STATE OF CONNECTICUT

AUDITORS' REPORT
BOARD OF REGENTS FOR HIGHER EDUCATION
CONNECTICUT COMMUNITY COLLEGE SYSTEM
FISCAL YEARS ENDED JUNE 30, 2018, 2019 AND 2020

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN ❖ CLARK J. CHAPIN

Table of Contents

March 16, 2022

EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Connecticut Community College System for the fiscal years ended June 30, 2018, 2019, and 2020. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, and policies; and the need for changes in management practices that warrant the attention of management.

The significant findings and recommendations are presented below:

Page 10	Asnuntuck Community College did not fully investigate the unauthorized activities of two information technology employees. Asnuntuck should ensure it can trace system activity to a specific individual. Asnuntuck should consider reviewing how employees created the identified generic domain administrative accounts and what systems the employees may have accessed. The Board of Regents for Higher Education information technology security investigations should review which systems and files employees accessed and determine whether employees compromised confidential or sensitive information. (Recommendation 1.)
Page 12	Community colleges limit adjunct faculty evaluations to self-appraisal, instructional observation, and student ratings but do not include performance outside of class. The Board of Regents for Higher Education should ensure that all community colleges are performing evaluations of adjunct faculty which take into consideration all aspects of in class and out-of-class performance in accordance with the collective bargaining agreement. (Recommendation 2.)
Page 13	Manchester Community College did not sufficiently review electricity bills and overpaid by $74,943. The college did not notice that the utility company charged more than the negotiated energy supply rate for two of its meters. The college also did not notice that the utility billed for two disconnected meters and an erroneous meter. As a result of our inquiries, the utility company refunded the $74,943. Manchester Community College should review electricity invoices before paying them to ensure the vendor charged for accurate services and billed at the negotiated energy supply rate. (Recommendation 3.)

Page 14	We identified an unaddressed conflict of interest in which a Capital Community College student took the child development associate coordinator's course while working at the coordinator's private daycare provider. Additionally, other students completed their mandatory volunteer hours at the same daycare provider. Capital Community College was aware that a professor hired students and had students complete mandatory volunteer hours at her daycare but did not address the resulting conflicts of interest. The board of regents should develop a policy for students working or volunteering at their professors' private businesses. Capital Community College should address the conflict of interest that exists from students working or volunteering at a professor's business. (Recommendation 4.)
Page 15	The board of regents' bargaining unit agreements do not limit the time an employee can be placed on paid administrative leave. The board of regents paid the 17 employees in our sample $538,133 during their leaves, which ranged from 79 to 311 days, and subsequently terminated nine of them. Two of the terminated employees we reviewed entered stipulated agreements that kept them on active payroll for six and seven months. During that time, the employees received an additional $64,000 and $57,500 plus benefits, respectively. The board of regents' system office should limit the duration of paid administrative leaves and promptly investigate personnel matters to avoid excessive paid administrative leave costs. The board of regents should obtain Attorney General approval of employee settlement agreements of $50,000 or more as required by Section 4-40b of the General Statutes. (Recommendation 5.)
Page 30	Policies and procedures at six of the 12 community colleges and the Board of Regents for Higher Education do not ensure the lowest reasonable cost for employee travel. On seven occasions, a Tunxis Community College employee stayed in hotel rooms that did not appear to have been the lowest rate. Two colleges retroactively approved two employees' travel. We also found that employees did not promptly submit requests for travel reimbursements, with delays ranging from 30 days to ten months. The board of regents should expand its employee travel policies and procedures to ensure the lowest costs to the state. Community colleges should comply with the board of regents' employee travel policies and procedures to ensure that employee travel is necessary and cost-effective. (Recommendation 16.)

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

CLARK J. CHAPIN

March 16, 2022

AUDITORS' REPORT

BOARD OF REGENTS FOR HIGHER EDUCATION
CONNECTICUT COMMUNITY COLLEGE SYSTEM
FISCAL YEARS ENDED JUNE 30, 2018, 2019 AND 2020

We have audited certain operations of the Connecticut Community College System 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, 2018, 2019, and 2020. The objectives of our audit were to:

1. Evaluate the board's internal controls over significant management and financial functions;

2. Evaluate the board's compliance with policies and procedures internal to the department 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 personnel of the department; and testing selected transactions. Our 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 Résumé of Operations is presented for informational purposes. This information was obtained from various available sources, including but not limited to, the department's management and the state's information systems, and was not subjected to the procedures applied in our audit of the department. For the areas audited, we:

1. Identified deficiencies in internal controls;

2. Identified apparent non-compliance with laws, regulations, contracts and grant agreements, policies, and procedures; and

3. Identified a need for improvements 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 Connecticut Community College System.

COMMENTS

FOREWORD

Our audit approach for the Connecticut Community College System consists of examining the entire system by selecting a sample of the 12 system colleges each audit cycle. This report, which covers the fiscal years ended June 30, 2018, 2019, and 2020, represents the results of our examination of the financial records of 12 community colleges (Asnuntuck, Capital, Gateway, Housatonic, Manchester, Middlesex, Naugatuck Valley, Northwestern Connecticut, Norwalk, Quinebaug Valley, Three Rivers, and Tunxis) and the financial records of the Board of Regents for Higher Education.

During the course of our audit, we identified certain system-wide weaknesses in internal controls or compliance with financial-related laws and regulations. In these instances, our corresponding recommendations reflect a system-wide approach to correcting such weaknesses, primarily directed at the Board of Regents for Higher Education. Although some of these areas require college-specific attention, our recommendations are directed towards system management.

The Board of Regents for Higher Education (BOR) governs the Connecticut State Colleges and Universities (CSCU), which encompasses the Connecticut Community College System, the Connecticut State University System, and Charter Oak State College. BOR operates under the provisions of Chapter 185 and 185b of the Connecticut General Statutes. The Connecticut Community College System, a constituent unit of CSCU, operates under the provisions of Chapter 185b, Part I, of the Connecticut General Statutes.

Pursuant to Section 10a-72 of the General Statutes, the Connecticut Community College System is comprised of 12 community colleges, geographically dispersed throughout the state.

Community College	Location
Asnuntuck Community College	Enfield
Capital Community College	Hartford
Gateway Community College	New Haven
Housatonic Community College	Bridgeport
Manchester Community College	Manchester
Middlesex Community College	Middletown
Naugatuck Valley Community College	Waterbury
Northwestern Connecticut Community College	Winsted
Norwalk Community College	Norwalk
Quinebaug Valley Community College	Danielson
Three Rivers Community College	Norwich
Tunxis Community College	Farmington

Section 10a-1a of the General Statutes provides that the Board of Regents for Higher Education consists of 21 members. The Governor appoints nine members, legislative leadership appoints four, students appoint two, and six individuals serve as non-voting, ex-officio members. The board sets statewide tuition and student fee policies; establishes financial aid policies; reviews, licenses, and accredits academic programs; and, in collaboration with institutional stakeholders, conducts searches for and selects campus presidents. Board members receive no compensation for their services, but are entitled to reimbursement for expenses.

The Board of Regents for Higher Education consisted of the following members as of June 30, 2020:

Appointed Members:

Matt Fleury, Chair
Merle W. Harris, Vice Chair
Richard J. Balducci
David R. Jimenez
JoAnn Ryan
Felice Gray-Kemp
Holly Howry
Aviva D. Budd
Naomi Cohen
Elease E. Wright
Monica Maldonado, Student Advisory Committee Chair
Elena Ruiz, Student Advisory Committee Vice Chair

Ex-Officio Members:

David Blitz, Faculty Advisory Committee Chair
Dr. Miguel A. Cardona, Education Commissioner
Dr. Deidra Gifford, Public Health Commissioner
David Lehman, DECD Commissioner
Colena Sesanker, Faculty Advisory Committee Vice Chair
Kurt Westby, Labor Commissioner

Barbara E. Richards, Catherine H. Smith, Dell Cummings, Dianna R. Wentzell, Hector Navarro, Holly Palmer, JoAnn H. Price, Juan Carlos Leal, Lawrence J. DeNardis, Pete Rosa, Raul Pino, Renee D. Coleman-Mitchell, Sage Maier, Scott D. Jackson, Stephen J. Adair, William J. McGurk, William Lugo, and Yvette Meléndez also served on the board of regents during the audited period. There were three vacancies on the board as of June 30, 2020.

Among the duties of the Board of Regents for Higher Education is the appointment of a president of the Connecticut State Colleges and Universities. Mark E. Ojakian served as the president throughout the audited period. Dr. Jane Gates began serving as the interim CSCU president on January 1, 2021. She served in that capacity until the July 2, 2021 appointment of the current president, Terrence Cheng. Mr. Cheng continues to serve in that capacity.

Recent Legislation

The General Assembly enacted the following notable legislative changes affecting the university during the audited period:

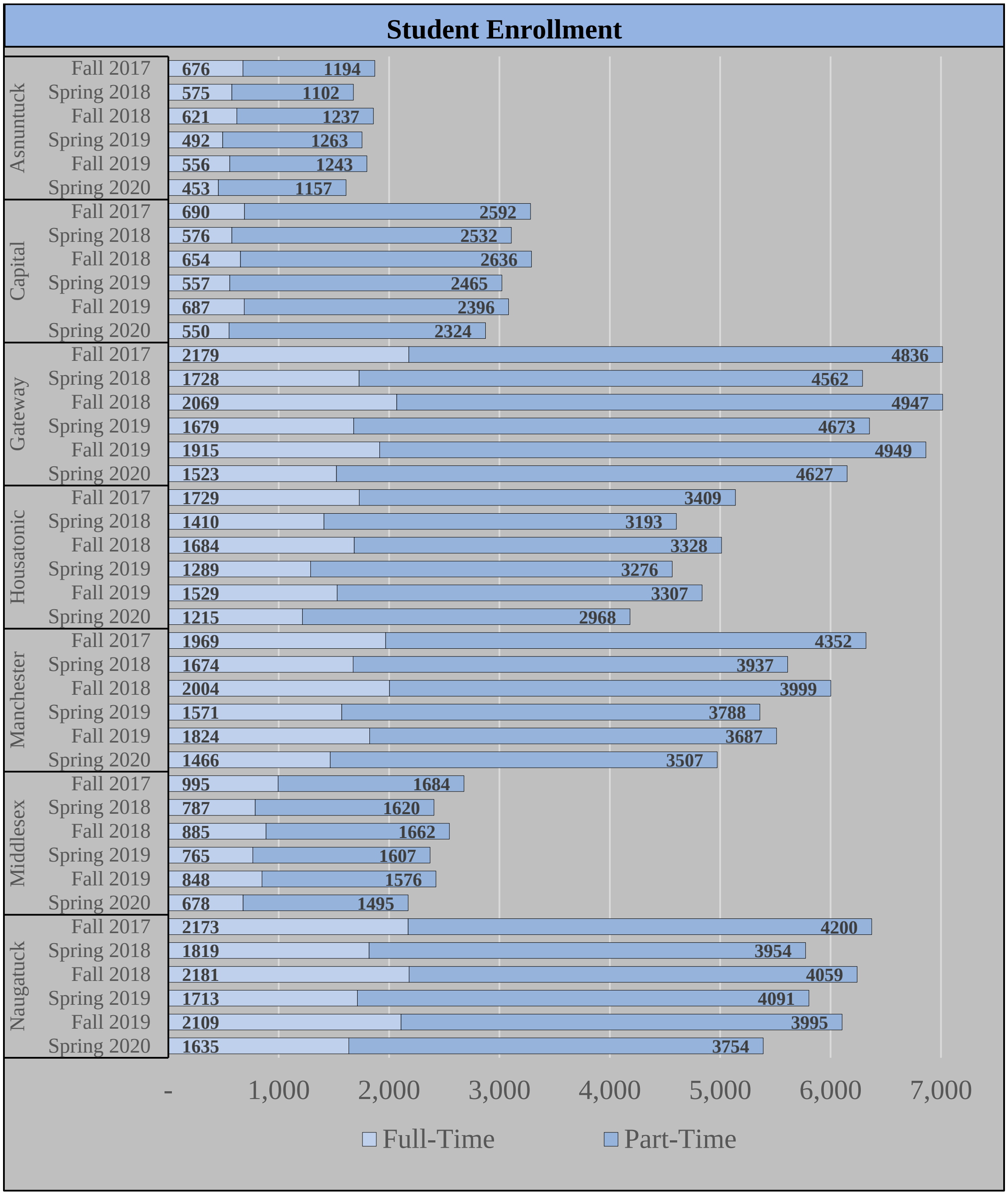
- **Public Act 18-2,** effective April 27, 2018, extended eligibility for institutional financial aid to certain students and honorably discharged veterans who lack legal immigration status, to the extent allowed by federal law, and if they meet certain eligibility criteria.

