



MEETING OF THE AUDIT COMMITTEE

Board of Regents for Higher Education
Board Room – Ground Floor
61 Woodland Street, Hartford, Connecticut
Tuesday, October 16, 2018 at 10:00 am

AGENDA

1. Approval of the Minutes of May 22, 2018
2. Status of Year-End Financial Statements
 - a. Other Post Employment Benefits (OPEB) Update (Chris Forster)
 - b. Component Unit Audits (Chris Forster)
 - c. Issues with Banner System (Chris Forster)
 - d. Asset True-ups (Mike Moriarty)
3. CSCU 2020 Audit Report by Blum Shapiro - **Committee Vote required to Accept the Audit Report**

Frederick Hughes, Partner
Virendra Shah, Audit Principal

4. Interim Report by Grant Thornton (Claire Esten)

Claire Esten, Partner (via telephone)
Hassan Khan, Senior Manager (IT)
Justin Morrow, Manager
Brian Hopkins, Manager
Dave Murphy, Manager

5. Executive Session (if required)
6. Adjournment

**Meeting of the
Audit Committee**
Connecticut State Colleges and Universities
Board of Regents for Higher Education
61 Woodland Street
Hartford, CT
Tuesday, May 22, 2018 @ 10:00

MINUTES

Regents Present

Elease Wright, Chair
Aviva Budd - telephonic
JoAnn Ryan

BOR Staff Present

Erika Steiner, Chief Financial Officer; Michael Moriarty, CFO Charter Oak College; Melissa Schwalbach, Assistant Counsel/Compliance Officer

Guests

Claire Esten, Matt McCormack, Justin Morrow, Brian Page – Grant Thornton

With a quorum present, Chair Wright called the meeting to order at 10:02 a.m.

1. Approval of the Minutes of December 12, 2017

Motion by Chair Wright, seconded by Regent Budd, to approve the minutes of the December 12, 2017 meeting. The motion was carried.

2. CFO Updates

CFO Steiner commented that the audit is targeted to be completed with final drafts to the Audit Committee by the December 11 meeting. Updates will be provided for both the audit schedule and any APA reports at the October 16 meeting. The CSCU and constituent budgets are expected to be completed and presented to the Board for their review and approval at their June 21 meeting.

Regent Budd inquired about the timing of the reports received from the Auditors of Public Accounts (APA) containing retroactive information. There was a general discussion and consensus to have representatives from the APA office invited to an Audit Committee meeting.

Items impacting FY19 are not in the current year audit but will include some forward looking information in the MD&A. Provisions in the 2017 SEBAC agreement that was shared with the Finance Committee impacts our numbers moving forward in FY19. The agreement provides for a \$2,000 lump sum payment to all union members, prorated for part-timers, in FY19 and subsequent raises of 5.5% in both FY20 and FY21. Unfunded pensions are also an issue.

State appropriations were approved on May 10, 2018 post Finance Committee meeting. The appropriation provides a feature to the Community Colleges to compensate for impact of highly inflationary fringe benefit rates. The Comptroller's Office will pay the fringe benefits for CC General Fund employees. The appropriation also improves funding to the Universities and Charter Oak. Charter Oak will be able to break even in FY19 with additional funds and with restructuring of CTDLC. The impact of funding increases and wage and fringe increases is still under evaluation by institutions. We are currently collecting the FY19 budget information at System Office for consolidation and analysis.

The new Consolidated Chart of Accounts is scheduled to go live on July 1. A Financial Advisory Council (FINAC) has been established in the System.

3. Compliance Officer Updates

Melissa Schwalbach commented on the new auditing approach methodology established by the new lead auditor, Ramona Weingart, in the APA office. The areas of focus will include the monitoring compliance of the retirees hired back at the community colleges; payroll exception reports; and other challenges due to budget cuts on how the colleges are doing more with less and still being compliant. The auditors have indicated that they may focus on campus security/budget cut issues and cross-enrollment. These areas do not appear to be within their audit authority and more information will be sought from the auditors as to why these are germane to the audit process. In addition, the auditors will be performing less field work and doing more of their work remotely from 61 Woodland Street.

A report on the current college audits was provided for the Community Colleges. The goal is to be proactive with the audits at the colleges and fix things immediately. The APA reports have been in arrears for many years. It was noted that Capital's draft responses were submitted on January 20, 2018 for FY ended June 30, 2016. Findings included part-time lecturers not fully executed at the start of the contract period, deficiencies in dual employment approvals; and attendance controls for part-time lecturers. Northwestern's initial interview resulted in a request for information focus on internal control questionnaire, approvals, payroll exception reports, and dual employment. There are no findings to date.

