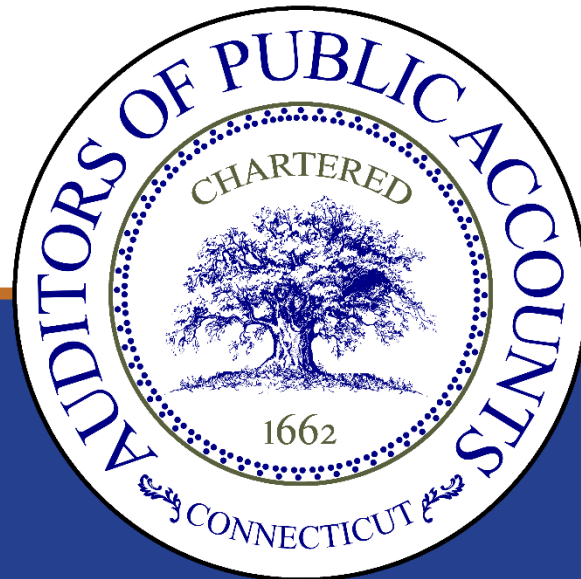


AUDITORS' REPORT

Department of Administrative Services

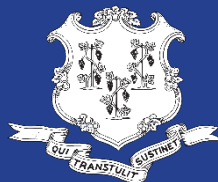
**Office of the Claims Commissioner
State Insurance and Risk Management Board
State Marshal Commission
State Properties Review Board**

FISCAL YEARS ENDED JUNE 30, 2021 AND 2022



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



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October 14, 2026

INTRODUCTION

We are pleased to submit this audit of the Department of Administrative Services (DAS), Office of the Claims Commissioner, State Insurance and Risk Management Board, State Marshal Commission, and the State Properties Review Board for the fiscal years ended June 30, 2021 and 2022 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Administrative Services, Office of the Claims Commissioner, State Insurance and Risk Management Board, State Marshal Commission, and the State Properties Review Board during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

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State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Administrative Services disclosed the following 23 recommendations, of which 11 were repeated from the previous audit.

Finding 1

Statewide Human Resources - Lack of Best Practices for Human Resources Business Partners

Background

Governor Lamont's Executive Order #2, effective July 31, 2019, directed the Department of Administrative Services (DAS) to centralize statewide human resources functions within DAS. On August 28, 2020, all executive branch human resources personnel transferred to DAS. Executive branch agencies that utilize centralized human resources are referred to as in-scope agencies.

Executive branch human resources staff assigned to specific agencies remained at their assigned agency under the supervision and guidance of a DAS human resources business partner (HRBP), who supervises lower-level staff and acts as a liaison between the in-scope agency and DAS statewide human resources.

Criteria

The Statewide HRBP unit in DAS is responsible for ensuring the uniform administration of processes, systems, and functions across executive branch agencies in accordance with Executive Order #2.

Condition

DAS has not developed and promulgated uniform best practices to human resources business partners at in-scope agencies that take day-to-day directions from various appointing authorities. For example, prior to centralization, appointing authorities were required to obtain position approvals from DAS statewide human resources. However, under centralization, the HRBP stationed at an agency are delegated the authority to approve position requests. They also take day-to-day directions from supervisors at their agency.

Context

There are 19 human resources business partners who oversee 119 lower-level human resources staff at 43 locations and are responsible for many human resources activities that are common to all agencies.

Effect	Human resources policies or procedures may not be applied consistently and uniformly across executive branch agencies.
Cause	DAS has been unable to develop and implement best practices due to a lack of staffing.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Department of Administrative Services should develop, document, and implement best practices to ensure uniformity and consistency in human resources transactions across executive branch agencies.
Agency Response	"DAS agrees in part and disagrees in part. DAS agrees that standardization of some facets of HR administration across the Executive Branch that is supported by DAS' centralized human resources organization, as well as documentation of such standardization, is critical to the consistent application of policies, procedures, and best practices. Documented best practices and references for the HRBPs were in development during this rating period, which started just 4 months after the beginning of human resources centralization. Since 2022, the Agency HRBP team developed, in partnership with the various centers of excellence within the centralized human resources organization, a document and resource library entitled 'Department of Administrative Services HR Library'. This library is a central repository for those processes and documents that are appropriate for statewide standardization. This product is consistently updated for reference and use by the HRBPs. Moving forward, DAS acknowledges that capturing and documenting all policies, processes, and best practices is a long-term endeavor. DAS disagrees with any assertion or expectation that the HRBP functional area can and should be completely standardized. To the contrary, the HRBP functional area was specifically designed and organized to allow for certain autonomy, differences, and flexibility to exist across HRBP teams, as deemed appropriate by the applicable agency. The operating reality is that human resources administration must adapt and adjust to the practices and requirements of other business functions that it interfaces with in agencies. These other business functions within agencies are largely decentralized and somewhat unique to each agency (e.g., leadership prerogatives, agency fiscal operations and payroll, agency equal opportunity and affirmative action, etc.). As such, our responses to the examples provided in the findings are as follows: • Time and Attendance Policies: Payroll operations are decentralized within each agency and not the responsibility of HRBP teams.

- Interview Panels: Agency selection processes are largely a function of expectations and requirements of agency leadership and their respective equal opportunity and affirmative action offices, which are mostly decentralized. HRBP teams do not set the requirements, but rather support this activity within agencies.
- Position Management: Even when the position approval process had an additional step with the former Statewide HR in DAS, agency prerogatives superseded all other considerations in most if not all position management decisions. The removal of this additional step when centralizing human resources merely recognized that operating reality and eliminated a duplicative and wasteful step in the vacancy filling process. Furthermore, documented best practices for position management do exist. The best practices are codified in job classifications and agencies are required to adhere to the appropriate use of each and every job classification they use. Additionally, agencies' position management decisions continue to have a multi-level review at the Office of Policy and Management before vacancies are approved to be filled."

Auditors' Concluding Comments

We interviewed a deputy commissioner on February 24, 2022, when we began our audit work on Statewide Human Resources. We also interviewed the HRBP Administrator on March 11, 2022. At that time, the HRBP Administrator and deputy commissioner were the only managers responsible for the HRBP unit.

The department states that Statewide Human Resources (SWHR) used to allow agencies to overrule it. Regardless of the internal process, a position could not be added unless SWHR approved it. The department transitioned from a uniform centralized process for approving positions, to a decentralized process that does not appear to align with the intent of Executive Order #2.

Finding 2

Statewide Human Resources - Inadequate Control for Digital Human Resources Files

Criteria

The Connecticut State Library's State Public Records Policy on Electronic Records Management requires public agencies to implement suitable policies and procedures to ensure the completeness and accuracy of electronic reproductions of paper

documents. These procedures must include a quality control system to verify that files are accurately and fully reproduced, and relevant file creation data is maintained.

The Connecticut State Library's State Public Records Standards for Digital Imaging emphasize that assigning unique, consistent, and predictable file names helps differentiate similar records and facilitates efficient file storage and retrieval.

The Connecticut State Library's State Public Records Policy allows for the destruction of paper documents converted to digital format, provided the agency meets 14 requirements for all electronic records and six requirements for digital images of public records. Requirements include establishing and maintaining a quality control process, maintaining written policies and procedures documenting compliance with the 13 other requirements, and demonstrating that scanned records are complete and were created in a consistent, trustworthy manner.

Condition

DAS has not established adequate policies and procedures for managing digital human resources files. Guidance is limited to related system documentation and does not address the completeness or accuracy of electronic reproductions of paper documents, standard naming conventions, or a quality control system.

Context

The paper human resources files at 43 executive branch agencies that utilized centralized human resources were transitioned to digital files. Digital human resources files are intended to replace paper files as the documentation that must be retained for 30 years after employment for thousands of agency employees.

Effect

Without systems to detect missing documents, employee personnel files may be incomplete. The lack of consistency in naming and filing may lead to confusion for employees who transfer between state agencies.

Cause

DAS allowed each agency to manage personnel file conversion processes without oversight or establishing a system of internal controls over digital personnel files.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should establish suitable policies, procedures, and quality control system to ensure the completeness and accuracy of electronic reproductions of paper documents.

Agency Response

"DAS, in collaboration with the Connecticut State Library (CSL), created an internal policy for the management of digital HR files based on CSL policies and standards. The new policy references key CSL policies and establishes a clear procedure on how to manage paper and digital HR files, file verification upon digitization, as well as how to dispose of paper files after digitization. As of Spring 2026, DAS and the Department of Insurance (DOI) were in communication to pilot the new procedures to ensure clarity on the language. Once the piloting proves successful, the policy will be distributed to HR staff for immediate compliance."

Finding 3**Statewide Human Resources - Inadequate Post Audits of Human Resources****Criteria**

Section 5-200(a)(7) of the General Statutes provides that the commissioner of Administrative Services or authorized agent shall establish personnel standards governing promotions, classifications, and the creation of positions that will provide guidance to all agencies in matters of personnel management and serve as a means to evaluate agency performance in conducting personnel management. Furthermore, Subsection (a)(8) provides that the commissioner shall see that all appointments, promotions, layoffs, demotions, suspensions, removals, and retirements are made in accordance with the applicable provisions of the general statutes and regulations. The commissioner may fully or partially delegate responsibilities to the heads of state agencies or their authorized agencies, subject to audit, in order to improve human resources management.

Condition

DAS did not promptly complete a fiscal year 2022 post audit of monetary calculations for transactions, finishing it more than a year later. Our review of the completed audit identified ten new hire transactions in which the department concluded it could not determine the accuracy of the salary calculation.

Context

The department identified 1,367 personnel transactions as auditable for July 2021 through November 2021. This included 212 new hires or rehires.

Effect

There is potential for improper transactions or salary adjustments occurring without proper oversight. The inability of the department to determine if HR staff completed a monetary calculation correctly limits the assurance that all monetary calculations are correct.

Cause

The unit responsible for post audits was reduced to one person who was assigned part-time to post audits. The unit was subsequently restructured, and additional staff were responsible for the post audits and new procedures for reviewing monetary calculations.

Prior Audit Finding

This finding has previously been reported in the last two audit reports covering the fiscal years 2015 through 2020.

Recommendation

The Department of Administrative Services should monitor its review of monetary calculations for operating effectiveness and take necessary corrective action to improve its internal controls.

Agency Response

"DAS agrees in part and disagrees in part. We agree that we audited fewer transactions during this time period. This was the result of an unprecedented series of events that took greater precedence and reduced the ability to audit, such as Covid-19 response, the 2022 retirement cliff, and the execution of the 2022 Collective Bargaining Agreements.

DAS disagrees that it changed its procedures related to post-audits of personnel transactions by ceasing to review monetary calculations in arrears in favor of approving them prior to an agency completing a personnel action. No such changes have ever been made.

DAS has made programmatic enhancements since then by actively encouraging agencies to proactively verify calculations with the HR Policy unit prior to entering the transactions into the system. This has resulted in much more accurate transactions and eliminates overpayment/underpayment scenarios. In another effort to be more proactive, in early 2024, the HR Policy unit also created a virtual salary calculation training program and provided training to agencies which will help HR staff learn proper calculations. In November 2024, the Core-CT transfer/rehire process was transferred from the DAS Core-CT team to the HR Policy team. This process takes place when a current or former State of CT employee moves agencies and ensures that their record is transferred correctly in Core-CT. It involves working with outgoing and incoming agencies and provides another opportunity for the team to be proactive by reviewing salary calculations and Core-CT transactions for accuracy prior to entering the system.

*On the findings it was stated that there were ten new hire transactions where the department concluded it was unable to determine if the salary calculation was accurate. This is not an accurate statement. The comment "unable to determine" signified our first internal review which was then followed up with a notice to the agency for further clarification."

Auditors' Concluding Comments

When we reviewed the work in March 2023, the department purported it completed audits of personnel actions through November 2022.

Based on its response, the department provided us incomplete work in March 2023 for July 2021 transactions. The department did not inform us its review was not complete.

During the risk assessment process, the department demonstrated its new forms and informed us it intended to replace the post review process. The department's response to this finding was the first time it communicated that its new form, process, and training were voluntary and would not be required as a standard procedure for all its HRBPs.

Finding 4**Statewide Human Resources - Lack of Security Audits****Criteria**

The security liaison at each state agency submits security access requests in Core-CT for approval by the Department of Administrative Services. For requests that would result in a segregation of duties conflict, the security liaison is required to attach a justification and the compensating controls the agency will implement.