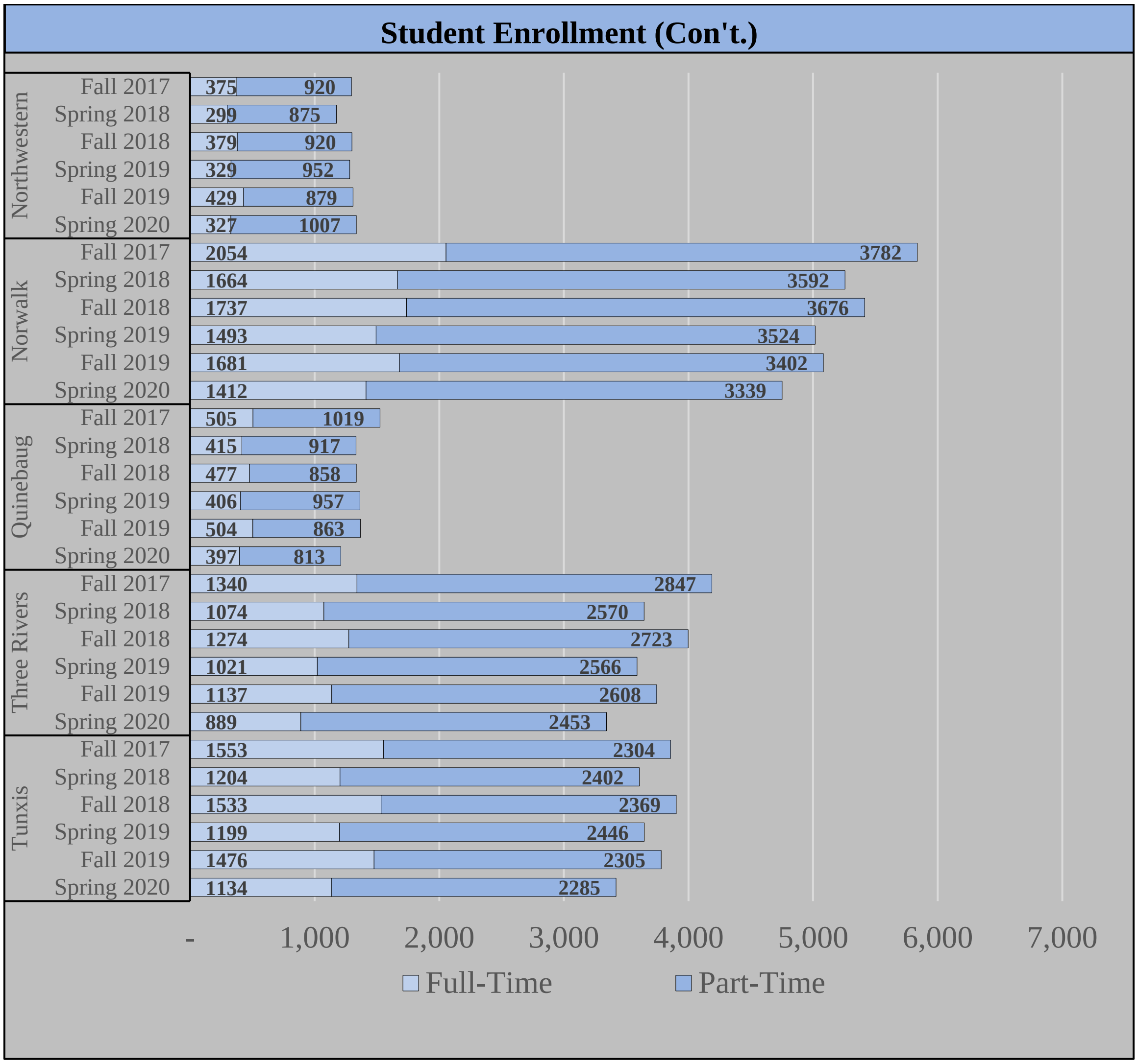
- **Public Act 19-103,** effective July 1, 2019, required the Board of Regents for Higher Education to establish an advanced manufacturing certificate program in no more than one Connecticut public high school per year beginning on or before January 1, 2020.

Enrollment Statistics

The average of fall and spring semester total enrollment was 46,929, 46,017, and 43,657 during the 2017-2018 and 2018-2019 and 2019-2020 fiscal years, respectively, compared to an average of 48,575 during the 2016-2017 fiscal year. Average enrollment decreased 3%, 2% and 5% in the 2017-2018 and 2018-2019 and 2019-2020 fiscal years, respectively.

Published enrollment statistics for the Connecticut Community College System are as follows:

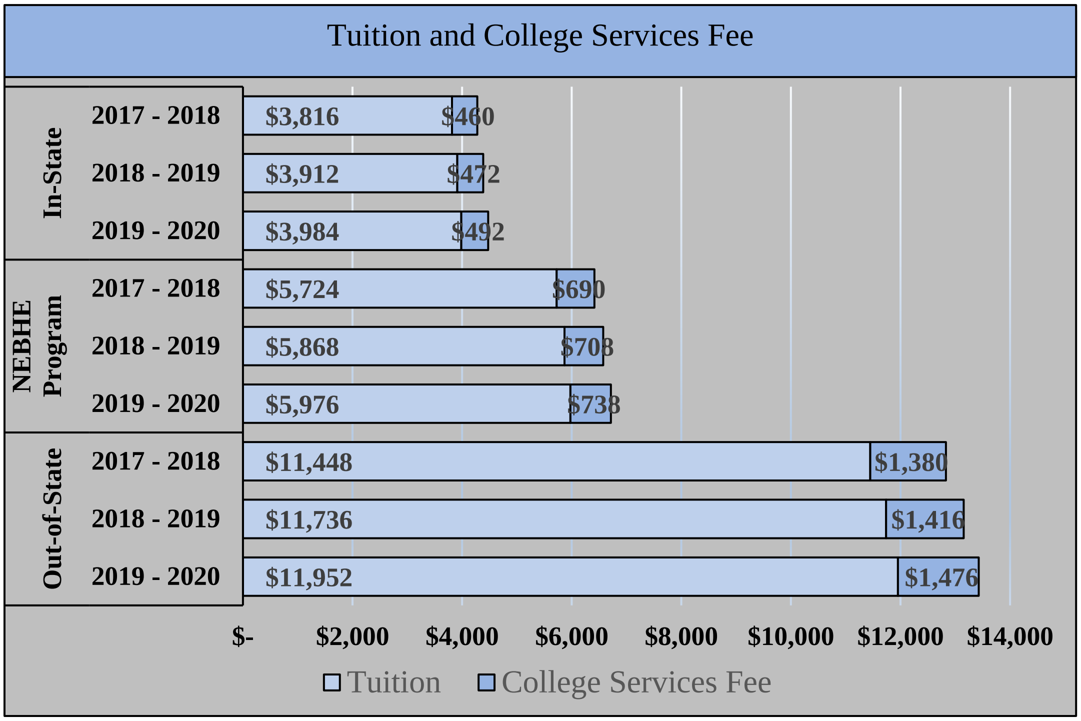




RÉSUMÉ OF OPERATIONS

During the audited period, appropriations from the state's General Fund and tuition and fees credited to the Regional Community-Technical Colleges' Operating Fund were the primary sources of funding for the community college system.

Operating fund receipts primarily consisted of student tuition and fees. Under the provisions of Section 10a-77(a) of the General Statutes, the Board of Regents for Higher Education set tuition charges for the community colleges. The following summary presents tuition and student fees for full-time students during the audited period. The community colleges charge tuition for part-time students on a prorated basis according to their registered credit hours.



In April 2017, the Board of Regents for Higher Education approved a two-year tuition and fee schedule that included a 2.5% tuition increase for the 2018-2019 academic year. In April 2019, the Board of Regents approved a 2% tuition increase for the 2019-2020 academic year.

In accordance with Section 10a-67 of the General Statutes, tuition amounts for nonresident students enrolled in the community college system through the New England Board of Higher Education (NEBHE) Regional Student Program are set at an amount equal to one and one-half that of in-state tuition. In June 2016, the board of regents approved a pilot program allowing Asnuntuck Community College to charge in-state tuition rates to Massachusetts students beginning in fall 2016. In April 2017, the board of regents approved expanding the out-of-state tuition waiver program to make residents of Massachusetts, Rhode Island, and New York eligible for in-state tuition rates at Asnuntuck, Quinebaug Valley, Three Rivers, Norwalk, Northwestern, Housatonic, and Naugatuck Valley community colleges starting in fiscal year 2017-2018.

Operating Revenues

Operating revenues result from the sale or exchange of goods and services related to the system’s educational and public service activities. Major sources of operating revenue include tuition and fees, federal grants, and state grants. The following summary illustrates operating revenue as presented in the system’s financial statements for the audited period and prior fiscal year:

	2016-2017	2017-2018	2018-2019	2019-2020
($ in thousands)				
Student Tuition and Fees	$ 97,770	$106,259	$ 98,254	$ 92,690
(net of scholarship allowances)				
Federal Grants and Contracts	17,985	16,105	13,970	12,115
State and Local Grants and Contracts	14,584	12,496	11,854	11,901
Private Grants and Contracts	4,235	4,490	5,820	4,816
Sales and Services of Education Departments	661	692	564	415
Other Operating Revenues	4,522	4,100	3,501	3,230
Total Operating Revenues	$139,757	$144,142	$133,963	$125,167

Operating revenues increased by approximately 3.1% for the fiscal year ended June 30, 2018 and decreased by approximately 7.1% and 6.6% for the fiscal years ended June 30, 2019 and 2020, respectively. The growth during the fiscal year ended June 30, 2018 is primarily attributed to increases in student tuition and new supplemental fees that resulted in $9 million in revenue. The decreases during the fiscal year ended June 30, 2019 and 2020 were primarily attributed to reduced credit enrollment and federal grants.

Operating Expenses

Operating expenses generally result from payments made for goods and services to assist in achieving the system's mission of instruction and public service. Operating expenses include employee compensation and benefits, services, supplies, utilities, and depreciation. The following summary illustrates operating expenses as presented in the system's financial statements for the audited period and prior fiscal year:

	2016-2017	2017-2018	2018-2019	2019-2020
($ in thousands)				
Instruction	$ 233,569	$226,941	$242,430	$244,439
Public Service	1,242	989	1,120	854
Academic Support	94,944	84,667	89,758	102,977
Library	11,966	11,530	12,221	14,295
Student Services	52,794	50,756	55,083	64,142
Scholarship Aid, net	31,048	35,706	29,752	40,860
Institutional Support	79,973	76,958	78,100	135,448
Physical Plant	58,044	56,399	86,279	87,976
Depreciation	30,457	31,417	-	-
Auxiliary Enterprises	-	-	512	464
Total Operating Expenses	$594,037	$575,363	$595,255	$691,455

Operating expenses decreased by approximately 3.1% for the fiscal year ended June 30, 2018 and increased by approximately 3.5% and 16.2% for the fiscal years ended June 30, 2019 and 2020, respectively. Increases were mainly due to changes in pension and other post-employment benefits (OPEB) expenses recognized by the community colleges in accordance with Government Accounting Standards Board (GASB) 68 & 75 requirements.

Nonoperating Revenues

Nonoperating revenues are not derived from the sale or exchange of goods or services that relate to the college's primary functions of instruction, academic support, and student services. Nonoperating revenues include the state's General Fund appropriations and bonding, Pell grants, private gifts and donations, and investment income. The following summary illustrates nonoperating revenue as presented in the system's financial statements for the audited period and prior fiscal year:

	2016-2017	2017-2018	2018-2019	2019-2020
($ in thousands)				
State Appropriations - General Fund	$283,937	$271,658	$283,350	$300,940
State Appropriations - Bond Fund	34,887	27,179	28,114	22,412
Pell Grants	72,093	75,938	75,144	75,036
Federal Emergency Grant Revenue		-	-	9,201
Net Other Nonoperating Revenues (Expenses)	2,052	3,287	1,940	1,213
Total Nonoperating Revenues	$392,969	$378,062	$388,548	$408,802

Nonoperating revenues decreased by approximately 3.8% for the fiscal year ended June 30, 2018 and increased by approximately 2.8% and 5.2% for the fiscal years ended June 30, 2019 and 2020, respectively. These variations were mainly due to fluctuations in state appropriations from year to year. A portion of the increase in the fiscal year ended June 30, 2020 was the result of a $9.2 million disbursement to the community college system from the Coronavirus Aid, Relief, and Economic Security Act (CARES): Higher Education Emergency Relief Fund.

Community College Foundations

Individual foundations support each of the 12 community colleges. Each foundation is a private, nonprofit corporation established to raise funds in support of each college's activities.

Sections 4-37e through 4-37k of the General Statutes define and set requirements for the foundations. The requirements address the annual filing of an updated list of board members with the state agency for which the foundation was formed, financial recordkeeping 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. During our review of the foundations, we noted noncompliance that is presented in the State Auditors' Findings and Recommendations section of this report.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Connecticut Community College System disclosed the following 30 recommendations, of which 17 have been repeated from the previous audit:

Controls over Information Technology Domain Administrative Accounts

Criteria:

Organizations should ensure they can hold individuals responsible for their actions by making system activity traceable. Both the National Institute of Standards and Technology (NIST) Special Publication 800-12, *An Introduction to Information Security*, and Federal Information Processing Standards (FIPS) Publication 200, *Minimum Security Requirements for Federal Information and Information Systems*, establish this as a general standard and guideline for information system security.

NIST Special Publication 800-61, *Computer Security Incident Handling*, states that when an organization believes a security incident has occurred, it should perform an analysis to determine which networks, systems, or applications the incident affected, as well as who or what originated the incident.

NIST Special Publication 800-122, *Guide to Protecting the Confidentiality of Personally Identifiable Information (PII)*, states the review of a security incident should include an evaluation of whether the incident involves personally identifiable information (PII).

Condition:

<u>Asnuntuck Community College and Board of Regents for Higher Education:</u>

We reviewed two information technology investigations at Asnuntuck Community College and found that the investigators did not seek to determine which systems and files the employees accessed or whether they compromised confidential or sensitive information.

One investigation at Asnuntuck Community College identified multiple generic domain administrative accounts. These accounts could have anonymously provided administrative privileges to the college's information technology systems, including confidential student information and financial data. Asnuntuck disabled the accounts upon discovery but did not review them to determine their activity or origin.

Another investigation determined that an information technology employee knowingly and willfully violated CSCU policy by remotely connecting to CSCU systems. The employee accessed the director of human resources' and a dean's computers. The employee also manipulated the system to regain access to systems the college intentionally removed them from. The employee used another employee's account to reset their own account. The Board of Regents for Higher Education investigation did not review which files or systems the employee remotely accessed or whether the employee compromised confidential or sensitive information.

