



# AUDIT SUMMARY

## Charter Oak State College

Fiscal Years Ended June 30, 2021 and 2022

### ABOUT THE AGENCY

## CharterOak STATE COLLEGE

Charter Oak State College was established in 1973 by the Connecticut General Assembly and is accredited by the New England Commission of Higher Education and the Connecticut Board of Governors for Higher Education. The college offers credit via examinations, assessment of experiential and extra collegiate learning, and online courses. As a constituent unit of the Connecticut State Colleges and Universities, Charter Oak State College is governed by the Board of Regents for Higher Education.

### ABOUT THE AUDIT

We have audited certain operations of Charter Oak State College 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. College's internal controls over significant management and financial functions;
2. College'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.

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](#)



Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

## NOTEWORTHY FINDINGS



### Findings

1

Our review of asset management found that the college did not properly update in Core-CT three disposed assets; did not provide correct or complete information for six assets in Core-CT; did not promptly place six assets into service; did not record one asset in Core-CT, or assign a tag number or tag with a state ID; and allowed one employee to remove equipment from the college without properly documented approval.

2

We reviewed 20 vouchers related to 19 purchase orders totaling \$1,670,006 and noted funds were not committed timely for eleven totaling \$915,781. The college delayed committing the funds between one and 25 days. We also noted an additional 18 vouchers totaling \$2,717,082 charged to the same purchase orders without sufficient funds available.

3

We reviewed 20 vouchers across 16 agreements during the audited period and noted the college did not properly document its explanation for a non-competitive purchase for one of the agreements. The college spent \$16,005 for this agreement during the audited period.

4

The college does not have a current disaster recovery plan.

5

The college president or designee did not approve student activity fund financial statements for fiscal years 2021 and 2022.



### Recommendations

Charter Oak State College should strengthen its internal asset management controls. The college should maintain complete and accurate inventory records, tag equipment in accordance with the State Property Control Manual and the Connecticut State Colleges and Universities Capital & Controllable Asset Manual. The college should also document the approval of equipment on loan to employees.

Charter Oak State College should strengthen internal controls to ensure it issues purchase orders in compliance with Section 4-98 of the General Statutes.

Charter Oak State College should include written explanations of its decisions to engage in non-competitive purchases. The college should maintain this documentation in its files.

Charter Oak State College should update its disaster recovery plan. The college should ensure that it properly distributes and regularly tests its plan.

Charter Oak State College should document approval of its student activity fund financial statements to ensure proper monitoring for completeness and accuracy.