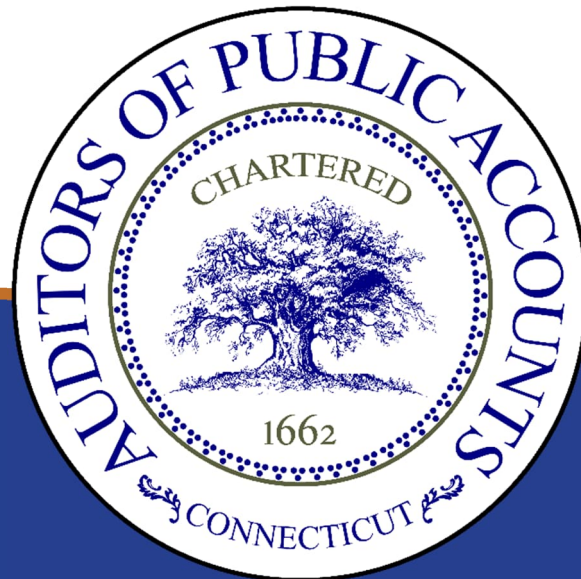


AUDITORS' REPORT

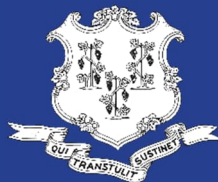
Western Connecticut State University

FISCAL YEARS ENDED JUNE 30, 2022 AND 2023



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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October 8, 2026

INTRODUCTION

We are pleased to submit this audit of Western Connecticut State University for the fiscal years ended June 30, 2022 and 2023 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Western Connecticut State University during the course of our examination.

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

Thomas Caruso
Andrew Collins
Mark Fortin
David Paradie
Marva Robinson
Linnette Stark
Bo Wang

A handwritten signature in black ink, appearing to read "Marva N. Robinson".

Marva Robinson
Principal Auditor

Approved:

A handwritten signature in black ink, appearing to read "John C. Geragosian".

John C. Geragosian
State Auditor

A handwritten signature in black ink, appearing to read "Craig A. Miner".

Craig A. Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Western Connecticut State University disclosed the following 12 recommendations, of which nine were repeated from the previous audit.

Finding 1

Procurement Control Weaknesses

Criteria

Section 4-252 of the General Statutes requires vendors to submit a Campaign Contribution Certification for large state contracts valued at \$500,000 or more. Governor Lamont's Executive Order No. 21-2 extended this requirement to contracts valued at \$50,000 or more.

The Connecticut State Colleges and Universities Procurement Manual requires an authorized and approved purchase requisition to initiate certain purchases. It also requires a properly approved purchase order prior to executing the purchase. The college or university must use a standard contract for personal services purchases with a cost of over \$10,000.

The Office of Policy and Management's (OPM) Procurement Standards for Personal Service Agreements and Purchase of Service (POS) Contracts permits state agencies to renew purchase of service contracts by amending the original contract. However, the contract terminates and cannot be renewed if not amended before the contract end date. In that event, a new contract must be executed. The contract must be signed by all parties and, if applicable, reviewed and approved by the Department of Administrative Services and the Attorney General's Office before a vendor begins the work.

Condition

We reviewed 20 non-payroll expenditures, totaling \$2,082,086, and found the following:

- The university approved four purchase orders, totaling \$339,778, 14 to 77 days after the invoice date. An additional purchase order, totaling \$127,881, was missing an authorization signature.
- Five requisitions, totaling \$537,817, were missing or lacked the authorization signature.

- Two contracts, with purchases totaling \$90,332, were not on file. The university was unable to locate a \$66,132 contract, and did not execute a second contract to support a \$24,200 purchase.
- One POS contract, totaling \$6,378,084, was executed one week after the contract period ended in fiscal year 2023. We also noted that the same contract for the prior fiscal year was executed two weeks before the end of the contract period. In essence, the university lacked an executed contract for two fiscal years.
- One \$495,305 POS contract, with purchases totaling \$71,145, lacked the required OPM Campaign Contribution Certification Ethics Form.

