

# STATE OF CONNECTICUT



*AUDITORS' REPORT  
BOARD OF REGENTS FOR HIGHER EDUCATION  
CENTRAL CONNECTICUT STATE UNIVERSITY  
FISCAL YEARS ENDED JUNE 30, 2015, 2016 AND 2017*

**AUDITORS OF PUBLIC ACCOUNTS**  
JOHN C. GERAGOSIAN ❖ ROBERT J. KANE

## Table of Contents

---

EXECUTIVE SUMMARY .....	i
COMMENTS .....	2
FOREWORD .....	2
Recent Legislation .....	2
Enrollment Statistics.....	3
RÉSUMÉ OF OPERATIONS.....	3
Operating Revenues.....	4
Operating Expenses .....	5
Nonoperating Revenues.....	6
Central Connecticut State University Foundation, Inc.....	7
STATE AUDITORS' FINDINGS AND RECOMMENDATIONS.....	8
Procurement Control Weaknesses .....	8
IT Disaster Recovery Plan Not Tested .....	9
Late Deposit of Receipts Originating Outside of the Bursar's Office.....	11
Weaknesses in Controls over Teaching Faculty Release Time.....	12
RECOMMENDATIONS .....	14
Acknowledgement .....	17
CONCLUSION.....	18

**July 1, 2020**  
**EXECUTIVE SUMMARY**

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of Central Connecticut State University (university). The objectives of this review were to evaluate the university's internal controls; compliance with policies and procedures, as well as certain legal provisions; and management practices and operations for the fiscal years ended June 30, 2015, 2016 and 2017.

The key findings and recommendations are presented below:

<b>Page 8</b>	We noted two instances in which the university made \$158,671 in library subscription purchases before obtaining approved purchase requisitions and orders. Central Connecticut State University should improve controls over procurement by ensuring that all purchases are properly preapproved. (Recommendation 1.)
<b>Page 9</b>	The university did not perform a comprehensive test of its information technology disaster recovery plan during the audited period. Central Connecticut State University should regularly test its own information technology disaster recovery plan as required by its own policy. (Recommendation 2.)
<b>Page 11</b>	We noted 4 instances in which the university did not promptly deposit \$7,454 in receipts that originated outside the Bursar's Office. In another instance, the university did not maintain adequate records to document the receipt date of \$1,350 collected. Therefore, we could not determine the timeliness of this deposit. Central Connecticut State University should improve controls over the collection of receipts originating outside the Bursar's Office by ensuring that all departments promptly submit funds to the Bursar's Office for deposit. Furthermore, the university should maintain appropriate, dated receipt records of all monies it collects. (Recommendation 3.)
<b>Page 12</b>	The university did not maintain sufficient documentation to support the work faculty members completed while on certain types of release time. Central Connecticut State University should continue its efforts to improve its faculty release time internal controls by maintaining documentation to support the work completed by faculty while on release time and retaining adequate records. (Recommendation 4.)

# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

State Capitol  
210 Capitol Avenue  
Hartford, Connecticut 06106-1559

ROBERT J. KANE

July 1, 2020

### AUDITORS' REPORT

We have audited certain operations of Central Connecticut State University 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 years ended June 30, 2015, 2016, and 2017. The objectives of our audit were to:

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

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various university personnel; and testing selected transactions. 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 our audit in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

The accompanying Résumé of Operations is presented for informational purposes. This information was obtained from various available sources including, but not limited to, the

university's management and the state's information systems, and was not subjected to the procedures applied in our audit of the university. For the areas audited, we identified:

1. Deficiencies in internal controls;
2. Apparent noncompliance with policies and procedures or legal provisions; and
3. Need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations in the accompanying report presents any findings arising from our audit of Central Connecticut State University.

## COMMENTS

### FOREWORD

Central Connecticut State University in New Britain is one of the four state universities in the Connecticut State Colleges and Universities (CSCU) System. The other three are Eastern Connecticut State University in Willimantic, Southern Connecticut State University in New Haven, and Western Connecticut State University in Danbury. The Board of Regents for Higher Education oversees the university and serves as its administrative office. CSCU is a constituent unit of the State of Connecticut's system of public higher education, and operates principally under the provisions contained in Sections 10a-87 through 10a-101 of the General Statutes.