DAS procedures require it to perform a security audit every three years. The audit must examine updated security requests, justifications, and compensating controls.

Condition

DAS has not completed a security audit since 2018.

Context

We identified 22 DAS employees with security conflicts in Core-CT for fiscal years 2020 and 2021.

Effect

When DAS does not complete required security audits, it will not mitigate risks arising from segregation of duties conflicts.

Cause

Turnover of staff responsible for conducting the security audits and the Covid-19 pandemic caused the breakdown in internal control.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should ensure that it promptly completes Core-CT role security audits.

Agency Response

"We agree with the findings that a security audit was missed. This was due to multiple factors such as Covid-19 response, 2022 retirement cliff, execution of the 2022 Collective Bargaining Agreements and the retirement of the current HR Administrator who was conducting the audits previously. A new security audit was completed in March 2023 and will be completed every three years going forward."

Finding 5

Statewide Human Resources - Lack of Outreach Documentation

Criteria

The Talent Solutions unit in the Department of Administrative Services is responsible for recruiting employees for executive branch agencies that utilize centralized human resources. Department personnel post recruitment opportunities on multiple social media sites and disseminate information about available positions to various community groups and professional organizations.

Each recruiter is expected to maintain a spreadsheet that tracks recruitment activities, including documenting outreach for publicly advertised positions. DAS supervisors can access and review these spreadsheets. Sound business practices dictate that recruiting efforts be properly documented and monitored for effectiveness.

Condition

Our review of recruiter spreadsheets found four recruiters did not document any outreach on their recruitment trackers and 15 recruiters only partially documented their outreach efforts, with between 2% and 98% of outreach not documented.

Context

We reviewed the recruitment tracker for each of the 25 Talent Solutions recruiters.

Effect

Failure to document outreach efforts reduce the assurance that the recruitment process reaches target employees in a competitive market.

Cause

DAS has not monitored recruiter spreadsheets for documented outreach activity.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should improve its system of internal controls to ensure recruitment outreach is documented.

Agency Response

"DAS disagrees. There is no law, regulation, or policy, that requires Talent Solutions to perform recruitment outreach in any specific manner or at all. Talent Solutions voluntarily does so to augment and support individual agency efforts that are required under Connecticut Regulations, specifically Sections 46a-68-80, 46a-68-81, and 46a-68-92 as they relate to the development of agency affirmative action plans.

For context on recruitment trackers referenced in the above finding, Talent Solutions was formed in August, 2020, four months prior to the start of the audit period. As one piece in the vacancy filling process, Talent Solutions worked in partnership with other HR Divisions, including EEO and agency HR Business Partners, as well as appointing authorities and their hiring managers to utilize various talent acquisition platforms, events, social media, data, and other digital and non-digital strategies to cast as wide a net as possible to promote state job opportunities and to recruit as diverse and qualified applicant pool as possible.

The impetus of the recruitment trackers was not to require the recording of outreach but rather be a guide and teaching tool for newly assigned staff. State leadership and numerous other parties, including appointing authorities, made it clear to Talent Solutions that speed of hire was a priority. Talent Solutions' newly formed staff used these trackers to voluntarily track their work that often had to be explained or justified to multiple parties in the context of speed. The tracker helped them understand and, when necessary, explain the multiple steps and requirements controlling the recruitment process. The tracker was not intended or required to be any type of internal control mechanism for outreach by any a law, regulation, or policy requirement. Again, any indication of outreach performed was simply the discretionary notes of certain staff and not the dedicated method and place where Talent Solutions documented and reported outreach efforts.

Talent Solutions' outreach efforts are provided to agency EEO/AA Officers upon request to assist them in completing affirmative action plans, as required. Specifically, Element 3 of affirmative action plans typically document agencies entire outreach efforts (i.e., the efforts of the agency as a whole and the efforts of Talent Solutions when requested). Additionally, Talent Solutions' annual outreach efforts are documented in the yearly 'Digest of Administrative Reports To The Governor'."

Auditors' Concluding Comments

Our Criteria does not assert there is a law, regulation, or policy that requires outreach. It is based on the importance the department placed on outreach activities, its tracking sheet, and the expectation recruiters would complete the trackers.

Finding 6**School Construction - Cost Containment****Background**

The School Building Project Advisory Council (SBPAC) is organized under 10-292q of the General Statutes. The commissioner of Administrative Services or a designee is the SBPAC chairperson.

Section 10-283(a)(2) of the General Statutes provides that the Commissioner of Administrative Services annually prepare a list of all eligible school building projects with the amount of the estimated grants for such projects and submit the list to the Governor, the Secretary of the Office of Policy and Management, and the General Assembly.

Criteria

In September 2016, SBPAC established a \$365 per square foot maximum allowable building construction cost, effective for all grants applied for on or after July 1, 2017.

The Department of Administrative Services documented the maximum \$365 per square foot costs on its Form SCG-2003 - Building Construction Costs. Construction costs over the maximum are ineligible. However, the DAS commissioner has the authority to waive ineligible costs, allowing for their reimbursement.

Because the department requires construction professionals to complete cost estimates as part of the grant application, it has reliable cost estimates to evaluate each project's square foot building costs.

Condition

We identified 11 new and renovate-as-new school construction projects totaling \$1,010,567,467 that DAS included on its fiscal year 2022 and 2023 priority lists. We reviewed cost estimates for the 11 projects and found that ten exceeded the \$365 per square foot limit for construction costs. Estimated construction costs for these projects were between \$369 and \$592 per square foot.

Based on the Producer Price Index specific to new school construction, we estimated inflation would have increased the \$365 cost cap to \$407 for fiscal year 2022 and \$420 for fiscal year 2023. Using the inflation-adjusted cost cap eight of the 11 projects would still exceed the estimated inflation-adjusted caps by \$13 to \$172

dollars per square foot totaling \$92,558,867 in construction costs above the inflation adjusted cost caps.

Context

The department included 9 and 20 school construction grants respectively, in its December 2021 and December 2022 lists to the Governor. We selected all new and renovate-as-new projects except one project for a new central administration facility from these lists that were not cancelled: four from fiscal year 2022 and seven from fiscal year 2023.

Effect

Based on the department's policies, building construction costs that exceed the cost cap, and a proportionate share of consultant costs would be ineligible for state reimbursement. Therefore, by not enforcing cost limits, total school project costs may become excessive, and districts may be reimbursed for otherwise ineligible costs.

Cause

The department did not enforce its cost cap, and SBPAC has not voted to increase the cost cap since September 2016.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should establish controls to ensure that school construction projects are monitored for compliance with cost caps or documented waivers.

Agency Response

"DAS agrees with the finding. The \$365 per square foot parameter was established by the School Building Projects Advisory Council in 2016 and has not been adjusted for cost escalation or industry changes. DAS has recently completed a regional cost analysis and is evaluating the results of this study to update our target cost per square foot.

In addition, the new Directors of Grants and Plan Review are developing plans and processes to maintain the cost per square foot within guidelines, track costs at a more detailed and systematic level, and assessing the use of a parametric cost estimating tool that provides a more accurate cost per square foot value based on specifics of the school."

Finding 7

School Construction - Data Reliability

Criteria

Section 10-284(b) of the General Statutes authorizes the commissioner of Administrative Services to disapprove a grant application if the town or regional school district has not begun construction within two years of the effective date of the grant authorization.

The department's policy states that grant commitments for projects that have not begun construction within two years will be canceled unless exigent circumstances beyond the control of the district caused a delay. In that case, the district will be granted a one-year extension to begin construction.

Grant commitments are reported annually as a part of the state's Annual Comprehensive Financial Report (ACFR) in the notes to the financial statements under commitments and contingencies. Proper internal controls dictate that the accounting information system must provide reliable information that is free from material misstatement and significant defect.

Condition

Analytical procedures performed on school construction project grant data in Core-CT identified 383 projects, totaling \$1,082,557,539 in grant commitments, that did not receive reimbursement payments against their commitment and appeared likely to have passed their two-year construction deadline or contained inaccurate information about the project.

We selected nine of the largest projects, totaling \$446,090,061 in grant commitments, and projects on the fiscal year 2019 and 2020 priority lists, to review for construction start dates or grant extensions. The review identified five projects, totaling \$174,301,101 in grant commitments in Core-CT, that were completed, nearly complete, or cancelled by the grantee or DAS. The data in Core-CT is not accurate.

During our last audit, we informed the department about the discrepancies in Core-CT, and it has not corrected the data.

Context

In the department's fiscal year 2023 report of potential school construction obligation payments, it estimated total obligations of \$2,710,576,125, including the identified \$174,301,101 overstatement.

Effect

The Core-CT school construction data issues may contribute to an overstatement of the state's commitment reported in the ACFR

notes and may have overstated future funding requirements for school construction grants.

Cause

The Office of Grants Administration has one employee primarily responsible for entering the school construction data into Core-CT. This person is also responsible for reviewing grant applications submitted in June for inclusion on the priority list published in December. The school construction Core-CT data pages that identify grant commitments needing cancelations or extensions must be accessed individually. There is not enough time for the employee to evaluate the projects and complete review of grant applications during the same period.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should improve the quality of school construction data in Core-CT to enhance the accuracy of its financial reporting and provide the department accurate information to improve its program operations.

Agency Response

"Effective July 2025 (Fiscal Year 2026), the Office of Grants Administration (OGA) implemented a quarterly analysis of school construction grant commitments to identify projects approaching the two-year construction-start deadline. Projects identified as being within 90 days of the deadline will receive a reminder notice advising the school district of the approaching deadline and the need to provide updated project status information.

School districts may request an extension when circumstances warrant additional time, subject to applicable requirements and OGA review and approval. OGA will use information obtained through the quarterly review to monitor project status and update Core-CT as appropriate for completed, canceled, extended, or otherwise inactive projects.

This ongoing quarterly review process is intended to improve the accuracy and timeliness of school construction project information maintained in Core-CT and address the discrepancies identified in the audit."

Finding 8

School Construction - Change Order Documentation

Criteria

Section 10-286(c)(4) of the General Statutes provides that, for school building projects with total authorized costs greater than \$10 million, if total construction change orders or other change directives otherwise eligible for grant assistance exceed 5% of the total authorized project costs, the excess will be ineligible for grant assistance.

The Office of Grants Administration (previously Office of School Construction Grants & Review) Common Change Order Ineligibles Bulletin (Form SCG-3050) identifies the 5% provision codified in Section 10-286(c)(4) of the General Statutes and further clarifies that the provision includes change orders paid out of allowance and contingency funds.

The Notice of Change Order (Form SCG-042.CO) is required for every change order and requires the certified forms to be submitted electronically and in hardcopy to grants administration staff. The change order information is added to the State Change Order Summary (Form SCG-043.CO) each time a notice is submitted and includes information such as eligible and ineligible costs.

Projects that exceed the 5% provision can be reimbursed for ineligible costs, as the DAS commissioner has the authority to waive ineligible costs under Section 10-286g of the General Statutes.

Condition

DAS maintains a log of submitted project change orders. However, staff previously stated that the log is not the document of record, and the most complete record is the project files. We reviewed the change order log through April 2023 and requested the latest State Change Order Summary (Form SCG-043.CO) for 11 projects with change orders totaling \$50,745,222.

Through our review, we found seven project files were deficient because the change order summaries were missing or incomplete. We also identified seven projects with change order costs that exceeded the 5% provision but did not identify the ineligible costs on the forms.

The costs exceeding 5% of total project costs for the seven projects totaled approximately \$8,743,861, with \$3,284,689 as the largest ineligible amount. These projects did not have a waiver from the DAS commissioner.

Context

Our analysis of the change order log and approved school construction grant projects identified approximately 78 projects totaling \$4,891,382,543 with change orders totaling \$185,920,728 that have at least \$500,000 or more in change orders, which is the minimum amount necessary to violate the 5% provision on a \$10 million project. We judgmentally selected the 11 projects based on the highest change order totals, projects that were not selected in the prior audit, and had change orders submitted during the audit period.

Because the bulletin specifies that change orders paid out of allowances and contingency funds are included in the 5% provision, it should not be inferred that the sum of change orders resulted in a scope expansion that increased the size of the grant to a district. The change orders may represent a scope expansion, but a detailed review of projects and associated change orders would be necessary for that determination.

Effect

Change orders that exceed the limit established in Section 10-286(c)(4) of the General Statutes are ineligible for reimbursement. Incomplete records and forms that do not identify these ineligible costs could result in districts requesting and receiving approval for change orders that are ineligible for reimbursement.

