Contracting Standards Board (SCSB) is pleased to present the FY24 Triennial Audit Report.

This report summarizes the findings identified in audits of state contracting agencies completed during the 2023 – 2024 fiscal year of SCSB's triennial audit cycle. The report has been prepared in accordance with Connecticut General Statutes Section 4e-6, governing triennial audits of state contracting agencies. The SCSB audit process consists of reviewing statutes and regulations concerning procurement, examining documentation supporting the procurement process, identifying non-compliance and recommending improvements to existing practices, including additional training, for state contracting personnel.

The SCSB staff appreciates the cooperation from the state contracting agencies audited and included in this year's report. The SCSB would also like to express appreciation for the staff that helped conduct the audit, develop the report, and contributed to the overall success of the SCSB audit program; noteworthy members of the staff are Jonathan Longman, Chief Procurement Officer, and Maritza Lopez, Auditor.

Respectfully submitted,

Gregory F. Daniels

Gregory F. Daniels, Esq.
Executive Director



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Mission and Purview

State Contracting Standards Board Mission Statement:

Our mission is to require that state contracting, and procurement requirements are understood and carried out in a manner that is transparent, cost effective, efficient, and consistent with State and Federal statutes, rules, and regulations.

(Adopted March 11, 2016)

The SCSB seeks to assist state agencies in developing best practices for state contracting and procurement and to increase the professional development of state procurement officials. SCSB Training staff use the findings and recommendations from the audits to develop the training modules needed to improve the procurement and contracting practices in the state and the competencies of the state's procurement officials. SCSB is committed to working with state agencies to identify needed improvements and develop the training needed to implement those improvements.

Organized under the Executive Branch and the Office of Government Accountability, the SCSB has auditing purview over state executive agencies. The SCSB does not have the auditing purview of education departments, most quasi-public agencies, the legislature, or the judiciary. The SCSB reviews existing contracts for compliance according to applicable procurement-related state statutes.



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SCSB Triennial Audit Summary

Objective

The objective of this triennial audit is to work with state agencies to ensure their compliance with statutes and regulations concerning procurement.

Scope

The SCSB Audit Subcommittee selected 11 state agencies for the FY24 audit cycle. A sample of each agency's current contracts was selected for examination.

The chart presented below details the agencies that have successfully completed audit reports. It encompasses key information, including the total number of contracts, the corresponding contracting dollars, the number of contracts selected for audit, and the total number of findings identified.

Table 1: Completed Agency Audits for FY24 Audit

Agency	# of contracts	Total (\$)	# of contracts audited	# of findings
Charter Oak	6	302,287	2	1
Chief Medical Examiner	4	113,690	2	1
Dept of Public Health	124	312,513,500	6	2
Dept of Emergency Services and Public Protection	91	2,951,192	8	12
Office of Higher Education	113	1,876,204	11	6
Dept of Insurance	3	62,520	2	0
Dept of Energy and Enviro. Protection	48	37,234,877	5	3
Total	389	355,054,270	36	25



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Procedures

The audit procedures were as follows:

- SCSB staff obtained a report from OPM's State Analytical Reporting System (STARS), which defines the size and scope of the agency's procurement activities. This report includes types of contracts, dollar value, duration, and other information. The dataset was used to select various contracts to examine by the agency.
- State agency procurement staff were provided a questionnaire to complete detailing compliance with requirements relating to:
 - Privatization Contracts
 - Memorandum of Agreement (MOA) and Memorandum of Understanding (MOU)
 - Procurement staff and training; and
 - Accountability, Transparency, and Results-Based Outcomes.
- SCSB staff selected a sample of current contracts, and the following information was examined for each contract:
 - a. Approvals from the Department of Administrative Services, Office of Policy and Management, and Office of the Attorney General
 - b. Original contract
 - c. Contract amendments if any
 - d. Affidavits, certifications, or affirmations, if required; and
 - e. Final evaluation of the contractor's performance.
- If a Request for Proposal (RFP) process was conducted:
 - a. List of participants in the selection process
 - b. Ethics, confidentiality agreements, amendments, evaluations, rating sheets were examined for compliance,
 - c. All other documents supporting the selection were examined.