Dr. Jack Miller served as university president during most of the audited period and retired as of October 1, 2016. Subsequently, Dr. Susan Pease served as interim president. The Board of Regents for Higher Education appointed Dr. Zulma Toro university president effective January 3, 2017, and she continues to serve in that capacity.

### Recent Legislation

The following notable legislative changes affecting the university took effect during the audited period:

- **Public Act 14-98**, effective July 1, 2014, authorized \$103.5 million in new bonding under the Connecticut State University 2020 infrastructure program (renamed the Connecticut State Colleges and Universities 2020 Program).
- **Public Act 15-82**, effective July 1, 2015, expanded in-state tuition benefits at Connecticut public higher education institutions to include certain students who attended a Connecticut high school for at least 2 years rather than the 4 years required by the previous law. The act also extended the in-state tuition benefit to certain nonimmigrant aliens.

**Enrollment Statistics**

The university provided the following enrollment statistics for full and part-time students during the audited period:

	<b>Fall 2014</b>	<b>Spring 2015</b>	<b>Fall 2015</b>	<b>Spring 2016</b>	<b>Fall 2016</b>	<b>Spring 2017</b>
Full-Time Undergraduate	7,702	7,125	7,702	7,057	7,539	6,910
Full-Time Graduate	566	522	565	499	579	527
<b>Total Full-Time</b>	<b>8,268</b>	<b>7,647</b>	<b>8,267</b>	<b>7,556</b>	<b>8,118</b>	<b>7,437</b>
Part-Time Undergraduate	2,169	2,092	2,097	2,068	1,999	1,994
Part-Time Graduate	1,600	1,586	1,722	1,669	1,667	1,629
<b>Total Part-Time</b>	<b>3,769</b>	<b>3,678</b>	<b>3,819</b>	<b>3,737</b>	<b>3,666</b>	<b>3,623</b>
<b>Total Enrollment</b>	<b>12,037</b>	<b>11,325</b>	<b>12,086</b>	<b>11,293</b>	<b>11,784</b>	<b>11,060</b>

The average of the fall and spring semesters' total enrollment was 11,681, 11,690, and 11,422 during the 2014-2015, 2015-2016, and 2016-2017 fiscal years, respectively, compared to an average of 11,510 during the 2013-2014 fiscal year. Enrollment remained relatively stable with the total average number of enrolled students increasing by 171 (1.5%) from fiscal year 2014 to 2015, 9 (0.1%) from fiscal year 2015 to 2016, and decreasing by 268 (2.3%) from fiscal year 2016 to 2017.

**RÉSUMÉ OF OPERATIONS**

During the audited period, university operations were supported primarily by appropriations from the state's General Fund and tuition and fees credited to the university's operating fund. In addition, the university received construction project funding generated from state bond issues.

General Fund appropriations were not made to the university directly. Rather, appropriations for the entire CSCU System were made available to the CSCU System Office, which calculated allocations and periodically transferred the funds to the university's operating fund.

Operating fund receipts consisted primarily of student tuition payments. Under the provisions of Section 10a-99(a) of the General Statutes, tuition charges were set by the Board of Regents for Higher Education. The following presents annual tuition charges for full-time students during the audited period:

Student Status:	<u>2014 - 2015</u>			<u>2015 - 2016</u>			<u>2016 - 2017</u>		
	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional
Undergraduate	\$4,600	\$14,886	\$6,900	\$4,968	\$16,078	\$7,450	\$5,216	\$16,882	\$7,824
Graduate	\$5,730	\$15,964	\$8,596	\$6,188	\$17,240	\$9,284	\$6,497	\$18,102	\$9,748

In accordance with Section 10a-67 of the General Statutes, the Board of Regents for Higher Education sets tuition amounts for nonresident students enrolled in the CSCU System through the New England Regional Student Program at an amount equal to one-and-one-half times the in-state tuition rate.