Cause

Although the State Change Order Summary is required, the department does not appear to have effective internal controls to ensure that school districts submit the required summary, and the department adds it to the project file.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should improve internal controls to ensure that school construction projects are reimbursed in accordance with Section 10-286(c)(4) of the General Statutes or are supported by a waiver from the DAS commissioner for ineligible costs.

Agency Response

"DAS agrees with the finding and has taken several important steps to improve our internal controls through procedure improvements to ensure Section 10-286(c)(4) compliance per the bulleted list below.

- DAS has included language regarding Section 10-286(c)(4) on the DAS Grants website as for school districts' awareness.
- DAS has directed School districts to submit all Form SCG-043.CO spreadsheets to DAS Grant's change order email inbox.

- DAS now archives submitted Form SCG-043.CO spreadsheets on a dedicated Change Order OneDrive folder before distribution to DAS Plan Reviewers for initiation of any change order review.
- DAS documents approved eligible and ineligible values of change orders on formal Change Order Review Letters sent to school districts. These letters contain backup from the reviewed Form SCG 043.CO regarding DAS dispositions of eligible and ineligible costs. DAS archives Change Order Review Letters on a dedicated OneDrive folder before distribution to school districts.
- At the completion of review of all change orders for a school building project, DAS will determine total eligible change order costs from data included on the Main Change Order Log.
- At the time of final payment request review, DAS will use the Main Change Order Log data to enter the Eligible Change Order Costs on the School Construction Data page in Core-CT.
- The payment calculator function in Core-CT will complete the calculation automatically."

Finding 9

School Construction - Magnet School Limited Eligible Costs

Background

School construction grant information is recorded in Core-CT. Information on file includes eligible project costs and waivers required based on project and cost type. The Department of Administrative Services paid for Core-CT Development to accommodate the school construction grant program.

Prior to 2015, the State Department of Education (SDE) was responsible for school construction grants.

Criteria

Section 10-264h of the General Statutes provides an interdistrict magnet school may be eligible for reimbursement for up to eighty percent of the eligible costs of a school building project provided the school building project meets the requirements in chapter 173.

Section 10-286(a)(3) of the General Statutes (in chapter 173) provides that a school building project grant which includes the construction, extension, or major alteration of outdoor athletic facilities, tennis courts or a natatorium, gymnasium or auditorium, will limit the grant to half of the eligible reimbursement rate for those specific costs.

DAS defines school building project costs identified under Section 10-286(a)(3) of the General Statutes as limited eligible costs.

Condition

We identified three magnet school construction projects with estimated limited eligible costs totaling \$2,223,950 that were reimbursed as fully eligible costs. Reimbursing the estimated \$2,223,950 of limited eligible costs resulted in a potential \$1,111,975 overpayment.

The department informed us that the module for managing school construction grants in Core-CT does not include application controls for reimbursing limited eligible costs as fully eligible for magnet school projects. These controls only exist for non-magnet school projects.

Context

Due to legacy system limitations, we could not determine the number and total dollar value of magnet school construction grants the state awarded or how many grants included limited eligible costs.

Effect

Current and prior magnet school projects not selected for review may also include reimbursements for limited eligible costs (outdoor athletic facilities, tennis courts, indoor swimming pool, gymnasium, or auditorium) as fully eligible costs.

Cause

Department staff informed us that they did not seek waivers for magnet school limited eligible costs due to a prior State Department of Education interpretation that these costs were eligible for reimbursement at the regular reimbursement rate. This interpretation also led to the design of application controls in Core-CT that do not require a waiver for limited eligible costs to be reimbursed as fully eligible.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should establish procedures to document waivers for limited eligible costs for interdistrict magnet school construction projects or seek clarification of the statutory requirements.

Agency Response

"DAS disagrees with the finding and the Auditors' interpretation of § 10-264h and its connection to Chapter 173. DAS does not believe

the costs at issue are subject to limited reimbursement under § 10-286(a)(3). Magnet schools can apply for and receive grants pursuant to § 10-264h, as the Auditors have noted, which states that the project must “meet the requirements for a school building project established in Chapter 173” to be eligible for reimbursement under §10-264h. Reimbursement is not a requirement for a school building project that an applicant would need to meet to qualify for a grant; rather, it is how the agency pays the grant. In addition, § 10-283(a)(1) expressly identifies that “[n]otwithstanding the provisions of [Chapter 173]”, magnet schools “shall be eligible to receive grants for school building projects pursuant to section 10-264h.” DAS interprets these provisions together to mean that reimbursement for magnet school projects is dictated by § 10-264h and is not subject to the reimbursement rules in §10-286(a)(3). Accordingly, DAS reimbursed the costs at the rate established in § 10-264h.

DAS acknowledges that the relevant statutes could be better defined and would support a recommendation that the General Assembly clarify what requirements in Chapter 173 should apply to magnet school building projects.”

Auditors’ Concluding Comments

Our interpretation of Section 10-264h is that magnet school reimbursements are subject to the eligibility requirements in Chapter 173. This is supported by the Bill Analysis of Public Act 95-226 wherein it states, “...the bill requires magnet schools that receive school construction grants to meet the requirements of the school construction laws, unless the commissioner waives any requirements for good cause...”, the intent of the legislation was clear that magnet schools needed to meet the requirements of Chapter 173 when the following language was added to 10-264h, “to be eligible for reimbursement under this section a magnet school construction project shall meet the requirements established in Chapter 173.

Furthermore, Chapter 173 limits the grant amount to one-half of the reimbursement rate for limited eligible costs. Section 10-264h establishes the reimbursement rate and not the calculation of the grant amount. Even if we accept the department’s interpretation that limited eligible costs should be reimbursed at the full reimbursement rate, this would still mean the department has incorrectly calculated the grant amount for magnet school projects with limited eligible costs because the grant amount should be calculated at a one-half the reimbursement rate, even if those costs are later reimbursed at the full reimbursement rate.

Finding 10

Human Resources – Inadequate Controls over Rehired Retirees

Criteria

Governor Rell's Executive Order Number 27-A establishes that retired employees temporarily rehired by the state may not work more than 120 days (960 hours) in a calendar year and no more than two 120-day terms may be approved for any rehired retiree.

Condition

In our review of 21 rehired retirees employed at DAS we noted one employee who worked at several agencies as a rehired retiree for over ten years, recording over 10,000 hours and earning approximately \$371,490, as shown below:

Year	Entity	Hours Reported	Earnings Reported
2010	Norwalk Community College	585	\$ 20,469
2011	Norwalk Community College	52 *	1,821
2012	University of Connecticut	853 *	29,855
2013	University of Connecticut	333 *	11,655
2014	Southern CT State University	656	22,983
2015	Southern CT State University	868	30,363
2016	Southern CT State University	835	29,908
2017	Southern CT State University	879	32,287
2018	Southern CT State University	859	30,065
2019	Southern CT State University	878	30,712
2020	Southern CT State University	624	21,822
2020	Dept of Administrative Services	328	11,480
2021	Dept of Administrative Services	930	32,550
2022	Dept of Administrative Services	936	32,760
2023	Dept of Administrative Services	936	32,760
		10,549	\$ 371,490

*Hours estimated due to reporting limitations

Context

DAS rehired 21 retirees during calendar years 2020 and 2021. We reviewed all 21.

Effect

Rehired retirees are able to work in state positions in excess of established limits while collecting state pensions.

Cause

The department monitors hours worked by rehired retirees in the current year to comply with the 960-hour limit. However, procedures do not consider the two 120-day term limit in their design.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should establish controls to ensure compliance with Executive Order Number 27-A.

Agency Response

"We agree with the finding, as this was an oversight. We will work on a standard operating procedure for establishing controls to confirm whether a retiree has already served as a retiree prior to hiring as well as for time monitoring. Note: We did however have the approval of the office of the governor through CY 2023."

Auditors' Concluding Comments

The department obtained approval from the Office of the Governor. However, at the time of the request, DAS did not accurately present the amount of time the retiree worked for the state.

Finding 11

Human Resources - Inadequate Documentation for Personnel Actions

Criteria

Good business practices dictate that the qualifications and references for candidates selected for hiring are verified prior to beginning their employment. Verification should be documented and maintained in employee files to support their qualifications.

Department of Administrative Services General Letter No. 226 - Promotions by Reclassification (revised), dated February 19, 2021, provides direction for agency heads and HR professionals to comply with Section 5-227a of the General Statutes. Promotions by reclassification shall be made without formal examination provided the employee meets the minimum qualifications for the reclassified position as detailed on the job specification; the employee maintained an adequate performance record and received a satisfactory appraisal on their two most recent performance evaluations; the employee worked at the existing level in the current position for at least six months; and the commissioner of Administrative Services approves the reclassified position. On behalf of the commissioner, Statewide Human Resources management reviews each promotion by reclassification request.

Requests for promotion by reclassifications shall, at a minimum, include: a current master application completed by the employee; a statement that the employee's last two consecutive performance evaluations have been at least satisfactory; a statement that the employee has successfully performed the duties and responsibilities of the current position for at least six months; a current and completed duties questionnaire completed by the employee; the current and proposed organizational charts; and a justification

explaining how the promotion is organizationally sound and within established guidelines.

Condition

In our review of 25 employees that were newly hired during the audit period, we noted DAS lacked employment reference verifications for five SmART agency hires and degree verifications for two SmART agency hires.

In our review of 17 promotions by reclassification that occurred during the audit period, we noted DAS did not have duties questionnaires for three SmART agency reclassified employees and a master application for a DAS reclassified employee.

Context

We reviewed the hiring documentation of ten DAS and 15 SmART agency employees out of the 95 employees newly hired during the audited period.

We reviewed the promotion documentation of five DAS and 12 SmART agency employees out of the 42 promoted by reclassification during the audited period.

We judgmentally selected the personnel actions based on several factors, including a variety of job classes and departments, agency reorganizations, and the reasonableness of position reclassifications.

Effect

Inadequate documentation for new hires or promotions decreases the assurance that employees were qualified for their new positions and exposes the agency to questions about the appropriateness of personnel actions.

Cause

It appears that the department has not instituted or enforced documentation expectations for certain steps in the hiring and promotional processes.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should strengthen internal controls to ensure that personnel actions are adequately supported.

Agency Response

"DAS acknowledges this finding. While the agency acknowledges the finding for the audit period, it has since implemented additional controls to ensure documentation is maintained in a centralized location rather than by individual HR staff as it was during the audit period."

Finding 12

Human Resources - Inadequate Controls over Time Reporting

Background

Most state agencies use the Core-CT Human Resources Management System to record time and attendance and process payroll. Employees in self-service agencies enter their time using time reporting codes. Time reporting codes are associated with earning codes during the payroll process.

Criteria

Proper internal controls ensure that employee timesheets are accurately completed, properly approved, correctly processed, and adequately monitored.

Core-CT allows for use of holiday time reporting codes. Core-CT Job Aids provide holiday processing instructions and detailed explanations of when to use each holiday and holiday compensatory time reporting code. State agencies should only use the holiday time reporting code on a designated state holiday.

Condition

Our review found that in 2020, nine employees incorrectly charged 80 hours of holiday (HOL) time on ten non-holidays. In 2021, five employees charged 107.5 hours of HOL time on 14 non-holidays. Of these, five were Department of Administrative Services employees and nine were SMART agency employees.

Context

We reviewed all instances of the use of the HOL time reporting code on days that were not state holidays.

Effect

Employees appear to be incorrectly receiving time off.

Cause

The department's controls were not effective at ensuring accurate and appropriate time reporting.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should strengthen controls over the monitoring of holiday time reporting codes on employee timesheets and should make necessary corrections to employees' payable time.

Agency Response

"We disagree with the finding. This function is solely the responsibility of the Time Approver (Supervisor/Manager) and Payroll."

Auditors' Concluding Comments

The department's response does not address its organizational responsibility that requires supervisors and non-supervisors to review timesheets for more than ten employees every pay period. The timesheet approvers and Payroll Unit are DAS employees.

Finding 13**State Fleet - Investigation of Driver Complaints****Criteria**

Department of Administrative Services General Letter No. 115 - Policy for Motor Vehicles Used for State Business requires the Agency Transportation Administrator (ATA) at each state agency leasing fleet vehicles to promptly investigate complaints concerning state vehicles, drivers, and passengers. They must notify the DAS Director of Fleet Operations of the outcome of the investigation within 30 days.

General Letter 115 further establishes that the DAS Director of Fleet Operations is responsible for ensuring complaints are investigated and appropriate action is taken.

