

# **BOARD OF REGENTS FOR HIGHER EDUCATION AUDIT COMMITTEE**

**Tuesday, September 29, 2020 @10:00 a.m.  
Via WebEx Remote Participation**

## **COMMITTEE MEMBERS PARTICIPATING (via WebEx remote participation)**

Elease Wright, Chair  
Aviva Budd  
JoAnn Ryan

## **Staff Present (via WebEx remote participation)**

Ben Barnes, Melinda Cruanes, Michael Moriarty, Ernestine Weaver, Shannon Walsh,  
Pamela Coleman, Pamela Heleen

## **Guests**

Carolyn Kurth – CohnReznick; Claire Esten, Chris Bradford, Matt McCormick, Dave Stofel, Matt Thompson - Grant Thornton; Krystal Czapek

## **CALL TO ORDER**

*With a quorum present, Chairman Wright called the meeting to order at 10:04 a.m.*

## **APPROVAL OF MINUTES FROM THE JUNE 2, 2020 MEETING**

*On motion of Regent Ryan, seconded by Chairman Wright, the minutes of the June 2, 2020 meeting were unanimously approved.*

- **APA Audit Reports Update**

Shannon Walsh provided a summary of the audits that were conducted by the Connecticut Auditors of Public Accounts for the institutions. The completed audit reports addressed at the last Audit Committee meeting for the Community Colleges for FY2016 and FY2017 are expected to be finalized and published in the near future. With respect to the universities, an audit is currently being conducted for FY2018 through FY2020 with their new engagement letter. The audit report for Western Connecticut State University for FY2016 and FY2017, cited no key findings of concern. The lack of documentation for certain internal controls was noted with a recommendation that the university improve said controls and compliance with internal

policies and procedures. A similar report was published for Central Connecticut State University for FY2017. Charter Oak State College audit report for FY2017 through FY2018 key findings noted general suggestions to ensure most efficient use of resources and compliance with State policies and procedures. The control concerns, although vague, have been addressed and the colleges and universities are working to tighten up the controls. Many of the findings noted in the preliminary reports have been removed from the published reports.

- **Status of Audits and Year-end Financial Statements**

Melinda Cruanes, Controller, provided an overview of the audits and financial statements. The fiscal year closed smoothly without incidences. The colleges were delayed by two weeks from the expected deadline. The financial statement and audit preparations were ahead of last year. The 2020 Bond audit field work is completed. The fieldwork and timeline of deliverables were timely and progressed well. The university fieldwork is currently underway with visits at Eastern and Southern completed. Central and Western are expected to be done by the end of the week. Field work for Charter Oak State College is slated to begin October 19<sup>th</sup> as well for the System Office on October 26.

The foundation financial statements are due to be submitted from the colleges and universities tomorrow. The foundation statements are included as a component unit in the overall financial statements. We are also working closely with Great Path Academy in order to keep the audit request on track due to this component unit being included in the financial statement. All draft financial statements are on track to be presented at the December 16 Audit Committee meeting for review and recommendation to the full Board.

The Great Path Academy contract was rewritten and approved by the Hartford Board. Effective July 1, 2020, the rewritten contract made the relationship between the two entities more clearly defined. This will enable the magnet school to be removed as a separate component unit in the finished statements for FY2021.

All three firms statement audits are out for bid for the performing of audit services beginning FY2021. Proposals are due by October 1.

- **CSCU 2020 Draft Audit Report By CohnReznick**

Carolyn Kurtz, CohnReznick LLP, reported on the audited expenditures paid during the years ended June 30, 2020 and June 30, 2019 as reported in the Schedule of CSCU 2020 Construction Expenditures – Cash Basis. The value of the amount audited this year was just under \$67M in construction spending in comparison with \$95M spent during the report period of June 30, 2019 due to the program being in the final stage. It is the opinion of the auditors that the construction expenditures related to CSCU 2020 construction projects were paid in conformity with the cash basis of accounting.

There was a discussion regarding commitments and what is on hand in the construction budget. At the request of the committee chair, a report will be prepared by CSCU staff outlining the commitments and on-going work.

- **Interim Report by Grant Thornton**

Claire Esten, Partner, Grant Thornton and managers of the firm provided an overview of the status of the Colleges, Universities and System Office audits. Southern and Western year-end audit fieldwork is near completion and has been reviewed with managers and partners. The audit is on track in all areas with no audit adjustments identified to date. Year-end audit fieldwork has begun at Central and Eastern. There are no findings and the audit is on track in all areas. Year-end audit fieldwork is scheduled to begin on October 19 for the System Office and October 26 for the Community Colleges. Legal confirmation requests have been sent to the State Attorney General with a requested response by November 13. An update is expected prior to the December Audit Committee meeting. Charter Oak's audit fieldwork is scheduled to begin on October 19.

With respect to the technology support as part of the audit process, the Universities, System Office and Community Colleges Banner testing is underway with the majority of the requested items being provided with coordinated remote walkthroughs with management. Testing has been completed at Charter Oak with preliminary findings shared with management.

### **Adjournment**

*There being no further business, on motion of Regent Budd, seconded by Regent Ryan, the meeting adjourned at 10:40 a.m.*