Context	Non-payroll expenditures totaled \$17,200,316 and \$17,783,839 during fiscal years 2022 and 2023, respectively. We haphazardly selected 20 expenditures for testing.
Effect	Internal controls over purchasing are ineffective when the university does not comply with procurement standards. Lack of properly executed contracts increases the risk of noncompliant vendors, miscommunication and financial disputes regarding vendor services.
Cause	It appears that these conditions were due to a lack of management oversight. In addition, the university's internal controls were insufficient to prevent, detect, and correct these conditions.
Prior Audit Finding	The findings have been previously reported, in part, in the last two audit reports covering the fiscal years 2018 through 2021.
Recommendation	Western Connecticut State University should improve internal controls and comply with applicable purchasing rules by ensuring that purchasing documentation is properly maintained, approved, and executed.
Agency Response	"We agree with this finding. Regarding late/missing purchase order authorizations and requisitions, Procurement will reinforce approval requirements through department training and updated procedural guidance. Regarding OPM campaign contribution certificates, Procurement will maintain a compliance tracking log for all contracts at or above the \$50,000 threshold to ensure timely collection of required documentation. Regarding missing contracts, Procurement will establish a centralized contract repository and enforce a policy requiring a fully executed contract prior to

authorization for all personal service purchases exceeding \$10,000. Regarding lapsed POS contracts, Procurement has implemented a contract expiration tracking system with alerts to ensure timely renewal processing through the Department of Administrative Services and the Attorney General's Office."

Finding 2

Revenue Generating Contracts Control Weakness

Criteria

Western Connecticut State University contracts with certain vendors that engage in for-profit activities on campus and provide a portion of generated revenue to the university. The contracts outline the financial arrangements which include fixed payments and a percentage of sales.

Condition

We reviewed two revenue-generating contracts in which vendors agreed to pay the university a combination of fixed and variable annual payments and variable monthly payments based on sales. We found that the university did not receive payments in accordance with the contracts and did not document its follow up efforts.

The first contract reviewed required a \$5,000 fixed annual payment to a scholarship fund, a variable annual sponsorship fee based on sales, and a variable monthly payment based on a percentage of vending machine revenue.

We found the following:

- The university did not receive the \$5,000 scholarship payment or the sponsorship fee for fiscal year 2022.
- The university received scholarship funds and sponsorship fee payments for fiscal year 2023 212 and 245 days late, respectively.
- The university did not receive two monthly payments for vending machine revenue in each fiscal year.
- The university did not obtain and maintain vending machine sales data to verify the accuracy of the vendor's sales-based payments.

The second contract reviewed required a \$10,500 fixed annual scholarship payment and a variable monthly payment based on a percentage of gross sales.

We found the following:

1. The university did not receive the \$21,000 in annual scholarship payments in fiscal years 2022 and 2023.
2. The university did not receive variable payments based on a percentage of gross sales for seven months and four months during fiscal years 2022 and 2023, respectively.
3. The university did not obtain and maintain gross sales data to verify the accuracy of the vendor's payments.

Context	There were five revenue-generating contracts in effect during the audited period from which we haphazardly made our selection. The university received payments, totaling \$116,480, from contracts selected for review.
Effect	There is an increased risk that the university will not receive prompt and accurate contract payments from vendors.
Cause	The university does not have procedures or maintain support to verify the accuracy of vendor payments to determine whether they are in accordance with their contractual terms.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	Western Connecticut State University should implement procedures to ensure that it collects all payments due from vendors in accordance with the terms outlined in revenue generating contracts.
Agency Response	"We agree with this finding. Moving forward, the Auxiliary Enterprises office will team with the Fiscal Affairs office to track incoming funds related to revenue generated contracts. A "Vendor Payment Verification Checklist" will be developed to ensure that required fixed and variable payments are received as outlined in executed contracts."

Finding 3

Noncompliance with Purchasing Card Policies

Criteria	Western Connecticut State University utilizes the state's purchasing card (P-Card) program to make certain purchases under \$5,000. It prohibits the splitting of a single purchase into multiple purchases to circumvent the single transaction dollar limit.
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The State of Connecticut Comptroller's Purchasing Card Manual requires state agencies to identify employees authorized to use the purchasing cards. Cardholders must record all purchases on a monthly purchasing card log.

Condition

We tested P-Card fifteen transactions, totaling \$63,570, and identified the following:

- The university was unable to provide a list of authorized purchasing card cardholders covering the audited period.
- The university was unable provide all 15 supporting purchasing card logs.
- Three purchases, totaling \$27,035, appear to have been split into multiple charges to circumvent the single purchase dollar limit.

Context

P-Card purchases totaled \$1,870,520 and \$1,857,674 in fiscal years 2022 and 2023, respectively. We judgmentally selected the five highest P-Card transactions totaling \$50,051 and haphazardly selected ten other monthly P-Card statements totaling \$13,519 for review.