Condition

We found that DAS did not receive notification from agency transportation administrators about the outcome of 84 of 101 complaint investigations reviewed.

We reviewed the GPS data of ten vehicles with a public driving complaint and substantiated six complaints for speeding and two of four remaining complaints for dangerous driving. Only one substantiated speeding complaint included an agency transportation administrator's notification of the outcome of the investigation.

Context

We reviewed the 101 complaints filed between July 16, 2021, and ending December 7, 2021. Complaints included 43 categorized as driving dangerously, 40 complaints categorized as speeding, seven complaints about state vehicles seen in an inappropriate place, and 11 complaints in miscellaneous categories.

For the same period, we selected the ten most recent complaints in which it was possible to use GPS data from the complaint's state-owned vehicle to evaluate the validity of public complaints.

Our use of GPS data was limited to assessing the validity of public complaints and their effectiveness at identifying unsafe driving.

Effect

DAS is not meeting its responsibility to ensure complaints are promptly investigated and reported in accordance with General Letter 115.

Cause

DAS has not implemented an effective method to enforce state agency compliance with General Letter 115.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should implement an effective method to enforce state agency compliance with General Letter 115.

Agency Response

"DAS Fleet respectfully disagrees with the assertion. We recognize that agencies are facing challenges in reconciling driver behavior, exacerbated by labor relations challenges and staffing constraints that necessitate staff remaining mobile for client services. In response, DAS Fleet is actively collaborating with Labor Relations to help agencies tackle these challenges. As part of our efforts, a statewide Labor Relations meeting was convened at a DOT facility in late March 2026, led by the Office of Labor Relations. During this session, a dedicated discussion centered around General Letter 115 and disciplinary actions was held. In preparation for the meeting, Fleet Operations proactively supplied over fifteen scenario questions to OLR for review. These questions served as the basis for formulating a Frequently Asked Questions document intended for distribution to agencies. The questions played a significant role in driving the discussions during the March Labor Relations meeting.

DAS continues to make sure that ATAs receive complaints related to driver behavior. DAS has implemented sending follow-up emails to the ATA after 30 days of not receiving the State Vehicle Feedback Reply."

Auditors' Concluding Comments

The department promulgates General Letter 115 and established the requirement that state agencies leasing fleet vehicles promptly investigate driver complaints, notify DAS of the results. It also makes DAS responsible for ensuring complaints are investigated and appropriately acted upon. If the department does not consider the compliance requirements reasonable, it should modify them.

Finding 14

State Fleet Vehicle Accident Reporting

Criteria

Department of Administrative Services General Letter No. 115 – Policy for Motor Vehicles Used for State Business establishes that drivers are responsible for reporting an incident or accident with a state-owned vehicle within 48 hours to the Department of Administrative Services Fleet Operations and bring the vehicle to a Fleet Operations garage for inspection within 72 hours.

Fleet Operations established a policy that it must attach all DAS accident reports and available police reports to the accident record in its fleet management system.

Condition

We selected all 20 accidents from the fleet management system in which the state driver was at-fault and found that the state driver did not report five accidents within 48 hours. In seven of 20 accidents, the state driver did not get the state vehicle inspected within 72 hours. Accident reports and vehicles inspections ranged from seven to 56 days after the accident.

In addition, nine out of 18 accidents did not contain police reports in the fleet management system. We did not include two selected accidents in the test because they occurred on private property and would not normally include police reports.

Context

Between July 16th, 2021, and December 31st, 2021, there were 120 incidents of which there were:

- 20 auto liability accidents in which the state driver was at fault.
- 32 collision subrogation claims in which the state vehicle was hit by another vehicle; and
- 68 physical damage claims.

In our review, we did not count weekends and allowed for an additional day as DAS Fleet Operations may have received the documentation on time but did not process the report until the following day.

Effect

Late reporting of accidents and inspection of state-owned vehicles represent an increased risk to the public and anyone in the state-owned vehicle.

Accident records that are incomplete or differ from the police report have limited value in determining if a state driver needs remediation to safely operate a state vehicle.

Cause

DAS has not implemented an effective method to enforce state agency compliance with General Letter No. 115.

DAS had the necessary resources to obtain police reports for reported accidents but did not use them.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should evaluate its fleet monitoring process and enforce compliance with accident reporting and vehicle inspection requirements promulgated in General Letter Number 115 to ensure the safety of state-owned vehicles.

Agency Response

"DAS agrees in part. Fleet Operations has found that there are incidents of vehicle damage not being reported by client agencies in the appropriate timeline specified in General Letter 115. Furthermore, we agree that the required reports are at times incomplete or absent entirely.

DAS acknowledges that the introduction of telematics has allowed them to promptly notify agencies of incidents related to vehicle accidents through crash reporting mechanisms within the telematics platform. This proactive approach has led to enhanced resolution timelines and improved report submission. Fleet has also implemented sending email communications to agencies regarding these incidents that provide policy and timeline reminders for the agency. It is important to note that agencies are responsible for adhering to policy requirements for handling vehicle accidents. Therefore, the task of bringing a vehicle in for repairs and completing any missing reports ultimately falls on each individual client.

DAS Fleet firmly maintains that they exhaust all available resources to obtain police reports for reported accidents, and we continue to track every accident claim until each police report is received from law enforcement agencies. However, it's essential to clarify that while Fleet plays an active role in this process, it is ultimately the responsibility of the client agency to timely report all accidents and incidents. This responsibility is integral to the reconciliation process for vehicle accidents, including the first reporting of collisions with third parties or vandalism. The DAS sends correspondence to the responsible agency ATA, which either is or reports directly to the agency head (per GL 115) for action. We will continue to remind agencies of their responsibilities per GL 115 and continue to actively monitor and follow up on the accident reporting process."

**Auditors' Concluding
Comments**

DAS is responsible for the safety of state-owned vehicles. Vehicles that are known to have been in an accident must be inspected for safe operation for the protection of the state and other drivers.

Finding 15

**Bureau of Information Technology Solutions -
Unsupported Infrastructure Components**

Criteria

The National Institute of Standards and Technology (NIST) recommends various system and service acquisition controls (SA) in its special publication 800-53 (SP-800-53). Control SA-22, Unsupported System Components, requires the organization to replace information system components when support is no longer available from the developer, vendor, or manufacturer.

The Bureau of Information Technology Solutions (BITS) within the Department of Administrative Services has developed enterprise architecture standards for product and technology lifecycles. For obsolete and divested products, agencies should develop plans to migrate from obsolete products by replacing the technologies or solution as rapidly as possible.

Condition

The department has not replaced all obsolete products with supported products.

Context

The department implemented application tracking to identify and remediate unsupported platforms. In 2022, the department remediated 54% of obsolete products. In 2023, it added another family of products to its life cycle management program, identifying and remediating 12% of those additional products.

Effect

Obsolete infrastructure components increase risk of compatibility and security issues.

Cause

DAS indicated that retirements, loss of skilled workers, and an under-qualified applicant pool, and inadequate funding contributed to the challenge of updating systems.

Prior Audit Finding

This finding has previously been reported in the last two audit reports covering the fiscal years 2015 through 2020.

Recommendation

The Department of Administrative Services should develop and implement controls to ensure that products are replaced prior to becoming obsolete and unsupported.

Agency Response

"DAS agrees with the finding and recommendation. Technology is in a continual state of change, from new technologies being added to others being retired. Some of the efforts to remediate unsupported technologies unfortunately can take longer than the notice period of support. The state has an active vulnerability management and mitigation process to ensure we are working through these items with rigor."

Finding 16

Payroll - Inadequate Controls over Compensatory Time

Criteria

Collective bargaining agreements and Management Personnel Policy 17-01, Compensatory Time for Employees Exempt from Collective Bargaining, require that employees receive approval prior to earning compensatory time, with certain exceptions, and sets compensatory time expiration periods which are enforced using various plans within Core-CT.

The P-4 Collective Bargaining Unit Contract requires employees to use compensatory time within the following six-month periods, which are July through December and January through June.

Condition

We reviewed earnings and expirations of compensatory time, and compensatory plan enrollments in Core-CT.

We found that in six of ten reviewed instances of earned compensatory time, DAS did not have documented approvals, and two instances were approved after the employees earned it.

We reviewed expired compensatory time for a selection of ten P-4 Bargaining Unit employees. We found that expired compensatory time remained in employees' Core-CT leave bank for up to 181 days after the compensatory time should have expired based on the P-4 contract.

Our review of all compensatory time plan enrollments in Core-CT for DAS and SmART agency employees found 373 DAS employees and 274 SmART agency employees whose compensatory time plan enrollment in Core-CT did not match the compensatory time plan in their bargaining unit contracts.

Context

We selected ten employees who earned 1,344 hours of compensatory time from the 182 employees that collectively earned 7,049 hours of compensatory time. We judgmentally selected seven employees from DAS based on the highest earners for DAS. The specific pay period selected for each employee was based on when the selected employees recorded large amounts of compensatory time. We haphazardly selected for testing the three SmART employees.

The ten selected employees reviewed for compensatory time expirations had 1,074 hours of expiring compensatory time. The compensatory time expired one year after earning it, rather than on June 30th or December 31st based on the date the compensatory time was earned. We judgmentally selected nine DAS employees from the 160 DAS employees with 7,673 hours of compensatory time expiration based on employee enrollment in the P-4 bargaining unit and the amount of expired compensatory time. We haphazardly selected one SmART agency employee from the 36 SmART agency employees with 914 hours of compensatory time expiration.

Our review of compensatory time plan enrollments included 586 employees of DAS and 398 SmART agency employees for a total of 984 employees. This covered all employees of DAS and SmART agencies with employees with compensatory time plans.

Effect

Delayed compensatory time submissions may lead to the inaccurate reporting of hours. The absence of compensatory time approvals creates opportunities for employees to earn excessive or unnecessary compensatory time.

Employees enrolled in the incorrect compensatory time plans could earn more time than allowed or use time that should have expired.

Cause

The department did not enforce the requirement that employees submit requests prior to (or in emergency or on-call situations, immediately after) working additional hours to earn compensatory time.

Because of a constraint in Core-CT, agency payroll units must manually remove expired compensatory time for P-4 employees. The department did not monitor and remove expired P-4 compensatory time.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Department of Administrative Services should ensure compliance with compensatory time requirements in bargaining unit contracts and its management personnel policy.

Agency Response

"DAS agrees with this finding. As of August 28, 2024, DAS has officially started utilizing a new time reporter system to request approval for compensatory time prior to an employee working the additional time. We recognize that emergencies do happen, and it may not be possible to request approval in advance of working compensatory time. We will prepare a procedure for these emergent situations.

To ensure compliance with compensatory time requirements in bargaining units, payroll has instituted a new hire checklist containing information to ensure proper onboarding of bargaining unit compensatory plans in Core-CT. The DAS payroll unit will continue to correct employees compensatory time requirements, as any errors are discovered within Core-CT, based upon language within the employee's individual bargaining unit contracts."

Finding 17

Expenditures - Untimely Purchase Orders - DAS and SmART Agencies

Background

Under Section (60)(c) of Public Act 05-251, the Department of Administrative Services became responsible for providing the business office functions of certain executive agencies, which includes the Connecticut State Library, Department of Agriculture, Office of Government Accountability, Office of the Governor, Office of the Lieutenant Governor, and other state agencies. The DAS Small Agency Resource Team performs the business functions for these agencies, which are referred to as SmART agencies.

Criteria

In accordance with Section 4-98(a) of the General Statutes, except for emergency purchases, no state agency shall incur any obligation except by the issue of a purchase order or any other documentation approved by the State Comptroller to commit the agency's appropriations to ensure that funds are available for purchase.

Condition

We reviewed 50 DAS expenditure transactions, totaling \$2,314,510, and found that DAS did not approve 23 purchase orders, totaling \$1,838,363, prior to incurring an obligation.

We reviewed 50 SmART agency expenditure transactions, totaling \$2,272,172, and found that they did not approve 13 purchase orders, totaling \$382,636, prior to incurring an obligation.