Besides tuition, the university charged students other fees during the audited years, including a University General Fee and a University Fee. The following presents these fees, on an annual basis, during the audited period:

Fee Description:	<u>2014 - 2015</u>			<u>2015 - 2016</u>			<u>2016 - 2017</u>		
	In- State	Out- of- State	Regional	In- State	Out- of- State	Regional	In- State	Out- of- State	Regional
General	\$3,086	\$3,086	\$3,086	\$3,352	\$3,352	\$3,352	\$3,520	\$3,520	\$3,520
University Fee	\$1,051	\$2,500	\$1,051	\$ 840	\$2,000	\$ 840	\$ 865	\$2,060	\$ 865

In addition, the Housing and Food Service fees required of resident students represent a significant portion of the operating revenues category titled Auxiliary Revenues. The following presents the average annual Housing fee (double occupancy) and Food Service fee during the audited period:

Fee Description:	<u>2014 - 2015</u>	<u>2015 - 2016</u>	<u>2016 - 2017</u>
Housing	\$ 6,278	\$ 6,404	\$ 6,592
Food Service	\$ 4,550	\$ 4,686	\$ 4,826

### **Operating Revenues**

Operating revenues are derived from the sale or exchange of goods and services related to the university's educational and public service activities. Major sources of operating revenue include tuition and fees, federal grants, state grants, and auxiliary services.

Operating revenues as presented in the university's audited financial statements for the audited period and previous fiscal year follow:

	<u>2013 - 2014</u>	<u>2014 - 2015</u>	<u>2015 - 2016</u>	<u>2016 - 2017</u>
Tuition and Fees (net of scholarship allowances)	\$ 76,818,174	\$ 76,274,437	\$ 79,400,553	\$ 84,179,100
Federal Grants and Contracts	16,480,461	16,235,352	1,558,491	1,521,510
State and Local Grants and Contracts	4,554,707	6,041,714	5,769,701	4,289,288
Non-Governmental Grants and Contracts	1,225,834	1,420,420	1,474,210	1,681,471
Indirect Cost Recoveries	385,747	285,298	135,036	148,921
Auxiliary Revenues	24,913,860	26,942,851	35,552,949	33,149,079
Other Operating Revenues	12,968,713	53,658,388	31,109,452	6,638,345
Total Operating Revenues	<u>\$137,347,496</u>	<u>\$180,858,460</u>	<u>\$155,000,392</u>	<u>\$131,607,714</u>

Operating revenues totaled \$180,858,460, \$155,000,392, and \$131,607,714 during the fiscal years ended June 30, 2015, 2016, and 2017, respectively, compared to \$137,347,496 during the fiscal year ended June 30, 2014. These amounts increased \$43,510,961 (31.7%) in fiscal year 2015, decreased \$25,858,068 (14.3%) in fiscal year 2016, and decreased \$23,392,678 (15.1%) in fiscal year 2017.

The increase during the fiscal year ended June 30, 2015 is largely the result of additional Connecticut Health and Education Facilities Authority (CHEFA) bond fund receipts (reflected in the Other Operating Revenues category).

The decrease during the fiscal year ended June 30, 2016 is due partly to a reduction in CHEFA bond fund receipts (reflected in the Other Operating Revenues category). The decrease is also due to a reclassification of federal Pell Grant program funds. The Connecticut State University System started classifying Pell Grant receipts as non-operating revenues rather than as operating revenues (reflected in the Federal Grants and Contracts category). These decreases were partially offset by an 8% increase in tuition and fees and housing fee revenue generated with the opening of the Mid Campus dormitory (reflected in the Auxiliary Revenues category).

The decrease during the fiscal year ended June 30, 2017 is primarily the result of a reduction in CHEFA bond fund receipts due to the completion of the construction of the new Mid Campus dorm and the Hill Top Café (reflected in the Other Operating Revenues category).

### **Operating Expenses**

Operating expenses result from payments made for goods and services to achieve the university's mission of instruction and public service. Operating expenses include employee compensation and benefits, professional services, supplies, and depreciation, among others.

