



# AUDIT SUMMARY

## State Education Resource Center

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Fiscal Years Ended June 30, 2021 and 2022

### ABOUT THE AGENCY



The duties of the State Education Resource Center (SERC) are to assist the State Board of Education in the provision of programs and activities that promote educational equity and excellence. The assistance is limited to training, technical assistance and professional development for local and regional boards of education, school leaders, teachers, families, and community partners in the form of seminars, publications, site visits, on-line content and other appropriate means; maintaining a state education resource center library; publication of technical materials; research and evaluation; and writing, managing, administering, and coordinating grants. In addition, SERC may support early childhood education programs and activities, in collaboration with the Office of Early Childhood, to improve school and district academic performance and close achievement gaps between socioeconomic subgroups.

As a quasi-public agency under Section 1-120 of the General Statutes, SERC is as a body politic and corporate, constituting a public instrumentality and political subdivision of the state established and created to be a public educational authority acting on behalf of the state.

### ABOUT THE AUDIT

We have audited certain operations of the State Education Resource Center in fulfillment of our duties under Sections 1-122, 2-90, and 10-357b(c) 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:

1. The center's significant internal controls over compliance and its compliance with policies and procedures internal to the quasi-public or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the center has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds and the distribution of loans, grants and other financial assistance;
2. The center's internal controls over certain financial and management functions; and
3. The effectiveness, economy, efficiency, and equity of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[Link to full report](#)

**5 Findings**

**2 Repeat Findings**

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 the attention of management.

## NOTEWORTHY FINDINGS



### Findings



### Recommendations

**1** At the time of our review (January 2024), SERC had not obtained its financial statement and single audit reports for the fiscal year ended June 30, 2022.

SERC should prioritize financial statement and single audit reporting and promptly provide its 2022 annual report.

**2** According to its audited financial statements, SERC had \$7,777,876 in uninvested cash as of June 30, 2021. SERC did not consider prudently investing in the State Treasurer's Short-Term Investment Fund, a low-risk money market investment pool.

SERC should consider developing a policy to transfer its excess cash to the State Treasurer's Short-Term Investment Fund.

**3** SERC underreported its expenditures by \$6,610,478 to the Office of the State Comptroller. Database expenses totaled \$16,008,923, but SERC's general ledger expenses totaled \$22,619,401.

SERC should ensure the accuracy of data submitted to the Office of the State Comptroller for inclusion in its online database.

**4** SERC did not comply with the annual reporting requirements in Sections 1-123(a) and 10-357d of the General Statutes.

SERC should implement proper internal controls to ensure that it prepares and submits all statutorily mandated reports.

**5** The memorandum of agreement (MOA) between SERC and the SERC Foundation identifies SERC as the main source of funding for the general operations of the foundation. However, the MOA does not address the use of SERC facilities and resources or provide procedures in the event the foundation dissolves. In addition, the foundation reported \$23,736 of deferred revenue as an asset rather than a liability on its Internal Revenue Services Form 990 for the fiscal year 2022.

SERC should work with the SERC Foundation to clarify responsibilities in their memorandum of agreement. The center and foundation should ensure the accuracy of the foundation's Internal Revenue Services' filings and make any necessary corrections.