Effect: Confidential data in Asnuntuck Community College's information systems was vulnerable due to the existence of generic domain administrative accounts and policy violations by information technology employees.

Cause: Asnuntuck Community College did not periodically review and did not require regular password changes for domain administrative accounts.

The Board of Regents for Higher Education investigations did not review which files and systems the employees accessed.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: Asnuntuck Community College should ensure it can trace system activity to a specific individual. Asnuntuck should consider reviewing how employees created the identified generic domain administrative accounts and which systems the employees accessed.

The Board of Regents for Higher Education information technology security investigations should review which systems and files employees accessed and determine whether employees compromised confidential or sensitive information. (See Recommendation 1.)

Agency Response: "On February 6, 2020, The Board of Regents for Higher Education approved the CSCU Information Security Policy, which includes ISST 10.300 Incident Response, ISST 10.400 Access Control (AC), and ISST 10.500 Audit and Accountability detailing the procedural responses for Connecticut Community Colleges to follow to properly address security incidents such as the incident identified.

Since the [sic] February 2018 the CSCU has committed support for sustained training programs ensuring all institutions are aware of the policies, standards, procedures, processes, and guidelines regarding technology related security incidents and informed of the proper incident response. The Information Security Program Office provides continuous knowledge awareness training to all Community College employees on an annual basis, including the staff at Asnuntuck Community College.

Furthermore, to programmatically set audit and accountability controls, the Board of Regents for Higher Education will be integrating the BeyondTrust Privileged Access Management platform in the Fall of 2021 as the system to trace remote support activities and provide audit capabilities. The BeyondTrust system will automatically record all remote technical support session activity and produce detailed audit logs stored in a secured location for all support activities on all Connecticut Community College computer systems."

Performance Evaluations of Adjunct Faculty

Criteria: It is a sound business practice for management to include employee conduct, among other criteria, when evaluating an employee's job performance.

The Congress of Connecticut Community Colleges bargaining agreement provides for periodic evaluations of all unit members' "performance of professional responsibilities." The bargaining agreement requires the colleges to consider multiple factors, such as attendance, availability to students outside of class, teaching courses in accordance with the course descriptions, and maintaining student records.

Condition: Norwalk Community College:

Norwalk bases adjunct faculty evaluations solely on in-class observations that exclude activities outside the classroom.

Board of Regents for Higher Education:

Community college practice limits adjunct faculty evaluations to self-appraisal, instructional observation, and student ratings. However, the bargaining agreement does not limit these evaluations to these measures. In addition, the agreement outlines expectations for adjunct faculty that include out-of-class performance. Consequently, the colleges are using incomplete criteria to evaluate adjunct faculty members.

Effect: Community colleges are not adequately evaluating adjunct faculty members. The limited scope of adjunct faculty evaluations is insufficient.

Cause: The board of regents is using an unnecessarily limited evaluation criteria of adjunct faculty members.

Prior Audit Finding:	We initially reported this finding in the audit report covering the fiscal years ended June 30, 2016 and 2017.
Recommendation:	The Board of Regents for Higher Education should ensure that all community colleges are performing evaluations of adjunct faculty that take into consideration all aspects of in-class and out-of-class performance and clarify the terms for these evaluations in the collective bargaining agreement. (See Recommendation 2.)
Agency Response:	"CSCU will review its practices for evaluating adjunct faculty to ensure that all the criteria identified in Article IX of the collective bargaining agreement are addressed."

Electricity Overpayments

Criteria:	It is sound business practice to thoroughly review the accuracy of invoices before issuing payments.
Condition:	Manchester Community College did not sufficiently review electricity bills and overpaid them by $74,943. The college did not notice that the utility company charged more than the negotiated energy supply rate for two of its meters. The college also did not notice that the utility billed for two disconnected meters and a nonexistent meter. As a result of our inquiries, the utility company refunded the $74,943.
Context:	Manchester Community College paid the utility company $1,532,000 during the audited period.
Effect:	Manchester Community College paid a higher power generation rate than contracted for and paid for unused meters.
Cause:	Manchester Community College did not verify it had received electrical services before paying invoices.
Prior Audit Finding:	This is the first report to include such a finding.
Recommendation:	Manchester Community College should review its electricity invoices before paying them to ensure its vendor charged for accurate services and billed at the negotiated energy supply rate. (See Recommendation 3.)
Agency Response:	"The billing errors in question arose following the installation of new solar generation capacity for the college, resulting in significant changes to the format and substance of our electric billing at the campus. The errors have been corrected, staff has become familiar with new

arrangements for this commodity, and MCC will verify electrical services on a current basis going forward."

Conflicts of Interest - Student Employed by Professor

Background: The colleges' collective bargaining agreements permit full-time faculty to also have outside employment.

Criteria: According to the board of regents' Ethics Statement, employees may not use their official position to benefit themselves or their business. It also states that employees may not engage in business activity that is in substantial conflict with the proper discharge of their duties as a public official. If a substantial or potential conflict of interest exists, the employee must submit a signed written statement describing the matter to the supervisor.

The board of regents' Code of Conduct states that faculty should avoid favoritism or the appearance of favoritism.

Condition: We identified an unaddressed conflict of interest in which a Capital Community College student took the child development associate coordinator's course while working at the coordinator's private daycare provider business. Additionally, other students completed their mandatory volunteer hours at the same daycare provider.

Cause: Capital Community College was aware the professor hired students and allowed them to complete their mandatory volunteer hours at her daycare. However, the college did not prohibit this arrangement or address the resulting conflicts of interest.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should develop a policy for students working or volunteering at their professors' businesses.

Capital Community College should address the conflict of interest that exists from students working or volunteering at a professor's business. (See Recommendation 4.)

Agency Response: "These allegations were investigated by the college and were not found to have any merit. The investigation found that this professor has always been transparent about her business, has always informed the college on an annual basis, and hired only former students...."

Auditors' Concluding Comments: We obtained evidence that the professor hired a current student to work at her business.

Excessive Paid Administrative Leave

Criteria: Colleges should minimize the time that employees are on paid administrative leave pending investigations.

Section 4-40b of the Connecticut General Statutes requires colleges to obtain Attorney General approval of agreements that result in settlement payments to employees of $50,000 or more.

At least six state employee bargaining unit contracts have a 60-day limit that an agency can place an employee on paid administrative leave to allow time for an investigation. However, community college union agreements do not limit paid administrative leaves.

Condition: Asnuntuck, Capital, Gateway, Manchester, Middlesex, Quinebaug, Three Rivers and the System Office:

We reviewed 20 paid administrative leaves for 17 out of 37 employees at 11 community colleges and the system office. Thirteen of these leaves for 12 employees exceeded 60 days. The colleges paid the employees in our sample $538,133 during their leaves that ranged from 79 to 311 days. The colleges subsequently terminated nine of these employees.

College	# of Administrative Leaves Tested	Average Workdays on Leave	Amount
Asnuntuck Community College	2	100.5	$ 71,473
Capital Community College	2	93	43,527
Gateway Community College	3	111	96,899
Manchester Community College	1	311	108,596
Middlesex Community College	2	93	59,174
Quinebaug Valley Community College	1	195	95,886
System Office	1	119	43,415
Three Rivers Community College	1	90	19,162
Total	13	125	$ 538,133

Quinebaug Valley Community College:

Quinebaug Valley took 71 calendar days (the employee's resignation date) to reach an agreement with an employee on paid administrative leave, which the Attorney General did not approve. The agreement provided the employee with an additional six months of compensation and benefits that the college recorded as paid administrative leave. The college paid the employee approximately $64,000 plus benefits during the additional six-month period.

Manchester Community College:

Manchester placed an employee on paid administrative leave and took seven months to execute a stipulated agreement that required the college to pay the employee an additional seven months for 311 workdays. The Attorney General did not approve the stipulated agreement. The college paid the employee approximately $57,500 plus benefits during the additional seven-month period.

Context: Eleven colleges and the system office placed 37 employees on paid administrative leave during the audited period. Salaries during the leave periods for these employees totaled $717,076.

Effect: The Board of Regents for Higher Education's system office and community colleges incurred excessive paid administrative leave costs. They also did not obtain the Attorney General's required approval on certain agreements.

Cause: The Board of Regents for Higher Education's human resources policies and bargaining unit contracts do not limit paid administrative leave. In addition, the board of regents lacks a paid administrative leave policy.

Prior Audit Finding: We included a similar finding in our prior report for the Board of Regents for Higher Education's system office and Asnuntuck, Manchester, Naugatuck, and Norwalk Community Colleges covering fiscal years ended June 30, 2016 and 2017.

Recommendation: The Board of Regents for Higher Education's system office should limit the duration of paid administrative leaves and promptly investigate personnel matters to avoid excessive paid administrative leave costs. The board of regents should obtain Attorney General approval of employee settlement agreements of $50,000 or more as required by Section 4-40b of the General Statutes. (See Recommendation 5.)

Agency Response: "CSCU has and will continue to minimize the time required to perform investigations. Our policies do not require that they be completed in 60 days because in many instances that is not sufficient time to conduct an appropriate investigation that meets our legal and contractual requirements. This conclusion is supported by the facts reported in this finding.

CSCU will ensure that future settlement agreements receive all required approvals."

Improper Advance of Leave Time

Criteria: Employees accrue leave time for each month worked at a rate based on their collective bargaining agreement. The human resources system automatically records the accrual on the first of the month for the previous month's work. Employees may use leave time only after they earn it, and there is no provision for advances.

Agencies may temporarily use the leave in lieu of accrual (LILA) time reporting code when an employee uses earned leave time before the college records it in their account. State agencies must review monthly usage of the LILA time reporting code and adjust the hours to the appropriate balances as soon as the employee's leave accruals allow it.

Condition: Board of Regents for Higher Education's System Office:

The system office used the LILA code to advance paid vacation leave to three newly hired employees. In these instances, the system office advanced unearned leave time and did not promptly recover the advances.

- The system office advanced 28 hours of vacation time during an employee's first two months and did not recover the time until we inquired about it approximately ten months later.
- The system office advanced 112 hours of vacation time to a second employee during the first four months. This occurred on three occasions. The system office recovered 64 hours for the second and third incidents when the employee accrued enough leave time. It recovered another 16 hours after we asked about the remaining LILA balance approximately 14 months later and recovered the final 32 hours after we brought the 16-hour partial recovery to its attention.
- The system office advanced 40 hours of vacation leave to a third employee during the first two months. The system office recovered the LILA balance two months later, when the employee accrued enough leave time.

Context: The Board of Regents for Higher Education's system office employees charged 721 hours of LILA time during the audited period.

Effect: Employees received paid vacation leave before they earned it. Insufficient monitoring of LILA activity delayed the recovery of advanced paid leave and could result in employees using more leave time than they earn.

Cause: The system office advanced paid leave time to certain employees. Management did not sufficiently monitor LILA balances for these advances.

Prior Audit Finding: This is the first report with such a finding.

Recommendation: The Board of Regents for Higher Education should only advance the leave in lieu of accrual time for appropriate purposes and adjust leave balances in accordance with Core-CT procedures. The board of regents should recover unearned leave time when appropriate. (See Recommendation 6.)

Agency Response: "Starting in 2020, CSCU established shared services in the area of Payroll. This new model will help to provide additional resources and oversight for LILA compliance. Payroll Shared Services will set up procedures for monitoring and reconciling any LILA transactions going forward."

Workplace Violence – Threat Assessments

Criteria: The Department of Administrative Services Violence in the Workplace Policy and Procedures Manual outlines non-emergency response procedures for human resources employees. One step in this process is a meeting with a threat assessment team to assess options and develop an action plan, if needed.

Condition: Capital Community College:

A Capital employee expressed concern for her safety while on campus following a divorce from another college employee. Capital Community College directed the employee to contact the police to obtain a restraining order and offered to provide extra security while she was on campus. They also instructed their security officers to take positive action to protect both parties. However, Capital Community College did not assemble the threat assessment team when the employee expressed concern. The college convened the threat assessment team six months later in response to college- wide emails sent by the employee's ex-husband.

Effect: Capital Community College did not sufficiently address a potential security risk.

Cause: Capital Community College did not follow standards to address potential workplace violence.

Prior Audit Finding: This is the first report to include such a finding relating to Capital Community College. However, we presented a similar finding for Norwalk Community College in the report for the fiscal years ended June 30, 2016 and 2017.

Recommendation: Capital Community College should comply with the Department of Administrative Services Violence in the Workplace Policy and Procedures Manual. The college should convene its threat assessment team when required. (See Recommendation 7.)

Agency Response: "Capital Community College: CCC will review the DAS manual and ensure future compliance."

Evidence of Services Provided by Adjunct Faculty and Noncredit Lecturers

Background: The community colleges contract with adjunct faculty and noncredit lecturers to teach a single term or class at a flat rate. During their contract period, the colleges pay them in equal installments based on the terms of their individual contracts.

Criteria: Sound internal controls and Section 3-117(b) of the General Statutes require the receipt of services before payment.

Condition: **Adjunct Faculty**

Board of Regents for Higher Education's System Office:

Beginning in the spring 2016 semester, the system office established procedures for colleges to certify that contracted faculty completed their duties. However, the procedures only require each college's dean of academic affairs to certify a board-generated report of part-time lecturers after the last payroll, but prior to the end of the term. Therefore, the colleges cannot be certain they received adjunct faculty services before they processed as many as seven payments.

All Community Colleges and the Board of Regents:

We reviewed the colleges' implementation of the board's policy for the spring 2020 semester. We selected this semester because the sudden shift to remote learning during the pandemic posed a higher risk for overpayments. The board of regents did not ask the colleges to certify the part-time lecturers report until four months after the semester, when they had already fully paid adjunct faculty. Four colleges certified the reports when they received them but six reviewed them up to three months later. We address the remaining two colleges below.

<u>Gateway Community College:</u>

Gateway did not certify the spring 2020 adjunct faculty list.