The Faculty Consulting and Research report is due bi-annual to the BOR President on May 1st and November 1st. We are awaiting reports from Eastern and Central. Also pending from Housatonic, Gateway, Three Rivers and Tunxis.

4. Grant Thornton

a) 2018 Audit Planning Presentation and Discussion

The senior engagement team of Grant Thornton, led by Claire Esten, Lead Engagement Partner, reviewed the 2018 Audit Planning Presentation for the Connecticut State Colleges and Universities for the year ending June 30, 2018 for discussion. The team is working with management to meet the December 11, 2018 deadline. An update was provided on GASB 75 noting the changes in the accounting requirement that occurred three years ago. GASB 75 replaces the requirements related to OPEB accounting and reporting currently provided in GASB 45 and 57. Annual communication is conducted with the Audit Committee for open dialog. The audit team has not been made aware of any issues by management. Checks and balances are in place at multiple levels to cover controls. The tone is set by top administrators for internal controls within an organization.

The good news is that the colleges and universities are holding steady, with flat or modest revenue increases accompanied by warning signs and more experiments with “business model” are occurring. On the flip side, revenue is highly constrained with limited prospects of improvement. Price sensitivity (restraint on net price increases) continues. Demographics worrisome in East and Midwest. Washington policies may harm but won’t help.

b) “The State of Higher Education” in 2018 Highlights”

A report on The State of Higher Education in 2018 was provided for informational purposes.

Chair Wright commended CFO Steiner and others for their work on the Students First initiative.

With no other business to discuss, the meeting adjourned at 11:24 a.m. on a motion by Chairman Wright, seconded by Regent Ryan.

To the Board of Regents
Connecticut State Colleges and Universities System
Board of Regents for Higher Education
Hartford, Connecticut

We have audited the expenditures paid in the year ended June 30, 2018, as reported in the schedule of CSCU 2020 construction expenditures - cash basis (the Schedule) of the Connecticut State Colleges and Universities System (the System), and have issued our report thereon dated September XX, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our communication dated June 18, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Connecticut State Colleges and Universities System are described in Note 2 to the Schedule. No new accounting policies were adopted, and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the Schedule in the proper period.

Accounting estimates are an integral part of the Schedule prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the Schedule and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates significant to the Schedule.

The disclosures in the Schedule are neutral, consistent and clear. Certain Schedule disclosures may be particularly sensitive because of their significance to Schedule users. There were no sensitive disclosures affecting the Schedule.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Schedule or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **September XX, 2018**.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the System's Schedule or a determination of the type of auditor's opinion that may be expressed on that Schedule, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Connecticut State Colleges and Universities System's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Regents, the Audit Committee and management of Connecticut State Colleges and Universities System and is not intended to be, and should not be, used by anyone other than these specified parties.

West Hartford, Connecticut
September XX, 2018

CONNECTICUT STATE COLLEGES AND UNIVERSITIES SYSTEM
SCHEDULE OF CSCU 2020 CONSTRUCTION EXPENDITURES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

DRAFT
FOR DISCUSSION PURPOSES ONLY

CONNECTICUT STATE COLLEGES AND UNIVERSITIES SYSTEM

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DRAFT
FOR DISCUSSION PURPOSES ONLY

Independent Auditors' Report

To the Board of Regents and Audit Committee
Connecticut State Colleges and Universities System
Hartford, Connecticut

We have audited the expenditures paid during the year ended June 30, 2018 as reported in the accompanying schedule of CSCU 2020 construction expenditures - cash basis (the Schedule) of the Connecticut State Colleges and Universities System, and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in conformity with the cash basis of accounting; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the construction expenditures related to identified CSCU 2020 projects of the System that were paid during the year ended June 30, 2018 in conformity with the cash basis of accounting.

Emphasis of Matter

We have not audited the expenditures paid during the period from July 1, 2008 through June 30, 2013 or the adjusted expenditures paid through June 30, 2013, and, accordingly, we express no opinion or other assurance with respect to these amounts. Annual expenditures for prior years through June 30, 2013 were previously audited by other auditors. Our opinion on cash paid for the year ended June 30, 2018 is not modified with respect to this item.

Restriction on Use

This report is intended solely for the information and use of the Board of Regents, the Audit Committee and management of the Connecticut State Colleges and Universities System and is not intended to be and should not be used by anyone other than these specified parties.

