STATE OF CONNECTICUT
Auditors of Public Accounts

AUDIT SUMMARY
Capital Region Development Authority

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Fiscal Years Ended June 30, 2023 and 2024

ABOUT THE AGENCY

CRDA | Capital Region Development Authority

The Capital Region Development Authority was created to stimulate new investment within the capital region to create a vibrant multidimensional downtown; operate, maintain, and market the Connecticut Convention Center; coordinate the use of all state and municipal planning and financial resources that are available for any capital city project; strengthen Hartford's role as the region's major business and industry employment center and seat of government; manage facilities through contractual agreement; encourage residential housing development in downtown Hartford; and facilitate the relocation of state office buildings.

As a quasi-public agency under Section 1-120 of the General Statutes, the authority is a body politic and corporate, constituting a public instrumentality and a political subdivision of the state.

ABOUT THE AUDIT

We have audited certain operations of the Capital Region Development Authority in fulfillment of our duties under Sections 1-122 and 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, 2023 and 2024. The objectives of our audit were to evaluate the:

1. Authority's significant internal controls over compliance and its compliance with policies and procedures internal to the authority or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the authority has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds, and the distribution of loans, grants and other financial assistance;

2. Authority's internal controls over certain financial and management functions; and

3. Effectiveness, economy, efficiency, and equity of certain management practices and operations, including certain financial transactions.

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.

Link to full report

1 Finding

0 Repeat Findings

Our audit identified one finding involving an internal control deficiency and an instance of noncompliance with laws, regulations, or policies.

NOTEWORTHY FINDING

Finding

Our review of the ticketing agreement for the XL Center, executed in July 2023, identified the following issues:

- Oak View Group (OVG), on behalf of the Capital Region Development Authority (CRDA), did not solicit the required minimum of three proposals or bids.
- OVG awarded the contract to the vendor without obtaining proper CRDA approval.
- The agreement lacked required compliance documentation, including executed affidavit forms and nondiscrimination language. Specifically, the agreement was missing the SEEC Form 10, Gift and Campaign Contribution Certificate, and nondiscrimination provisions.

Recommendation

CRDA should improve monitoring over its facilities manager to ensure compliance with contract requirements (Recommendation 1).