<u>Housatonic Community College:</u>

Housatonic did not respond to our request for a copy of the spring 2020 adjunct faculty certification.

Noncredit Lecturers

<u>Asnuntuck Community College:</u>

Asnuntuck overpaid a noncredit lecturer after COVID-19 prevented the instructor from completing teaching duties. The college paid the instructor $26,640, the full amount of the contract, while file notes suggest the individual only earned $18,000. The college overpaid a second noncredit lecturer twice, but the college only recovered one $600 overpayment. We brought the second overpayment of $586 to the college's attention for recovery.

Context: During the audited period, the community colleges paid $159,199,232 to 5,238 part-time lecturers. We tested the certifications for the spring 2020 semester payments totaling approximately $25 million to 3,150 part-time lecturers.

Effect: The colleges could pay part-time lecturers for services they did not provide.

Cause: The board of regents' internal controls over the certification of adjunct faculty services did not ensure that colleges only compensated part-time lecturers who completed their contractual obligations for the entire semester.

Prior Audit Finding: We presented similar findings in our prior two audit reports covering the fiscal years ended June 30, 2014 through 2017.

Recommendation: The Board of Regents for Higher Education and community colleges should implement policies and procedures to ensure they compensate adjunct faculty only after they fulfill their contractual obligations. (See Recommendation 8.)

Agency Response: "CSCU concurs with the recommendation and will improve procedures to verify the receipt of adjunct services in advance of final payment."

Adjunct Faculty Contractual Agreements

Background: The community colleges' adjunct faculty contract allows them to work as contractors for a single term with payments based on their individual contracts.

Criteria: It is a good business practice to execute written contracts when entering into personal services employment agreements. The colleges and instructors should sign contracts prior to the commencement of services.

Condition: Three Rivers Community College:

Three Rivers allowed two part-time lecturers to teach courses during the Spring 2020 semester without a signed agreement. The college paid them each $8,155, one in June and the other in July, when the college and employees approved the contracts and after the semester ended. The college and part-time lecturers should have signed the contracts before classes started in January 2020.

Gateway Community College:

Gateway paid two employees $29,484 during the audited period to teach three classes, but the part-time lecturers never signed their contracts.

Housatonic Community College:

Housatonic could not provide us with the contract for one adjunct faculty member who the college paid $37,418 during fiscal year 2018-2019.

Middlesex Community College:

Adjunct faculty at Middlesex signed three employment contracts after the start of their appointment period, ranging from one to three weeks late.

Naugatuck Valley Community College:

A Naugatuck Valley adjunct faculty member signed an employment agreement two weeks after the start of their appointment period during fiscal year 2019-2020.

Tunxis Community College:

A Tunxis adjunct faculty member signed an employment contract two weeks after employment started during fiscal year 2017-2018.

Context: During the audited period, the community colleges paid $159,199,232 to 5,238 part-time lecturers.

Effect: Late approval of employment contracts decreases the assurance that the employee and the college agreed to all of the contractual terms before providing services.

Cause: The colleges did not have adequate controls to prevent these instances of noncompliance.

Prior Audit Finding: We included similar findings in the prior two audit reports covering the fiscal years ended June 30, 2014 through 2017.

Recommendation: Three Rivers, Gateway, Housatonic, Middlesex, Naugatuck Valley, and Tunxis Community Colleges should strengthen their payroll and human resources internal controls to ensure all parties sign employment agreements prior to the contractual period. (See Recommendation 9.)

Agency Response: "On July 1, 2020, CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing CSCU to establish improved procedures and controls that will improve our contracting process across the system. HR Shared Services is planning to implement a software to automate the preparation and execution of these agreements more timely."

Excessive Faculty Schedules

Criteria: Article 10, Section 3A of the agreement between the Board of Regents for Higher Education and the Congress of Connecticut Community Colleges (4Cs) establishes that a full-time faculty member's teaching load is 15 credit hours per semester. Article 10, Section 6C of the agreement limits the additional workload a faculty member may perform to 1/5th of a total load.

Condition: Our analysis of faculty member schedules revealed that colleges scheduled 1,069 faculty for more than 18 credit hours in a semester. This included one faculty member who taught at least 28 credit hours per semester in 17 separate semesters.

Context: The audited period included 4,131 full time faculty member semester schedules.

Effect: There is an increased risk that faculty members will take on more responsibility than they can manage and potentially compromise the quality of education.

Cause: The community colleges did not comply with the terms of the board of regents' agreement with the Congress of Connecticut Community Colleges.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should ensure that community colleges schedule faculty course loads in compliance with the agreement between the board of regents and the Congress of Connecticut Community Colleges. (See Recommendation 10.)

Agency Response: "CSCU will review our agreements with the 4-Cs and ensure that our scheduling is in compliance with them."

Dual Employment – Additional Duty Pay

Criteria: Section 5-208a of the General Statutes bars state employees from holding multiple job assignments within the same or another state agency unless the appointing authority of such agency certifies that:

- The duties performed are not in conflict with the employee's primary responsibilities at the agency.
- The hours worked on each assignment are documented and reviewed to prevent duplicate payment.
- There is no conflict of interest between the services performed.

The Department of Administrative Services requires the agency head and employee to sign Form CT-HR-25 before the dual employment begins.

Colleges should accurately record payroll expenditures and ensure consistent accounting throughout the community college system. Employee records in Core-CT should be complete and accurate. Approved timesheets or other documents should support payroll transactions.

Condition: Board of Regents for Community Colleges:

The board of regents does not require managers to prepare timesheets for the increased pay associated with formally assigned additional duties. It also does not record the additional duties in the human resources management system or require dual employment forms to consider potential conflicts and prevent duplicate payments.

Asnuntuck Community College:

Asnuntuck executed four consecutive contracts with a manager who worked 80 hours biweekly to perform additional duties at Tunxis Community College. Asnuntuck paid the contractual biweekly amounts without considering the actual number of hours the employee worked at Tunxis and did not require the employee to submit timesheets for the additional duties. In addition, Asnuntuck did not require a dual employment form.

Context: Asnuntuck Community College's contracts required an additional level of effort from the employee each period, ranging from 16 to 30 hours. The college paid this employee over $66,000 in unsupported additional duty payments during the audited period.

Effect: There is an increased risk that controls will not prevent overpayments.

Cause: The board of regents circumvented established payroll procedures for managers performing additional duties.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should require community colleges to properly evaluate dual employment arrangements and document that evaluation using approved dual employment forms. Colleges should only pay employees for additional duties based on approved documentation of their hours. (See Recommendation 11.)

Agency Response: "On July 1, 2020, CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing the organization to establish improved procedures and controls that will improve compliance with dual employment requirements including requiring that pay for additional temporary duties for management employees be transitioned from Additional Pay in Core to timesheet entry."

Dual Employment – Agreements

Criteria: Section 5-208a of the General Statutes bars state employees from holding multiple job assignments within the same or another state agency unless the appointing authority of such agency certifies that:

- The duties performed are not in conflict with the employee's primary responsibilities at the agency.
- The hours worked on each assignment are documented and reviewed to preclude duplicate payment.
- There is no conflict of interest between the services performed.

The Department of Administrative Services requires the agency head and employee to sign Form CT-HR-25 before the dual employment begins.

Condition: We reviewed the dual employment arrangements for 15 employees who held multiple positions and consistently worked over 80 hours in a pay period during the audited period.

- The colleges approved five of these arrangements between 18 days and six months after the start date, including one after the contract period ended.
- Gateway Community College did not require dual employment forms for two Judicial employees who worked as part-time lecturers.

A separate test revealed that Gateway Community College paid an employee for two part-time positions in addition to a full-time position. We made several attempts to obtain the dual employment records for this employee, but the college never provided it.

Context: There were 11,700 employees in the community college system during the audited period. Only 2,700, or 23%, worked full-time. Of these full-time employees, 50% worked a secondary non-teaching position.

Effect: When the colleges and employees do not approve dual employment agreements prior to the start of services, they cannot be certain they agreed to the same terms. In addition, the colleges may not have sufficiently considered the employee’s duties, the potential for duplicate payments, and conflicts of interest.

Cause: Internal controls did not ensure the timely review and approval of dual employment agreements.

Prior Audit Finding: We included a similar finding in the two prior audit reports covering the fiscal years ending June 30, 2014 through 2017.

Recommendation: The Board of Regents for Higher Education’s system office and community colleges should improve compliance with dual employment

	requirements, policies, and procedures. The colleges should approve dual employment agreements before the start of dual employment. (See Recommendation 12.)
Agency Response:	"On July 1, 2020, CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing the organization to establish improved procedures and controls that will improve compliance with dual employment requirements including new workflow to ensure advance approval of agreements."

Dual Employment – Excessive Workload

Criteria:	The bargaining unit contract between the Congress of Connecticut Community Colleges (4Cs) and the Board of Regents for Higher Education limits the amount of time that an employee can work in an additional position to 1/5th of their total workload. The contract also establishes a 35-hour-per-week workload for nonteaching professional staff. Thus, a nonteaching professional staff member can work an additional seven hours per week or 14 hours per pay period.
Condition:	A Gateway Community College nonteaching professional employee took on two additional part-time positions at the college. As a result of this arrangement, the employee worked between 88 and 91 hours per pay period for most of 2020. The 4Cs agreement does not permit this workload.
Context:	We identified 55 nonfaculty employees with dual employment arrangements that caused them to work a schedule exceeding the bargaining unit's maximum of 84 hours per pay period. These employees worked an average of 89 hours per pay period during the audited period.
Effect:	Employees are working more hours than permitted under the agreement between the Congress of Connecticut Community Colleges and the board of regents.
Cause:	Gateway Community College did not comply with the terms of the bargaining agreement.
Prior Audit Finding:	This is the first report to include such a finding.
Recommendation:	Gateway Community College should ensure that dual employment arrangements comply with the terms of the bargaining agreement between the Congress of Connecticut Community Colleges and the Board of Regents for Higher Education. (See Recommendation 13.)

Agency Response: "Gateway Community College agrees with this finding. On July 1, 2020, CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing the organization to establish improved procedures and controls that will improve compliance with dual employment requirements."

Compensatory Time as Payment to Shared Employees

Criteria: Colleges should accurately record payroll expenditures and ensure consistent accounting throughout the community college system. Employee records in Core-CT should be complete and accurate

Condition: <u>Asnuntuck and Tunxis Community Colleges:</u>

Asnuntuck and Tunxis shared multiple employees during the audited period. The colleges did not establish separate job records in Core-CT to allow for proper tracking of their time at each college. The colleges instead had the employees record compensatory time when they worked at the other college. We reviewed three of these shared employees and noted that they received 3,777 hours of compensatory time during the audited period. This included 13 hours on days in which they charged leave time or received paid leave for weather-related closings. The colleges paid approximately $721 for this improper compensatory time.

Effect: When colleges do not properly record transactions in Core-CT, there is an increased risk that system controls may not prevent overpayments or payments to ineligible individuals.

Tunxis and Asnuntuck Community Colleges paid for compensatory time when employees did not work a full week.

Cause: The colleges are not properly using Core-CT.

In addition, the Board of Regents for Higher Education does not have a compensatory time policy for employees working for more than one college.

Prior Audit Finding: We presented a similar finding in our last audit report covering the fiscal years 2016 and 2017.

Recommendation: The Board of Regents for Higher Education should develop policies regarding the granting of compensatory time for employees splitting their time between community colleges. The board of regents should train employees on the proper use of Core-CT so the colleges accurately record employee information and payroll transactions. The board also should establish employee sharing policies. (See Recommendation 14.)

Agency Response: "CSCU agrees with the finding. Contractual language regarding compensatory time for the Congress and unclassified AFSCME BUs and the HR Policy for non-represented M/C employees will be followed and extended to dual employment situations in which an employees' work schedule is extended beyond the normal work period and includes work at multiple CSCU campuses/agencies.

Tunxis and Asnuntuck Community College: The nature of the duties of the employees in question are such that they are able to perform their jobs from home even in situations where the campuses are closed for weather or other reasons."

Use of Core-CT

Criteria: Colleges should accurately record payroll expenditures and ensure consistent accounting throughout the community college system. Employee records in the Core-CT human resources management system should be complete and accurate.

Condition: Community Colleges did not properly use Core-CT to record payroll activity.

Capital and Housatonic Community Colleges:

Capital and Housatonic did not record a two-year temporary transfer of an employee in Core-CT.

Naugatuck Valley Community College:

Naugatuck Valley incorrectly used the educational assistant job code in Core-CT for two managerial positions. The college paid these employees a managerial hourly rate that exceeded the bargaining agreement's rate for educational assistants.

Northwestern Connecticut Community College:

Northwestern did not properly code an employee in Core-CT for a 98-day sabbatical leave.

Norwalk Connecticut Community College:

Norwalk did not properly code two employees in Core-CT to reflect their 110-day sabbatical leaves.

Tunxis Community College:

Tunxis continues to release a tenured faculty member from teaching duties to serve as the full-time executive director of the College of Technology and did not record the change in job duties in Core-CT. To pay the employee year-round, the college combined the employee's faculty position with two part-time educational assistant positions. The college incorrectly used this combination to create a single managerial position and paid the employee a managerial hourly rate that exceeded the union agreement's rate for educational assistants. The arrangement also prevents the employee from earning vacation time while working six days per week, 52 weeks per year.

Context: The community college system had 11,700 employees during the audited period. Only 2,700, or 23%, worked full-time. Of these full-time employees, 50% also worked in additional nonteaching position.

There were 560 employees who received $714,483 in retroactive payments during the audited period. Some of these findings are based on our tests of payments to 19 of these employees.

Effect: Employee records and financial information are inaccurate when colleges do not properly record transactions in Core-CT. There is an increased risk that controls may not prevent overpayments or payments to ineligible individuals.