West Hartford, Connecticut

September XX, 2018

DRAFT
FOR DISCUSSION PURPOSES ONLY

CONNECTICUT STATE COLLEGES AND UNIVERSITIES SYSTEM
 SCHEDULE OF CSCU 2020 CONSTRUCTION EXPENDITURES - CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	Approved Budget as of June 30, 2018	Expenditures Paid in the Year Ended June 30, 2018	Recommended Adjustments	Adjusted Expenditures Paid in the Year Ended June 30, 2018	Expenditures Paid During the Period From July 1, 2008 Through June 30, 2017	Total Adjusted Expenditures Through June 30, 2018
Eastern Connecticut State University						
Code Compliance/Infrastructure Improvements	\$ 17,075,863	\$ 943,462	\$ -	\$ 943,462	\$ 14,971,236	\$ 15,914,698
Fine Arts Instructional Center (design and construction)	87,666,885	347,500	-	347,500	80,494,810	80,842,310
Athletic Support Building	1,921,000	-	-	-	1,918,873	1,918,873
Goddard Hall Renovations	31,348,997	12,488,878	-	12,488,878	1,252,309	13,741,187
Outdoor Track - Phase II	1,816,000	-	-	-	1,637,648	1,637,648
New Warehouse	2,269,000	-	-	-	1,860,007	1,860,007
Western Connecticut State University						
Fine Arts Instructional Center	84,321,000	24,856	-	24,856	83,153,611	83,178,467
White Hall Renovations	6,406,203	216,033	-	216,033	-	216,033
Higgins Hall Renovations	34,544,406	1,250,321	-	1,250,321	948,807	2,199,128
Code Compliance/Infrastructure Improvements	20,016,208	946,619	-	946,619	12,997,472	13,944,091
University Police Department Building (design and construction)	6,445,000	2,438,588	-	2,438,588	3,478,453	5,917,041
Central Connecticut State University						
Code Compliance/Infrastructure Improvements	27,652,041	2,893,788	-	2,893,788	22,877,808	25,771,596
New Classroom Office Building	29,478,000	-	-	-	29,109,582	29,109,582
New Engineering Building	9,900,000	2,357,015	-	2,357,015	956,848	3,313,863
New Maintenance/Salt Shed Facility	2,503,000	-	-	-	2,233,317	2,233,317
Renovate/Expand Willard and DiLoreto Halls	61,081,652	26,778,294	-	26,778,294	6,962,136	33,740,430
Kaiser Hall Bubble Renovations	25,302,319	2,931,574	-	2,931,574	1,464,137	4,395,711
Barnard Hall Additions and Renovations	21,981,680	858,125	-	858,125	505,936	1,364,061
Buritt Hall Additions and Renovations	14,285,700	-	-	-	-	-
Southern Connecticut State University						
Code Compliance/Infrastructure Improvements	29,885,522	3,364,078	-	3,364,078	25,401,754	28,765,832
New Laboratory Building/Parking Garage	72,108,159	33,333	-	33,333	69,250,513	69,283,846
Buley Library	17,436,817	-	-	-	17,436,816	17,436,816
Health and Human Services Building	6,650,613	1,072,015	-	1,072,015	101,069	1,173,084
School of Business	3,766,237	-	-	-	-	-
Asnuntuck Community College						
Advanced Manufacturing	25,476,500	5,203,327	-	5,203,327	15,605,933	20,809,260
Various Community Colleges						
Code Compliance/Infrastructure Improvements	21,453,266	3,448,023	-	3,448,023	15,921,000	19,369,023
Connecticut State University System Office						
New and Replacement Equipment Program, Smart Classroom & Technology Upgrades	88,777,753	12,191,386	-	12,191,386	72,484,236	84,675,622
Land and Property	8,248,190	100,145	-	100,145	3,654,943	3,755,088
Telecommunications Infrastructure Upgrade	16,412,000	2,614,969	-	2,614,969	13,674,427	16,289,396
Consolidation & Upgrades of System Student Financial Information Technology Systems	20,000,000	2,527,919	-	2,527,919	15,027,668	17,555,587
Strategic Master Plan of Academic Programs	3,300,000	625,680	-	625,680	2,591,903	3,217,583
Professional fees	312,567	68,000	-	68,000	158,890	226,890
Alterations/Improvements: Auxiliary Service Facilities	48,657,422	5,147,553	-	5,147,553	23,047,795	28,195,348
	<u>\$ 848,500,000</u>	<u>\$ 90,871,481</u>	<u>\$ -</u>	<u>\$ 90,871,481</u>	<u>\$ 541,179,937</u>	<u>\$ 632,051,418</u>