Operating expenses, as presented in the university's audited financial statements for the audited period and the previous fiscal year, follow:

	<u>2013 - 2014</u>	<u>2014 - 2015</u>	<u>2015 - 2016</u>	<u>2016 - 2017</u>
Personal Service and Fringe Benefits	\$143,685,130	\$158,243,966	\$161,618,661	\$162,076,965
Professional Services and Fees	7,645,182	7,622,412	8,170,962	5,918,194
Educational Services and Support	29,278,462	32,025,437	33,348,342	34,657,068
Travel Expenses	3,084,856	3,116,441	2,793,264	2,733,289
Operation of Facilities	18,180,498	20,356,726	24,324,344	25,301,681
Other Operating Supplies and Expenses	5,760,039	4,995,025	5,519,726	5,152,260
Depreciation Expense	15,371,406	15,610,872	17,721,494	18,262,833
Total Operating Expenses	<u>\$223,005,573</u>	<u>\$241,970,879</u>	<u>\$253,496,793</u>	<u>\$254,102,290</u>

Operating expenses totaled \$241,970,879, \$253,496,793, and \$254,102,290 during the fiscal years ended June 30, 2015, 2016, and 2017, respectively, compared to \$223,005,573 during the fiscal year ended June 30, 2014. These amounts increased \$18,965,306 (8.5%) during fiscal year 2015, \$11,525,914 (4.8%) during fiscal year 2016, and \$605,497 (0.2%) during fiscal year 2017.

The increase during the fiscal year ended June 30, 2015 was due, in part, to employee pay raises in accordance with collective bargaining agreements and increased costs associated with employee transfers from the Alternate Retirement Plan to the costlier State Employees Retirement System. There were also increases in student aid grant disbursements (reflected in the Educational Services and Support category), computer purchases, and maintenance costs (reflected in the Operation of Facilities category).

The increase during the fiscal year ended June 30, 2016 was due to several factors, including employee pay raises, increases in student financial aid grants, equipment purchases, and additional depreciation costs associated with newly constructed campus buildings.

The increase during the fiscal year ended June 30, 2017 was due, in part, to additional costs as a result of a renegotiated food service contract and rising natural gas costs (reflected in the Operation of Facilities category). These increases were offset by a reduction in Pell Grant expenditures and student accident insurance.

### **Nonoperating Revenues**

Nonoperating revenues are receipts from sources other than the sale or exchange of goods or services related to the university's primary functions of instruction, academic support, and student services. Nonoperating revenues include items such as the state's General Fund appropriation, private gifts and donations, investment income, and state financed plant facilities revenue.

Nonoperating revenues during the audited years and the previous fiscal year were presented in the university's audited financial statements as follows:

	<u>2013 - 2014</u>	<u>2014 - 2015</u>	<u>2015 - 2016</u>	<u>2016 - 2017</u>
State Appropriations	\$81,038,936	\$87,019,485	\$ 90,765,723	\$ 84,487,949
Pell Grant Revenue	-	-	14,194,458	13,490,588
Gifts	2,178,710	1,955,965	2,528,378	2,416,368
Investment Income	126,770	137,844	264,971	568,350
Interest Expense	(6)	(8)	(14)	(28)
State Financed Plant Facilities	6,164,432	51,832	-	-
Other Nonoperating Revenues	389,833	470,459	474,791	388,069
Transfers to the State of Connecticut	-	-	(1,173,008)	-
Total Nonoperating Revenues	<u>\$89,898,675</u>	<u>\$89,635,577</u>	<u>\$107,055,299</u>	<u>\$101,351,296</u>

Nonoperating revenues totaled \$89,635,577, \$107,055,299, and \$101,351,296 during the fiscal years ended June 30, 2015, 2016, and 2017, respectively, compared to \$89,898,675 during the fiscal year ended June 30, 2014. These amounts decreased \$263,098 (0.3%) during fiscal year 2015, increased \$17,419,722 (19.4%) during fiscal year 2016, and decreased \$5,704,003 (5.3%) during fiscal year 2017.

The decrease during the fiscal year ended June 30, 2015 can be attributed to a reduction in receipts related to bond funded construction projects (reflected in the State Financed Plant Facilities category). This decrease was mostly offset by an increase in state appropriations.