Effect

Noncompliance with purchasing card policies and procedures decreases assurance that purchases were appropriate and properly supported.

Cause

The university did not regularly maintain a list of authorized p-card users and purchasing card logs. Employees seem to have overlooked P-Card requirements prohibiting the splitting of purchases.

Prior Audit Finding

This finding has previously been reported, in part, in the last six audit reports covering the fiscal years 2009 through 2021.

Recommendation

Western Connecticut State University should strengthen internal controls over purchasing card transactions by complying with its Purchasing Card Manual and the State of Connecticut Comptroller's Purchasing Card Manual.

Agency Response

"We agree with this finding. The listing of authorized purchasing card cardholders and card logs were a result of limitations in the now defunct JP Morgan Chase card system. The new US Bank website, where all purchasing cards are housed, will address these two findings. New cardholder and annual refresher trainings will be updated to emphasize the avoidance of splitting transaction requirements."

Finding 4

Missing and Untimely Certificates of Compliance for Capital Projects

Criteria	The Department of Administrative Services (DAS) Agency Administered Projects Manual requires agencies to submit all closeout documentation for agency-administered capital projects within 30 days of completion. Closeout documentation includes the certificate of compliance (Form 7150) which certifies substantial compliance with the approved plans and specifications, the requirements of the Connecticut State Building Code, and all other applicable codes as required by Chapter 541 of the Connecticut General Statutes.
Condition	We reviewed seven university-administered capital projects completed during the audited period, totaling \$3,957,084, and noted the following: • In four instances, the university completed the certificate of compliance 75, 173, 1,143 and 1,259 days late. In one instance, the university did not complete the certificate until after our inquiry. • The university could not provide a final project completion date for a \$984,177 project. Therefore, the university could not demonstrate that it promptly completed the certificate of compliance. • The university did not provide support for two projects totaling \$750,976.
Context	The university administered seven capital projects which were completed during the audited period totaling \$3,957,084. We selected all projects for review.
Effect	Without support for projects and the untimely completion of certificates of compliance following capital project completion, there is increased risk of noncompliance with approved plans, applicable specifications, and building codes.
Cause	The university's internal controls were insufficient to ensure compliance with the documentation requirements outlined in policies and procedures.
Prior Audit Finding	This finding has not been previously reported.

Recommendation	Western Connecticut State University should promptly complete certificates of compliance and maintain adequate support to ensure agency administered projects are in accordance with established specifications.
Agency Response	"We agree with this finding. The certificates of compliance and other closeout documentation were not completed in a timely manner. Steps have been taken to be more proactive tracking projects to improve the timeliness of closeout documentation and submission."

Finding 5

Disposal of Surplus Property Weaknesses

Criteria	The Connecticut State Colleges and Universities Electronic Media Sanitization Standard requires digital media and other electronic storage devices containing university owned data be sanitized prior to reassignment or disposal in order to ensure that sensitive data is not revealed to unauthorized or inappropriate parties. The standard also requires that the university maintain records of data sanitization in accordance with requirements set by the Office of Policy and Management. Section 4-33a of the General Statutes requires state agencies to report any breakdowns in the safekeeping of agency resources to the Auditors of Public Accounts and State Comptroller. The reporting is accomplished via form CO-853 – Report of Adjustment to State-owned Real and Personal Property.
Condition	We reviewed 20 assets, totaling \$122,052, that the university disposed of during the audited period and noted the following: • The university was unable to provide documentation to verify that it sanitized three out of nine electronic storage devices, totaling \$7,139, prior to disposal. • The university did not complete a CO-853 form to report the loss of a \$2,199 laptop that the university believed was stolen.
Context	The university disposed of 1,034 assets with a total cost of \$3,079,063 during the audited period. We haphazardly selected 20 disposed assets for review.
Effect	Without adequate documentation, there is decreased assurance that the university is properly sanitizing and disposing of electronic

storage devices in accordance with state and university system policies.

When electronic storage devices are not properly sanitized, there is increased risk that unauthorized persons or parties could obtain and misuse confidential data, including student and employee information.

The lack of documentation and reporting of theft undermines the university's ability to effectively monitor its resources.

Cause

The university does not appear to have a systematic process to properly document asset disposals and sanitization of electronic storage devices.

Prior Audit Finding

The finding has been previously reported, in part, in the last audit report covering the fiscal years ended June 30, 2020 through 2021.