CONNECTICUT STATE COLLEGES AND UNIVERSITIES SYSTEM

NOTES TO SCHEDULE OF CSCU 2020 CONSTRUCTION EXPENDITURES - CASH BASIS

NOTE 1 - PRESENTATION

The Connecticut State Colleges and Universities System (the System) is a comprehensive institution of higher education and is a major enterprise fund of the State of Connecticut. The Connecticut State University System Infrastructure Act authorized the issuance of up to \$950,000,000 in general obligation bonds over a ten-year period beginning in the year ended June 30, 2009. Effective July 1, 2014, The Connecticut State University Infrastructure Act (CSUS 2020) was repealed and renamed as The Board of Regents for Higher Education Infrastructure Act (CSCU 2020). The act was amended to include the regional community-technical colleges and Charter Oak State College and authorized additional issuance of general obligation bonds in the amount of \$80,000,000 during the year ended June 30, 2015 and \$23,500,000 during the year ended June 30, 2016. The proceeds from the bonds fund capital improvements for all four universities (Eastern Connecticut State University, Central Connecticut State University, Western Connecticut State University and Southern Connecticut State University), regional community-technical colleges and Charter Oak State College along with improvements made to the Central Office of the System.

The Schedule has been prepared by System management to comply with Connecticut General Statutes Section 10a-91h requiring independent auditors to annually conduct an audit of any project of CSCU 2020 as defined in subdivision (4) of Section 10a-91c. The purpose of the legislation is to provide assurance that invoices, expenditures, cost allocations and other appropriate documentation reconcile to project costs and are in conformance with project budgets, cost allocations agreements and applicable contracts. The audit is required to be submitted to the Governor and the General Assembly in accordance with Section 11-4a.

The System has prepared the schedule of CSCU 2020 construction expenditures (the Schedule) on the cash basis of accounting rather than under the accrual basis method in accordance with accounting principles generally accepted in the United States of America. As such, expenditures are recognized when cash is disbursed rather than when the related obligation is incurred.

The Schedule does not include expenditures paid for or incurred by the Department of Public Safety (DPS). DPS directly pays for the costs associated with Building Code and Fire Code inspections of threshold buildings. Threshold buildings are defined by Connecticut State Statute §29-276b as, "(1) having four stories, (2) sixty feet in height, (3) with a clear span of one hundred fifty feet in width, (4) containing one hundred fifty thousand square feet of total gross floor area, or (5) with an occupancy of one thousand persons." The System provides funding through its operating funds for the necessary costs of the DPS for the inspection of nonthreshold buildings that are part of CSCU 2020. Because these expenditures paid by DPS are not paid with CSCU 2020 bond funds, the expenditures are not included in the Schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

Management uses estimates and assumptions in preparing the Schedule in accordance with the cash basis of accounting. Those estimates and assumptions affect the reported amounts of project costs and disclosure of contingent project costs. Actual results could vary from the estimates used.

Approved Budget

The approved budget amounts are the revised budgeted amounts for the entire contract approved by the Department of Construction Services (DCS) on CSCU 2020 projects. The breakdown by category is provided by System management and approved by the DCS.

CONNECTICUT STATE COLLEGES AND UNIVERSITIES SYSTEM

NOTES TO SCHEDULE OF CSCU 2020 CONSTRUCTION EXPENDITURES - CASH BASIS

Expenditures Paid in the Year Ended June 30, 2018

Expenditures paid in the year ended June 30, 2018 represent expenditures that were paid on CSCU 2020 projects during the fiscal year ended June 30, 2018.

Recommended Adjustments

Recommended adjustments represent the net value of costs reviewed that either lacked sufficient supporting documentation or represented errors.

Adjusted Expenditures Paid in the Year Ended June 30, 2018

Adjusted expenditures paid in the year ended June 30, 2018 include expenditures that were paid on CSCU 2020 projects during the fiscal year ended June 30, 2018 plus (or minus) the recommended adjustments.

Expenditures Paid During the Period from July 1, 2008 Through June 30, 2017

Expenditures paid during the period from July 1, 2008 through **June 30, 2017** represent expenditures that were paid on CSCU 2020 projects from inception of the projects through **June 30, 2017**.

Total Adjusted Expenditures Through June 30, 2018

Total expenditures through June 30, 2018 represent expenditures that were paid on CSCU 2020 projects from the inception of the project through June 30, 2018.

Subsequent Events

In preparing the Schedule, management has evaluated subsequent events through **September XX, 2018**, which represents the date the Schedule was available to be issued.