The increase during the fiscal year ended June 30, 2016 is mostly due to additional state appropriations along with a change in classification of federal Pell Grant program receipts. In fiscal year 2015, the university classified these receipts as operating revenues. Starting in fiscal year 2016, the university classified these receipts as nonoperating revenues.

The decrease during the fiscal year ended June 30, 2017 is primarily the result of a reduction in state appropriations.

**Central Connecticut State University Foundation, Inc.**

The Central Connecticut State University Foundation, Inc. is a private, nonprofit corporation established to raise funds to support the activities of the university.

Sections 4-37e through 4-37k of the General Statutes define and set requirements for such organizations that support state agencies. The requirements address the annual filings of an updated list of board members with the state agency for which the foundation was established; financial record keeping and reporting in accordance with generally accepted accounting principles; financial statement and audit report criteria; written agreements concerning the use of facilities and resources; compensation of state officers or employees; and the state agency's responsibilities with respect to affiliated foundations.

Audits of the books and accounts of the foundation were performed by an independent certified public accounting firm for the fiscal years ended June 30, 2015, 2016, and 2017, in accordance with Section 4-37f (8) of the General Statutes. The auditors expressed unmodified opinions on the foundation's financial statements for all three fiscal years. In addition, the foundation's audit reports disclosed no reportable instances of noncompliance with Sections 4-37e through 4-37j of the General Statutes.

The foundation's financial statements reported revenues, gains and other support totaling \$4,956,275, \$4,035,208, and \$12,245,024 during the fiscal years ended June 30, 2015, 2016, and 2017, respectively. Net assets totaled \$62,379,402, \$62,473,444, and \$70,708,154 as of June 30, 2015, 2016, and 2017, respectively.

## STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Central Connecticut State University (university) disclosed the following 4 findings and recommendations, 2 of which have been repeated from the previous audit:

### **Procurement Control Weaknesses**

- Criteria:* The Connecticut State Colleges and Universities Procurement Manual requires proper approval of purchases before ordering and incurring expenditures for goods or services.
- Condition:* Our audit of 40 non-payroll expenditures totaling \$3,242,386 disclosed two instances in which the university made \$158,671 in library subscription purchases before obtaining approved purchase requisitions and orders.
- Effect:* Because the university did not always preapprove purchases, there is decreased assurance that they were authorized and appropriate.
- Cause:* The university did not always follow established policies.
- Prior Audit Finding:* This finding has been previously reported in the last audit report covering 2013 and 2014.
- Recommendation:* Central Connecticut State University should improve its controls over procurement by ensuring that all purchases are properly preapproved. (See Recommendation 1.)
- Agency Response:* “The university agrees with this finding. Based on the result of previous audits FY 11 and FY 12 issued on 2/23/15 and FY 13 and FY 14 audits issued on 11/20/18, the university began proactively working with campus departments that have reoccurring annual licenses and subscriptions in anticipation of having purchase orders in place prior to the start of a subscription or license. This effort started in the fall of 2016 for licenses and subscriptions that would start on 7/1/17. Beginning in fiscal year 2018, the university began tracking any requisitions that were received late and requiring a late justification form be completed with their applicable executive signing off on the form. The university continues to provide additional training to the campus community and reminders on a periodic basis to improve compliance.”

## **IT Disaster Recovery Plan Not Tested**

*Criteria:* Information technology disaster recovery and business continuity plans help minimize the risks of negative operational impact in the event of a service interruption. These plans should be updated regularly and routinely tested to ensure that systems and data can be recovered promptly following a disaster or other interruption.

The Central Connecticut State University information technology disaster recovery plan states, "... [T]he goal for testing the plan is at least once per year."

*Condition:* The university informed us that it did not test its information technology disaster recovery plan during the audited period.

*Effect:* Without periodic testing, there is decreased assurance that the disaster recovery plan will produce its intended results. It could take longer to recover and resume critical infrastructure and application systems after a disaster or interruption in service.

*Cause:* The university's central office informed us that the State Universities' Banner enterprise resource planning (ERP) system, which primarily contains accounting and student records, migrated to the cloud in April 2018.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* Central Connecticut State University should regularly test its information technology disaster recovery plan as required by its own policy. (See Recommendation 2.)

