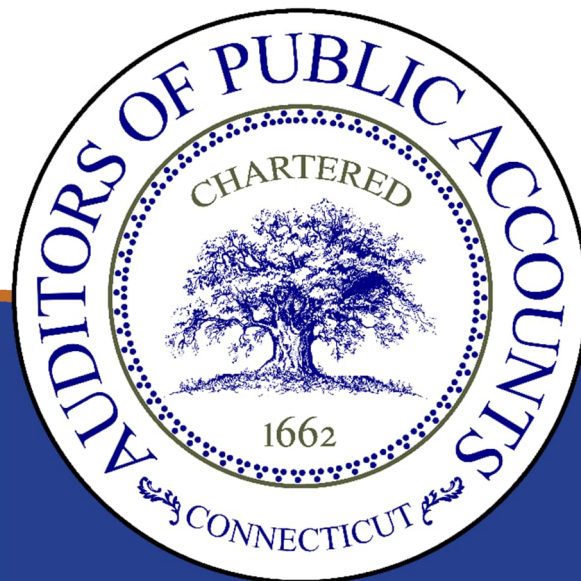


AUDITORS' REPORT

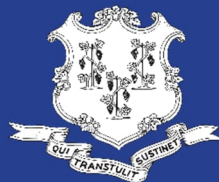
Board of Regents for Higher Education – CT State Community College

FISCAL YEARS ENDED JUNE 30, 2021 AND 2022



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



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May 5, 2026

INTRODUCTION

We are pleased to submit this audit of the Board of Regents for Higher Education - CT State Community College for the fiscal years ended June 30, 2021 and 2022 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Board of Regents for Higher Education - CT State Community College during the course of our examination.

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

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|----------------|-----------------|
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STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Board of Regents for Higher Education - CT State Community College (CT State) disclosed the following 22 recommendations, of which 19 were repeated from the previous audit.

Finding 1

Inadequate Organizational Structure Documentation for Consolidation Planning

Criteria	Section 10a-1a of the General Statutes created the Board of Regents for Higher Education on July 1, 2011. The board is authorized to establish policies and guidelines for community colleges to ensure maximum use of available higher education resources. This includes coordinating services among the state universities, community colleges, and Charter Oak State College, through the system's established organizational structure. Organizational structures are a fundamental component of internal control and provide the framework for planning, executing, controlling, and monitoring systemwide objectives. Its design accounts for key areas of authority, responsibility, and appropriate lines of communication.
Condition	Eleven of the twelve community colleges either provided incomplete organizational charts for the audited period or failed to update them. CT State did not utilize updated organizational charts for the July 1, 2023, community college consolidation and only prepared them after the consolidation was finalized in fiscal year 2024.
Context	The board oversees 12 community colleges that were consolidated on July 1, 2023. We requested organizational charts for each.
Effect	Poorly defined organizational structures that lack clear lines of authority hinder the ability to effectively manage programs and their associated costs. This inefficiency may have prevented the board from making the best use of its resources when planning and consolidating to a single college.
Cause	Insufficient management oversight appears to have contributed to this condition.

Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Board of Regents for Higher Education and CT State Community College should maintain comprehensive documentation of its structure, including accurate and current organizational charts to enhance transparency and support efficient operations.
Agency Response	“Management agrees with this finding. Organizational charts are updated on a regular basis by each individual campus under the current guidance and oversight of the CT State HR Division with collaboration from each campus leadership and college office. Going forward, the organization charts update process will further include a centralized oversight for the standardization and consistency of all campus organizational chart formats and the college office twice a year. The next iteration of the centralized CT State College-wide Organizational Chart is expected to be published on the CT State website later in Fall 2025 semester.”

Finding 2

Internal Control Weaknesses

Criteria	The Office of the State Comptroller (OSC) Internal Control guide states that management is responsible for establishing and maintaining an effective internal control structure to reduce improper activity. OSC requires all executive branch agencies to complete an annual self-evaluation and risk assessment. Whenever remedial action is required, the agency must prepare and implement an action plan to correct the deficiency.
Condition	<p>The CT State Community College System Office and six campuses (Asnuntuck, Gateway, Middlesex, Quinebaug Valley, Three Rivers, and Tunxis) conducted internal control self-assessments for fiscal year 2022 that identified 48 areas with a lack of segregation of duties and 42 areas with insufficient internal controls in the following categories:</p> <ul style="list-style-type: none"> • Cash Receipts, Receivables, and Revenues • Federal Fund Management • General Ledger • Payroll • Property

- Purchasing and Payables

Management did not establish a formal action plan to address these concerns at that time. By the following fiscal year, management resolved 54 weaknesses. However, there was no documented action plan, timeline, or rationale for the corrections.

Context	We reviewed fiscal year 2022 internal control self-assessments for the 12 campuses and system office.
Effect	The lack of segregation of duties and inadequate internal controls increase the risk of errors and misappropriation of funds.
Cause	Restructuring and insufficient staffing may have contributed to the system office's and colleges' failure to maintain segregation of duties and proper internal controls.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Board of Regents for Higher Education should ensure the CT State Community College System Office and college campuses establish adequate internal controls and segregation of duties.
Agency Response	"Management agrees with this finding. Management has significantly reduced repeat findings and will continue to do internal control assessments and improve on identified control weaknesses at the campuses and at the System Office. The community college consolidation allowed for more centralized controls. Going forward, we will document an action plan to address identified control weaknesses."

Finding 3

Payroll Overpayments to Employees

Criteria	<p>Sound payroll business practices require agencies to only compensate employees for amounts that are necessary, appropriate, and properly authorized.</p> <p>Section 4-33a of the General Statutes requires state agencies to promptly notify the Auditors of Public Accounts and the Office of the State Comptroller of any instance involving unauthorized, illegal, irregular, or unsafe handling or expenditure of state or quasi-public agency funds.</p>
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Condition

Our inquiries into two retroactive payments required by the State Employees Bargaining Agent Coalition (SEBAC) prompted the CT State Community College System Office to review the transactions and subsequently procure an independent accounting firm to perform an internal investigation covering the period December 31, 2020, through October 17, 2024. As of August 2025, the firm concluded that CT State improperly paid approximately 300 employees as follows:

- 268 employees received \$229,836 in excess retroactive payments. CT State recovered approximately \$70,514.
- Thirty-two employees were underpaid \$7,842. CT State disbursed approximately \$2,659 to correct these underpayments.
- Four employees received the correct payment despite inaccuracies identified in their payroll processing.
- One employee's retroactive payment status remains under review.
- One employee was overpaid \$205 but is now deceased and collection cannot be pursued.
- Five employees were overpaid \$183,844 in amounts ranging from \$12,278 to \$64,412. These overpayments occurred under circumstances unrelated to the SEBAC agreement.

The Board of Regents for Higher Education did not promptly notify our office upon learning of the scope of these overpayments. In August 2024, CT State hired an independent accounting firm to review the matter which commenced in October 2024. Neither the board, nor CT State, notified our office of the matter until November 1, 2024, and withheld details until August 28, 2025.

Context

CT State payroll expenditures totaled \$511.9 million during the audited period. The accounting firm tested 413 payments from December 2020 through October 2024; 344 selected randomly and 69 judgmentally based on amount, timing, type of compensation and employee.

Effect

CT State may not be detecting excess payroll distributions. Late reporting to our office and the State Comptroller lessens transparency and increases audit risk.

