

**Meeting of the  
Audit Committee**  
Connecticut State Colleges and Universities  
61 Woodland Street  
Hartford, CT  
Tuesday, January 14, 2020 @10:00

**MINUTES**

**Regents Present**

Elease Wright, Chair  
Aviva Budd – (via telephone)  
JoAnn Ryan – (via telephone)

**BOR Staff Present**

Ben Barnes, Chief Financial Officer  
Melinda Cruanes, Controller  
Michael Moriarty, CFO Charter Oak State College  
Shannon Walsh, Assistant Counsel

**Guests**

Claire Esten, Chris Bradford, and Corey Stadelbauer – Grant Thornton  
Carolyn Kurth - CohnReznick

*With a quorum present, Chair Wright called the meeting to order at 10:05 a.m.*

**Approval of the Minutes of June 11, 2019**

*Motioned by Regent Budd, seconded by Chair Wright, the minutes of the October 15, 2019 meeting were approved as submitted.*

**Update on Audits of the Auditors of Public Accounts**

Assistant Counsel Walsh noted that the Auditors of Public Accounts (APA) draft findings for the FY16-FY17 audit for the CT Community College system was received and responses to the draft findings were recently submitted. Responses to Eastern Connecticut State University's APA draft findings for FY17-FY18 audit were submitted. After review, the Connecticut State Colleges and Universities will have an opportunity for final comment on the findings. APA Principal Auditor Ramona Weingart is the lead for the CSCU audit team. APA will kick off its audit at CCSU this month for FY2018-FY19 review.

The Auditors of Public Accounts will start their review of the FY18-FY19 audits this month at Central CT State University.

### **2020 Audit Report by CohnReznick**

Carolyn Kurth, Partner, CohnReznick, reported on the independent audit report for CSCU 2020 Construction Expenditures of the Connecticut State Colleges and Universities. The audit includes expenditures paid during the year ended June 30, 2019. The expenditures related to CSCU 2020 construction projects were paid in conformity with the cash basis of accounting. There were no findings, no issues or weaknesses. It was noted that annual expenditures for prior years through June 30, 2018 were previously audited by other auditors with an unmodified opinion and CohnReznick express no opinion or other assurance with respect to these amounts. This is the firm's first year of involvement with the CSCU 2020 audit report.

CFO Barnes commented that CSCU 2020 is near the end phase with a few more years of activity on open projects.

### **Year end Audit**

- Report by Management

Controller Cruanes provided an overview of the financial statements.

- Report by Grant Thornton

Claire Esten, Partner, Grant Thornton, reviewed the audit report for fiscal year ended June 30, 2019. There were a few open items that requires finalization. The audit report for Charter Oak State College is in the final stages and an issuance is expected by January 17. The Connecticut State Universities audit report is scheduled for completion next week. Upon finalization of a few open items, Grant Thornton will perform updated inquiries with management and provide an addendum prior to issuance of the reports. The IT audit team will review Banner.

- Review of Financial Statements
  - i. Charter Oak State College June 30, 2019 Financial Statements
  - ii. CT State Universities June 30, 2019 Financial Statements (unaudited)
  - iii. CT Community Colleges June 30, 2019 Financial Statements (draft, unaudited)

CFO Barnes commented on the preparation of the financial statements as required for the Connecticut Community Colleges, Connecticut State Universities, and Charter Oak State College in accordance with state appropriations. The FY2019 statements are the first to be prepared using the uniform chart of accounts implemented across CSCU for FY19. That change, coupled with a few staff changes and major updates to the Banner ERP system, resulted in significant delays and difficulties in completing the financial reports and audits in a timely manner.

The Connecticut State Universities FY19 financial statements as presented is unaudited. The CSUs experienced positive operations overall and saw a modest increase in Unrestricted Net Position. Due to a few outstanding issues and circumstances noted above, the Connecticut Community Colleges financial statements are not yet available for distribution and review. The CCC financial statements will be shared at the next Audit Committee meeting.

Chairman Wright questioned what changes and steps will be taken to avoid a reoccurrence. CFO Barnes noted that some of the underlying causes of the delays have been addressed or were one-time concerns. It will be a high priority to eliminate the difficulties and delays that were experienced this year.

CFO Moriarty, Charter Oak State College, provided an overview of COSC financial statements, the financial position and activities for the fiscal year ended June 30, 2019. Overall, COSC enjoyed positive operations in FY19. A strategic plan was developed that identified several areas of growth and development prioritized through a cost/benefit assessment; reserves increased; the college met their goals in a single year; and enrollment was strong.

### **Management Report of Audited Foundation Financial Statements**

CFO Barnes deferred action on the Audited Foundation Financial Statements until such time as all Foundation Financial Statements from the colleges and universities are submitted for approval.

*Chair Wright thanked management and the auditors. With no other business to discuss, the meeting adjourned at 10:52 a.m. on motion of Regent Ryan, seconded by Chair Wright.*