Cause: The colleges are not using Core-CT properly.

Prior Audit Finding: We presented a similar finding in our report for the fiscal years ended June 30, 2016 and 2017.

Recommendation: The Board of Regents for Higher Education should train employees to properly use Core-CT so the colleges accurately record employee information and payroll transactions. (See Recommendation 15.)

Agency Response: "On July 1, 2020, CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing the organization to establish improved procedures and controls that will improve our accuracy and standardization in the area of human resources information and the use of Core-CT. These transactions are no longer completed at the campus level.

Tunxis Community College: CSCU, the 4-Cs and the Executive Director of the COT are currently finalizing an agreement that will place the Director on a leave from her faculty position in order for her to occupy a single management confidential position as ED which will address the condition identified at Tunxis in this finding."

Management of Travel and Reimbursements

Criteria: The Board of Regents for Higher Education's policies and procedures require employees traveling on college business to have their travel plans and costs preapproved to ensure the travel benefits the state at a reasonable price. Travelers must obtain cost-effective lodging, unless the employee is staying at the conference hotel. Additionally, travelers must submit their expenses for reimbursement within 30 calendar days after travel.

Condition: Our testing of employee travel and reimbursements disclosed inconsistencies between colleges and a lack of compliance with policies and procedures in some cases.

Preapproval of Travel:

<u>Tunxis Community College:</u>

A Tunxis employee submitted a travel authorization request on the day that she returned from traveling.

Another Tunxis employee traveled using professional development funds without the college president's approval.

<u>Quinebaug Valley Community College:</u>

A Quinebaug Valley employee submitted a travel authorization request one week after traveling, and the form listed the wrong conference location.

Reimbursements:

<u>Northwestern, Capital, Middlesex, Manchester, Norwalk, and Tunxis Community Colleges and Board of Regents for Higher Education:</u>

The board of regents' travel policies and procedures only offer reimbursement for travel expenses at the lowest reasonable cost. They do not address how colleges should identify and approve the lowest travel costs. We found that only six of the 12 colleges require employees to document their research or perform the research to ensure the lowest cost to the state. In the absence of price documentation, we referred to the U.S. General Services

Administration (GSA) rate as a reliable benchmark. We found that a Tunxis employee stayed in hotel rooms that cost more than the GSA rate on seven occasions.

Employees did not promptly submit reimbursement requests. There were 11 instances in which employees submitted reimbursement requests for travel expenses more than 30 days after traveling. A Tunxis employee submitted nine travel reimbursement requests more than 30 days after the trips, including one that was submitted ten months late. In addition, a board of regents employee submitted travel reimbursement requests for two trips more than three months after traveling.

Context: We judgmentally selected our sample from three sources: purchasing card (P-Card) transactions labeled In State Travel, payroll reimbursements for out-of-state travel, and three transactions identified during other large travel expenditure testing. There were $24,000 in P-Card transactions. We tested ten totaling $5,400. There were $1,670,000 in payroll reimbursements, of which we tested 11 expenditures totaling $48,300.

Effect: There is an increased risk for unnecessary travel and excessive costs.

Cause: The board of regents' policies and procedures do not provide sufficient guidance to ensure the lowest travel cost. Employees did not comply with existing guidance.

Prior Audit Finding: We presented a similar finding in the last audit report covering the fiscal years ended June 30, 2016 through 2017.

Recommendation: The Board of Regents for Higher Education should expand its employee travel policies and procedures to ensure the lowest costs to the state. Community colleges should comply with the board of regents' employee travel policies and procedures to ensure that employee travel is necessary and cost-effective. (See Recommendation 16.)

Agency Response: "CSCU will review its travel policies and recommend modifications necessary to ensure that our standard for travelling at the lowest reasonable cost is adhered to by staff. CSCU will provide additional training and written guidance to staff regarding the need for compliance with travel policies requiring advance approval."

Hiring of Educational Assistants not Publicized

Criteria: Colleges should publicize educational assistant job openings to ensure an open and fair hiring process that avoids actual or perceived favoritism.

Condition: Gateway Community College hired two part-time educational assistants without publicizing the vacancies. The college hired a current employee and her sister for these positions.

Context: Both educational assistant positions are part-time. Gateway paid 64 part-time educational assistants on June 30, 2020.

Effect: The college's hiring process could result in the appearance of impropriety, because the college did not publicize the job openings or give all qualified individuals the opportunity to compete for these positions.

Cause: Gateway did not utilize an open and fair process when filling two educational assistant positions

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: Gateway Community College should implement an open and fair hiring process when filling educational assistant positions. (See Recommendation 17.)

Agency Response: "Gateway: The BOR uses an EA contract to formalize additional duties agreements between the college and unionized employees in accordance with Section 6 C of the contract. In the first case, after careful consideration, the College determined that it was more cost-effective to expand the employee's duties than to refill the vacancy.

HR policies in effect when the second individual was hired did not require the college to perform a search for part time, temporary employees. HR Shared Services will begin to post continuous recruitment positions for non-permanent Special Appointment Educational Assistants, Part-time Lecturers, and Non-credit Lecturers in each of the Regions to help ensure an open and fair recruitment and hiring process for part time positions."

Management of Rehired Retirees

Criteria: Section 5-164a(c) of the General Statutes limits the time retired state employees may work for the state to no more than 120 days in a calendar year. Retirees who work more than 120 days may be required to reimburse the state retirement fund for income exceeding the 120-day limit.

Board of regents resolution #09-44 approved a rehired retiree policy that limits employment to 120 days in a year for no more than two years. This policy also caps their pay to their preretirement rate.

Colleges should record payroll expenditures accurately and ensure consistent accounting throughout the community college system. The records in Core-CT for rehired retirees should be complete and accurate. The State Comptroller established a Core-CT job code and employee class to properly track rehired retirees. Former Governor Malloy issued Executive Order Number 47 to limit rehired retirees to no more than two 120-day periods and set compensation limits.

Condition: Board of Regents for Higher Education's System Office and All Community Colleges:

Through analytical procedures and a sample of 20 rehired retirees, we found various concerns regarding rehired retiree payments and monitoring.

The board of regents' rehired retiree policy for educational assistants does not align with the state's limitations, because it does not restrict their length of service.

The system office and colleges did not use the proper Core-CT job code when recording 357 out of 365 rehired retirees. The colleges did not code two rehired retirees to the correct employee class.

The community college system paid five retirees a rate higher than the maximum permitted by collective bargaining agreements for educational assistants. The system also reemployed two retirees in non-teaching positions for more than two 120-day periods, ranging between two and four years as of February 2020.

Context: The community colleges employed more than 360 retired state employees from July 1, 2017 through April 22, 2020.

Effect: The Board of Regents for Higher Education's system office and community colleges did not comply with established rehiring laws and requirements.

Cause: The Board of Regents for Higher Education's policy does not align with the General Statutes and executive orders.

Community college coding errors in Core-CT make it difficult to monitor rehired retirees and compliance with state policy and law.

Prior Audit Finding: We presented this finding in the last audit report covering the fiscal years ended June 30, 2016 through 2017.

Recommendation: The Board of Regents for Higher Education should align its rehiring retiree policy with executive orders and Office of Policy and Management policy. The board should comply with Section 5-164a(c) by requiring certain employees who work longer than 120 days to reimburse the state pension fund for amounts earned above the limit. In addition, the board of regents should train employees on the proper use of Core-CT so colleges accurately record payroll and employment information. (See Recommendation 18.)

Agency Response: "Connecticut State Colleges and Universities (CSCU) will review its practices with respect to [temporary worker retirees] to ensure that we follow the statutory 120-day limitation or else require appropriate reimbursements to the pension fund. CSCU will also review our Board policies and make recommendations that may be necessary to accommodate our business needs.

With respect to the issue of coding mistakes, on July 1, 2020, CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing us to establish improved procedures and controls that will improve our accuracy and standardization in the area of human resources information and the use of Core-CT."

Leave Accruals and Payments to Departing Employees

Criteria: Section 5-252 of the General Statutes allows for payments for accrued vacation time to terminating employees. Core-CT job aids provide guidance to colleges to determine the accurate accrued leave payment. A Core-CT employee termination checklist requires the colleges to eliminate sick, vacation, personal leave, compensatory, and holiday balances on or before the employee's last day.

The Congress of Connecticut Community Colleges bargaining unit agreement provides compensation to terminating employees at the rate of one-fourth of their daily salary for each day of sick leave, up to a maximum of 240 days.

Condition: We identified 136 terminated Community College employees with positive leave balances during fiscal year 2019-2020. We performed tests to consider whether the colleges provided additional accruals or failed to eliminate the employees' balances. We found that 16 employees continued to improperly accrue leave time after their termination as follows:

College	# of Employees	Hours Accrued	Duration
Asnuntuck CC	1	79	9 Months
Capital CC	1	220	11 Months
Gateway CC	2	96	3 Months
Manchester CC	12	1,295	3 to 9 Months
	16		

We also found that the colleges did not eliminate balances for 51 out of 59 employees in our sample as follows:

College	# of Employees	Duration
Asnuntuck CC	1	2 Months
Capital CC	3	1 to 3 Months
Gateway CC	1	3 Months
Housatonic CC	1	3 Months
Manchester CC	8	1.5 to 9 Months
Naugatuck Valley CC	4	1 to 10 Months
Northwestern CC	2	2 to 5 Months
Norwalk CC	27	1.5 to 7 Months
Quinebaug Valley CC	1	1 Month
Three Rivers CC	1	11 Months
Tunxis CC	2	15 to 19 Months
	51	

Quinebaug Valley Community College:

We tested 26 termination payouts and found that Quinebaug overpaid $7,890 for accrued sick leave greater than 240 days upon an employee's retirement.

Context: The community college system paid 432 terminated employees $7,756,238 for accrued vacation and sick leave.

Effect: The system office and these community colleges did not comply with Core-CT employee termination instructions. One college overpaid an employee $7,890. There is a risk the college could compensate employees for accrued leave after their termination.

Cause: The system office and colleges did not follow instructions for terminating employees.

Prior Audit Finding: We reported this finding for some community colleges in the last five audit reports covering the fiscal years ended June 30, 2008 through 2017.

Recommendation: The Board of Regents for Higher Education and community colleges should ensure they complete the steps required to terminate employee leave balances in Core-CT and pay the correct amount to terminating employees. (See Recommendation 19.)

Agency Response: "On July 1, 2020 CSCU established shared services in the area of Human Resources. This new organization at the system level is allowing CSCU to establish improved procedures and controls that will allow us to improve our processes and controls with respect to leave balances for terminated employees."

Student Worker Hiring and Pay Rates

Criteria: Colleges should accurately record payroll expenditures and ensure consistent accounting throughout the community college system. Employment records should be complete and accurate.

The Connecticut State Library's public records administrator requires agencies to retain fiscal and personnel records for three years or until audited, whichever is later.

Condition: Capital Community College:

Capital paid two student workers $17 per hour, the highest rate allowed, during fiscal year 2018-2019. The board of regents established this rate for the most qualified individuals. The college could not find the student workers' personnel files. Therefore, we could not verify the college properly hired the employees or paid them the correct rate based on their qualifications.

Manchester Community College:

Manchester paid a student worker $20 an hour, while the maximum rate allowed by the pay schedule was $17 during fiscal year 2017-2018. Manchester also approved a student employment form 15 days after the start date during fiscal year 2017-2018.

Context: The community college system paid student workers $4.4 million, $4.1 million, and $3.9 million during the fiscal years ended June 30, 2018, 2019, and 2020, respectively.

Effect: There is an increased risk that system controls may not prevent overpayments or payments to ineligible individuals.

Cause: The colleges did not comply with established policies and procedures for hiring and paying student workers.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should properly hire, document, and pay student workers. (See Recommendation 20.)

Agency Response: "Capital: The positions were categorized under Class III as an advanced position requiring skills and knowledge through prior employment or training in the appropriate area. This class usually requires supervisory responsibilities or the ability to work independently on projects requiring specialized skills. Summer CS Program tutors must have completed upper-level coursework in our Computer Information Systems degree program and be experienced in multiple programming languages and programming environments. The tutors are also expected to work independently and have prior experience.

Manchester: The grant-funded student was paid $20/hour from December 2018 through July 2019. Their duties and responsibilities increased when the job was upgraded from a Student Project Support Intern in the Fall and to the AQUA Symposium Coordinator. The professor in charge of the grant went on sabbatical and the student had to coordinate the symposium, which occurred in June 2019."

Records Retention – Unsupported Payroll Transactions

Criteria: The Connecticut State Library's public records administrator requires agencies to retain fiscal and personnel records for three years or until audited, whichever is later.

Condition: Gateway and Norwalk Community Colleges:

For three of the 28 employees in our sample, Gateway and Norwalk could not provide documentation of their calculations and approvals for seven nonrecurring payments, totaling $17,593, for merit bonuses, a faculty chair and other miscellaneous expenses.

College/Payment Type	# of Payments	Amount
Gateway CC		
Miscellaneous	2	$ 2,315
Norwalk CC		
Faculty Chair	1	1,409
Merit Bonus	1	1,500
Miscellaneous	3	12,369
Total	7	$ 17,593

Context: The community college system's payroll expenses totaled $253.4, $244.0, and $252.2 million during the fiscal years ended June 30, 2018, 2019, and 2020, respectively.

Effect: By not adequately safeguarding documentation, the community college system diminished the integrity of its internal control structure over nonrecurring payroll transactions. We could not determine the appropriateness of the colleges' nonrecurring payroll expenditures for three employees.

Cause: The Board of Regents for Higher Education's restructuring of payroll shared services may have contributed to its inability to provide the requested documents.

Prior Audit Finding: Our report covering the fiscal year ending June 30, 2016 and 2017 also recommended improvements to records retention for payroll transactions.