Cause

CT State failed to consider prior retroactive payments disbursed to eligible employees when recalculating and determining new retroactive payment amounts.

Management delayed informing our office about the engagement of the independent accounting firm and withheld requested updates until the firm completed its review in August 2025.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.

Recommendation

The Board of Regents for Higher Education and CT State Community College should improve internal controls over payroll expenditures to ensure that employees receive appropriate and accurate compensation and should promptly notify the Auditors of Public Accounts and the State Comptroller of any loss of state funds or resources in accordance with Section 4-33a of the General Statutes.

Agency Response

“Management agrees with this finding. This issue was the result of an error in the mass calculation of SEBAC payments. System Office HR Operations engaged an outside audit firm to review 400+ payroll transactions from January 2021 through August 2025 and confirmed this was not a systemic issue. System Office HR Operations calculated all overpayments, communicated with each employee, and collected \$134K+ to date. Collection efforts remain ongoing. Updated controls have been implemented, including enhanced reporting and supervisory review of mass calculations. CSCU System Office also hired an HR Business Systems Analyst in December 2024 to assist with the implementation of additional internal controls and business process improvements.”

Finding 4

Payroll Transaction Approvals and Contract Delays

Background

In addition to regular biweekly payroll processing, CT State Community College contracts with part-time and extension credit lecturers to teach a single term or class at a flat rate. CT State pays contracted faculty in equal installments based on the terms of individual contracts.

Criteria

Sound internal controls and Sections 3-117(b) and 3-119(a) of the General Statutes require state entities to certify services are received and documented before paying contractual faculty and state employees.

CT State policies and procedures require lecturers to submit timesheets on the last Thursday of the pay week and their supervisor must approve them by the following day.

Condition

Contractual Faculty Payments: We tested 216 CT State payments to 25 contractual faculty and noted the following:

- Eighteen payments, totaling \$24,905, to three faculty for services they did not provide. Upon request for the executed contracts, CT State indicated that the faculty did not teach the courses in question. Although the system office was aware of two of the overpayments, it had not initiated collection efforts at the time of our inquiry.
- Sixteen part-time lecturer contracts for 11 employees were improperly executed. Fifteen were not promptly signed by the employee, the college, or both parties, ranging between two to 24 days late. The other contract was 798 days late.
- CT State could not find one employee's contract.

Regular Biweekly Payroll: During our review of employee timesheet approvals, we identified 273 CT State employees whose Core-CT workgroup roles did not require supervisory approval of their timesheets. Further review of 43 of these employees' timesheets found that all were eventually approved by a supervisor. However, supervisors approved 31 between three and 76 days late and two were approved three and 62 days after their paycheck was issued.

Context

CT State payroll expenses totaled \$249,820,781 and \$262,089,672 in fiscal years 2021 and 2022, respectively.

CT State payments to 3,912 contractual faculty members totaled \$50,839,811 and \$53,450,813 during fiscal years 2021 and 2022, respectively. We selected payments to 25 contractual faculty totaling \$413,071 for review. We selected the ten largest payments and an additional 15 randomly.

Our data analysis of Core-CT timesheet approvals identified 332 biweekly payroll transactions for 273 college employees that lacked timely supervisory approval, totaling \$8,879,827 in fiscal years 2021 and 2022. From these we reviewed 43 totaling \$658,622. The 43 payments were judgmentally selected from two strata:

- 13 timely payments that resulted in either the highest regular or miscellaneous pay.
- 30 payments that were paid late.

Effect

CT State paid adjunct faculty and non-credit lecturers for services they did not provide.

When supervisors do not promptly approve employee timesheets, payments are delayed and there is less assurance that payroll is complete, accurate, and not susceptible to fraud.

Cause	<p>CT State lacks policies and procedures to ensure compensation for part-time and extension credit lecturers is contingent on fulfillment of contractual obligations.</p> <p>CT State incorrectly assigned employees to Core-CT workgroups that did not require supervisor approval of timesheets.</p>
Prior Audit Finding	This finding has previously been reported in part in the last three audit reports covering the fiscal years 2014 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should strengthen internal controls to ensure regular and contractual adjunct faculty payroll is prompt, based on actual time worked, and properly approved.
Agency Response	<p>“Management agrees with this finding and recognizes an error was made to the workgroup assignment for a subset of Non-Credit Lecturers (NCLs) that erroneously resulted in auto-approved timesheets. This occurred when NCLs were transitioned to completing biweekly timesheets for payment purposes. Although the workgroup assignment was corrected prior to the submission of these timesheets, Core-CT does not retroactively apply workgroup changes. System Office HR Operations is developing reports to monitor appropriate workgroup assignment.</p> <p>Regarding part-time and extension credit lecturer workload review, management agrees with this finding and work towards a viable long-term solution for workload review at the campus level is underway. As noted in previous audits, controls were implemented in Banner as part of the Payroll Exception review process that was initiated by the Audit Advisory Committee. These reports are currently unavailable due to limitations that will be resolved soon. Once resolved, the reports will be shared with the appropriate academic reviewer for confirmation of services received.”</p>

Finding 5

Leave in Lieu of Accrual

Criteria	Core-CT allows agencies to temporarily use the Leave in Lieu of Accrual (LILA) time reporting code until monthly accruals post to an employees’ leave balance. Core-CT Job Aid procedures require state agencies to review monthly LILA usage and adjust the hours to the appropriate leave accrual balances.
Condition	We reviewed LILA charges and recoveries for 14 employees, who charged 1,740 hours of LILA during the audited period. CT State

recovered eight instances of LILA for six employees between 21 and 1,031 days after recording the initial charges, totaling 108.25 hours. CT State recovered four employees' LILA after our inquiry.

Context	During the audited period, 94 employees charged 2,558 LILA hours, totaling \$97,350. We selected fifteen employees, consisting of five employees with the largest reimbursed LILA amounts, five with the largest unreimbursed LILA amounts, and five employees with the oldest advancement dates.
Effect	Insufficient monitoring of LILA time reporting code usage allowed two employees to exceed their earned leave time on three occasions. In addition, delays in recovering LILA charges led to a \$718 overpayment in accrued leave for one employee upon their retirement.
Cause	Management did not have sufficient oversight of LILA usage.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should strengthen internal controls to promptly adjust the Leave in Lieu of Accrual time reporting code and should recover unearned leave time when appropriate.
Agency Response	"Management agrees that the use of the LILA time reporting code is necessary due to Core-CT limitations but requires regular monitoring and actionable follow-up. Subsequent to this audit period, internal controls have been expanded to ensure compliance with the use of this code, including biweekly reports and close supervisory oversight of Payroll's internal processes. These real-time reports limit overpayments and the need to recover unearned leave time."