Recommendation

Western Connecticut State University should promptly sanitize electronic storages devices slated for disposal and adequately document their sanitization and disposal.

Western Connecticut State University should promptly report the loss of university assets to the Auditors of Public Accounts and the Comptroller in accordance with Section 4-33a of the General Statutes.

Agency Response

"We agree with this finding. Since this finding, the Information Technology and Innovation Department and the Property Management Department have collaborated and revised the hard drive sanitization process to ensure we are following state requirements. This collaboration will also ensure the proper CO-853 forms are completed and reported in the case of lost laptops."

Finding 6

Deposit Control Weakness – Collections Outside Bursar's Office

Background

Although most deposits are received in the Bursar's Office, departments, student clubs, and offices outside the Bursar's Office can receive their own funds that are then brought to the Bursar for deposit.

Criteria	Section 4-32 of the General Statutes requires state agencies to deposit funds within 24 hours of receipt for daily amounts greater than \$500. The State Accounting Manual requires state agencies to maintain a receipts log that includes the dates of receipt and deposit.
Condition	We examined 20 receipts collected by university departments and offices outside of the Bursar's Office, totaling \$42,950, and found that the university did not provide support to verify the initial receipt date for 18, totaling \$40,365. An additional \$1,785 receipt was submitted to the Bursar's office two business days after being collected by a university office resulting in it being deposited one business day late.
Context	The Bursar's Office received \$2,253,874 and \$2,778,453 in non-electronic payments consisting of cash, money orders, and checks during fiscal years 2022 and 2023, respectively. We haphazardly selected 20 receipts of at least \$500 for review.
Effect	Without documentation to verify when the university collected funds, the university is unable to ensure that it complies with statutory deposit requirements. Not promptly depositing receipts in accordance with the General Statutes and State Treasurer guidelines increases the risk of loss or theft of funds.
Cause	The controls in place were insufficient to prevent these conditions.
Prior Audit Finding	This finding has previously been reported in the last three audit reports covering the fiscal years 2015 through 2021.
Recommendation	Western Connecticut State University should strengthen internal controls and record the dates it collects funds and submits them to the bursar's office to provide assurance that the university complies with statutory deposit requirements.
Agency Response	"We agree with this finding. As we have in the past, we will continue communicating with all departments outside of the bursar's office to record the date funds were collected."

Finding 7

Incomplete Documentation

Background

Investigation

Criteria

The Connecticut State Colleges & Universities (CSCU) Pre-employment Background Verification Policy requires the university to complete a background investigation of all potential full-time employees prior to employment. Under special circumstances, the policy allows the Chief Human Resources Officer of the hiring institution or the CSCU Vice President for Human Resources to grant an exception to allow candidates to start employment prior to the conclusion of the investigation provided that continued employment is contingent upon the completion of the investigation.

The university should review background investigation reports prior to the start of a candidate's employment to ensure that they do not have any disqualifying issues.

Condition

We reviewed nine employees hired during the audited period and found one was allowed to begin working prior to completion of a background investigation. The university could not provide support that it obtained an exception.

The university also could not provide support that it reviewed background investigation reports for all nine employees prior to their start dates.

Context

The university hired 969 and 791 new employees in fiscal years 2022 and 2023, respectively. We judgmentally selected all four managerial hires, as well as five haphazardly selected other new hires during the audit period.

Effect

Allowing employees to begin work prior to the completion and review of background investigations increases the risk that the university will employ individuals who are not qualified or have a disqualifying criminal background.

Cause

Documenting the granting of exceptions of preemployment background checks and the date of background check reviews are not part of the university's review process.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2020 through 2021.

Recommendation	Western Connecticut State University should strengthen internal controls by documenting its review of background checks and maintaining evidence of special exceptions in accordance with the CSCU Pre-employment Background Verification Policy.
Agency Response	"We agree with this finding and recommendation."