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SCSB Triennial Audit Findings

A **total of twenty-five findings** were identified on the contracts examined as follows:

1. **Contractor Performance Evaluation:**

13 Findings: No required performance evaluations were performed on the contractor upon completion of the contract

Definition: Per [OPM Procurement Standards V\(D\)\(2\)](#) and the [DAS Procurement Manual](#), an agency must prepare a written evaluation of the contractor's performance no later than 60 days after the contractor has completed a contract.

2. **Ethics/Confidentiality Agreements:**

6 Findings: Contractor selection team members did not certify their independence or non-disclosure requirements

Definition: Agency employees must not participate in an RFP process if they have any interest that substantially conflicts with the proper discharge of their duties in the public interest ([C.G.S. § 1-85](#)). (Note: If an outside individual participates in writing the RFP, writing the evaluation plan, or evaluating proposals, such an individual must also sign an ethics and confidentiality agreement.)

3. **Competition:**

2 Findings: Required bids were not solicited

Definition: The state government contracting process and procedures must be open, honest, fair, and accessible at all times, with competition being the backbone of the public procurement process. Exceptions and requirements listed in [General Letter #71](#) or [Procurement Standards Section IV\(B\)\(1\)](#).

4. **Establish RFP Evaluation Criteria:**



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1 Findings: Contractors were selected without an initial determination of evaluation criteria.

Definition: Per [Sec 4a-59](#), an RFP must include the criteria used to evaluate proposals. Including the criteria in the RFP provides additional guidance to proposers about what the agency requests. Only the criteria contained in the RFP shall be used to evaluate proposals. Using evaluation criteria other than those listed in the RFP is prohibited. (Per [Sec 4a-59](#) and 4a-52-18, past performance and financial responsibility shall always be factors in making this determination.)

5. **Ranking Proposers:**

1 Findings: Proposers were not evaluated by established criteria and not graded in a manner that supported the contractor-selected

Definition: Per [Procurement Standards Section IV\(K\)\(3\)](#) and [Sec. 4a-52-16](#), the screening committee must report the top three (3) ranking proposers to the agency head.

6. **Selection Committee:**

1 Finding: Did not follow the process established by the regulations.

Definition: Per Sec. 4a-52 (G) and [Procurement Standards Section IV\(K\)\(1\)](#), the evaluation (review) of proposals must be done by a Screening Committee composed of three or more individuals. The agency head (or designee) must appoint the Screening Committee and the committee's Chair.

7. **Client-based Outcome Measures:**

1 Finding: No client-based outcome evaluations were performed where such measures were required.

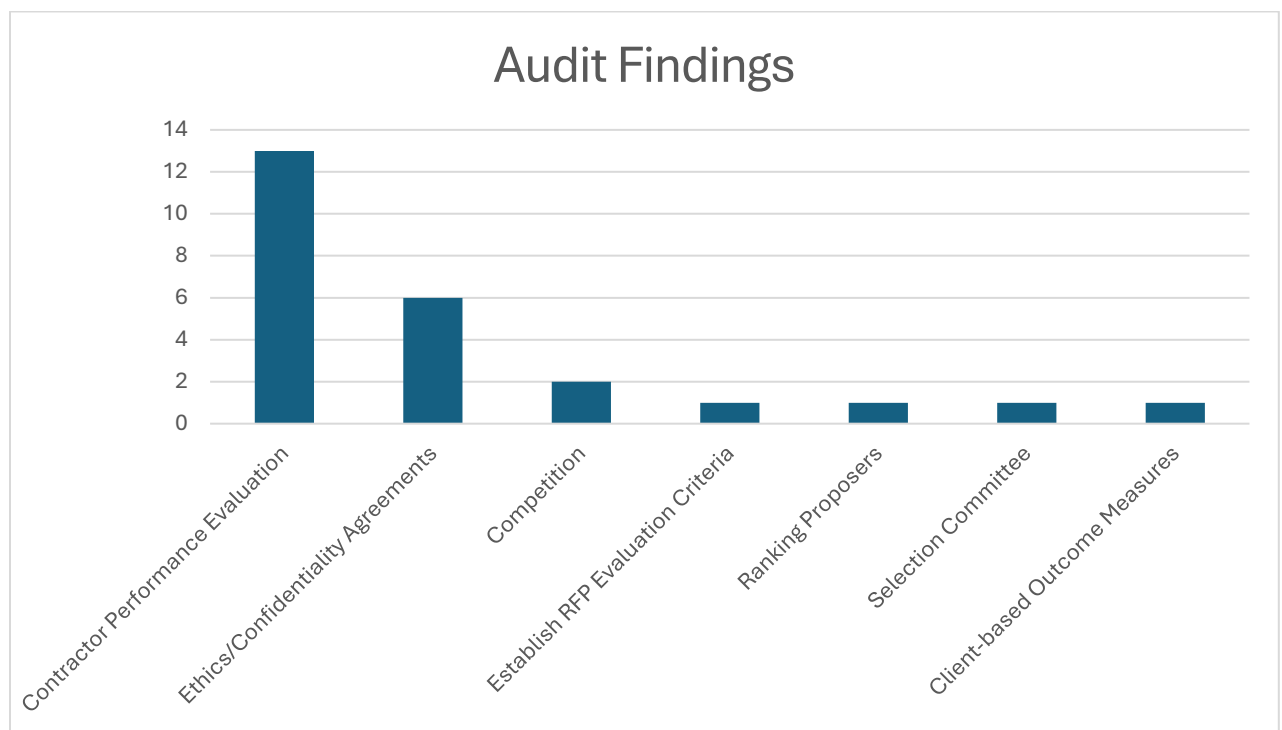
Definition: To determine whether this goal is met, OPM has established a minimum requirement that each POS agency must include