Context	We judgmentally selected funds and state identification codes for DAS expenditure transactions not covered in other areas of the audit and then randomly selected expenditure transactions from voucher lines totaling \$213,004,481 for DAS. For SmART agencies, we judgmentally selected a minimum of two expenditure transactions exceeding \$1,000 dollars for each SmART agency from vouchers lines totaling \$47,439,146.
Effect	Noncompliance with statutory requirements could result in agencies exceeding their appropriations.
Cause	It appears that DAS has not fully exercised its authority to ensure compliance with statutory requirements.
Prior Audit Finding	This finding has been previously reported in the last five audit reports covering the fiscal years 2008 through 2020.
Recommendation	The Department of Administrative Services should strengthen internal controls over purchasing to ensure funding is committed and approved prior to purchasing goods or services in accordance with Section 4-98(a) of the General Statutes.
Agency Response	"DAS agrees in part with these findings. It was past business practice to have a Purchase Order created, fully obligate the amount, and commit a portion of the cost to keep funding available until the service/commodity needed to be paid. At that time, the financial allotments were equally received by DAS, divided equally over four quarters, which ultimately put a strain on some of the larger DAS financial obligations. DAS has implemented a new practice since our current CFO began her service with DAS. Starting in Fiscal Year (FY) 2023 we now receive 50% of our budget in the first quarter, 30% in the second quarter, and 10% in the third and fourth quarters. With this adjustment in our funding stream, we are in a better position to meet obligations that need to be loaded and paid within the first half each FY. In Previous years, Property Management Companies would submit their monthly billing package to Accounts Payable (A/P), after a review the A/P team would request Purchasing to encumber funds needed to cover expenses for that month. This is done because the cost varies each month depending on season and on unexpected maintenance costs. The newest process (starting in FY 2024) is that we commit funds quarterly based on historical data and add a slight buffer to account for any unforeseen costs. HDP grants are state aid grants to towns throughout Connecticut and are issued in large batches by the State Librarian on approximately (150) contracts annually. The payments are required to be made within (45) days of the contract being signed. Purchase

Orders cannot be entered and approved (within CORE-CT) until signed contracts are received, assembled, logged, and entered in CORE-CT. Notification is then made to Purchasing so POs can be issued by copying the contract information."

Finding 18

Asset Management - Lack of Software Inventory Controls

Criteria	Chapter 7 of the Office of the State Comptroller's Property Control Manual requires that each agency maintain a software library that allows it to track its software media, licenses, certificates of authenticity, documentation, and related items. The manual details the minimum data that must be included in the software library and requires agencies to designate a responsible party to establish and monitor the implementation of a software library.
Condition	DAS was not able to provide a software library with the required minimum data and did not designate a responsible party to monitor the software library.
Context	In fiscal year 2022, the DAS software inventory included 652 assets totaling \$11,011,000.
Effect	The lack of an acceptable software library and a designated library administrator increases the risk of possible equipment misstatement, improper use, loss, and theft that may not be promptly identified or detected.
Cause	DAS did not have internal controls to detect the noncompliance in its software library. In addition, the information technology consolidation process and employee departures and retirements made it difficult to transfer information and maintain the software library.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Department of Administrative Services should develop and implement controls to ensure adequate accountability over software assets in accordance with the State Property Control Manual.

Agency Response

"The Department agrees with the recommendations and acknowledges the necessity of establishing a comprehensive software library with an appointed custodian to oversee its implementation and monitoring. The method previously used to track our application inventory needed to change due to the inclusion of many more agencies as a part of IT Optimization. Although DAS possesses the data, it is not currently consolidated in an easily accessible repository. However, we have the tools needed to create a more complete software inventory moving forward."

Finding 19**Asset Management - Incomplete Physical Inventory****Criteria**

The Office of the State Comptroller's Property Control Manual requires each agency to complete a physical inventory of all property by the end of each fiscal year to ensure the accuracy of its property control records.

Condition

Our review of the DAS's property control system disclosed that DAS did not perform complete physical inventories during the 2022 and 2023 fiscal years. As of its October 2023 capitalized equipment asset list, DAS did not physically inventory 3,002 assets with a total cost of \$78,175,814.

In addition, we selected 20 assets for physical inspection. DAS could not locate 12 of the 20 assets.

Context

The department equipment list as of October 16, 2023, contained 4,305 capitalized items with a total cost of \$108,786,048. We reviewed the physical inventory data for all the department's equipment. We also haphazardly selected 20 assets to physically inspect.

Effect

There is less assurance that the recorded inventory is accurate, leaving state property susceptible to loss or theft.

Cause

The volume of inventory items the department is responsible for has increased due to agency mergers and centralization efforts. The department lacks adequate staffing to perform complete physical inventories and maintain inventory records.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Administrative Services should strengthen internal controls over its property control system to ensure compliance with the State Property Control Manual.

Agency Response

"The Department agrees with the recommendations and acknowledges that our asset inventory process needs to improve. We are taking steps to modernize our inventory process and are actively reviewing our inventory to identify and remove assets that are no longer in service.

In addition, the Department notes that the asset values listed in the report reflect original costs, whereas the present-day value of the assets has significantly depreciated."

Finding 20**Boards, Commissions, and Councils****Background**

The Department of Administrative Services is responsible for the administrative duties of eight regulatory and advisory boards, commissions, and councils. The meeting and membership requirements of each board are governed by specific sections of the General Statutes:

4a-19	State Insurance & Risk Management Board
4b-3	State Properties Review Board
5-201	Employees' Review Board
6-38b	State Marshal Commission
10-292g	School Building Projects Advisory Council
29-222	Examining Board for Crane Operators
29-291a	Fire Prevention Code Advisory Committee
29-298a	Fire Marshal Training Council

Criteria

Section 1-225 of the General Statutes requires public agencies to file not later than January 31st of each year with the Secretary of the State a schedule of regular meetings for the ensuing year and to post such schedule on the public agency's website.

Condition

We identified six boards that did not file their schedule of regular meetings with the Secretary of State by January 31st.

Context

We reviewed the filing of regular meetings with the Secretary of the State for each of the eight advisory boards, commissions, and councils.

Effect	The boards, commissions, and councils serve necessary administrative and regulatory functions. Failing to post the schedule of regular meetings with the Secretary of the State reduces the public's opportunities to participate in those functions.
Cause	A lack of administrative oversight and resources contributed to the condition.
Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2015 through 2020.
Recommendation	The Department of Administrative Services should work with its boards, commissions, and councils to ensure meeting schedules are filed in compliance with Section 1-225 of the General Statutes.
State Insurance Risk Management Board Response	"The State Insurance and Risk Management Board (SIRMB) agrees to comply with the requirements of CGS Section 1-225 of the General Statutes, including the requirement to post the meeting schedule to the Secretary of the State's website and to its own website by January 31 st of each year. The SIRMB public meeting dates have been publicly available as they are included in the meeting minutes of the preceding year, but they will be separately posted."
DAS Response	"The Department of Administrative Services reviewed all postings on the DAS and Secretary of the State (SOTS) websites and reached out to the responsible staff to again reiterate the requirements of timely posting of agendas and meeting minutes. DAS made each of the independent boards and commissions aware of the statutory requirements relating to meeting schedules, agendas, and minutes. DAS continues to communicate to these independent boards and commissions the importance of following statutory compliance, but ultimately, DAS does not have control over the independent boards and commissions. To help ensure compliance with the timely postings, DAS has implemented that the Legal Team will follow-up quarterly to ensure all meeting notices, agendas, and minutes have been posted to the DAS and SOTS websites."

Finding 21

Office of the Claim Commissioner - Open Claims

Background	Sovereign immunity restricts lawsuits against the State of Connecticut. Individuals and other entities such as businesses, not-for-profits, and others, must first file a claim with the Office of the Claims Commissioner (OCC), which allows them to request up to \$35,000 in damages or the right to sue for a higher sum.
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Criteria	Section 4-151(a) of the General Statutes provides that claims should be heard “as soon as practicable after they are filed”. Section 4-154(a) of the General Statutes requires that the Claims Commissioner, the Deputy Claims Commissioner or a special deputy shall make all reasonable efforts to render a decision no more than 90 days after a hearing.
Condition	There were 379 open cases that appear to have exceeded the 90-day statutory time limit for review.
Context	The office has 728 open claims as of April 2024.
Effect	Claimants who do not get a timely adjudication of their case may be delayed in receiving damages or their pursuit of litigation against the state.
Cause	Each year, the office receives more claims than it can adjudicate with current staffing.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Office of the Claims Commissioner should streamline its claim review procedures and request additional resources to increase its adjudication capacity to comply with Section 4-154(a) of the General Statutes.
Agency Response	“The OCC agrees with the APA’s Draft Finding that is set forth above in this document. The OCC does need to continue to develop claim review procedures that allow for more efficient claim adjudication. In October 2024, we hired a full-time paralegal specialist. The OCC has also been able to more efficiently work with our law student interns and paralegal student interns. These talented interns are efficiently digging into the claims processing work and are obtaining a great educational experience. The interns get to see great attorneys in action during our evidentiary hearings. The OCC has also been starting to streamline our claims processing procedures – and we are pushing to get claims ready as quickly as possible for evidentiary hearings. We’re seeing very positive results, but more work needs to be done – and we will do it.”

Finding 22

State Properties Review Board - Noncompliant Review Process

Background

The State Properties Review Board (SPRB) was established to oversee the state's real estate acquisition, sale, and leasing activities, and the selection of design professionals for state construction projects.

SPRB was created to ensure these activities are free from political influence, conducted in accordance with sound business practices, and in the best interest of the state.

Criteria

SPRB must approve or reject design professional and consultant contracts for state construction projects within 30 days in accordance with Section 4b-23(i) of the General Statutes. When SPRB takes no action within that period, the contract is automatically approved.

Condition

Although not permitted by statute, SPRB suspends reviews of design professional and consultant contracts to halt the 30-day statutory deadline while waiting for additional information from agencies. During fiscal year 2022, we noted SPRB suspended 11 of 75 proposals from three to 175 days.

Context

SPRB received 200 proposals during fiscal year 2022 of which 75 were subject to the 30-day deadline.

Effect

Extended reviews of agency proposals could delay ongoing state construction or transportation projects.

Cause

SPRB votes to suspend a proposal rather than returning proposals for resubmission, which had been a long-standing practice.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The State Properties Review Board should ensure that it promptly reviews proposals in accordance with Section 4b-23(i) of the General Statutes.

Agency Response

"SPRB agrees with this finding as CGS §4b-23(i) specifically provides an "approve or disapprove" function, not a "suspend" function, for those consultant contracts proposed by the commissioner of DAS

pursuant to CGS §4b-1 and 4b-55 to 4b-59, inclusive. Historically (since 1980), SPRB has “suspended” those proposals as a convenience to DAS-RECS, rather than voting to “disapprove” a particular proposal prior to the 30-day window to act. SPRB will not seek to change CGS §4b-23(i) but will work with DAS-RECS to improve processes to effectively act within the 30-day window. The SPRB appreciates the APA identifying this issue and SPRB notes that future APA activity will also note the same findings for future audit years (through 12/31/2024). Effective January 1, 2025, SPRB internal processes have corrected this issue.”

Finding 23

State Properties Review Board - Inaccurate Calculations of Reported Savings

Criteria

Section 4b-2(1) of the General Statutes requires that the State Properties Review Board (SPRB) submit an annual report to the Governor which includes “recommendations, comments, conclusions, or other pertinent information” concerning realty acquisitions and projected needs of the state.

The SPRB report includes the savings achieved through its review process. SPRB calculates any difference between the original proposed amount and the final approved amount as savings. If the savings are reversed in future periods by later approvals or actions, SPRB updates the amount of savings in its next report.

Condition

We reviewed SPRB meeting minutes and project files to identify the source of the savings reported in its annual reports for fiscal years 2020 through 2022 and determine whether it included all relevant information in the calculation. We determined that the SPRB calculations did not accurately capture actual savings for fiscal years 2020 and 2021 and SPRB did not adjust its reported savings in subsequent annual reports.

SPRB reported as savings:

- 1) \$544,731 in costs SPRB initially rejected but later approved and paid.
- 2) \$640,826 in costs that were to be paid for with liquidated damages that the Department of Administrative Services assessed against the contractor. The contractor was ultimately paid the withheld balances.

- 3) \$638,691 in costs that SPRB rejected, which resulted in contractors bringing claims against the state. The contractors were ultimately paid the rejected costs.
- 4) \$55,113 in costs that SPRB reported a third-party reimbursed when there was no reimbursement.

	SPRB Reported Savings	Unreported Adjustment	Auditor Adjusted Savings
FY 2020	\$ 960,604	\$ 802,773	\$ 157,831
FY 2021	1,309,924	1,076,588	233,336
FY 2022	278,397	-	278,397
Totals:	\$ 2,548,925	\$ 1,879,361	\$ 669,564

Context

The board reported savings of \$2,548,924.97 from 24 proposal reviews out of the 668 the board reviewed during fiscal years 2020 through 2022. The board presented these savings against the \$1,087,823,67 in expenditures for the board for the same fiscal years. We reviewed all \$2,548,925 of SPRB reported savings in the reports for fiscal years 2020 through 2022.