Finding 6

Failure to Retain Adequate Records

Criteria	The Connecticut State Library's Public Records Administrator establishes minimum retention requirements for state records. Agencies must retain fiscal and personnel records for three years or until audited, whichever is later.
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Condition	<p>CT State Community College did not provide all requested audit documentation. Specifically:</p> <ul style="list-style-type: none"> • The CT State System Office and Manchester campus could not provide the supporting documentation for \$12,258 in tuition reimbursement paid to an employee in fiscal year 2021. • The system office and Capital campus could not provide 16 syllabi for two faculty members. • The Norwalk and Gateway campuses could not provide documentation for miscellaneous payments to three employees totaling \$16,869, \$17,595, and \$20,988, respectively.
Context	<p>CT State reported payroll expenses of \$249,820,781 and \$262,089,672 in fiscal years 2021 and 2022, respectively.</p> <p>We tested 67 items as part of our review of payroll charges, faculty schedules, and supervisory approvals.</p>
Effect	<p>By not adequately safeguarding documentation, the community college system diminished the integrity of its internal control structure over payroll transactions and increased the risk of unauthorized or improper transactions.</p>
Cause	<p>The newly consolidated CT State Human Resources and Payroll Shared Services and college campuses could not locate the supporting documentation.</p>
Prior Audit Finding	<p>This finding has previously been reported in the last two audit reports covering the fiscal years 2014 through 2020.</p>
Recommendation	<p>The Board of Regents for Higher Education and CT State Community College should strengthen their internal controls to comply with the records retention requirements established by the Public Records Administrator of the Connecticut State Library.</p>
Agency Response	<p>“Management agrees with the finding that some supporting documentation was unavailable. Going forward, CT State will review its processes to ensure that supporting documentation is obtained and kept on hand that supports tuition reimbursement paid to employees. Further, CT State will review its processes to ensure that syllabi are properly retained at the campus level.”</p>

Finding 7

Insufficient Hiring and Nepotism

Criteria	<p>Section 1-84(c) of the General Statutes prohibits state employees from using their position to obtain financial gain for themselves or their spouse. In addition, the Board of Regents for Higher Education established a nepotism policy prohibiting the hiring of relatives of persons currently employed by Connecticut State Colleges and Universities (CSCU) if they directly or indirectly work under the supervision of a relative.</p> <p>CT State Community College should publicize job openings to ensure an open and fair hiring process that results in a skilled workforce and avoids actual or perceived favoritism.</p>
Condition	<p>CT State Capital, Northwestern, and Norwalk campuses each hired a part-time faculty member without publicizing the vacancy.</p> <p>In addition to part-time faculty hiring, the Northwestern campus hired the building superintendent's spouse as a full-time lead custodian. The college did not successfully separate the spousal relationship, including the assignment of overtime.</p>
Context	<p>CT State hired 1,203 individuals, excluding student workers, during the audited period. We tested the board's hiring process for 13 employees. We haphazardly selected the eight highest-paid recent hires and five additional individuals.</p> <p>CT State Northwestern paid the lead custodian 273 hours of overtime during the first two years of employment, totaling \$8,135.</p>
Effect	<p>The college's hiring process could prevent the selection of the best available candidate and give the appearance of impropriety because CT State did not publicize the job openings or give all qualified individuals the opportunity to compete for these positions.</p> <p>CT State Northwestern allowed an employee to assign overtime to their spouse, which appears to violate state ethics laws and board of regents' policies.</p>
Cause	<p>CT State informed us that it is not a common practice to advertise part-time positions.</p> <p>CT State Northwestern's administration believed it adequately addressed the risk of nepotism. However, custodial managerial responsibilities are inherent to the building superintendent's position.</p>

Prior Audit Finding	This finding has previously been reported in part in the last audit report covering the fiscal years 2018 through 2020.
Recommendation	<p>The Board of Regents for Higher Education and CT State Community College should implement an open and fair hiring process for part-time positions.</p> <p>The CT State Community College’s Northwestern campus should comply with Section 1-84(c) of the General Statutes and the Board of Regents for Higher Education Nepotism Policy when hiring related parties.</p>
Agency Response	<p>“Management agrees with this finding. Following the merger of the 12 individually accredited legacy community colleges into one college, CT State campuses including Northwestern now follow the CSCU system for publicizing vacancies. Now vacancies are announced to the entirety of the system and advertised in multiple national job boards.</p> <p>In order to address nepotism going forward, the system is working to change job applications so that the applicant is required to answer whether he or she is related to a current CSCU employee. If there is a familial relationship, a conflict-of-interest review will be conducted.”</p>

Finding 8

Excessive Paid Administrative Leave

Criteria	<p>CT State Community College should minimize the time that employees are on paid administrative leave pending investigations.</p> <p>At least six state employee bargaining unit contracts have 60-day limits agencies can impose on paid administrative leave to allow time for an investigation. However, CT State union agreements do not limit paid administrative leaves.</p>
Condition	We reviewed the five highest administrative leave payments that began during the audited period and noted all five exceeded 60 days. CT State paid the five employees \$401,075 during their leaves, which averaged 277 days, with one lasting 769 days.
Context	Seven CT State campuses and the CT State System Office placed ten employees on paid administrative leave during the audited period and paid them \$308,858 during this time. We tested CT State’s payments to the five employees who received the largest amounts of paid administrative leave.

Effect	The Board of Regents for Higher Education and CT State incurred excessive paid administrative leave costs.
Cause	The board of regents' human resources policies and bargaining unit contracts do not limit paid administrative leave. The board of regents also lacks a paid administrative leave policy.
Prior Audit Finding	This finding has been previously reported in the last two audit reports covering the fiscal years ended June 30, 2016 through 2020.
Recommendation	The Board of Regents for Higher Education's System Office and CT State Community College should limit the duration of paid administrative leaves and promptly investigate personnel matters to avoid excessive paid administrative leave costs.
Agency Response	"Management agrees with this finding. Currently, CT State, under the guidance of the Office of Compliance, CT State Division of Human Resources, and with consultation of the Office of General Counsel continues to utilize paid administrative leave in very limited capacity for personnel matters that involve a pending investigation, or contractual obligations in circumstances of termination leave."

Finding 9

Lack of Disciplinary Guidance

Criteria	<p>The Board of Regents for Higher Education established numerous policies applicable to CT State Community College faculty and staff.</p> <p>The Board of Regents for Higher Education System Office is responsible for investigating reported allegations of misconduct by community college faculty and staff. However, the respective community college leadership is responsible for determining disciplinary measures based on the conclusions reached by the system office's investigations.</p>
Condition	A system office investigation concluded that an associate professor at CT State Gateway violated five Connecticut State College and University policies, including the Consensual Relationships Policy and the Sexual Misconduct Reporting, Supportive Measures and Processes Policy. The investigation found that the associate professor engaged in inappropriate sexual conduct, and pursued and engaged in romantic relationships with their students. Despite the system office's conclusions, Gateway's only discipline was a letter of reprimand. The college took no other remedial action such as safeguards or additional trainings.

Context	We reviewed the investigation log for all colleges and did not identify any other serious allegations of sexual misconduct complaints between college faculty and students.
Effect	The lack of remedial action for serious and confirmed violations of board of regents' policies reduces the effectiveness of those policies. Furthermore, the Gateway Campus' decision to take no remedial actions may have put students at risk.
Cause	The board of regents does not make disciplinary recommendations as part of its misconduct investigations.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Board of Regents for Higher Education should make disciplinary recommendations to the college campuses for substantiated policy violations. The board of regents should monitor college disciplinary actions resulting from investigations to ensure colleges take appropriate and consistent disciplinary measures.
Agency Response	<p>"Management partially disagrees with this finding. Management believes appropriate disciplinary actions were administered based on substantiated facts and documented findings outlined in the investigation. Management agrees formal training should be required in these rare instances of misconduct.</p> <p>CT State continues to ensure appropriate and substantive action or other disciplinary measures are taken in the event of findings of violation of CSCU policy or procedure or other regulations."</p>
Auditors' Concluding Comments	CT State did not implement safeguards or require additional training for the matter.