Recommendation: The Board of Regents for Higher Education, and Gateway and Norwalk Community Colleges should comply with the records retention requirements of the Connecticut State Library's public records administrator. (See Recommendation 21.)

Agency Response: "Starting in 2020, CSCU established shared services in the area of Payroll. This new model will help to provide additional resources and oversight for the maintenance of payroll records. Unfortunately, the transition to shared services occurred during the pandemic, so colleges may have had difficulty locating records during the field work portion of the audit. Most missing records in this regard have been located and provided to the APA."

College Employees Working for Foundations

Background: Individual foundations support each of the 12 community colleges. Each foundation is a private, nonprofit corporation established to raise funds in support of the colleges' activities.

Criteria:

Section 4-37f of the General Statutes requires foundations to pay the salaries and expenses of their officers and employees and to reimburse the state agency for expenses it incurs as a result of foundation operations if the agency would not have otherwise incurred such expenses. An Office of the Attorney General (OAG) opinion indicates that state agencies may contract with their foundations to perform fundraising duties. In those instances, the colleges would not have to seek salary and benefit reimbursement for employees who otherwise would have been employed by the college to perform the same fundraising activities. However, the foundation must reimburse the college for expenses incurred as a result of foundation operations if the college would not otherwise have incurred such expenses.

Condition:

Our review of community college foundation audit reports noted that many include notes in their financial statements indicating the colleges contributed staffing to the foundations. We asked the colleges whether they evaluated their employees' work for the foundations to determine if they should have sought reimbursement for related salary and fringe benefit expenses. The colleges did not respond consistently.

Capital, Gateway, and Manchester Community Colleges claimed their employees do not perform work for the foundations during the normal workday. However, the colleges were not clear what constituted work for the foundation since these activities also directly benefit the college. It remains unclear whether college employees are performing work for the foundations and should be reimbursed.

In contrast, Housatonic Community College told us that in April 2020, it evaluated the work its employees performed for their foundation. As a result, since fiscal year 2019-2020, the foundation started reimbursing the college for a portion of two employees' salaries and benefits. Previously, the college paid all the salary and fringe benefit expenses of three employees who worked all, or mostly, for the foundation.

Middlesex, Naugatuck Valley, Northwestern Connecticut, and Tunxis Community Colleges' foundations reported little or no salary expenses on their financial statements. The lack of foundation payroll expenses increases the likelihood that college employees are performing foundation work. Without periodic evaluations of that work, the colleges do not know whether they should be reimbursed.

<u>Board of Regents for Higher Education:</u>

The board of regents has not established policies and procedures for the colleges to evaluate their employees' foundation work or provided guidance on when colleges should be reimbursed.

Context: The colleges' lack of evaluations on the type and cost of employees performing foundation work prevented us from determining unreimbursed salaries and benefits. Based on Housatonic Community Colleges evaluations, unreimbursed costs for employees performing foundation work totaled $167,546, $206,786, and $245,452 during the fiscal years ended June 30, 2018, 2019, and 2020, respectively.

Effect: It is likely that community colleges are providing staffing to their foundations that should be reimbursed.

Cause: The board of regents' interpretation of the Attorney General's opinion is that some college employees' foundation work is not reimbursable. However, the board of regents has not developed policies or procedures to clarify when colleges should seek reimbursement for salaries and benefits.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should establish policies and procedures for colleges to evaluate the work their employees perform for their foundations and provide guidance on when foundations are required to reimburse the colleges. (See Recommendation 22.)

Agency Response: "CSCU agrees that the system should ensure that if any work is done for the foundations that requires reimbursement it is done under an agreement that includes provisions for documentation and reimbursement in accordance with the AG opinion."

Faculty-Led Student Travel

Background: In the past, community college faculty members accompanied students on trips in which all or part of the faculty member's trip was paid by the travel vendor. These trips occurred when faculty members are off-contract and on their personal time. The Board of Regents for Higher Education requested an Office of State Ethics advisory opinion to determine whether faculty may accept free trips from travel vendors in exchange for recruiting, organizing, and chaperoning students on trips during school breaks. The Office of State Ethics concluded that the Code of Ethics does not permit this faculty-led student travel arrangement, but suggested that other models may be permissible under the code.

Criteria: The Code of Ethics for Public Officials prohibits state employees from using their public position for personal financial gain.

Condition:	The board of regents does not have a faculty-led student travel policy that addresses what is permissible under the Code of Ethics.
Context:	Various members of the community college system believe that faculty-led travel is a valuable learning experience for students. Some faculty have chosen not to lead such trips to avoid violating the code. Others pay for the trips themselves.
Effect:	There is an increased risk that faculty who lead student trips may experience personal financial gain.
Cause:	The board of regents has not developed policies and procedures for faculty-led student travel.
Prior Audit Finding:	This is the first report to include such a finding.
Recommendation:	The board of regents should implement a policy for faculty-led student travel to ensure compliance with the Office of State Ethics Code of Ethics for Public Officials. (See Recommendation 23.)
Agency Response:	"The Board of Regents will create the travel policy. However, the OSE advisory opinion found no violation and there have been no faculty led trips at any of the Community Colleges. Therefore, there has been no violation of any rule."
Auditors' Concluding Comment:	We were informed that three colleges (Manchester, Norwalk, and Three Rivers) participated in faculty led travel. We are unaware of any trips since the advisory opinion was issued. The Office of State Ethics advisory opinion addressed a single scenario but indicated that other models could violate the code. As a result, faculty are reluctant to travel with students.

No Bid Contracts

Criteria:	Colleges must make purchases in the open market when they expect to spend over $10,000. The purchases must be based on at least three written quotations or bids from responsible and qualified sources. When purchases exceed $50,000 the colleges must obtain sealed bids and open them publicly.
Condition:	<u>Quinebaug Valley Community College:</u> Quinebaug entered into an open-ended contract with a vendor to provide financial aid services. The college only intended to utilize the contractor until it found a permanent replacement for its director of financial aid.

Quinebaug spent more than $50,000 on the contract without putting it out to bid and soliciting sealed bids from multiple contractors.

Middlesex Community College:

Middlesex treated an electrical contractor from the Department of Administrative Services contractor list as a sole source vendor.

Context: Quinebaug Valley Community College:

Quinebaug paid the contractor over $150,000 at a rate of $100 per hour over approximately ten months.

Middlesex Community College:

We tested nine payments to Middlesex contractors for compliance with bidding requirements. The college paid the electrical contractor $44,013 during the audited period.

Effect: The colleges increased the risk that they overpaid for contractual services.

Cause: Quinebaug Valley Community College:

Quinebaug did not solicit bids for over $150,000 in contractual services.

Middlesex Community College:

Middlesex did not solicit bids for a $44,000 electrical services contract.

Prior Audit Finding: This is the first report to include such a finding at these colleges; however, we presented a similar finding for another college in the report covering the fiscal years ended June 30, 2016 and 2017.

Recommendation: The Board of Regents for Higher Education should ensure that colleges comply with the bidding requirements in the Connecticut State Colleges and Universities' Procurement Manual. Quinebaug Valley and Middlesex Community Colleges should solicit bids in accordance with the manual's requirements. (See Recommendation 24.)

Agency Response: "Quinebaug and Middlesex have been made aware of these specific purchasing policies and the necessity to have them strictly followed. Going forward, our new Shared Service Purchasing model will help maintain strict controls over all purchasing activities including contracting and purchase order compliance. We have reasonable expectations that compliance to the CSCU Procurement Manual will be closely adhered to and that issues such as these will be eradicated in the implementation of this new model."

Contract Language and Approval

Criteria: The Office of Attorney General reviews and approves all contracts over $25,000, unless the contract is based on a template approved for use by the Office of the Attorney General.

Condition: Quinebaug Valley Community College:

Quinebaug Valley entered into an agreement with a contractor to serve as its interim director of Financial Aid. The college did not receive the Office of the Attorney General's approval before entering into the agreement. The contract did not have a defined term.

Context: Quinebaug Valley Community College paid the contractor over $150,000 to serve as the interim director of Financial Aid.

Effect: Quinebaug Valley Community College may have entered into an agreement with terms unfavorable to the state.

Cause: Quinebaug Valley Community College did not obtain the Office of the Attorney General's approval prior to executing the agreement.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: Quinebaug Valley Community College should have the Office of the Attorney General review and approve all contracts that could exceed $25,000. (See Recommendation 25.)

Agency Response: "The new Shared Services Purchasing and Contracting model will help provide additional oversight to campuses to ensure full compliance with AG contractual policies. The circumstances at Quinebaug Valley were unusual and will not recur. We will continue to enforce a policy of full compliance on this issue and work with the AG's office to facilitate contracts as necessary."

Follet Textbook Scholarships

Background: The bookstore operations contract with the Follett Higher Education Group, Inc. requires Follett to pay the community colleges 1.25% of gross revenue quarterly for textbook scholarships. Follett accounts for the funds, and the colleges award textbook scholarships to students.

Criteria: The board of regents' system office and community colleges should have clear policies and guidelines on appropriate selection criteria for students receiving textbook scholarship funds. The system office should also provide clear direction on the eligible uses of these funds.

Condition: Board of Regents for Higher Education:

The board of regents implemented a textbook scholarship fund policy effective October 15, 2020. However, the policy does not provide guidance to colleges on selecting students to receive these funds.

Our review of Follett Textbook Scholarship Fund expenditures identified questionable uses of the funds by some of the colleges:

Naugatuck Valley Community College:

Naugatuck Valley created the NVCC Family Book Award Program, which awarded approximately $1,100 of Follett textbook scholarship funds to three students who were dependents of full-time employees. Any student who is related to a Naugatuck Valley employee is eligible for the award regardless of financial need or merit.

Gateway Community College:

Gateway spent over $2,600 on bookstore gift cards and graphing calculators, which it gave to new students as door prizes at an orientation event. We could not determine whether this was an appropriate use of bookstore scholarship funds because the board of regents' policy does not provide guidance for recipient selection.

Context: Naugatuck Valley and Gateway Community Colleges awarded $43,683 and $37,938 of Follett textbook scholarship funds during the audited period. Three out of 127 Naugatuck Valley employees' children were awarded the scholarships during the audited period.

Effect: Naugatuck Valley Community College gave priority to employee dependents regardless of merit or financial need.

Without proper guidance from the Board of Regents for Higher Education, colleges utilize the textbook scholarship funds in different, and sometimes questionable ways.

Cause: The Board of Regents for Higher Education negotiated one bookstore contract for all community colleges but did not provide guidance to the colleges on the proper use of the textbook scholarship funds until October 15, 2020.

Naugatuck Valley Community College did not regard textbook scholarship fund awards to dependents of employees as favoritism.

Prior Audit Finding: We presented the misuse of Follett textbook scholarship funds at Naugatuck Valley Community College in our last two audit reports covering the fiscal years ended 2014 through 2017.

Recommendation: The Board of Regents for Higher Education's system office should take additional steps to provide guidance to the colleges on appropriate selection criteria for students receiving textbook scholarship funds. The system office should also provide clear direction on the eligible uses of these scholarship funds. (See Recommendation 26.)

Agency Response: "CSCU accepts this finding and will request that the Bookstore Committee clarify its policy for these scholarships with respect to student eligibility criteria.

Gateway Community College: In 2018, the college purchased gift cards and calculators that were given out to students as door prizes for students participating in orientation. This was an appropriate use of the funds since they directly supported student learning. The policy that was adopted on 10/15/20 confirmed and further clarified our understanding of allowable expenses. Additionally, since that time, the Dean of Students has instituted a formal process for approving funding requests.

Naugatuck Valley Community College: The college believes it followed the intent and the policy governing this scholarship, which does not have a need-based requirement. The majority of this fund (84%) was spent on purchasing textbooks for the library that are on reserve for student use only. Under the Family Book Scholarship program, a mere 3% of the fund was granted to dependents of classified employees, who are ineligible for tuition and course fee waivers according to their BU contract."

Auditors' Concluding Comment: There is nothing in the board of regents' policy that prohibits using textbook scholarship funds for door prizes at a student event. However, door prizes are not scholarships.

Regarding Naugatuck Valley, only family members of the college's faculty and staff are eligible for the family book scholarship program. This may exclude other students who do not have similar connections.

Federal Grant Drawdowns

Criteria: Federal grant awards establish specific deadlines for colleges to seek reimbursement for their federal grant activities. Sound business practice requires colleges to collect those reimbursements shortly after making the expenditures.

Condition: Housatonic Community College:

Housatonic did not promptly seek reimbursement for three federal awards. This allowed unreimbursed expenses for these awards to accumulate to $429,690 over three to nine months.

Capital Community College:

Capital did not seek reimbursement for one federal award for over 28 months, during which time reimbursable expenses accumulated to $64,007.

Context: The community colleges spent approximately $101 million, $99 million, and $106 million of federal awards in fiscal years 2018, 2019, and 2020, respectively.

Effect: Failure to promptly drawdown federal funds adds further, and unnecessary, financial stress to the colleges' operating funds and forgoes the potential to earn interest on those state funds. There is also an increased risk that the colleges could miss federal reimbursement deadlines.

Cause: The lack of a systemwide policy for federal drawdowns and staffing issues in the community colleges' business offices contributed to these delays.

Prior Audit Finding: Our audit report for fiscal years 2016 and 2017 recommended that Housatonic and Three Rivers Community Colleges promptly draw down grant funds.

Recommendation: The Board of Regents for Higher Education should develop a standard policy for how frequently the community colleges draw down federal funds. Housatonic and Capital Community Colleges should promptly draw down federal funds. (See Recommendation 27.)

Agency Response: "System Office's Office of Sponsored Programs' procedures manual outlines a policy for drawing down federal funds. While reviewing this finding we agree that now is an appropriate time to refresh and redistribute the policy. The current policy states that if possible, drawdown requests should be processed on a monthly basis; however, drawdown requests must be done at least on a quarterly basis based on actual expenses posted to the grant account in Banner."

