



## MONTHLY REPORT July 2024

*For the information of the State Contracting Standards Board (SCSB) members, the Staff of the Office of Governmental Accountability (OGA) would like to reiterate our commitment to keeping you informed. We are dedicated to sharing the following updates for July 2024:*

### **Administration:**

1. On July 12, 2024, the SCSB held the regularly scheduled Board meeting.
2. Very early on the morning of July 19, 2024, the State of Connecticut's Chief Information Officer, Mark Raymond, notified State Commissioners and Agency officials of a global technology incident affecting CrowdStrike, one of the State's security vendors. CrowdStrike published a security update that disabled Windows computers and servers worldwide, including SCSB computers in the State of Connecticut. Specifically, three of seven SCSB Staff Members were required to schedule appointments with a BITS solutions professional and physically bring their laptops to a designated location to be manually recovered. In addition, DAS designated Executive Director Daniels as the coordinator for all OGA agencies to ensure that OGA could meet total compliance by the end of the business day on July 26, 2024, which was achieved.
3. As reported in the media, on July 28, 2024, the State Police responded to an incident at 165 Capitol Avenue at approximately 5:10 PM. An individual was found inside the vault area of the basement of the State Office Building and placed in custody. The State Police conducted a thorough search of the building at the time to ensure its safety. Nonetheless, Commissioner Gilman from the Department of Administrative Services advised that the State Office Building be closed on July 29, 2024, due to the security incident that impacted building systems and was investigated by the State Police. While the incident impacted some building employees, SCSB Staff experienced minimal disruption in accessing state systems and could work remotely.
4. C.G.S. § 4e, Chapter 62 CT SCSB Deliverables: Deliverables 1 through 6 have been completed and are ongoing; efforts are in the process toward completing the remaining 17 items.
5. Executive Director Daniels continues to update the website with additional information as it becomes available.

### **Budget:**

1. SCSB was notified by OPM that our request to carry over the FY'24 surplus of \$49,055 into the FY'25 fiscal year operating expenses budget was approved.

2. In August, OPM will provide SCSB with fiscal guidance on proceeding with our biennium budget request as approved.

**Audits:**

1. The SCSB Staff met with Al Bertoline on July 24, 2024, and the staff is working on the following audit action items:
  - a. Drafting a concept for a year-end report
  - b. Performing outreach to DEEP
  - c. Developing a standard contract file checklist (maybe an Advisory council topic)
  - d. Revamping the Audit instrument to make it easier and more efficient for both parties
  - e. Drafting next year’s audit plan
  - f. Drafting the first set of engagement letters for the first three agencies for 2025
  - g. Performing legal research on actions that can be taken in response to non-responsive agencies
2. The SCSB staff continues working on several audits; as an overview, the following is a snapshot of 11 pending audits as of August 1, 2024:

<u>Agency</u>	<u># of contracts</u>	<u>Total (\$)</u>	<u># of samples audited</u>	<u># of findings</u>	<u>Audit Status</u>
<b>Charter Oak</b>	6	302,287	2	1	report completed; report posted to SCSB website
<b>Chief Medical Examiner</b>	4	113,690	2	1	report completed; report posted to SCSB website
<b>Dept of Public Health</b>	124	311,871,720	12	2	Ready for release – approval required
<b>DESPP</b>	91	2,951,192	9	12	Ready for release – approval required
<b>OHE</b>	114	1,876,204	6	6	Ready for release – approval required
<b>Dept of Insurance</b>	3	62,520	2	0	Draft report sent to first-level reviewers
<b>Dept of Energy and Env. Prot.</b>	91	37,234,877	5		Data request sent, waiting for data. Followed up on 2/6, 3/6, 4/25, 6/3 & 7/29
<b>Dept of Social Services</b>	71	425,180,153	7		The audit was started by the staff
<b>State IT Contracts</b>	2	30,000,000	2		This Group (buying code) is no longer used in CORE; DAS will send us whatever data they have available for these inherited contracts.
<b>OPM</b>	65	11,733,475	6		The data was received on 7/16
<b>State Service Contracts (DAS)</b>	518	8,519,755,864	20		Data was received on 5/15, and the report started on 5/17 - 5% complete.