*Agency Response:* "The university agrees with this finding. CCSU agrees with the need to test Disaster Recovery (DR) plans on a regular schedule. CCSU conducted three major activities in relation to its operations, readiness, and business continuity/disaster, which rely on guidance from NIST 800-84, "Guide to Test, Training, and Exercise Programs for IT Plans and Capabilities." In October of 2018, CCSU began a strategic engagement with Gartner Inc. in the review and development of an IT Strategic Plan. Through a series of twelve meetings extending from 2018-2019, Senior Gartner executives and CCSU leaders and committee members began the review and development of technology relative to the strategic plan and business continuity (disaster) needs of key pieces of technology.

On 11/28/2018, CCSU IT participated in a university tabletop simulation that also included representation from the System Office,

State Police, DEMHS and federal officials. The tabletop simulation which evaluated the campus personnel, technology, emergency alert, and other technology-based systems such as shooter detection, Whalen notification, Everbridge, code-blue, body-camera, and radio interoperability. That tabletop activity identified some challenges in the use or interconnection between the CCSU IT systems and those of “mutual aid” responders such as SWAT teams, emergency medical, and dispatch. Those findings contributed to improvements that have been implemented in the use, development, architecture, and design of campus security systems, as well as plans for the future.

On 3/5/2020 CCSU held a meeting to prep for Covid-19 with all the leaders of the Information Technology Department. During that meeting, we performed a tabletop review of the Disaster Recovery plan. During this time, we reviewed the four phases of our DR plan, Disaster Assessment, Disaster Recovery/Activation of the plan, Alternate site/Data Center rebuild, and finally Reconstitution. We covered the Disaster Response Team and recovery strategies. There was a review of our backup strategies and the steps we would implement to cut over to our remote site at Eastern Connecticut State University. We finished with a review of Recovery Time Objective (RTO) and Recovery Point Objective (RPO) for critical services.

In addition, in FY20, CCSU approved the funding for a Deputy Chief Information Officer with responsibilities in IT security, audit, and information systems furthering the commitment of the University to review, remediate, and lead IT in their practice of IT safety, security, audit, and cyber risk. The initial search failed, and a new search is underway.

Beginning in 2019, CCSU has implemented a plan to test its plans, this work is overseen by the Director of Technology until the Deputy CIO is hired.

1. Semiannual review of emergency/DR contacts and leadership secession plans.
2. Semiannual tests of our backups processes including a restore from backup of servers and files from our backup location.
3. Semiannual review/test of our remote backup location including a review of network, servers and storage and test their readiness.
4. Work through the Board of Regents to make sure all the new hosting partners, they contracted with have documented DR plans.”

## **Late Deposit of Receipts Originating Outside of the Bursar's Office**

*Criteria:* Section 4-32 of the General Statutes requires that state agencies deposit funds amounting to \$500 or more into authorized bank accounts within 24 hours of receipt. University departments must promptly submit their receipts to the Bursar's Office.

The Office of the State Comptroller's State of Connecticut Accounting Manual requires that all state agencies receiving money maintain a receipts journal to record the receipt date of funds.

*Condition:* Our examination of 15 receipts, totaling \$47,410, that originated from outside of the Bursar's Office disclosed the following:

- Four instances in which the university did not promptly deposit \$7,494 in receipts. These deposits were one to 12 business days late.
- One instance in which the university did not adequately document the receipt date of a \$1,350 payment. Therefore, we could not determine the timeliness of this deposit.

*Effect:* The university did not fully comply with the prompt deposit requirements of Section 4-32 of the General Statutes, exposing funds to an increased risk of loss or theft.

In the instance in which the university lacked adequate records of the receipt date, there was decreased assurance that the university promptly deposited the funds.

*Cause:* Various departments did not promptly submit receipts to the Bursar's Office.

One department did not execute established controls by not recording receipt dates in a receipts journal.

*Prior Audit Finding:* This finding has been previously reported in our prior audit report covering 2013 and 2014.