Auditors' Concluding Comment: During the audit, we inquired about policies and procedures for drawing down federal funds, and the system office's controller informed us that there were none.

Controllable Assets not Identified or Tagged

Criteria: The state's Property Control Manual tasks agency heads with identifying controllable property that is sensitive, portable, and theft prone. These items cost less than $5,000 and have an expected useful life greater than one year. The agency must take a regular physical inventory of such items. Examples of controllable assets include computer equipment and accessories.

Condition: Quinebaug Valley Community College:

Quinebaug Valley does not consider any of their assets costing less than $5,000 as controllable. The college purchased a laptop from an online vendor and had the item shipped directly to an out-of-state contractor. The college did not record the laptop in any of its inventory records.

Context: The laptop cost $650.

Effect: Colleges could fail to identify the theft or loss of sensitive, portable, and theft-prone items costing less than $5,000.

Cause: Quinebaug Valley Community College does not consider assets costing less than $5,000 as having a higher risk for theft or loss.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should establish policies and procedures to identify controllable assets. Quinebaug Valley Community College should consider assets costing less than $5,000 as controllable and should conduct regular inventories. (See Recommendation 28.)

Agency Response: "The CSCU Capital & Controllable Asset Manual states that property less than $5,000 with an expected useful life greater than 1 year should be considered when evaluating for controllable property at the discretion of the Institution. While laptops have been traditionally tracked internally by the college's IT Departments when disbursed to an employee, we agree that the current policy should be updated to ensure consistent tracking of controllable property across the system as fixed assets moves into a Shared Service."

Payroll Errors

Criteria: Community colleges should properly compensate employees for their services.

Condition: Our testing of retroactive payments and review of faculty course loads revealed inaccurate payroll transactions.

Housatonic, Three Rivers, Gateway and Middlesex Community Colleges:

We tested 19 larger retroactive payments, totaling $72,471, and found that eight were made to correct prior period errors. In addition, Housatonic Community College overpaid an employee $122 for four hours in a retroactive payment.

Housatonic Community College:

Faculty payroll processing at Housatonic is complex because schedules and workloads could vary each semester. As a result, the college did not compensate a professor for three credit hours during the fall 2017 semester. We believe that the college underpaid the faculty member by $5,000. We did not assess whether the college continues to underpay this employee.

Context: The community college system's payroll expenses totaled $253, $244 and $252 million during the fiscal years ended June 30, 2018, 2019, and 2020, respectively.

Effect: Colleges did not accurately pay certain employees.

Cause: There is a lack of oversight at the community colleges.

Prior Audit Finding: This is the first report to include such a finding.

Recommendation: The Board of Regents for Higher Education should improve policies and procedures to reduce payroll errors. Housatonic Community College should investigate its underpayment to a faculty member and reimburse the employee as appropriate. (See Recommendation 29.)

Agency Response: “Starting in 2020, CSCU established shared services in the area of Payroll. This new model will help to improve our procedures and compliance in the area of Payroll.”

Internal Control Questionnaire

Criteria: The Office of the State Comptroller requires all executive branch agencies to complete an annual internal control questionnaire by June 30th and to keep that assessment on file. The questionnaire contains six sections that are applicable to all state agencies.

Condition: Three Rivers Community College did not respond to our request for the State Comptroller’s internal control questionnaire for the fiscal years ended June 30, 2019 and 2020.

Effect: The college may not have completely evaluated its internal controls.

Cause: The college’s controls over completion of the questionnaire were insufficient.

Prior Audit Finding: Our prior report included a similar finding.

Recommendation: Three Rivers Community College should formally evaluate and document its internal controls every year as required by the Office of the State Comptroller. (See Recommendation 30.)

Agency Response: “Three Rivers: TRCC will formally evaluate and document internal controls annually.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

As noted previously, our audit approach for the Connecticut Community College System involves treating the system as a single entity and performing audit site visits at a sample of colleges within the system. We disclose the results of our audit in one report covering the entire system. The following summarizes the recommendations presented in our most recent audit reports covering the sampled community colleges and the status of those recommendations. Our prior audit report on the Connecticut Community College System contained 32 recommendations. Fifteen have been implemented or otherwise resolved and 17 have been repeated or restated with modifications during the current audit.

- The Board of Regents for Higher Education should develop a clear organizational structure at its system office and colleges to ensure the most efficient use of resources. The board of regents should identify and monitor college employees released from their assigned duties to perform other functions. The system's colleges should maintain current human resources records and organizational charts to properly manage their operations. The Board of Regents for Higher Education should manage the College of Technology to ensure it is efficiently achieving its goals. **The board of regents and community colleges provided updated organization charts. We will not repeat this finding.**

- The Board of Regents for Higher Education should fulfill its statutory purpose and mission to nurture student learning and achievement by minimizing obstacles to student success. The system office should expedite the curriculum standardization process across the community colleges to allow students to simultaneously attend multiple colleges. **The board of regents continued to make progress toward standardizing community college curriculums during the audited period and approved a new policy to align general education core standards. We will not repeat this recommendation.**

- The Board of Regents for Higher Education should ensure that community colleges implement security assessment recommendations. In addition, the board of regents should monitor each college's campus security to ensure student and faculty safety. **The board of regents has taken measures that address this recommendation. We will not repeat this recommendation.**

- Norwalk Community College and the Board of Regents for Higher Education should sufficiently address workplace violence risks. Norwalk Community College should follow the Department of Administrative Services Violence in the Workplace Policy and Procedures Manual and convene its threat assessment team when appropriate. **We will not repeat this recommendation for Norwalk Community College. However, a finding relating to board of regents' policies and Capital Community College's response to a risk of workplace violence will be addressed. (See Recommendation 7.)**

- The Board of Regents for Higher Education system office should reduce the complexity of its set aside allocation process specified in each bargaining unit contract. **The board of regents was unable to address this recommendation during the audited period, as the classified bargaining unit contracts are not up for renegotiation until 2021. We will not repeat this recommendation at this time.**

- The Board of Regents for Higher Education should not provide employees with unwarranted payments and benefits. The board of regents bargaining unit agreements should comply with SEBAC agreements. **We did not identify similar payments during the current audited period and will not repeat the finding.**

- Tunxis Community College should comply with the Board of Regents for Higher Education's employee travel policies and procedures to ensure that all employee travel is necessary and cost-effective. **We will repeat this finding along with similar findings at various additional colleges. (See Recommendation 16.)**

- Tunxis Community College should comply with state, Board of Regents for Higher Education, and federal conflicts of interest requirements. The college should promptly identify conflicts of interest and manage those conflicts to reduce the risks for misuse, abuse, and fraud. **We did not identify any similar conflicts of interest. This finding will not be repeated.**

- Tunxis Community College should reevaluate the College of Technology's executive director position to ensure compliance with collective bargaining agreements and state and federal laws and regulations. **We will repeat this finding along with other payroll findings. (See Recommendation 15.)**

- The Board of Regents for Higher Education and Tunxis, Asnuntuck, and Norwalk Community Colleges should comply with the records retention requirements of the Connecticut State Library's Public Records Administrator. The board of regents should develop a system-wide documentation policy related to workplace violence incidents. **We continued to identify concerns regarding records retention. (See Recommendation 21.)**

- The Board of Regents for Higher Education should require community colleges to maintain disciplinary records for students on active dean's discretion holds. The Board of Regents for Higher Education should establish policies and procedures to inform community colleges and state universities of students with violations of the student code of conduct at other colleges or state universities. This notification is critical when the misconduct involved campus safety. **The board of regents plans to implement a tracking system during fiscal year 2021 in response to this recommendation. We will not repeat this recommendation at this time and will verify implementation during our next review.**

- The Board of Regents for Higher Education's system office should assess overrides of student accounts receivable and develop better policies and procedures to ensure consistency in the override process. Community colleges should only override student accounts receivable holds in accordance with the Connecticut Community College System's Accounts Receivable Manual. **Board of regents changes, both implemented and planned, have mitigated our concerns in this area. We will not repeat this recommendation.**

- The Board of Regents for Higher Education's system office should consider requiring Follett to obtain Service Organization Controls reports prepared in accordance with Statement on Standards for Attestation Engagements No. 18. The Board of Regents for Higher Education's system office or the community colleges should verify that Follett provided the correct amount of commissions and textbook scholarships. **The board of regents obtained the necessary reports and certified scholarship calculations. This recommendation has been resolved.**

- The Board of Regents for Higher Education's system office should provide guidance to the community colleges on the proper use of Follett textbook scholarship funds. **We are repeating this finding in modified form. (See Recommendation 26.)**

- Housatonic Community College should improve policies and procedures related to course enrollment changes to minimize negative student impact. **We did not identify any concerns regarding the college's enrollment policies and procedures during the audited period. This finding will not be repeated.**

- The Board of Regents for Higher Education's system office should limit the duration of employee paid administrative leave. The board of regents should promptly investigate personnel matters to avoid excess paid administrative leave costs. **We are repeating this finding. (See Recommendation 5.)**

- The Board of Regents for Higher Education's system office and community colleges should improve compliance with dual employment requirements, and policies and procedures. The colleges should properly approve dual employment agreements before the start of the dual employment arrangement. **We are repeating this finding. (See Recommendation 13.)**

- Capital, Housatonic, and Naugatuck Valley Community Colleges should strengthen their payroll and human resources internal controls to ensure all parties sign employment contracts prior to the start of the contract period. **We will repeat this finding for Housatonic and Naugatuck Valley Community Colleges. (See Recommendation 9.)**

- The board of regents and community colleges should implement policies and procedures to ensure they compensate adjunct faculty only after they fulfill their contractual obligations. **We will repeat this finding in a modified form. (See Recommendation 8.)**

- Norwalk Community College and the Board of Regents for Higher Education should expand their criteria for evaluating part-time lecturers. **We will repeat this finding in modified a form. (See Recommendation 2.)**

- The Board of Regents for Higher Education should develop policies regarding the granting of compensatory time for employees splitting their time between community colleges. The board of regents should train employees on the proper use of Core-CT so the colleges accurately record employee information and payroll transactions. The board of regents also should establish employee sharing policies. **We will repeat this finding. (See Recommendation 14.)**

- The Board of Regents for Higher Education should align its rehiring retiree policy with executive orders and Office of Policy and Management policy. In addition, the board of regents should train employees on the proper use of Core-CT so colleges accurately record payroll and employment information. **We will repeat this finding. (See Recommendation 18.)**

- The Board of Regents for Higher Education should train employees to properly use Core-CT so the colleges accurately record employee information and payroll transactions. **We will repeat this finding. (See Recommendation 15.)**

- The Board of Regents for Higher Education should ensure the community colleges comply with the federal Family Educational Rights and Privacy Act by establishing specific policies, procedures, and standardized forms. **The board of regents is taking reasonable measures to address this recommendation since the prior audited period. We will not repeat this recommendation at this time and will verify implementation during our next review.**

- The Board of Regents for Higher Education and community colleges should ensure they complete the steps required to terminate employee leave balances in Core-CT and pay the correct amount to terminating employees. **Our current audit identified additional conditions. We will repeat this finding. (See Recommendation 19.)**

- Housatonic and Three Rivers Community Colleges should promptly draw down grant funds to avoid unreimbursed grant expenses. **We will repeat this finding for the board of regents, and Housatonic and Capital Community Colleges. (See Recommendation 27.)**

- Housatonic Community College should follow all purchasing rules and obtain competitive quotations and bids. **We will not be repeating this recommendation for Housatonic Community College. However, a finding regarding bidding will be presented for two other colleges. (See Recommendation 24.)**

- Middlesex Community College should improve internal controls over personal services agreements. The college should ensure that all personal services agreements are fully executed prior to the commencement of services. **This recommendation will not be repeated.**

- Norwalk Community College should improve internal controls over the commitment of funds. The college should promptly approve purchase orders to encumber funds to ensure they are available. **This recommendation will not be repeated.**

- Housatonic and Three Rivers Community Colleges should formally evaluate and document their internal controls every year. **This recommendation will be repeated for Three Rivers Community College. (See Recommendation 30.)**

- Housatonic Community College should comply with the requirements of Section 4-37g(b) of the General Statutes. The college should ensure that its independent auditors opine on its conformance with sections 4-37e to 4-37i. **This recommendation has been resolved.**

- Middlesex Community College should promptly notify the Auditors of Public Accounts and the State Comptroller of lost, stolen, or missing assets. The college should also improve internal controls over fixed assets. **This recommendation has been resolved.**

Current Audit Recommendations:

1. **Asnuntuck Community College should ensure it can trace system activity to a specific individual. Asnuntuck should consider reviewing how employees created the identified generic domain administrative accounts and what systems the employees may have accessed.**

   The Board of Regents for Higher Education information technology security investigations should review which systems and files employees accessed and determine whether employees compromised confidential or sensitive information.

   Comment:

   On two occasions, Asnuntuck Community College information technology employees abused their domain administrative account access. These employees may have gained anonymous access to the college's information systems, including confidential student information and financial data. The college's and Board of Regents for Higher Education's investigations did not determine whether the employees compromised confidential or sensitive information.

2. **The Board of Regents for Higher Education should ensure that all community colleges are performing evaluations of adjunct faculty that take into consideration all aspects of in-class and out-of-class performance and clarify the terms for these evaluations in the collective bargaining agreement.**

   Comment:

   Community colleges limit adjunct faculty evaluations to self-appraisal, instructional observation, and student ratings, but do not include performance outside of class.