NOTE 3 - CONSTRUCTION EXPENDITURES

Construction expenditures include all general contractor and subcontractor costs, and certain indirect costs related to project performance that can be attributed to specific projects. Indirect costs not specifically allocable to contracts and general and administrative costs are not included in construction expenditures.

**CONNECTICUT STATE COLLEGES AND UNIVERSITIES
BOARD OF REGENTS FOR HIGHER EDUCATION
61 WOODLAND STREET
HARTFORD, CT 06105**

September XX, 2018

Blum, Shapiro & Company, P.C.
29 South Main Street
P.O. Box 272000
West Hartford, CT 06127-2000

Ladies and Gentlemen:

This representation letter is provided in connection with your audit of the expenditures paid for the year ended June 30, 2018, as reported in the schedule of CSCU 2020 construction expenditures - cash basis (the Schedule) of the Connecticut State Colleges and Universities System (the System), and the related notes to the Schedule, for the purpose of expressing an opinion as to whether the Schedule is presented fairly, in all material respects, in conformity with the cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve the omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on such information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit

Schedule of CSCU 2020 Construction Expenditures

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 18, 2018, including our responsibility for the preparation and fair presentation of the Schedule.
2. The Schedule referred to above are fairly presented in conformity with cash basis of accounting.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, are reasonable.

6. All events subsequent to the date of the Schedule that require adjustment or disclosure have been adjusted or disclosed.

Information Provided

7. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the Schedule, such as records, documentation and other matters.
 - b. All minutes of the meetings of the Board of Regents, Finance & Infrastructure Committee, Audit Committee and Executive Committee, or summaries of actions of recent meetings for which minutes were not yet prepared.
 - c. Additional information that you have requested from us for the purpose of the audit.
 - d. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
8. All material transactions have been recorded in the accounting records and are reflected in the Schedule.
9. We have assessed the risk that the Schedule may be materially misstated as a result of fraud and have not identified any significant threats to the financial reporting process.
10. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the Schedule.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's Schedule communicated by employees, former employees, analysts, regulators or others.
12. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the Schedule.

13. We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be adjusted on the Schedule or disclosed in the related notes to the Schedule, and we have not consulted a lawyer concerning litigation, claims or assessments.

Very truly yours,

Connecticut State Colleges and Universities

Board of Regents for Higher Education

Keith Epstein
Vice President for Facilities, Real Estate & Infrastructure Planning

Nancy Covey
Interim Director of Accounting and Finance

Christopher Forster
Controller

Erika H. Steiner
Chief Financial Officer



2018 Presentation to the Audit Committee of the Connecticut State Colleges and Universities

October 16, 2018



Status Update - CSUS

1. Central

- On-campus audit fieldwork was held September 10th through September 21st
- On track in all audit areas
- No audit adjustments to date

2. Eastern

- On-campus audit fieldwork was held September 24th through October 5th
- On track in all audit areas
- No audit adjustments to date

3. Southern

- On-campus audit fieldwork was held September 10th through September 21st
- On track in all audit areas
- No audit adjustments to date

4. Western

- On-campus audit fieldwork was held September 24th through October 5th
- On track in all audit areas
- No audit adjustments to date

5. System Office

- Fieldwork scheduled to begin October 15th

Status Update – CCC and Charter Oak

1. CCC

- On-campus audit fieldwork began September 24th
- No audit adjustments to date

2. Charter Oak

- On-campus audit fieldwork began October 1st
- No audit adjustments to date

Technology support as part of the audit process



An important component of our audit approach is to understand how IT is used in supporting business operations and producing financial reports. Our technology specialists place particular emphasis on the risks relating to the use of technology and its associated controls, processes and practices.

Our general controls review evaluates the design of controls that mitigate risk in areas such as organization and operations, protection of physical assets, application systems development and maintenance, access controls and computer operations.

Status Update – IT Audit

1. University System Office and CCC Banner

- Testing of System Office and CCC instance of Banner has been completed; is currently going through the quality review process
- Any findings will be communicated to management later this month

2. Central University Banner

- Testing of the Central Connecticut State University's instance of Banner has been completed; is currently going through the quality review process
- Any findings will be communicated to management later this month

3. Charter Oak State College Jenzabar

- Testing of Charter Oak system (Jenzabar) has been completed; is currently moving through the quality review process
- Any findings will be communicated to management later this month



This communication is intended solely for the information and use of management and the Audit Committee of the Connecticut State College and Universities Board of Regents and is not intended to be and should not be used by anyone other than these specified parties.



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