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client-based outcome measures in its POS contracts. Each POS agency is responsible for developing measures related to each purchased service and determining what data the contractor must collect related to that service.

In the RFP, an agency must notify prospective proposers (and potential contractors) about the requirement for client-based outcome measures. The RFP must provide complete and clear information about how the measures are defined (by the agency), how the data must be collected and reported (by the contractor), and how the reported data will be assessed (by the agency).



SCSB Triennial Audit Recommendations

With each report, SCSB requested agency-prepared written responses explaining how each finding noted above has been addressed and the procedures to be implemented to ensure future compliance.



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These audit findings are utilized to develop a standardized state procurement and project management education and training program as outlined in C.G.S.

Sec. 4e-5. SCSB staff are committed to developing and providing the training needed to improve the compliance and processes of state procurement in the State of Connecticut.

Conclusion

This audit year marked a significant change for the Board with the addition of a new Chief Procurement Officer and staff members. With their help, the Audit Subcommittee approved new audit instruments and expanded the examination efforts for the audit process. Owing to a combination of these changes, and some challenges with agency responsiveness, the Board was unable to complete all 11 of the selected agency audits by the issuance of this report. Regardless, all audits from fiscal year 2024 will be completed. The four that were not approved by issuance of this report were added to the fiscal year 2025 cycle as they are substantially underway already.

Non-responsiveness by state agencies to audit requests is a significant impediment to the ability of the State Contracting Standards Board to fulfill its mission for the residents of Connecticut. Beyond the Board's audit powers, state statutes enable the Board to implement significant corrective actions for state agencies that have shown a serious inability to follow state law and regulations. Requirements for Chief Procurement Officers and other procurement staff of state agencies to be certified with the State Contract Standards Board will begin to be enforced as the Board's training and certification program comes online. By providing each agency with audit recommendations and training support, the SCSB endeavors to empower each agency to improve its procurement practices.

The State Contracting Standards Board will distribute this annual report to the General Assembly and the State Librarian. In addition, the report will be distributed to all agency commissioners and agency Chief Procurement Officers so all responsible procurement personnel will be aware of the



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compliance issues noted. It is the Board's intent to track the level of non-compliance noted each audit year and focus on providing training and support resources necessary to achieve total compliance with procurement regulations throughout all State agencies.

The Board appreciates the cooperation by state agencies and welcomes feedback on the audit process, training offerings, and other areas of required support.

Respectfully,

Rochelle L. Palache

Rochelle L. Palache

Chairperson, State Contracting Standards Board

Gregory F. Daniels

Gregory F. Daniels, Esq.

Executive Director