Effect

Inaccurate or incomplete calculations decreases the reliability of the information reported by SPRB.

Cause

The method SPRB uses to determine savings does not include potential mitigating costs that reduce reported savings or adjust reported savings when the state pays rejected costs.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The State Properties Review Board should ensure the calculation of savings in its annual reports includes all relevant information and should update reported savings in its subsequent annual report.

Agency Response

"The SPRB appreciates the APA's findings and confirmation of those payments by DAS-RECS and Department of Agriculture (DoAG) to consultants and contractors after the SPRB acted to disapprove or modify the contractual fee as originally negotiated. For transparency, the SPRB was neither part of, nor informed of, any subsequent actions or claims made by consultants, contractors, or resultant payments made, during the audit period. SPRB researched, verified and confirmed the individual and total monetary value of claims reported as savings for FY-20 and FY-21, itemized in the APA's four items above. With respect to the APA recommendation of adjusting the SPRB annualized savings, absent corresponding communication from either DAS-RECS or DoAG, the SPRB would have no knowledge of those subsequent payments to consultants or contractors. In fact, SPRB had claimed savings during FY-18, and in FY-19 reversed a prior decision that reduced the FY-18 reported

savings. This change was properly communicated in the SPRB FY-19 Annual Report. The SPRB FY-25 Annual Report will reflect said reductions as identified by the APA.

SPRB seeks to engage both DAS-RECS and DoAG to enhance communications to improve the validity of the saving(s) calculations.”

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Department of Administrative Services contained 36 recommendations. 25 have been implemented or otherwise resolved and 11 have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
The Department of Administrative Services should strengthen controls over the approval of position reclassifications and post-audits to ensure it consistently evaluates whether agency actions are organizationally sound.	RESOLVED
The Department of Administrative Services should coordinate with the Office of Policy and Management to develop and implement procedures to clearly document and support the rationale and impact of individual and group salary adjustments.	RESOLVED
The Department of Administrative Services should enhance its post-audit unit by assigning necessary staffing and broadening its scope of review to ensure that delegated agency human resources actions were organizationally sound and in compliance with statutes. The department should enhance procedures to ensure retroactive transactions are identified for post-audits. Furthermore, the department should develop and implement procedures and seek necessary legislative changes to correct errors and enforce agency compliance with post-audits.	REPEATED Modified Form Recommendation 3
The Department of Administrative Services should strengthen controls to ensure that salaries are calculated and entered correctly.	RESOLVED
The Department of Administrative Services should promptly take appropriate disciplinary action when it substantiates misuse of state resources and report any breakdowns in the safekeeping of state resources to the Auditors of Public Accounts and State Comptroller as required by Section 4-33a of the General Statutes.	RESOLVED
The Department of Administrative Services should strengthen controls to ensure that personnel actions are adequately supported.	REPEATED Recommendation 11

Prior Recommendation	Current Status
The Department of Administrative Services should strengthen controls to ensure that it conducts necessary performance appraisals.	RESOLVED
The Department of Administrative Services should formalize procedures to ensure it promptly, consistently, and completely conducts all human resources investigations.	RESOLVED
The Department of Administrative Services should implement procedures to ensure employees' withholding status remain appropriate in accordance with the federal employer's tax guide.	RESOLVED
The Department of Administrative Services should improve monitoring of medical leave to ensure employees provide medical certificates for any absence of more than five consecutive working days as required by Section 5-247-11 of the Regulations of Connecticut State Agencies.	RESOLVED
The Department of Administrative Services should establish and implement monitoring activities to reduce the department's susceptibility to noncompliance, overpayment, and theft of time.	RESOLVED
The Department of Administrative Services should provide employees statutorily required workplace violence and diversity training in accordance with Section 4a-2a(b) and Section 46a-54(16) of the General Statutes.	RESOLVED
The Department of Administrative Services should ensure compliance with compensatory time requirements in bargaining unit contracts and its management personnel policy.	REPEATED Recommendation 16
The Department of Administrative Services should implement controls to ensure the appropriate time reporting codes are used. In addition, the department should correct and adjust employee leave balances to account for leave time.	REPEATED Modified Form Recommendation 12
The Department of Administrative Services should complete its procurement of a new collections system that would include the necessary analytical tools to identify revenue opportunities and associated costs to ensure that increases in revenue would cover the cost of additional staff or further system improvements. The department should ensure all collection applications have appropriately configured backups to safeguard against the loss of data.	RESOLVED

Prior Recommendation	Current Status
The Department of Administrative Services should ensure compliance with Section 4-98(a) of the General Statutes by having properly approved and adequately funded purchase orders in place prior to ordering goods and services.	REPEATED Modified Form Recommendation 17
The Department of Administrative Services should strengthen controls to ensure that it pays invoices on time in accordance with Section 4a-71 of the General Statutes.	RESOLVED
The Department of Administrative Services should resolve the unreconciled difference between the balances in its bank account and client trust accounts.	RESOLVED
The Department of Administrative Services should obtain the necessary resources to ensure that it promptly performs elevator and escalator inspections in accordance with Section 29-195 of the General Statutes. The department should implement procedures to ensure certificates of operation are renewed in accordance with Sections 29-196 and 29-197 of the General Statutes and consider assessing penalties to address unpaid fees and improper elevator and escalator operation as permitted by Section 29-198 of the General Statutes.	RESOLVED
The Department of Administrative Services should work with the Office of the State Comptroller to resolve the misstatements in the state asset records.	RESOLVED
The Department of Administrative Services should regularly monitor projects for compliance with change order controls and require project managers to use project management software to avoid waste, fraud, and abuse.	RESOLVED
The Department of Administrative Services should provide ongoing training to project managers to strengthen internal controls over its construction project management process.	RESOLVED
The Department of Administrative Services should ensure that the school construction audit unit is organizationally independent. The department should also ensure that school construction audits comply with generally accepted government auditing standards established by the U.S. Government Accountability Office if those audits indicate they are being performed under those standards.	RESOLVED

Prior Recommendation	Current Status
The Department of Administrative Services should establish controls to ensure that school construction projects are monitored for compliance with recommended cost caps or documented waivers.	REPEATED Modified Form Recommendation 6
The Department of Administrative Services should improve the quality of school construction data in Core-CT to enhance the accuracy of its financial reporting and provide the department accurate information to improve its program operations.	REPEATED Recommendation 7
The Department of Administrative Services should improve internal controls to ensure that school construction projects are reimbursed in accordance with Section 10-286(c)(4) of the General Statutes.	REPEATED Recommendation 8
The Department of Administrative Services should update its business continuity program and disaster recovery plan to ensure that it addresses agency or other changes in accordance with professional standards.	RESOLVED
The Department of Administrative Services should develop and implement controls to ensure that products are replaced prior to becoming obsolete and unsupported.	REPEATED Recommendation 15
The Department of Administrative Services should develop and implement written policies and procedures for tracking, monitoring, and managing active directory accounts, including a timeframe to deactivate inactive accounts.	RESOLVED
The Department of Administrative Services should review and enhance the existing controls related to separating employees to ensure it promptly disables user account access in all Core-CT modules.	RESOLVED
The Department of Administrative Services should revise its process to expedite the sale of surplus property to reduce the cost of maintaining vacant properties and limit further dilapidation and damage.	RESOLVED
The Department of Administrative Services should improve internal controls to ensure that all necessary documentation is in the file prior to awarding a contract.	RESOLVED

Prior Recommendation	Current Status
The Department of Administrative Services should improve controls to ensure that contract pricing is adequately supported and that contract extensions comply with Section 4a-59a of the General Statutes and the department's policies.	RESOLVED
The Department of Administrative Services should evaluate its fleet monitoring process and improve its accident monitoring system.	REPEATED Modified Form Recommendation 14
The Department of Administrative Services should work with its boards, committees, and councils to ensure compliance with the various statutes governing membership, meeting, and posting requirements.	REPEATED Modified Form Recommendation 20
The State Marshal Commission should develop and implement written procedures to ensure consistency in the appointment process, adherence to statutory and regulatory requirements, and retention of records in accordance with the records retention schedules.	RESOLVED

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Department of Administrative Services, Office of the Claims Commissioner, State Insurance and Risk Management Board, State Marshal Commission, and State Properties Review Board (referred to as department) in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2021 and 2022. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, asset management, reporting systems, information technology, collection services, fleet operations, strategic procurement, workers compensation, properties and facilities management, leasing & property transfer, petty cash, statewide human resources, capital projects, school construction grants, and revolving funds. We also determined the status of the findings and recommendations in our prior audit report.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the department and certain external parties. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the department's management and state information systems. It was not subject to our audit procedures. For the areas audited, we identified

1. Deficiencies in internal controls;

2. Apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. A need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the Department of Administrative Services.

ABOUT THE AGENCY

Overview

The [Department of Administrative Services](#) operates under the provisions of Title 4a, Chapter 57, 58 and 58a, and Title 5, Chapter 67 of the General Statutes. These provisions charge DAS with the establishment of personnel policy and the personnel administration of state employees; the purchase of supplies, materials, equipment, and contractual services; the certification of small and minority-owned business enterprises; the prequalification of construction contractors; and printing; billing, and collection services.

Title 4b, Chapter 59 and 60a of the General Statutes gives the agency's bureau of property and facilities management the responsibility for: acquiring property for most state agencies through lease or purchase; selling surplus property; and, providing facility maintenance and security to state buildings in the greater Hartford area and certain properties outside of the Hartford area.

Under Title 4b, Chapter 60, Title 10, Chapter 173, and Title 29, Chapter 541 of the General Statutes, the department is responsible for the design and construction of a variety of state facilities, providing state building and fire code administration, and school construction grants administration.

The department's Bureau of Information Technology Solutions (BITS) operates under Title 4d, Chapter 61 of the General Statutes, and is responsible for developing and implementing an information and telecommunication systems strategic plan, and for identifying and implementing optimal information and telecommunications systems to efficiently service the needs of state agencies. The bureau is also responsible for purchasing and leasing all state agency information technology equipment and services, including approving or rejecting agency requests for such equipment or services.

The State Marshal Commission, State Insurance and Risk Management Board, State Properties Review Board, and the Office of the Claims Commissioner have independent decision-making authority and are organized under the Department of Administrative Services for administrative purposes only.

The State Marshal Commission operates under Title 6, Chapter 78, of the General Statutes and is responsible for the appointment and oversight of the state marshals who serve civil process, enforce court orders, and issue tax warrants.

The State Insurance and Risk Management Board operates under Title 4a, Chapter 57a, of the General Statutes and is responsible for all elements of procuring insurance and developing risk management and loss prevention programs for the state to protect against losses and mitigate risk.

The State Properties Review Board operates under Title 4b, Chapter 59, of the General Statutes and is responsible for oversight of real estate transactions, professional services for construction projects, and the acquisition of farm development rights.

The Office of the Claims Commissioner operates under Title 4, Chapter 53, of the General Statutes and is authorized to resolve claims against the state with the consent of the General Assembly. Otherwise, the legal concept of sovereign immunity provides that a state cannot be sued for monetary damages.

Organizational Structure

Office of the Commissioner

Josh Gabelle served as commissioner and chief operating officer until February 2022. Governor Lamont appointed Michelle Gilman as commissioner in February 2022 and she was confirmed in April 2022. She continues to serve in that capacity.

The Office of the Commissioner sets the policy and direction of the agency and provides legal support and oversight of DAS operations. The major functional areas of the Office of the Commissioner include:

- Business Services
- Internal Audit
- Human Resources
- Real Estate and Construction
- Bureau of Information Technology Solutions
- Procurement Services
- Legal, Legislative and Communications

Business Services Division & Small Agency Resource Team (SmART)

The Business Services Division provides revenue accounting for DAS collections, purchasing, accounts payable, accounts receivable, grants administration, accounting, asset management, budget development, payroll, school construction auditing and payments, development of small business set-aside goals, statewide telecommunication service, accounting for state construction projects, purchasing card (p-card) administration, travel administration, and overall administrative services provided for DAS and other agencies. The payroll function was transferred to Business Services when HR Centralization separated the personnel and payroll functions in August 2020.