*Recommendation:* Central Connecticut State University should improve its controls over the collection of receipts originating outside the Bursar's Office by ensuring that all departments promptly submit funds to the Bursar's Office for deposit. Furthermore, the university should maintain appropriate, dated receipt records of all monies it collects. (See Recommendation 3.)

*Agency Response:* “The university agrees with this finding. The FY 2013 and FY 2014 audit was issued on 11/20/2018 after this audit period, July 1, 2014 through June 30, 2017, had ended, which created limited opportunity to see the benefit of the corrective actions that the university implemented to mitigate the risk of reoccurrence:

- In April 2018 the university requested and received an amendment to our existing waiver, to provide additional time for satellite locations to remit their deposits to the Bursar’s Office.
- Beginning in August 2017, quarterly reminders have been sent to campus.
- Additional effort has continued to sign vendors up for ACH so that the university will receive fewer checks.
- On November 16, 2017, we created a Banner detail code “DUS8 - Women's Lacrosse Club Dues,” and on December 31, 2018, we created a Banner detail code “DUS9 - DANCentral Club Dues” that are assessed to the student accounts by the SALD Office. This facilitates the club dues being billed electronically to the students electronically and for payments to be made directly to the Bursar’s Office by the student.”

### **Weaknesses in Controls over Teaching Faculty Release Time**

*Background:* Prior to this audit, we investigated a complaint alleging that the university misused faculty release time. We investigated this complaint pursuant to Section 4-61dd of the General Statutes (Whistleblower Act). During the course of this audit, we followed up on the findings noted during this investigation.

*Criteria:* The American Association of University Professors collective bargaining agreement with the Connecticut State Universities states that the university president (or a designee) has the discretion to award full-time teaching faculty members release time from teaching duties for research, curriculum and faculty development, or instructional enhancement.

*Condition:* Our review disclosed that the university did not maintain sufficient documentation to support the non-research work faculty members completed while on release time.

*Effect:* There is decreased assurance that faculty members completed assigned work while on release time.

*Cause:* Despite the university's efforts to strengthen controls in this area, they were not sufficient to prevent this condition.

*Prior Audit Finding:* This finding has not been previously reported.

*Recommendation:* Central Connecticut State University should continue its efforts to improve its faculty release time internal controls by maintaining documentation to support the work completed by faculty while on release time and retaining adequate records. (See Recommendation 4.)

*Agency Response:* "The university disagrees with this comment. The university has records dating back to 2005 to demonstrate tracking and monitoring of re-assign time in accordance with the requirements of the AAUP Collective Bargaining Unit Agreement and has continued to improve upon this process since the Summer of 2018 to maximize its use as a management tool. The process, originally an after-the-fact measurement of what occurred, has now become an integral part of the pre-semester instructional planning process in addition to the semester-based record. The full process now combines course, enrollment, and faculty workload planning into a full-academic-year plan that allows us to improve our ability to manage costs and distribute course and faculty workload assignments more effectively. The end-of-semester record includes individual faculty assignments and a record of department, school, and university-wide use."

*Auditors' Concluding Comment:* "Although documentation was on file in most cases, the issues we noted related specifically to documentation of work performed when the reassigned time was not for research. The weakness in controls during the audited period relates to this type of release time. However, we concur with the university that it has made improvements. We will follow up on this area in the next audit to review the changes the university made outside of the period covered by this audit."

## RECOMMENDATIONS

Our prior audit report on Central Connecticut State University contained 9 recommendations. Seven have been implemented or otherwise resolved and 2 have been repeated or restated with modifications during the current audit.