Finding 10

Workplace Violence Threat Assessments and Implementation of Labor Relations Recommendations

Background The Board of Regents for Higher Education has centralized most community college human resources functions.

Criteria	<p>Section 10a-156a of the General Statutes requires a trained threat assessment team for each CT State Community College campus consisting of individuals employed by the campus.</p> <p>The board of regents requires a centralized process for investigating workplace harassment claims made by community college employees. After an investigation, labor relations investigators submit their findings and recommendations, which include best practices for managing employees and conflicts, to the campus chief executive officer or president.</p>
Condition	<p>The Northwestern campus did not convene the threat assessment team after an employee, with a history of conflicts, allegedly threatened his supervisor. Human resources investigator notes indicate the supervisor stated they feared for their life. CT State does not have a policy requiring campuses to notify the board of regents when they convene their threat assessment team.</p> <p>In addition, campus management did not fully implement investigator recommendations after multiple incidents between two employees which may have contributed to their prolonged conflict.</p> <p>The Board of Regents for Higher Education does not require college campuses to implement investigators' labor relations recommendations. The board of regents does not have policies to track implementation or outcomes.</p>
Context	<p>This matter was not identified through transaction testing. Therefore, we could not determine a population of threats. CT State employed 7,731 individuals during fiscal years ended June 30, 2021 and 2022.</p>
Effect	<p>CT State Northwestern may have failed to address a security risk and adequately manage a hostile work environment because it did not convene a threat assessment team or implement investigator recommendations.</p>
Cause	<p>The board of regents lacks a governance framework that holds CT State accountable for convening threat assessment teams, implementing investigator recommendations, and monitoring their effectiveness.</p>
Prior Audit Finding	<p>This finding has previously been reported at other campuses in the last two audit reports covering the fiscal years 2016 through 2020.</p>
Recommendation	<p>CT State Northwestern should convene its threat assessment team when necessary. The college should make every effort to implement Board of Regents for Higher Education investigator's recommendations.</p>

The Board of Regents for Higher Education should establish and enforce policies and procedures for campuses to convene threat assessment teams, implement investigator recommendations, and monitor their outcomes.

Agency Response

“Management agrees with this finding. Since this finding occurred, CT State has established trained threat assessment teams, consistent with Section 10a-156a of the General Statutes, for each of its campuses and will deploy those teams as necessary going forward. Matters are also referred to Human Resources and the Office of Compliance for investigation into possible violations of the CSCU Code of Conduct.”

Finding 11

Insufficient Monitoring of Dual and Outside Employment

Criteria

Section 5-208a of the General Statutes bars state employees from holding multiple job assignments within the same state agency or at more than one 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 General Letter No. 204 - Dual Employment, provides guidance to state agencies in complying with Section 5-208a of the General Statutes. The employee may not work in the secondary position until the approved Form CT-HR-25 is fully executed and signed by the agency head and employee.

The Congress of Connecticut Community College and Board of Regents for Higher Education bargaining agreement, Article X, Section 6(A), requires employees to notify the chief executive officer or college president of their outside employment.

Condition

We reviewed 15 employees who held 49 positions at one or more community college campus and the Connecticut State College and University (CSCU) System Office during fiscal year 2022. We found

exceptions regarding the Dual Employment Request Forms for all 15 employees.

- Five forms for four employees were signed late by one or more of the necessary parties. Delays ranged from four to 103 days.
- One form omitted the start date of services, which prevented us from determining if the necessary parties signed on time.
- Three employees had forms that did not specify hours and/or report the weekly schedules of the proposed additional positions.
- The campuses did not provide forms for ten employees, involving 21 instances of dual employment.

We also requested outside employment forms for five full-time employees who, based on online searches, appeared to hold positions outside of their state employment. CT State Capital could not provide forms for four employees. A fifth employee submitted an outside employment form but did not appear to include all their outside positions.

Context

In fiscal year 2022, 1,319 college and CSCU System Office employees were dually employed, earning a total of \$79,005,858. Of these, 278 held 364 dual positions across multiple CSCU locations. We judgmentally selected 15 employees with the highest incidents of working at multiple locations during the year.

During our review of payroll and dual employment, we identified five full-time employees who did not provide their respective campuses with the requisite reporting of outside employment. Due to the lack of enforcement of this requirement, we could not determine how many other employees hold outside employment.

Effect

Incomplete or missing dual employment agreements reduce the assurance that both parties agreed to the same terms and duties. It also limits the college's ability to evaluate the risks of overpayments and conflicts of interest.

Outside employment can impair an employee's ability to perform their responsibilities at the college. Managers cannot adequately monitor employee conflicts without knowledge of outside employment.

Cause

Internal controls did not ensure the prompt review and approval of dual employment agreements.

Management did not require employees to document their outside employment.

Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2016 through 2020.
Recommendation	<p>The Board of Regents for Higher Education and CT State Community College should improve compliance with the dual employment requirements of Section 5-208a of the General Statutes and related policies and procedures established by the Department of Administrative Services. The board of regents and CT State should ensure that dual employment contracts are accurately completed and signed by all parties prior to the start of the contract period.</p> <p>CT State Community College and the CSCU System Office should develop and implement a process to ensure compliance with outside employment reporting requirements.</p>
Agency Response	“Management agrees with this finding. System Office HR Operations will continue to work with CT State HR and campus leaders to address dual employment compliance issues. This includes training, education, and outreach to employees and hiring managers which will increase awareness of the requirement and facilitate timely and accurate completion of the forms.”

Finding 12

Terminated Employee Accrued Leave Payouts

Criteria	Under Sections 5-247 and 5-252 of the General Statutes, separating employees receive vacation payouts, while only retiring employees are eligible for sick leave payouts. Core-CT job aids provide guidance to colleges to determine the accurate accrued leave payment. The 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.
Condition	We tested separation payments for 11 employees and noted overpayments to two totaling \$6,133. We also analyzed all employees that separated during the audited period and identified 111 individuals whose Core-CT record continued to improperly accrue 12,869 hours of leave time after their termination.
Context	CT State Community College (CT State) paid \$10,174,220 to 453 former employees for accrued vacation and sick leave during the audited period. We judgmentally selected the ten largest separation payouts, and one payment identified during a separate test. We analytically reviewed 218 employees who separated from service in fiscal year 2021-2022 but continued to accrue leave through March 2023.

Effect	By not properly terminating leave plans in Core-CT upon employee separation, CT State increased the risk of improper payments.
Cause	CT State did not follow employee termination instructions. In addition, the implementation of a shared services model for human resources on July 1, 2020, may have contributed to this condition.
Prior Audit Finding	This finding has previously been reported in the last six audit reports covering the fiscal years 2008 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should ensure they complete the steps required to eliminate employee leave balances in Core-CT and pay the correct amount to separating employees.
Agency Response	"Management agrees that clearing out accrual balances and terminating leave plans at the time of separation is best practice. While accruing after separation does not create an overpayment in and of itself, management agrees that not cleaning out accrual balances and terminating leave plans could create an overpayment risk if an individual is reemployed. Management will enforce a consistent separation process and will re-train Payroll staff on the correct procedures to manage leave plans at the time of separation."