3. **Manchester Community College should review its electricity invoices before paying them to ensure its vendor charged for accurate services and billed at the negotiated energy supply rate.**

   Comment:

   Manchester Community College did not sufficiently review electricity bills and overpaid them by $74,943. The college did not notice that the utility company charged more than the negotiated energy supply rate for two of its meters. The college also did not notice the utility billed for two disconnected meters and an erroneous meter. As a result of our inquiries, the utility company refunded the $74,943.

4. **The Board of Regents for Higher Education should develop a policy for students working or volunteering at their professors' businesses.**

   Capital Community College should address the conflict of interest that exists from students working or volunteering at a professor's business.

   Comment:

   We identified an unaddressed conflict of interest in which a Capital Community College student took the child development associate coordinator's course while working at the coordinator's private daycare provider business. Additionally, other students completed their mandatory volunteer hours at the same daycare provider.

5. **The Board of Regents for Higher Education's system office should limit the duration paid administrative leaves and promptly investigate personnel matters to avoid excessive paid administrative leave costs. The board of regents should obtain Attorney General approval of employee settlement agreements of $50,000 or more as required by Section 4-40b of the General Statutes.**

   Comment:

   The Board of Regents for Higher Education bargaining unit agreements do not limit the time an employee can be placed on paid administrative leave. The board of regents paid the 17 employees in our sample $538,133 during their leaves, which ranged from 79 to 311 days, and subsequently terminated nine of them. Two of the terminated employees we reviewed entered stipulated agreements that kept them on active payroll for six and seven months. During that time, the employees received an additional $64,000 and $57,500, plus benefits, respectively.

6. **The Board of Regents for Higher Education should only advance the leave in lieu of accrual time for appropriate purposes and adjust leave balances in accordance with Core-CT procedures. The board of regents should recover unearned leave time when appropriate.**

   Comment:

   The system office used the leave in lieu of accrual code to advance paid vacation leave to three newly hired employees. In these instances, the system office advanced leave time that the employees had not yet earned and did not promptly recover the advances.

7. **Capital Community College should comply with the Department of Administrative Services Violence in the Workplace Policy and Procedures Manual. The college should convene its threat assessment team when required.**

   Comment:

   Capital Community College did not sufficiently address a potential security risk by assembling its threat assessment team after an employee expressed concerns. Instead, they instructed security officers to take positive action to protect both parties. The college convened the team six months after the initial complaint after the complainant's spouse sent college-wide emails the college considered inappropriate.

8. **The Board of Regents for Higher Education and community colleges should implement policies and procedures to ensure they compensate adjunct faculty only after they fulfill their contractual obligations.**

   Comment:

   The board of regents did not take reasonable steps to ensure that the colleges only compensate part-time lecturers who completed their contractual obligations throughout the semester. During the audited period, the community colleges paid $159 million to 5,238 part-time lecturers. We tested the certifications for the spring 2020 semester payments to 3,150 part-time lecturers, totaling $25 million. We found that colleges paid adjunct faculty without first verifying they received the services. As a result, they overpaid three employees.

9. **Three Rivers, Gateway, Housatonic, Middlesex, Naugatuck Valley, and Tunxis Community Colleges should strengthen their payroll and human resources internal controls to ensure all parties sign employment agreements prior to the contractual period.**

   Comment:

   During the audited period, the community colleges paid $159 million to 5,238 part-time lecturers. Three Rivers Community College allowed two part-time lecturers to teach courses during the spring 2020 semester without a signed agreement. The college did not pay them until they signed the agreements after the semester. Gateway Community College allowed three part-time lecturers to teach and paid them without a signed agreement. Housatonic Community college could not provide a copy of the contract for one lecturer. Middlesex, Naugatuck Valley, and Tunxis Community Colleges allowed five instructors to teach before signing their contracts one to three weeks late.

10. **The Board of Regents for Higher Education should ensure that community colleges schedule faculty course loads in compliance with the agreement between the board of regents and the Congress of Connecticut Community Colleges.**

    Comment:

    The 4C bargaining unit agreement limits faculty workloads to 18 credit hours per semester. During the audited period, community colleges scheduled faculty for more than 18 credit hours in a semester on 1,069 occasions. This included 17 instances in which a faculty member taught at least 28 credit hours in a semester.

11. **The Board of Regents for Higher Education should require community colleges to properly evaluate dual employment arrangements and document that evaluation using approved dual employment forms. Colleges should only pay employees for additional duties based on approved documentation of their hours.**

    Comment:

    The board of regents does not require managers to prepare timesheets for the increased pay associated with formally assigned additional duties. It also does not record the additional duties in the human resources management system or require dual employment forms to consider potential conflicts and prevent duplicate payments.

    Asnuntuck Community College executed four consecutive contracts with a manager who worked 80 hours biweekly to perform additional duties at another college. The college paid the employee over $66,000 for the additional duties during the audited period but did not require the employee to submit timesheets or dual employment forms.

12. **The Board of Regents for Higher Education's system office and community colleges should improve compliance with dual employment requirements, policies, and procedures. The colleges should approve dual employment agreements before the start of dual employment.**

    Comment:

    The colleges approved five of 15 dual employment forms we reviewed 18 days to six months after the start date, including one after the contract period ended. Gateway Community College did not require dual employment forms for two Judicial employees and could not locate forms for a full-time employee who simultaneously worked in two part-time positions.

13 Gateway Community College should ensure that dual employment arrangements comply with the terms of the bargaining agreement between the Congress of Connecticut Community Colleges and the Board of Regents for Higher Education.

Comment:

A Gateway Community College nonteaching professional employee took on two additional part-time positions at the college. As a result of this arrangement, the employee worked between 88 and 91 hours per pay period for most of 2020. The 4Cs agreement does not permit this workload.

14. The Board of Regents for Higher Education should develop policies regarding the granting of compensatory time for employees splitting their time between community colleges. The board of regents should train employees on the proper use of Core-CT so the colleges accurately record employee information and payroll transactions. The board also should establish employee sharing policies.

Comment:

The Board of Regents for Higher Education does not have a compensatory time policy for employees who work for more than one college. Asnuntuck and Tunxis Community Colleges did not properly use Core-CT to track their employees' time when they worked at another college. Instead, the colleges had the employees record compensatory time for any time worked at the second college. We reviewed three of these shared employees and noted that they received 3,777 hours of compensatory time during the audited period.

15. The Board of Regents for Higher Education should train employees to properly use Core-CT so the colleges accurately record employee information and payroll transactions.

Comment:

Capital and Housatonic Community Colleges did not record a two-year temporary transfer of an employee in the Core-CT human resources management system. Northwestern Connecticut and Norwalk Community Colleges did not properly record employees' sabbatical leaves. Naugatuck Valley and Tunxis Community Colleges improperly used educational assistant job codes for three managerial level positions.

16. **The Board of Regents for Higher Education should expand its employee travel policies and procedures to ensure the lowest costs to the state. Community colleges should comply with the board of regents' employee travel policies and procedures to ensure that employee travel is necessary and cost-effective.**

    Comment:

    Policies and procedures at six of the 12 community colleges and the Board of Regents for Higher Education do not ensure the lowest reasonable cost for employee travel. On seven occasions, a Tunxis Community College employee stayed in hotel rooms that did not appear to have been the lowest rate. Two colleges retroactively approved two employees' travel. We also found that employees did not promptly submit requests for travel reimbursements, with delays ranging from 30 days to ten months.

17. **Gateway Community College should implement an open and fair hiring process when filling educational assistant positions.**

    Comment:

    Gateway Community College hired two part-time educational assistants without publicizing the vacancies. The college hired a current employee and her sister for these positions.

18. **The Board of Regents for Higher Education should align its rehiring retiree policy with executive orders and Office of Policy and Management policy. The board should comply with Section 5-164a(c) by requiring certain employees who work longer than 120 days to reimburse the state pension fund for amounts earned above the limit. In addition, the board of regents should train employees on the proper use of Core-CT so colleges accurately record payroll and employment information.**

    Comment:

    The board of regents' rehired retiree policy for educational assistants does not align with the state's limitations, because it does not restrict their length of service.

    The community college system paid five rehired retirees a rate higher than allowed. The system also reemployed two retirees in non-teaching positions for more than two 120-day periods, ranging between two and four years as of February 2020.

19. The Board of Regents for Higher Education and community colleges should ensure they complete the steps required to terminate employee leave balances in Core-CT and pay the correct amount to terminating employees.

Comment:

Sixteen former employees improperly accrued leave time after their termination. The colleges did not eliminate leave balances for 51 out of 59 employees in our sample. Quinebaug Valley Community College overpaid $7,890 for accrued sick leave greater than 240 days upon an employee's retirement.

20. The Board of Regents for Higher Education should properly hire, document, and pay student workers.

Comment:

The maximum hourly rate for student workers was $17 during the audited period. Capital Community College paid two student workers $17 during fiscal year 2018-2019. The board of regents established this rate for the most qualified individuals. The college could not find the student workers' personnel files. Therefore, we could not verify the colleges properly hired the employees or paid them the correct rate based on their qualifications.

Furthermore, Manchester Community College paid a student worker an hourly rate of $20 in fiscal year 2017-2018.

21. The Board of Regents for Higher Education, and Gateway and Norwalk Community Colleges should comply with the records retention requirements of the Connecticut State Library's public records administrator.

Comment:

For three of the 28 employees in our sample, Gateway and Norwalk Community Colleges could not provide documentation of their calculations and approvals for seven nonrecurring payments, totaling $17,593, for merit bonuses, a faculty chair, and other miscellaneous expenses.

22. **The Board of Regents for Higher Education should establish policies and procedures for colleges to evaluate the work their employees perform for their foundations and provide guidance on when foundations are required to reimburse the colleges.**

    Comment:

    It is likely that community colleges are providing staffing to their foundations that would require reimbursement by the foundation in accordance with state statute. Colleges have not sought reimbursement of these salary and fringe benefit costs. Based on Housatonic Community Colleges evaluations, we were able to determine that unreimbursed costs for Housatonic employees performing foundation work were nearly $620,000 during the audited period.

23. **The board of regents should implement a policy for faculty-led student travel to ensure compliance with the Office of State Ethics Code of Ethics for Public Officials.**

    Comment:

    The board of regents does not have a faculty-led student travel policy that addresses what is permissible under the Code of Ethics.

24. **The Board of Regents for Higher Education should ensure that colleges comply with the bidding requirements in the Connecticut State Colleges and Universities' Procurement Manual. Quinebaug Valley and Middlesex Community Colleges should solicit bids in accordance with the manual's requirements.**

    Comment:

    Quinebaug entered into an open-ended contract with a vendor to provide financial aid services. The college only intended to utilize the contractor until it found a permanent replacement for its director of financial aid. Quinebaug spent more than $50,000 on the contract without putting it out to bid and soliciting sealed bids from multiple contractors.

    Middlesex treated an electrical contractor from the Department of Administrative Services contractor list as a sole source vendor.

25. **Quinebaug Valley Community College should have the Office of the Attorney General review and approve all contracts that could exceed $25,000.**

    Comment:

    Quinebaug entered into an agreement with a contractor to serve as its interim director of Financial Aid. The college did not receive the Office of the Attorney General's approval before entering into the agreement. The contract did not have a defined term.

26. The Board of Regents for Higher Education's system office should take additional steps to provide guidance to the colleges on appropriate selection criteria for students receiving textbook scholarship funds. The system office should also provide clear direction on the eligible uses of these scholarship funds.

Comment:

The Board of Regents for Higher Education has not provided colleges specific guidance for the use of textbook scholarship funds. Naugatuck Valley created the NVCC Family Book Award Program, which awarded approximately $1,100 of Follett textbook scholarship funds to three students who were dependents of full-time employees. Gateway Community College spent over $2,600 on bookstore gift cards and graphing calculators, which it gave to students as door prizes at a new student orientation event.

27. The Board of Regents for Higher Education should develop a standard policy for how frequently the community colleges draw down federal funds. Housatonic and Capital Community Colleges should promptly draw down federal funds.

Comment:

The community colleges spent over $300 million of federal awards during the audited period. The Board of Regents for Higher Education has not established policies and procedures for how often the community colleges draw down federal funds. Housatonic Community College did not promptly seek reimbursement for three federal awards. This allowed unreimbursed expenses for these awards to accumulate to $429,690 over three to nine months. Capital Community College did not seek reimbursement for one federal award for over 28 months, during which time reimbursable expenses accumulated to $64,007.

28. The Board of Regents for Higher Education should establish policies and procedures to identify controllable assets. Quinebaug Valley Community College should consider assets costing less than $5,000 as controllable and should conduct regular inventories.

Comment:

The college does not consider any of their assets costing less than $5,000 as controllable. The college purchased a laptop from an online vendor and had the item shipped directly to an out-of-state contractor. The college did not record the laptop in any of its inventory records.

29. The Board of Regents for Higher Education should improve policies and procedures to reduce payroll errors. Housatonic Community College should investigate its underpayment to a faculty member and reimburse the employee as appropriate.

Comment:

We tested 19 larger retroactive payments, totaling $72,471, and found that eight were made to correct prior period errors. In addition, Housatonic Community College overpaid an employee $122 for four hours in a retroactive payment.

Faculty payroll processing at Housatonic is complex because schedules and workloads could vary each semester. As a result, the college did not compensate a professor for three credit hours during the fall 2017 semester. We believe that the college underpaid the faculty member by $5,000. We did not assess whether the college continues to underpay this employee.

30. Three Rivers Community College should formally evaluate and document its internal controls every year as required by the Office of the State Comptroller.

Comment:

Three Rivers Community College did not respond to our request for the State Comptroller's internal control questionnaire for the fiscal years ended June 30, 2019 and 2020.

ACKNOWLEDGMENTS

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Connecticut Community College System during the course of our examination.

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

Tyler Flanagan
Andrew Lynch
Jamie Swope

Ramona M. Weingart
Principal Auditor

Approved:

John C. Geragosian
State Auditor

Clark J. Chapin
State Auditor