### *Status of Prior Audit Recommendations:*

- Central Connecticut State University should improve internal controls over travel expenditures by complying with the Connecticut State University System's Travel Policies and Procedures Manual with respect to the timely approval of travel authorizations and calculation of mileage reimbursements. In addition, the university should improve controls by taking steps to ensure that purchases are preapproved. **During our current audit, we noted improvement in controls over travel expenditures. However, we noted further improvement is needed in the timeliness of purchasing approvals. The recommendation is being repeated with modification. (See Recommendation 1.)**
- Central Connecticut State University should improve controls over student activity account expenditures by following the procedures detailed in the State Comptroller's Accounting Procedures Manual for Trustee Accounts and the university's Student Activities/Leadership Development policy manual. In particular, the university should maintain minutes of student organization meetings and payment vouchers signed by student organization officers to support student activity purchases. **During our current audit, we noted improvement in this area. The recommendation is not being repeated.**
- Central Connecticut State University should improve controls over the collection of receipts originating outside of the Bursar's Office by taking steps to ensure that receipts are promptly deposited as required by Section 4-32 of the General Statutes. Furthermore, the university should ensure that it maintains adequate receipts records of all monies collected. Such records should include the date, source, and amount of the receipt. **Our current audit disclosed that further improvement is needed in this area. The recommendation is being repeated with modification. (See Recommendation 3.)**
- Central Connecticut State University should improve controls over its property and comply with Connecticut State University System and State of Connecticut property control requirements by maintaining better documentation of donated equipment and strengthening controls over property on loan. The university should ensure software inventory control records are complete and that it includes the value of software on annual property inventory reports submitted to the State Comptroller. The university should also promptly submit loss reports to the Auditors of Public Accounts and the Office of the State Comptroller. **Our current audit disclosed sufficient improvement in this area. The recommendation is not being repeated.**
- Central Connecticut State University should improve compliance with the dual employment requirements of Section 5-208a of the General Statutes by promptly documenting, through signed certifications, that there are no conflicts of interest or

conflicts in schedules in instances in which an employee holds multiple state positions. Furthermore, the university should eliminate or adequately monitor instances in which there are conflicts between dual employment position schedules to ensure that such conflicts are properly addressed. **We noted sufficient improvement during our current audit. The recommendation is not being repeated.**

- Central Connecticut State University should improve its compliance with the sick leave requirements of Section 31-57s of the General Statutes when providing sick leave to student workers. **The university implemented the recommendation. The recommendation is not being repeated.**
- Central Connecticut State University should either retain employee background check reports on durable media in its custody or contract with an appropriate records retention firm to retain these records in accordance with the Connecticut State Library's records retention requirements. **Our current audit disclosed that this recommendation was implemented. The recommendation is not being repeated.**
- Central Connecticut State University should improve internal controls over Graduate Student Association scholarships by complying with its established policies and procedures for these scholarships. In particular, scholarships should not be awarded without proper approval documentation in place, including certification that eligibility criteria were met and identification of the type of the scholarship awarded. **Our current audit noted sufficient improvement in this area. The recommendation is not being repeated.**
- Central Connecticut State University should take steps to ensure that it retains adequate back-up records when transitioning to a new automated information system. **We did not note any exceptions in this area during our current audit. The recommendation is not being repeated.**

*Current Audit Recommendations:*

- 1. Central Connecticut State University should improve its controls over procurement by ensuring that all purchases are properly preapproved.**

Comment:

We noted two instances in which the university made \$158,671 in library subscription purchases before obtaining approved purchase requisitions and orders.

- 2. Central Connecticut State University should regularly test its information technology disaster recovery plan as required by its own policy.**

Comment:

The university did not test its information technology disaster recovery plan during the audited period.

- 3. Central Connecticut State University should improve its controls over the collection of receipts originating outside the Bursar's Office by ensuring that all departments promptly submit funds to the Bursar's Office for deposit. Furthermore, the university should maintain appropriate, dated receipt records of all monies it collects.**

Comment:

We noted four instances in which the university did not promptly deposit \$7,494 in receipts that originated outside the Bursar's Office. In another instance, the university did not maintain adequate records to document the receipt date of \$1,350 collected.

- 4. Central Connecticut State University should continue its efforts to improve its faculty release time internal controls by maintaining documentation to support the work completed by faculty while on release time and retaining adequate records.**

Comment:

The university did not maintain sufficient documentation to support the work faculty members completed while on certain types of release time.

**ACKNOWLEDGEMENT**

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

Andrew Collins  
Derik Muller  
Teresa Perkins  
Daniel Puklin  
Jamie Swope

**CONCLUSION**

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Central Connecticut State University during the course of our examination.

Approved:



John C. Geragosian  
State Auditor



Michael J. Delaney  
Principal Auditor



Robert J. Kane  
State Auditor