Finding 13

Management of Rehired Retirees

Criteria	Governor Malloy's Executive Order No. 47 limits the rehiring of a retiree to no more than two 120-day periods.
Condition	<p>The Board of Regents for Higher Education's rehired retiree policy for part-time educational assistants does not align with the state's limitations because it does not restrict the length of reemployment. As of April 2023, the community colleges and the system office had 59 part-time educational assistant retirees. Our review of ten of these rehired retirees, found they were reemployed for between three and 14 years, including five who were reemployed for more than ten years.</p> <p>Furthermore, analytical procedures found the System Office and CT State Community College did not use the proper Core-CT job code, "1373VR", Temporary Worker (Retiree), when recording 467 out of 487 rehired retirees.</p>

Context	CT State employed 487 retired state employees from July 1, 2020, through March 22, 2023. We judgmentally selected the ten with the earliest retirement dates.
Effect	The board of regents and CT State did not comply with established retiree rehiring laws and requirements. Incorrect Core-CT recordkeeping hinders efforts to identify and monitor these employees.
Cause	The board of regents' rehired retiree policy does not align with requirements established by executive orders.
Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2016 through 2020.
Recommendation	The Board of Regents for Higher Education should align its rehired retiree policy with executive orders. In addition, the board of regents should retrain employees on the proper use of Core-CT, so colleges accurately record payroll and employment information.
Agency Response	"Management agrees with this finding. Management will review the Policy on the Reemployment of Retirees to ensure all Temporary Worker Retirees (TWR) are properly coded in the Core-CT System for compliance/reporting purposes. Furthermore, management agrees with the recommendation to retrain and educate hiring managers on the regulations for rehired retirees."

Finding 14

Use of Core-CT for Sabbatical Leaves

Criteria	CT State Community College 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	Our analysis of 26 employees who received sabbatical pay found CT State incorrectly recorded eight employees' sabbatical leaves in the state's accounting system. CT State recorded four employees' sabbatical pay as regular pay and did not update four employees' personnel records to reflect their sabbatical leave.
Context	CT State paid 26 employees for sabbatical leave during fiscal years 2021 and 2022, totaling \$543,211. We reviewed all 26 employees.

Effect	Employee records and financial information are inaccurate when the college does not properly record transactions in Core-CT. There is an increased risk that controls may not prevent overpayments or payments to ineligible individuals.
Cause	CT State payroll staff were unfamiliar with the Core-CT features to record and process these transactions.
Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2016 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should train employees to properly use Core-CT, so the colleges accurately record employee information and payroll transactions.
Agency Response	"Management agrees that there may have been instances of sabbatical leave miscoding in 2021 and 2022. However, with the implementation of HR Operations at the System Office, additional reporting and auditing have been implemented to ensure all sabbatical leaves are coded properly in Core-CT for leave and payroll processing."

Finding 15

Excessive Faculty Schedules

Criteria	<p>Article 10, Section 3A of the agreement between the Board of Regents for Higher Education and the Congress of Connecticut Community Colleges 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, or 18 credits.</p> <p>Article 8.3.1.6 of the agreement between the Board of Regents for Higher Education and the Federation of Technical College Teachers, Local #1942, American Federation of Teachers, AFL-CIO limits full-time faculty member workloads to no more than 16 credits per semester.</p>
Condition	Our analysis of fall and spring fiscal year 2021 and 2022 full-time faculty schedules identified 953 schedules that required 355 out of 692 full time faculty to work more than 18-credits and the maximums established by the two collective bargaining agreements. In addition, 110 of the 355 faculty schedules required a workload of more than 24 credits, equivalent to a 72-hour workweek.

Context	The audited period included 2,415 full-time faculty member fall and spring semester schedules.
Effect	There is an increased risk full-time faculty members take on more responsibility than they can manage which may potentially compromise the quality of education.
Cause	CT State Community College did not prioritize the assignment of balanced workloads to full-time faculty.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should ensure that college campuses schedule faculty course loads in compliance with the agreements between the Board of Regents for Higher Education and the Congress of Connecticut Community Colleges and Federation of Technical College Teachers, Local #1942, American Federation of Teachers, AFL-CIO.
Agency Response	“Management agrees with this finding. A work group made up of the CT State Office of the Provost, CT State Office of Compliance, CT State Human Resources, CT State Finance and System Office Labor Relations have been working to reduce the amount of faculty course loads. Specifically, the provost has asked the deans who are in charge of course approvals to review areas where there is a need for additional full-time faculty to ensure high-demand courses are covered without the need for excessive course loads. In addition, CT State is hosting an all-staff compliance training seminar this fall (2025), one session of which will be dedicated to discussing the detrimental effects of excessive course loads.”

Finding 16

Faculty-Led Student Travel

Background	CT State Community College (CT State) faculty members previously led student trips, with travel vendors partially or completely covering their expenses. These trips took place during faculty members' personal time, when they were off contract. The Board of Regents for Higher Education sought an advisory opinion from the Office of State Ethics to clarify whether faculty could accept free trips in exchange for recruiting, organizing, and chaperoning students during school breaks. The Office of State Ethics determined that the
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Code of Ethics prohibits this arrangement but indicated that alternative models might be permissible.

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 CT State 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 their trips.
Effect	There is an increased risk that faculty who lead student trips may receive personal financial gain.
Cause	The board of regents did not prioritize establishing oversight for faculty-led student travel and developing the necessary policies and procedures.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2018 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should implement a policy for faculty-led student travel to ensure compliance with the Office of State Ethics Code of Ethics for Public Officials.
Agency Response	"Management agrees with this finding. While the system has not implemented a policy that re-states state law, the CT State Office of Compliance has been charged with ensuring faculty and staff receive live ethics training. The ethics opinion regarding faculty-led student travel is one of the areas discussed with faculty, staff, and campus leadership."

Finding 17

Honoraria Payments

Criteria	The Connecticut State Colleges and Universities Procurement Manual requires that honoraria for state employees be processed through the payroll system subject to federal and state income tax withholdings.
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Condition	CT State Community College processed honoraria to 22 faculty and staff as vendor payments rather than through the payroll system.
Context	CT state paid \$62,000 in honoraria to 22 faculty and staff which was funded by a single grant. We reviewed all 22 payments.
Effect	By processing honoraria payments outside the payroll system, CT State did not withhold taxes.
Cause	Employees who made these payments were not aware of procurement manual policies and procedures for honorarium.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Board of Regents for Higher Education and CT State Community College should comply with the Connecticut State Colleges and Universities Procurement Manual by processing honoraria to state employees through the payroll system.
Agency Response	"Management agrees with this finding. In 2021 and 2022, the CT State campuses had oversight of honoraria payments. This function is now managed by Shared Services and staff are aware that honoraria payments to employees should not be processed through Accounts Payable."

Finding 18

Insufficient Monitoring of Electricity Charges

Criteria	It is sound business practice to thoroughly review the accuracy of invoices before issuing payments.
Condition	CT State Three Rivers did not sufficiently review electric bills. The college was not aware it had more than one meter on its campus building and has been paying a bill for two. The college did not know the location of the electric meters.
Context	CT State Three Rivers paid the utility company \$577,647 and \$630,752 during fiscal years 2021 and 2022, respectively.
Effect	There is an increased risk of utility overpayments.