The collection services unit, within the division, recovers money owed to the state in public assistance cases, charges for support of persons cared for or treated in state humane institutions, and provides billing and collection services for state agencies.

The SmART unit handles business office and/or payroll functions for the following:

- Department of Agriculture
- Department of Banking
- Connecticut State Library
- Department of Consumer Protection
- Department of Economic and Community Development
- Office of Governmental Accountability
- Department of Housing
- Paid Family and Medical Leave Insurance Authority
- Teachers' Retirement Board
- Office of the Governor
- Office of the Lieutenant Governor

Human Resources & Small Agency Resource Team (SmART)

The Human Resources (HR) unit is responsible for performing a wide variety of HR tasks and functions serving the employees within DAS. The SmART unit administers the HR functions for the following:

- Department of Agriculture
- Department of Banking
- Connecticut State Library
- Department of Consumer Protection
- Department of Economic and Community Development
- Office of Governmental Accountability
- Department of Housing
- Department of Insurance
- Paid Family and Medical Leave Insurance Authority
- State Department of Education
- Teachers' Retirement Board
- Office of the Governor
- Office of the Lieutenant Governor

Statewide Human Resources Management Division

The Statewide Human Resources Management Division establishes, maintains, and communicates a uniform and equitable system of personnel administration for current and prospective state employees. The primary objective of the division is to effectively and efficiently secure and retain well-qualified employees. Its functions include recruitment, examination, selection, appointment, promotion, transfer, separation, layoff, classification, job evaluation, organizational structure, and compensation. The division is also responsible for the statewide human resources information system, specifically the Core-CT HR and time and labor modules.

Governor Lamont's Executive Order No. 2, effective July 31, 2019, directed the commissioner of Administrative Services to develop and execute a plan to modernize and centralize the state's human resources functions within DAS. As part of this announcement, the commissioner assigned a deputy commissioner to oversee the initiative and division. The centralization became effective August 28, 2020.

The statewide Workers' Compensation (WC) Program establishes operational procedures for state agencies, assists them in following these procedures, and helps them promote a culture of safety within their workforces. The State of Connecticut is self-insured for liabilities associated with work-related injuries and illnesses. Individual state agencies report and internally process all workers' compensation claims. A third-party claim administration company provides all claim adjusting services, the physician provider directory, and managed care services to the program. The workers' compensation unit oversees the third-party administrator and ensures contract compliance. This program became part of the Statewide Human Resources Management Division when the statewide centralization of human resources became effective on August 28, 2020.

Internal Audit Division

The Internal Audit Division (IAD) provides assurance services to influence and improve the department's operations, outcomes, and compliance. IAD evaluates and works to improve the effectiveness of the department's overall control environments, enterprise business risk leadership control, and governance processes. The Director of Internal Audit reports directly to the commissioner to ensure the objectivity of the division.

The School Construction Unit (SCU) is organized under IAD and conducts audits of completed state grant funded school constructions projects. SCU evaluates compliance with applicable statutory, regulatory, and grant requirements.

Real Estate and Construction Services Division

The division is led by a deputy commissioner and is the state's primary division for executive and judicial branch construction-related services, development, administration, and state building and fire code training.

The following offices relate to construction services:

- Office of Legal Affairs, Policy and Procurement
- Properties and Facilities Management
- Leasing and Property Transfer
- Project Management Unit
- Regulatory and Technical compliance, which includes the Office of Regulatory Compliance, the Office of the State Building Inspector, the Office of the State Fire Marshal, and the Office of Education and Data Management
- Technical Services and Plan Review

The School Construction Plan and Review unit within the Technical Services and Plan Review office is responsible for the grant administration and technical review of all public-school construction projects seeking state reimbursement, administration of Connecticut Technical Education and Career System (CTECS) school projects, payment of vendors for CTECS projects, and the state hazardous materials abatement program. DAS entered into a memorandum of understanding with the Office of Policy and Management (OPM), effective November 20, 2019. As part of this agreement, the DAS Director of Construction Management transferred to OPM to assume the appointed deputy secretary position effective November 21, 2019. Also, as part of this agreement, the DAS commissioner delegated the program's administrative duties and responsibilities, including but not limited to the preparation of the school construction priority list, approval of applications for grants, payment of grants, and authorization of waivers to the OPM Secretary. The deputy secretary only assumed administrative and ministerial functions and did not assume discretionary or quasi-judicial powers. The school construction office's staff remained DAS employees but moved to OPM office space. The DAS commissioner terminated this agreement on October 28, 2021. The Internal Audit unit led by the Director of Internal Audit is now responsible for auditing school construction grants.

Fleet Operations is also within the division and serves over 60 state agencies by providing reliable, cost and fuel-efficient motor vehicles. The division leases more than 3,400 vehicles, rents dozens more, and maintains those state vehicles with a professional staff.

Property and Facilities Management administers the operation, maintenance, and security of state owned and leased buildings. The unit is responsible for the long-term management of these assets, including the physical integrity of the property, operating expenditures, environmental conditions, preventative maintenance, capital improvements, and administration of contracts for property management firms, service contracts, design consultants, and security services.

Leasing and Property Transfer manages the leasing of property for state use and leasing of state property to outside entities. The unit also acquires and disposes of real estate for state agencies.

Bureau of Information Technology Solutions

The Bureau of Information Technology Solutions, led by the chief information officer, is responsible for developing and implementing information technology and telecommunication systems to efficiently serve the needs of state agencies and for purchasing and leasing all state agency information technology equipment and services, or approving agency requests for such equipment or services. In March 2021, DAS announced the establishment of a new information technology organizational structure, centralizing the state's information technology resources under the department. In October 2021, DAS began executing memorandums of understanding (MOUs) with state agencies to transition staff from state agencies to DAS and to define responsibilities between state agencies and DAS. DAS formally changed the Bureau of Enterprise Services and Technology to the Bureau of Information Technology Solutions in July 2022 and by July 2023, 40 state agencies had executed MOUs with DAS and transitioned to statewide services.

Procurement Services Division

The Procurement Services Division purchases, leases or contracts all supplies, materials, equipment, and contractual services, as well as all information system and telecommunication system facilities, equipment, and services for executive branch state agencies.

Legal and Legislative Unit

The Legal and Legislative Unit is responsible for providing legal and government relations support to the department. The unit advocates on behalf of other units on the department and other state agencies to legislators and other external stakeholders to achieve administration goals.

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 21-3 (Sections 2 to 4)**, effective July 1, 2021, prohibited the state from recovering cash and medical assistance from liens placed on real property, unless required by federal law, and required the state to deem any certificate or lien previously filed on such properties as released. This reduces the amount of cash and medical assistance the DAS Collection Unit can recover.
- **Public Act 21-59**, effective October 1, 2021, expanded the types of information that, when combined with a person's first name or first initial and last name, are considered personal information and therefore subject to data breach notification requirements. The centralization of information technology services under DAS means the department is responsible for safeguarding the expanded types of information and for compliance with shortened data breach notification requirements.
- **Public Act 21-76** made various changes affecting DAS.
 - **Sections 1 to 7**, effective July 1, 2021, generally eliminated requirements that contractors submit documentation (i.e. affidavits and certifications) about their compliance with certain contracting laws. It instead required that they incorporate the applicable requirements into the contracts.
 - **Sections 8 to 11**, effective October 1, 2021, revamped the state set-aside program eligibility requirements for small contractors and minority business enterprises (MBE). Previously, DAS was responsible for reviewing program applicant financial documentation. DAS may now rely on the determination made at the federal level.

- **Section 12**, effective July 1, 2021, clarified the authority of the DAS commissioner to waive competitive bidding for minor nonrecurring or emergency purchases of \$10,000 or less. Previously the authority of the DAS commissioner applied to minor nonrecurring and emergency purchases of \$10,000 or less.
- **Section 13**, effective July 1, 2021, expanded the authority of state agencies to use reverse auctions for state contracting for goods and services beyond the purchase of construction and construction-related services.
- **Section 15**, effective July 1, 2021, expanded the authorization for piggybacking on existing contracts to include persons contracting with another branch, division, or department in state government and allowed state agencies to make the purchase if approved by the DAS commissioner or their designee. Previously, state agencies were required to make these purchases through the DAS commissioner.
- **Section 16**, effective July 1, 2021, reduced the size of the State Insurance and Risk Management Board from 13 to ten members and made conforming changes.
- **Section 18**, effective July 1, 2021, modified the requirement for the DAS commissioner to develop, publish, and annually update the information and telecommunication systems strategic plan by requiring the plan to specifically include standards for digital identity verification under the Connecticut Uniform Electronic Transaction Act that are consistent with industry standards and best practices.
- **Sections 19 to 24**, effective July 1, 2021, eliminated several DAS reporting requirements to the relevant legislative committees and reporting requirements by state agencies to DAS.
- **Public Act 21-91**, effective June 28, 2021, made various changes in the laws concerning claims presented to the claims commissioner that exclusively seek permission to sue the state. The act required the Governor to appoint temporary deputies to hear claims seeking permission to sue that are pending for claims pending for at least three years at the time of passage. The act also allows the claims commissioner, without holding a hearing, to grant permission to sue based on the claim notice or supporting evidence if the attorney or claimant files a motion and an affidavit attesting to the claim's validity.

Financial Information

General Fund Receipts

A summary of General Fund receipts during the audited period as compared to the preceding fiscal year follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
Cost Recoveries of:			
Public Assistance	\$ 56,954,183	\$ 48,037,166	\$ 49,539,763
Hospitals	17,638,629	15,874,956	16,582,664
Title IV-E and Non IV-E Programs	4,067,053	3,822,409	3,108,546
Other Receipts			
Inspection Fees	3,464,295	2,504,370	3,333,873
Refunds of Expenditures from Prior Years	1,468,148	1,459,794	1,524,276
Miscellaneous Recoveries	4,969,982	4,876,970	5,764,371
Total	\$ 88,562,290	\$ 76,575,665	\$ 79,853,493

The collections unit also performed claims submissions for federal Medicaid, Medicare, Social Security, private insurance, and self-pay program billings. Approximately 99% of the total claims for the audited period were from the Medicaid Title XIX program. The Medicaid program, established pursuant to Title XIX of the Social Security Act, provides medically related care and services to needy persons. The state received 50% reimbursement from the federal government for claims accepted and paid under the Title XIX program. The collections unit reported claims for inpatient and outpatient medical assistance programs during the audited period.

Billings for the audited period were relatively flat, except for in-patient billings for the Department of Children and Families. The claims were submitted to Medicaid and approved for reimbursement.

Fiscal Year Ended June 30,			
	2020	2021	2022
Department of Developmental Services:			
Waiver	\$ 1,010,304,312	\$ 1,082,943,157	\$ 1,152,790,989
In-patient Care Facility	144,924,912	175,830,443	152,151,607
Targeted Case Management	40,457,316	49,445,100	41,494,858
Total Claims Reported for DDS	1,195,686,540	1,308,218,700	1,346,437,454
Department of Mental Health and Addiction Services:			
In-Patient	48,178,750	65,444,116	65,166,261
Targeted Case Management	6,329,342	12,257,585	11,720,006
Out-Patient	1,913,890	935,316	1,606,545
Total Claims Reported for DMHAS	56,421,982	78,637,017	78,492,812
Department of Veterans Affairs:			
In-Patient	11,317,705	2,759,355	18,031,822
Department of Child and Families:			
In-Patient	55,891,671	69,260,809	156,023,622
Private Non-Medical Institutions	2,558,280	2,585,728	2,310,824
Total Claims Reported for DCF	58,449,951	71,846,537	158,334,446
Department of Social Services			
School-Based Child Health	9,293,473	7,331,440	9,846,207
Total	\$ 1,331,169,651	\$ 1,468,793,049	\$ 1,611,142,741

General Fund Expenditures

A summary of General Fund expenditures during the audited period as compared to the preceding fiscal year follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
Personnel Services & Employee Benefits	\$ 49,496,671	\$ 53,478,996	\$ 152,447,571
Purchased and Contracted Services	6,687,024	7,685,892	7,211,114
Other Services	16,270,400	13,156,914	14,642,449
Rental & Maintenance Equipment	246,138	219,682	114,621
Motor Vehicle Costs	400,207	357,885	393,613
Premises & Property Expenses	31,469,196	29,185,255	29,108,200
Information Technology	12,109,715	17,128,323	21,536,938
Communications	1,427,147	1,435,452	1,362,490
Purchased Commodities	452,407	142,526	249,303
Other Charges	84,398	74,279	95,735
Fixed Charges	414,250	416,500	1,603,692
Capital Outlays	193,508	179,067	179,067
Capital Outlays - Equipment	401,371	179,796	385,034
Capital Outlays - Buildings/Improvements	-	-	1,814,198
Total	\$ 119,862,432	\$ 123,640,567	\$ 231,144,025

The large increase in expenditures for fiscal year 2022 primarily resulted from the centralization of human resources and information technology services. Centralization included moving the expenditures for salaries and benefits from in-scope agencies to DAS. The centralization of information technology also included the transfer of equipment expenditures to DAS.

