



STATE OF CONNECTICUT  
OFFICE OF GOVERNMENTAL ACCOUNTABILITY  
STATE CONTRACTING STANDARDS BOARD

Final & Approved  
Minutes  
Friday, January 12, 2018 Meeting of the State Contracting Standards Board  
Audit Work Group  
Fifth Floor Conference Room  
18-20 Trinity Street, Hartford, Connecticut

Members Present:

Thomas Ahneman, Chair  
Alfred Bertoline  
Robert Rinker  
David L. Guay, Executive Director - ex-officio Board member

1. [Call to order](#)

Meeting called to order by Chair Thomas Ahneman at 9:00 A.M.

2. [Approve minutes of December 8, 2017](#)

Motion made by Robert Rinker and seconded by Alfred Bertoline to approve the minutes of the December 8, 2017 Audit Work Group meeting. All voted in favor.

3. [2017 Audit Reports Update](#)

Chair Ahneman opened discussion on how to wrap up the 2017 audits. Executive Director Guay reviewed the statutory requirement for a compliance report and provided sample copies. Executive Director Guay also explained his review of the Reports of the Auditors of Public Accounts.

Chair Ahneman explained he wanted to hit the high notes of the statutory requirements.

Sec. 4e-6. Triennial audits of state contracting agencies. Compliance report. (a) The board shall conduct audits of state contracting agencies, triennially, to ensure compliance with statutes and regulations concerning procurement. In conducting each such audit, the board shall have access to all contracting and procurement records, may interview any and all personnel responsible for contracting, contract negotiations or procurement and may enter into an agreement with the Auditors of Public Accounts to effectuate such audit.

(b) Upon completion of any such audit, the board shall prepare and issue a compliance report for the state contracting agency. Such report shall identify any process or procedure that is inconsistent with statutes and regulations concerning procurement and indicate those corrective measures the board deems necessary to comply with statutes and regulations concerning procurement requirements. Such report shall be issued and delivered not later than thirty days after completion of such audit and shall be a public record.

Alfred Bertoline suggested that our findings and recommendations should be provided in the report. Mr. Bertoline does not believe we can issue an opinion of compliance based upon the work we've done. Mr. Bertoline believes we don't have complete data and doesn't know how we would get complete data with the resources we have.

Robert Rinker offered that it appears that no one is doing a cost effectiveness evaluation for privatization contract renewals. Mr. Bertoline noted that the cost effectiveness evaluations he did review raise questions for him.

Mr. Rinker discussed his creation of the template and the addition of the final question: *Is there a recommendation by the State Contracting Standards Board to conduct a hearing to terminate the contracting authority of the State Agency? Yes or no.*

Mr. Rinker offered that there is benefit to interviewing agency representatives. Mr. Rinker believes that many don't know they have to do a cost effectiveness evaluation which leads to a training recommendation. Mr. Rinker noted that in the past the Board was told that whether a cost effectiveness evaluation has been completed is being included in the Attorney General's check list for contract approval.

Upon a question of how we wrap up our audits by Mr. Bertoline, Chair Ahneman stated that the work group will have to issue a report which the full Board will have to approve which requires noting the inconsistencies with procurement policies and procedures and corrective measures. Chair Ahneman further noted that he is not sure the Board has its arms around all the policies and procedures in Connecticut.

Executive Director Guay suggested that with the work completed before them, the work group could complete its work within the next month. Sending the draft compliance report to the agencies for their comment and offer the option to discuss and meet with the work group.

The work group agreed to the following elements to be part of the compliance report:

Process and Procedures reviewed

Are the number of contracts reported correct and can be reconciled?

Competitively bid

Sole sourced

Single sourced

Are all contracts placed on the Portal?

Have appropriate CEE's completed?

Are contracts competitively bid, more than 66% and are waivers appropriate?

Number of Sole Source

Number of Single Source

Has a cost-benefit-analysis been completed for a new privatization contract?

Is BizNet used to advertise contracts?

#### Corrective measures

Interviews

Formal Training

Check lists

Adequate staffing

Quality Assurance - Quality Control – Risk Assessment duties or position

Executive Guay will provide the outline to the members and the members will return with comments and corrective measures.

#### 4. [CT Technical High School System Contracts – Pita Group & Kozak & Salina, LLC](#)

Mr. Rinker noted that from the work groups interviews with representatives of the Department of Administrative Services (DAS) and the State Department of Education (SDE) it has become clear that the agreement between the Connecticut Technical High Schools and the Pita Group was not a legitimate state contract and the funds paid to the Pita Group should be recouped by the State.

Motion made by Robert Rinker and seconded by Alfred Bertoline to recommend that the Board ask the Attorney General to recover the funds paid to the Pita Group. All voted in favor.

#### 5. [Other Business](#)

Mr. Rinker raised a question on behalf of Stuart Mahler, not in attendance at the meeting. Mr. Mahler would like to know if the work group would be suggesting legislation mandating the reporting of the Board's audits to the agencies Legislative Committee of cognizance. Discussion held, and the matter was tabled by consensus until the next meeting.

#### 6. [Adjournment](#)

Motion made by Alfred Bertoline and seconded by Robert Rinker to adjourn. All voted in favor, the meeting was adjourned at 9:59 A.M.

Respectfully submitted: David Guay