Cause	CT State Three Rivers did not verify it received electrical services before paying invoices.
Prior Audit Finding	This finding has been previously reported at another campus in the last audit report covering fiscal years 2018 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should implement procedures for all campuses to ensure proper review and monitoring of utility charges to ensure payment is for actual services.
Agency Response	"Management agrees with this finding. CT State now has a verification process to determine if goods and/or services have been received. Three Rivers will implement a process of verifying monthly utility invoices against onsite utility meters."

Finding 19

Out-of-State Travel Expenditures

Criteria	Board of Regents for Higher Education policies and procedures require employees traveling on college business to have 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. In addition, travelers must submit their expenses for reimbursement within 30 calendar days after travel.
Condition	<p>Our test of employee travel and reimbursements found inconsistencies between campuses and a lack of compliance with policies and procedures.</p> <p>Pre-approval of Travel:</p> <p>CT State Tunxis Campus: The campus did not preapprove \$1,617 in travel expenses for an employee. It reimbursed the employee based on a purchase requisition for conference registration and hotel submitted two months after the trip.</p> <p>Reimbursements:</p> <p>CT State Northwestern and Middlesex: Board travel policies and procedures only offer reimbursement for travel expenses at the lowest reasonable cost. They do not address how campuses should identify and approve travel costs. We found the two campuses rely on the employee to follow the travel policy or use their judgement</p>

regarding accommodations. Cost is not verified to ensure the lowest price was obtained.

System Office and CT State Tunxis: The college could not locate documentation to support reimbursement payments to two employees, totaling \$4,400 and \$1,470, respectively.

System Office: An employee did not date their Travel Authorization/Reimbursement form, for a \$1,479 reimbursement, and it was not approved and dated by the system office.

Context	Out of state non-reportable travel reimbursements totaled \$4,859 and \$31,099, for fiscal years 2021 and 2022, respectively. We haphazardly selected ten transactions, totaling \$19,112, for testing.
Effect	Without proper documentation and approval there is an increased risk for unnecessary travel and excessive costs.
Cause	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	This finding has previously been reported in the last two audit reports covering the fiscal years 2016 through 2020.
Recommendation	The Board of Regents for Higher Education and CT State Community College should expand their employee travel policies and procedures to ensure the lowest costs to the state. CT-State Community College campuses should comply with the Board of Regents for Higher Education's employee travel policies and procedures to ensure that all employee travel is necessary, cost-effective, adequately supported, and approved.
Agency Response	"Management agrees with this finding. Historically, CT State campuses have managed their own travel programs. We are currently drafting a system-wide travel and reimbursement policy. This will allow CT State to consolidate the function to provide central oversight."

Finding 20

Lack of Board of Regents for Higher Education Guidance for Audio and Video Surveillance

Background	CT State Community College Asnuntuck Campus management purchased and installed trail cameras that could record audio and video.
Criteria	<p>Section 31-48d of the General Statutes states that employers must notify employees of video surveillance unless that surveillance is intended to provide evidence of misconduct. Notifications should be posted in a conspicuous place. Sections 53a-187 and 53-189 of the General Statutes define eavesdropping as unlawfully wiretapping or mechanically overhearing a conversation without the consent of at least one party involved and establish that eavesdropping in this manner is a class D felony.</p> <p>In addition, employers should consider including information about surveillance policies in employee handbooks to outline the purposes and types of surveillance, and the use of collected data.</p>
Condition	The Board of Regents for Higher Education does not have written policies and procedures relating to the installation and monitoring of security cameras at the community college campuses nor has it or the colleges provided guidance for video or audio surveillance. In addition, CT State and Asnuntuck faculty handbooks do not include information about surveillance policies.
Context	We reviewed board of regents' policies and website, and the CT State Faculty and CT State Asnuntuck Faculty Handbooks. None of these address surveillance.
Effect	Observing and recording employees and students without their knowledge and consent raises ethical concerns about privacy and could lead to legal action against CT State Asnuntuck campus management and the board of regents.
Cause	A lack of administrative oversight contributed to this condition.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Board of Regents for Higher Education and CT State Community College should provide guidance and create policies

for the campuses to ensure compliance with state surveillance requirements.

Agency Response

“Management agrees with this finding. Following the merger of the 12 individually accredited legacy community colleges into one college, CT State’s Office of Information Technology (IT) and Chief of Police worked together to develop a Security Camera Access procedure in May of 2024. This procedure has been distributed to all campus IT directors as well as all campus public safety personnel. This ensures that going forward, any installation of surveillance cameras or viewing of surveillance camera footage is done in accordance with state law.”

Finding 21

Insufficient Safety Compliance Policies and Procedures

Background

Safety compliance is intended to keep workers, the public, property, and the environment safe from workplace hazards.

Criteria

Various federal and state occupational safety regulatory agencies, including the Occupational Safety and Health Administration (OSHA), require employers to provide a safe work environment. To comply with these laws, organizations need adequate policies and procedures that include monitoring and employee training.

The Board of Regents for Higher Education indicated that all CT State Community College campuses should have an environmental compliance manual or similar policies and procedures. In addition, each campus is expected to assign an employee, most commonly the dean or associate dean of campus operations, to administer a health and safety program.

Condition

We surveyed the 12 CT State campuses and the board of regents. Responses from nine campuses and the board identified the following concerns:

- Five campuses indicated the board has not informed them of the need for a health and safety officer. Two other campuses were not sure whether the board informed them of the requirement.
- One campus indicated it does not have an employee serving as the campus health and safety officer. Three other campuses were not sure who served in that capacity. One

employee, new to the health and safety officer role, informed us they were not familiar with OSHA requirements.

- Four campuses indicated they do not have an environmental compliance manual, or similar policies and procedures.
- Three campuses indicated they do not have OSHA-compliant policies and procedures for managing custodial functions and protecting custodial staff.

Context	CT State Community College is comprised of 12 distinct campuses. Each campus provides education in programs with inherently higher occupational health and safety risks such as science, medicine, and manufacturing laboratories. We surveyed 12 CT State campus managers responsible for health and safety and one manager responsible for board related matters.
Effect	Lack of documented safety compliance policies and procedures could result in unsafe environments for faculty, students, and staff.
Cause	The board did not prioritize environmental compliance and campus health and safety during the audited period.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	The Board of Regents for Higher Education and CT State Community College should establish and enforce policies and procedures for all college campuses to ensure environmental health and safety for faculty, students, and staff.
Agency Response	"Management agrees with this finding. Following the merger of the 12 individually accredited legacy community colleges into one college, CT State hired a Director of Environmental Health and Safety. This individual, who joined CT State in February of 2025, is charged with, among other things, serving as a technical expert on behalf of the college in interactions with local, state, and federal regulatory agencies in the areas of Occupational Health and Safety. This individual is standardizing health and safety practices throughout CT State, especially as they relate to the science, medicine, and manufacturing laboratories. He is ensuring the appropriate staff undergo appropriate Occupational Health and Safety training as well as ensuring that up-to-date procedures are made available to all campuses."

Finding 22

Insufficient Asset Management and Reporting

Background

In 2017, the Board of Regents for Higher Education and the community colleges implemented eQuip, an inventory management software that specializes in location management. Banner is the principal platform to track costs, including depreciation, which is then reconciled with eQuip data. With the consolidation of the community colleges as CT State Community College in July 2023, the once separate Banner systems for each community college were combined.

Criteria

The State of Connecticut Property Control Manual requires agencies to complete a physical inventory of all property by the end of each fiscal year to ensure accurate property control records.