Other Funds

A summary of other fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2020	2021	2022
Special Revenue – Transportation Fund	\$ 14,634,838	\$ 15,984,002	\$ 20,808,628
Consumer Council/DPUC Fund	-	-	128,470
Capital Equipment Purchase Fund	1,022,653	1,931,949	3,402,551
STEAP – Grants to Local Governments	-	30,005,225	-
Federal & Other Restricted Accounts Fund	18,416,770	23,377,804	52,971,742
School Construction – Magnet Schools	407,616,933	377,666,004	315,830,776
Public Works Service Fund	1,278,911	(2,012,466)	444,105
CSUS 2020	53,209,699	61,907,378	49,691,704
Capital Improvements & Other Purposes Fund	137,701,867	77,959,024	50,072,653
Total	\$ 633,881,671	\$ 586,818,920	\$ 493,353,629

Fluctuations between fiscal years are primarily due to the availability of funding for various grants or construction projects. State and school construction projects represent the largest costs.

Workers' Compensation Claims

In accordance with Section 4-77a of the General Statutes, the Departments of Developmental Services (DDS), Mental Health and Addiction Services (DMHAS), Correction (DOC), Transportation (DOT), Emergency Services and Public Protection (DESPP), and Children and Families (DCF) received direct appropriations for the payment of workers' compensation awards. The Department of Administrative Services administered the appropriations for the payment of workers' compensation claims for all other budgeted state agencies.

A summary of net expenditures charged to these six agencies' workers' compensation appropriations during the audited period and the preceding fiscal year follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
General Fund			
DDS	\$ 13,879,393	\$ 13,444,122	\$ 13,783,576
DMHAS	15,183,955	18,196,041	19,212,428
DOC	30,488,797	31,439,004	34,391,488
DESPP	3,891,826	3,167,509	3,353,638
DCF	9,247,153	9,873,044	8,625,881
General Government	25,789,062	24,413,195	22,476,817
Total GF	98,480,186	100,532,915	101,843,828
Special Transportation Fund (STF)			
DOT	5,798,703	6,698,624	6,184,368
DMV	714,978	870,084	765,603
Total STF	6,513,681	7,568,708	6,949,971
Grand Total	\$ 104,993,867	\$ 108,101,623	\$ 108,793,799

The total net expenditures are comprised of costs associated with medical benefits, indemnification against loss or other financial burden and other stipulations, and third-party administrator costs and allocated loss expenses. The primary cost driver for indemnity benefits are expenses associated with temporary total, temporary partial, and permanent partial disabilities.

The appropriation for the Department of Administrative Services includes all other state agencies not listed above. Of those, the Judicial Branch, the Board of Regents for Higher Education, and the University of Connecticut Health Center had the most indemnity payments for the three fiscal years.

In the State of Connecticut Annual Comprehensive Financial Report, long-term debt for Workers' Compensation was reported as \$812,645,000 and \$813,349,000 for the fiscal years ended June 30, 2021, and 2022 respectively.

General Services Revolving Fund

During the audited period, DAS administered the Department of Administrative Services - General Services Revolving Fund (GSRF). Section 4a-75 of the General Statutes authorizes this fund for the financing and billing of goods or services provided by the Department of Administrative Services to other departments. The working capital of the fund is recovered by charges to agencies and institutions for commodities and services furnished to them by the various operations of the Business Services Division. Cash receipts and disbursements for the fund during the audited period were as follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
Cash Balance, Beginning of Year	\$ (34,621,468)	\$ (32,279,825)	\$ (36,236,054)
Receipts	21,625,460	21,199,119	22,737,274
Total	(12,996,008)	(11,080,706)	(13,498,780)
Disbursements	19,238,817	25,155,348	22,214,279
Cash Balance, End of Year	\$ (32,279,825)	\$ (36,236,054)	\$ (35,713,059)

DAS experienced a net operating loss of \$1,755,925 and \$396,349 for fiscal years 2021 and 2022, respectively. The revolving fund's reported fund equity as of June 30, 2022, was approximately \$33,418,218. The negative cash balance of \$35,713,059 represents a liability on the department's revolving fund financial statements for amounts due to other funds as well as assets for which costs will

be recovered over time and recognized as cash receipts in future periods. The purchase of vehicles was the primary factor affecting the cash balance.

As an internal service fund, the GSRF is expected to operate on a cost reimbursement basis. Generally Accepted Governmental Accounting Standards recognize that user charges need not cover the full cost of providing goods or services to other state agencies or units, and that transfers from other funds or units to subsidize, in part, the operations of an internal service fund do not negate the use of this fund type. Internal service funds should operate on a breakeven basis over time, inclusive of such transfers.

Technical Services Revolving Fund

During the audited period, DAS also administered the Technical Services Revolving Fund (TSRF), which Section 4d-9 of the General Statutes authorizes. TSRF is used to account for some of the revenues and expenditures related to the operations of the agency's telecommunication and data processing operations furnished and billed to other state agencies. A significant portion of the telecommunication and data processing expenditures are administered through the General Fund. Cash receipts and disbursements for the fund during the audited period were as follows:

	Fiscal Year Ended June 30,		
	2020	2021	2022
Cash Balance, Beginning of Year	\$ 5,031,763	\$ 4,650,827	\$ 5,059,779
Receipts	5,102,395	4,910,005	3,991,254
Total	10,134,158	9,560,832	9,051,033
Disbursements	5,483,331	4,501,053	4,993,544
Cash Balance, End of Year	\$ 4,650,827	\$ 5,059,779	\$ 4,057,489

DAS experienced a net operating profit/(loss) of \$(78,367), and \$408,534 for the fiscal years 2021, and 2022, respectively. The revolving fund's reported fund equity as of June 30, 2022, was \$4,790,258. The primary factors affecting the cash balance of the department's revolving fund were receipts and disbursements for billed central services, such as telecommunications and mainframe services.

Capital Projects and Public Works Service Fund

Approved capital projects funded through bonding include budgeted amounts for acquisition costs, construction, contingencies, studies, architectural and engineering fees, and DAS construction services fees. Most of those costs are billed directly to the allotted bond funds of the appropriate state agency. However, DAS construction services fees are posted to the Public Works Service Fund and then billed to the appropriate state agency. Those service fees are entirely comprised of payroll. The Public Works Service Fund recovers project costs from the state agencies and fringe benefit charges related to payroll from the General Fund.

Some projects, principally those less than \$500,000, have their service-related fees charged directly to a General Fund appropriation rather than through the revolving fund. Currently, that appropriation is \$2.387 million. Some projects do not have an approved bond fund to charge against for a variety of reasons, including projects that are too small to merit a bond appropriation, preliminary work that may have been performed on projects that ultimately were not approved by the General Assembly, and funding that may not have been sufficient to cover all the project costs.

A summary of public works service fund activity during the audited period and the preceding fiscal year follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
Funding Sources:			
Project Costs Recovered	\$ 4,250,461	\$ 3,556,360	\$ 4,050,365
OPEB Allocation Recovery	103,463	85,509	\$81,873
Recoveries of Fringe Benefit Costs	623,244	4,632,647	1,913,721
Total Funding	4,977,168	8,275,516	6,045,959
Less Expenditures - Project Costs	(6,501,198)	(6,263,051)	(6,490,064)
Expenditures in Excess of Funding	(1,524,030)	2,012,465	(444,105)
Fund Balances, Beginning of Year	1,524,039	9	2,012,474
Fund Balance, End of Year	\$ 9	\$ 2,012,474	\$ 1,568,369

During the audited period, total net recoveries of service fees and fringe benefits exceeded net project costs by \$1,568,361 resulting in a fund balance of \$1,568,369 as of June 30, 2022.

Capital projects expenditures were charged primarily to the capital projects and special revenue funds. Smaller amounts were charged to the General Fund. A summary of public works project expenditures by fund follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
General Fund	\$ -	\$ -	\$ -
Special Revenue Fund	3,541,383	5,033,702	2,182,897
Public Works Service Fund	1,147,339	1,879,920	923,533
CSUS-2020	53,209,699	61,902,160	49,691,704
Capital Project Funds	126,392,267	57,867,833	35,028,334
Total	\$ 184,290,688	\$ 126,683,615	\$ 87,826,468

The following table shows the capital project expenditures by activity:

Fiscal Year Ended June 30,			
	2020	2021	2022
Capital Project Expenditures			
Acquisitions	\$ 1,218,687	\$ 75,236	\$ -
Design	11,826,630	9,895,962	5,956,923
Construction	211,149,694	209,197,823	136,219,230
Hazardous Material Abatement	662,113	697,756	1,285,646
Equipment	9,805,881	1,950,668	2,589,139
Art	496,469	70,300	140,000
Fees - Admin Oversight	5,425,087	5,309,997	4,976,841
Telecommunications	1,731,929	84,225	2,218,965
Testing Services	292,490	1,240,282	346,303
Construction Manager	7,844,914	6,950,457	6,339,478
Contingency/Change Orders	5,236,936	2,514,375	2,626,278
Total	\$ 255,690,830	\$ 237,987,081	\$ 163,698,893

Capital project expenditures primarily were for projects involving the design and construction of state and educational facilities. The significant decrease in construction in fiscal year 2022 was primarily due to a reduction in bond funding and the substantial completion of the renovation of the State Office Building and parking garage.

Construction costs were the largest expenditure activity and consisted of many small construction projects with expenditures less than \$10 million. During the audited period there were five projects with costs in excess of \$10 million with combined expenditures totaling \$191,249,726. The largest construction cost recorded during the audited period were \$81,456,320 for additions and renovations to Platt Technical High School. A summary of projects over \$10 million during the audited period follows:

Fiscal Year Ended June 30,			
	2020	2021	2022
Public Works Project Expenditures			
Platt THS - Additions & Renovations	\$ 4,814,498	\$ 44,775,829	\$ 36,680,491
Goddard/Communications Renovations	3,562,956	24,829,939	17,911,577
DOC - York CI - Central Plant & Pipe Distribution System	26,409,874	12,833,771	\$6,368,502
CCSU - New Engineering Building	8,766,914	21,322,090	11,254,838
SCSU - Business School Facility	28,390	126,610	15,146,079
Total	\$ 43,582,632	\$ 103,888,239	\$ 87,361,487

Trustee Accounts

The commissioner of the Department of Administrative Services has designated the Collection Services Division to act as trustee for the accounts of certain people, subject to the following criteria:

Estate administrator accounts - pursuant to Section 4a-15 of the General Statutes, the estate administrator, appointed by the commissioner of the Department of Administrative Services, may act in a fiduciary capacity in connection with the property of any minor, incapable, incompetent, or deceased person who is or has been receiving financial aid from the state.

Legal representative accounts - pursuant to Section 4a-16 of the General Statutes, the court has designated the commissioner of the Department of Administrative Services to administer the funds of deceased persons.

Representative payee accounts - pursuant to Section 4a-12 (a) of the General Statutes, the majority of the accounts administered by the DAS Collection Services Division are for patients and/or residents of state humane institutions, for whom the payer of funds due these persons has agreed to permit DAS to act as a conduit of those funds. These arrangements usually involve DAS as named representative payee for the Social Security Administration, Veterans Administration, and other benefit providers. The primary distinction between these accounts and accounts in the other two categories is that they are the result of agreements while court proceedings designate the others in the estate administrator and legal representative categories.

Other Matters – Disclosure of Consolidated Agency Audit Recommendations

The Department of Administrative Services provided administrative functions for a multitude of agencies in accordance with consolidation agreements and public acts. The department provides personnel, payroll, affirmative action, and business office functions for these agencies. The primary objective of the consolidation was to bring those administrative functions under one office to achieve greater consistency and uniformity in the application of fiscal and personnel-related rules, laws, and regulations.

While these agencies had some or all of their administrative functions performed within DAS, they remained legally separate entities with their own management and appropriations. As such, they remain subject to separate audit by the Auditors of Public Accounts in accordance with Section 2-90 of the Connecticut General Statutes.