**Note:** the # of contracts and \$ value represent the agency’s total over two budget years.

## **Legal:**

1. Extensive legal research on board and staff matters.
2. Advise the Executive Director, Chief Procurement Officer (CPO), and Staff on legal questions related to state procurement, and other areas within the purview of the staff that require legal research and advisement.
3. Drafting of legal memos related to regulations, legislation, and ethics.
4. Compiled and drafted a procurement and procurement-related statutes and regulations repository, including extensive research. (*ongoing*)
5. The Uniform Administrative Procedures Act (UAPA) and SCSB statute comparison document will aid in developing future proposal(s) to improve compliance with the requirements of UAPA by the SCSB. (*ongoing*)
6. Research State employee evaluation procedures, as well as state ethics.

## **Legislation:**

During July 2024, there was no legislative action to report.

## **Committee, Subcommittee and Work Group Reports:**

1. **Audit/Data Work Group:**
  - Assist with the scheduling of work group meetings. On July 12, 2024, Audit/Data Analysis Work Group chair Al Bertoline announced that a work group session was scheduled for July 19, 2024. Due to the unavailability of work group members, the meeting was rescheduled to take place on August 13, 2024.
  - On July 24, 2024, Al Bertoline met with SCSB staff members in preparation for the upcoming audit year.
2. **Contracting Standards Advisory Council (CSAC):**

No action items took place in July 2024.
3. **Privatization Committee:**

No action items took place in July 2024.
4. **Training Work Group:**
  - A request to constitute a training work group was approved by the Board at the regular Board meeting on June 14, 2024. This work group will collectively identify blind spots, ask critical questions, and ensure comprehensive coverage of standards. A meeting will be scheduled after accreditation and training goals are confirmed.

## 5. **XL Center Work Group:**

- On July 19, 2024, Chair Palache established a special workgroup. Lauren Gauthier and Stu Mahler volunteered to serve.
- On July 29, 2024, on behalf of Lauren Gauthier, CPO Longman requested and received records via an FOIA request.
- On July 30, 2024, the first meeting of this workgroup took place. Staff was assigned the responsibility of organizing the documents and data points.

### **Training:**

#### 1. Training Plan

- Reviewed – updated, discussed, and edited as needed

#### 2. Courses – last courses of Level 1

- Code of Ethics for Procurement Professionals –
  - ✓ Final stages of development
- FOIA – **In progress**
  - ✓ Working on preparing a course based on the Freedom of Information Act presentation
  - ✓ Need to develop LP
  - ✓ Need to develop PPT
- PSA/POS Contract – **In progress**
  - ✓ PPT and LP ready

#### 3. We have identified several areas for improvement in the Training Program:

- a. Improved dissemination of information: We have learned that many programs are unaware that SCSB offers training.
- b. Development of rules and regulations: We have observed that although many participants express interest in the training through audits, completion rates are low. We recommend implementing rules and regulations to follow the set standards.
- c. Strengthening enforcement mechanisms: The following potential concerns should be discussed and regulated:
  - Union response
  - Cost allocation
  - Time commitment
  - Certification duration
  - Initiation process and responsible personnel – commitment from the board to facilitate guidance through a working group.

#### Accreditation

- a. Application – process ongoing
- b. Categories 1 - 4 Completed and awaiting review.

## Budget FY'25

1. Reviewing software options and cost comparison related to ProProf and Articulate.

## New Business

- a. Workgroups
  - Two board members were added to the workgroup
- b. Active participation/collaboration in audits
  - Carmen Hufcut will participate in the audit meetings

## General Discussion

Carmen Hufcut collaborated with the audit department to develop a "Procurement Audit Engagement Document" that aligns with the department's specific requirements and objectives. This document adheres to an accreditation process designed to streamline time management.

The document is structured as a questionnaire intended for distribution as part of the audit process. It is important to emphasize that while it is necessary to provide a description of the information contained in the contracts, the audit process will involve more than just a simple description. The committee may request additional documentation to ensure the completion of the audit.

If you have any questions regarding the information contained in this report, please direct your inquiries to me via email at: [Greg.Daniels@ct.gov](mailto:Greg.Daniels@ct.gov).

Respectfully submitted,

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