The Connecticut State Colleges and Universities Capital and Controllable Asset Manual outlines policies and procedures for asset control and reporting. Assets with a useful life greater than one year and costing \$5,000 or more should be capitalized while assets costing less than \$5,000 are considered controllable. Each campus must maintain a written listing of controllable property.

Section 4-36 of the General Statutes requires that each agency annually transmit, on or before October first, a detailed inventory of real and personal property to the Comptroller, as of June thirtieth.

Condition

Our review of CT State asset management identified the following:

- **Incomplete Physical Inventory:** CT State did not physically inventory 663 of 3,803 assets, totaling \$9,587,537 during the fiscal year 2022. In addition, 38 of these assets, totaling \$677,761, did not have a last inventory date recorded and apparently were never physically inventoried.
- **Unrecorded Donations:** CT State Quinebaug Valley failed to record a \$534,800 donated building and \$40,200 for land. In addition, CT-State Asnuntuck, Tunxis, Manchester, Gateway and Naugatuck Valley did not properly capitalize, tag, or inventory 31 donated assets, totaling \$426,205. These items were received between October 2020 and February 2022 but were not recorded until our inquiry in May 2024.
- **Late Reporting:** CT State submitted CO-59 annual asset reports for fiscal years 2021 and 2022 approximately one month late.

- Inaccurate Land Records: Inaccurate land records prevented us from determining whether CO-59 annual reports were correct. CT State reported \$14.3 million in land for FY 2021 and 2022. However, it only provided support for \$15.8 million and contained errors and omissions.
- Controllable Assets: Each college was responsible for identifying the types of controllable property on its campus. CT State Quinebaug Valley did not provide a list of controllable assets upon our request.

Context	<p>The Board of Regents for Higher Education’s Community College System reported 3,803 active assets totaling \$60,764,667 in the eQuip inventory system as of June 30, 2022.</p> <p>We reviewed 26 CO-59 reports filed for the Board of Regents for Higher Education college Central Office and the 12 campuses for fiscal years 2021 and 2022, totaling \$1,169,176,283 and \$1,188,804,720, respectively.</p> <p>We inquired about controllable assets at one of the 12 community college campuses.</p>
Effect	<p>Deficiencies in the control over asset management decrease the board of regents’ ability to properly safeguard assets and accurately report inventory.</p>
Cause	<p>During the consolidation of 12 colleges to one, the Board of Regents for Higher Education’s Community College System adopted a shared services approach, which reduced the number of staff responsible for asset management. In addition, a significant amount of personnel moved or changed during this time.</p>
Prior Audit Finding	<p>This finding has been previously reported at another campus in the last audit report covering the fiscal years 2018 through 2020.</p>
Recommendation	<p>The Board of Regents for Higher Education and CT State Community College should strengthen internal controls over asset management to ensure accurate reporting and compliance with the State Property Control Manual and Connecticut State Colleges and Universities policies.</p>
Agency Response	<p>“Management agrees with this finding.</p> <p>The System Office assigned a Director of Accounting to oversee fixed asset accounting and equipment tracking in July 2025. Asset reconciliations (between eQuip, Banner Fixed Assets module, and</p>

Banner general ledger) are now performed regularly, and asset-related reporting will be completed in a timely manner.

The System Office is looking to engage an outside vendor to perform the annual physical inventory at all 12 campus locations, the College Office and the System Office. This will enable the two fixed asset specialists to focus on tagging new equipment, overseeing asset surplus, and investigating discrepancies between the fixed asset records and the annual physical inventory.

A Fixed Asset Workgroup led by the CSCU System Controller has been established to ensure consistency for fixed asset policies and procedures. The workgroup is in the process of updating the CSCU Capital & Controllable Asset Manual to be consistent with the state's recently updated property control manual. A single definition for Controllable Property has been established for all of CT State.

Fixed asset training has been developed and presented to System Office procurement, accounts payable, and IT staff, and campus fiscal staff to ensure that capital and controllable asset purchases are properly identified and coded in Banner.









Procedures for donations of real and personal property are being developed in order to properly identify and record the value of these assets in the fixed asset records."

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our prior [audit report](#) on the Board of Regents for Higher Education - CT State Community College contained 30 recommendations. 11 have been implemented or otherwise resolved and 19 have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
<p>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.</p> <p>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.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 18</p>
<p>The Board of Regents for Higher Education should develop a policy for students working or volunteering at their professors' businesses.</p> <p>Capital Community College should address the conflict of interest that exists from students working or volunteering at a professor's business.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 8</p>

Prior Recommendation	Current Status
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 5</p>
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 10</p>
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 4</p>
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 4</p>
<p>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.</p>	<p>REPEATED</p> <p>Recommendation 15</p>
<p>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.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>REPEATED</p> <p>Recommendation 11</p>
<p>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.</p>	<p>REPEATED Modified Form</p> <p>Recommendation 11</p>

Prior Recommendation	Current Status
<p>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.</p>	
<p>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.</p>	 Recommendation 14
<p>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.</p>	 Recommendation 19
<p>Gateway Community College should implement an open and fair hiring process when filling educational assistant positions.</p>	 Recommendation 7
<p>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.</p>	 Recommendation 13
<p>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.</p>	 Recommendation 12
<p>The Board of Regents for Higher Education should properly hire, document, and pay student workers.</p>	
<p>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.</p>	 Recommendation 6

Prior Recommendation	Current Status
<p>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.</p>	<p>RESOLVED</p>
<p>The Board of Regents for Higher Education should implement a policy for faculty-led student travel to ensure compliance with the Office of State Ethics Code of Ethics for Public Officials.</p>	<p>REPEATED Recommendation 16</p>
<p>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.</p>	<p>RESOLVED</p>
<p>Quinebaug Valley Community College should have the Office of the Attorney General review and approve all contracts that could exceed \$25,000.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>RESOLVED</p>
<p>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.</p>	<p>REPEATED Modified Form Recommendation 22</p>
<p>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.</p>	<p>REPEATED Modified Form Recommendation 3</p>

Prior Recommendation	Current Status
<p>Three Rivers Community College should formally evaluate and document its internal controls every year as required by the Office of the State Comptroller.</p>	<p>REPEATED Modified Form Recommendation 2</p>

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Board of Regents for Higher Education - CT State Community College in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2021 and 2022. The objectives of our audit were to evaluate the:

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

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, asset management, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the board and certain external parties. We also tested selected transactions. This 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 financial information is presented for informational purposes. We obtained this information from various available sources including the board's management and state information systems. It was not subject to our audit procedures. For the areas audited, we identified

1. Deficiencies in internal controls;
2. Apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and

3. A need for improvement 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 Board of Regents for Higher Education - CT State Community College.

ABOUT THE AGENCY

Overview

The [Board of Regents for Higher Education](#) operates primarily under the provisions of Chapter 185, Sections 10a-1 through 10a-57g and Chapter 185b, Sections 10a-71 through 10a-158, of the General Statutes. The board of regents' oversight of the 12 campuses is in accordance with Chapter 185b, Part 1, of the General Statutes.

Pursuant to Sections 10a-1a and 10a-72 of the General Statutes, the Board of Regents for Higher Education, located in Hartford, oversees the Connecticut Community College System, comprised of 12 community colleges, geographically dispersed throughout the state. It also oversees four university campuses and Charter Oak State College. Our office performs separate audits of each of the four state universities, system office, and Charter Oak State College.

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 19-117 (Section 362)**, effective July 1, 2019, was codified as Section 10a-174 of the General Statutes. The act established a debt-free program for eligible Connecticut high school graduates who enroll as first-time, full-time students at a community college beginning in the fall 2020 semester.
- **Public Act 21-2 of the June 2021 Special Session** made the following changes:

Sections 70 and 73, effective July 1, 2021, established a nonlapsing General Fund account for the debt-free community college program. The state funds the program through appropriations and deposits from the Connecticut Lottery Corporation (CLC). Beginning in fiscal year 2023-2024, CLC must transfer any balance of online lottery ticket sales revenue that exceeds the corporation's current needs for paying prizes, operating expenses, and reserves to the debt-free community college account until it has transferred \$14 million. The act also required the Board of Regents for Higher Education to spend the money in the account on the debt-free community college program.

Section 209, effective July 1, 2022, amended Section 10-95s(a) of the General Statutes by adding the chief workforce officer as an ex-officio, nonvoting member of the Board of Regents for Higher Education.

Financial Information

Operating Receipts

During the audited period, college operations were primarily supported by appropriations from the state's General Fund and tuition and fees credited to the Community College System's operating fund. The community college system also received COVID-19 federal emergency grant funds and capital projects funds from state bond issues.

CT State Community College did not directly receive General Fund appropriations. Rather, General Fund appropriations for the entire CSCU system were distributed to the CSCU System Office, which periodically calculated and transferred funds to the college operating fund, primarily for personal services and related fringe benefits.

Operating fund receipts primarily consisted of student tuition and fees. Under the provisions of Section 10a-77(a) of the General Statutes, tuition charges are set by the Board of Regents for Higher Education. The following presents annual tuition and student fee charges for full-time students during the audited period and previous fiscal year.

	2019-2020		2020-2021		2021-2022	
	Tuition	College Service Fee	Tuition	College Service Fee	Tuition	College Service Fee
In-State	\$ 3,984	\$ 492	\$ 3,984	\$ 492	\$ 3,984	\$ 492
Out-of-State	\$ 11,952	\$ 1,476	\$ 11,952	\$ 1,476	\$ 11,952	\$ 1,476
New England Board of Higher Education (NEBHE) Program	\$ 5,976	\$ 738	\$ 5,976	\$ 738	\$ 5,976	\$ 738

Tuition and fees for in-state and out-of-state students remained the same in fiscal years 2021 and 2022. The community colleges charge tuition for part-time students on a prorated basis according to their registered credit hours.

Enrollment Statistics

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

Enrollment	Full-time	Part-time
Fall 2020	13,166	25,812
Spring 2021	9,779	24,406
Fall 2021	12,282	24,834
Spring 2022	9,595	22,598

The average enrollment was 36,582 and 34,655 during the 2021 and 2022 fiscal years, respectively, compared to 43,657 during the 2020 fiscal year. Average student enrollment declined 7,065 (16%) from fiscal year 2020 to fiscal year 2021 and 1,937 (5%) from fiscal year 2021 to fiscal year 2022.

Operating Revenues

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

federal, state, and non-governmental grants. Operating revenues, as presented in the college's audited financial statements for the audited period and previous fiscal year, follow:

(\$ in thousands)	Fiscal Year Ended June 30,		
	2020	2021	2022
Student Tuition and Fees (net of scholarship allowances)	\$ 92,690	\$ 78,232	\$ 71,961
Federal Grants and Contracts	12,115	19,030	21,427
State and Local Grants and Contracts	11,901	10,584	10,422
Non-governmental Grants and Contracts	4,816	5,703	3,058
Auxiliary Revenues	415	73	270
Other Operating Revenues	3,230	3,411	3,511
Total	\$ 125,167	\$ 117,033	\$ 110,649

Total operating revenues decreased by \$8,132,628 (6%) during fiscal year 2021 due to a reduction in student tuition and fees of \$14,457,681 that is directly related to a decline in student enrollment. This decrease is offset by a \$6,915,447 increase in federal grants and contracts. There was also a decrease in state and local grants and contracts of \$1,316,704. These changes are a direct result of the effects of the COVID-19 pandemic.

Total operating revenues decreased by \$6,384,461 (5%) during fiscal year 2022 due to a reduction in student tuition and fees of \$6,271,148. An increase in federal grants and contracts of \$2,396,562 was offset by a decrease in non-governmental grants and contracts of \$2,645,522.

Operating Expenses

Operating expenses generally result from payments made for goods and services to achieve the college's instruction and public service mission. Operating expenses include employee compensation and benefits, professional services, and supplies.

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

(\$ in thousands)	Fiscal Year Ended June 30,		
	2020	2021	2022
Instruction	\$ 244,439	\$ 308,723	\$ 300,834
Public Service	854	1,450	1,505
Academic Support	102,977	109,236	90,267
Library	14,295	14,544	11,941
Student Services	64,142	68,094	70,999
Scholarship Aid, net	40,860	44,403	85,508
Institutional Support	135,448	81,146	42,390
Physical Plant	87,976	93,311	87,785
Auxiliary Enterprises.	464	823	435
Total	\$ 691,455	\$ 721,730	\$ 691,664

Total operating expenses grew by \$30,275,857 (4%) during fiscal year 2021 due to an increase in the cost of instruction of \$64,284,523. This increase was offset by a decrease in institutional support of \$54,301,750. These changes were due, in part, to the COVID-19 pandemic and the transition to a remote working environment.

Total operating expenses decreased by \$30,066,859 (4%) during fiscal year 2022 due to reductions in institutional support of \$38,755,794 and academic support of \$18,969,524. This was offset by an increase in net scholarship aid of \$41,104,572.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses are activities other than 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 and expenses include items such as the state's General Fund appropriations and bonding, Pell grants, private gifts and donations, and investment income.

Nonoperating revenues and expenses during the audited period and the previous fiscal year were presented in the college's audited financial statements as follows:

(\$ in thousands)	Fiscal Year Ended June 30,		
	2020	2021	2022
State Appropriations - General Fund	\$ 300,940	\$ 330,863	\$ 385,954
State Appropriations - Fond Fund	22,412	9,565	22,154
Pell Grant Revenue	75,036	58,538	55,674
Federal Nonoperating Grant Revenue	9,201	68,806	111,319
Federal Nonoperating Pass-Through Grant Revenue	-	12,292	19,526
Other Nonoperating Revenue, Net	1,213	60	(66)
Student Reengagement Expenses	-	(16,583)	(171)
Total	\$ 408,802	\$ 463,541	\$ 594,390

Net nonoperating revenues increased by \$54,740,077 (13%) during fiscal year 2021 due to federal COVID-19 emergency grants of \$81,098,140 and an additional \$29,922,456 in state General Fund appropriations to fund salaries and benefits. Increases were offset by reductions in Pell grant revenues of \$16,497,220, student reengagement expenses of \$16,582,530, and state bond fund appropriations of \$12,846,987. Student reengagement expenses relate to the system's discharge of outstanding student receivables.

Net nonoperating revenues grew by \$130,848,502 (28%) during fiscal year 2022 due to increases in state General Fund appropriations of \$55,091,111 and state bond fund appropriations of \$12,589,118. State General Fund appropriations were used to fund salaries and benefits. The increases in federal COVID-19 emergency grants of \$49,747,222 were offset by a reduction in student reengagement expense of \$16,411,268.