Finding 8

Missing Dual Employment Forms

Criteria	Section 5-208a of the General Statutes restricts state employees from simultaneous employment at more than one state agency unless the appointing authority of each agency certifies that the employee's work schedules do not conflict or allow employees to earn unauthorized overtime pay. Department of Administrative Services General Letter No. 204 requires that a hiring agency complete a Dual Employment Request Form (CT-HR-25) when hiring an individual who is employed by another state agency. The agency head and employee must sign the form before dual employment begins to ensure that the employee's schedule and job responsibilities do not conflict.
Condition	We reviewed five employees who were dually employed by the university during the audited period and noted that the university did not have three Dual Employment Request Forms on file.
Context	The university employed 423 and 386 individuals in a secondary position during fiscal years 2022 and 2023, respectively. We haphazardly selected five employees for review.
Effect	When the university and other state agencies do not review and approve dual employment forms, there is an increased risk that the employee could have conflicting schedules or job responsibilities. If conflicts exist, there is a risk that an employee will receive payments for services they did not perform.
Cause	In some instances, the university was unaware that the employee held a secondary job. Existing controls did not prevent either condition.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2020 through 2021.

Recommendation	Western Connecticut State University should improve its compliance with dual employment requirements, policies, and procedures by ensuring it maintains Dual Employment Request Forms on file.
Agency Response	"We agree with this finding. Adjunct faculty instructors are informed of the requirement to disclose Dual Employment with another state agency as part of their contract. Dual Employment forms are processed as timely as possible. Unfortunately, if an individual does complete the form and does not disclose that they are working for another state agency during the same period, verification cannot be confirmed with our current level of reporting access. We will explore other avenues of obtaining reports that can possibly help us address this finding."

Finding 9

Part-Time Lecturer - Incomplete Appointment Forms

Criteria	The Collective Bargaining Agreement between the Connecticut State University American Association of University Professors and the Board of Regents for Connecticut State Colleges and University System requires the chairperson of the hiring department to make part-time teaching appointment recommendations to the dean for approval. In addition, the university's policies and procedures require that all necessary parties approve appointment recommendation forms prior to appointment.
Condition	We reviewed ten part-time teaching appointments and noted incomplete recommendations or approvals for nine.
Context	The university appointed 175 and 93 individuals for part-time teaching positions during fiscal year 2022 and 2023, respectively. We haphazardly selected five from each fiscal year for testing.
Effect	Failure to comply with the collective bargaining agreement's part-time appointment process increases the risk that the university will hire part-time faculty that are unqualified or not warranted.
Cause	The university did not fully follow standard procedures.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2020 through 2021.

Recommendation	Western Connecticut State University should improve internal controls to ensure that all appropriate personnel approve all part-time teaching appointments before extending employment.
Agency Response	"We agree with this finding. However, this finding was addressed with the creation of an Adjunct Appointment App that requires electronic approval at all stages of the process prior to an adjunct appointment letter being created and issued."
Auditors' Concluding Comments	The university did not implement the use of the Adjunct Appointment App until January 2024 which is after the audited period.

Finding 10

Gasoline Card Purchasing Weakness

Background	Western Connecticut State University operates a gasoline purchase program using credit cards for university-owned vehicles.
Criteria	The university's Purchasing Card Documentation and Missing Receipt forms state that repeated use of the form in place of a receipt may result in temporary suspension of the purchasing card. The State of Connecticut Purchasing Card Program manual requires the cardholder to follow up with vendors to resolve disputes including credits.
Condition	We reviewed 171 gasoline purchases made with gasoline credit cards during the audited period, totaling \$6,961. Our review found the following: Two employees filed a total of 11 missing receipt forms during the period reviewed. It does not appear the university addressed the repeated use of the missing receipt form in accordance with its policy. Due to a lack of follow through, the university failed to receive a \$126 credit for a disputed charge.
Context	The university had gasoline credit card purchases totaling \$16,986 and \$18,080 during fiscal years 2022 and 2023, respectively. We haphazardly selected five months from fiscal year 2023 for review.

Effect	Continually failing to provide receipts to support gasoline purchases, decreases assurance that the correct amounts were billed on monthly statements and increases the risk of erroneous or fraudulent transactions.
	Failing to recover incorrect charges results in the unnecessary use of state funds.
Cause	The university did not perform internal control procedures as required.
Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2018 through 2021.
Recommendation	Western Connecticut State University should comply with its gasoline card policies and procedures.
Agency Response	"We agree with this finding. We will continue to emphasize the importance of keeping receipts in an orderly fashion. Individuals who continue to submit missing receipt forms will be subject to disciplinary action."

Finding 11

Football Game Gate Receipts Control Weakness

Background	Western Connecticut State University sells tickets for its home football games on a cash-only basis.
Criteria	The Accounting Procedures Manual for Trustee Accounts requires the university to retain unsold tickets to ensure that an accurate count of tickets sold is available for reconciliation. The state's record retention policy requires agencies to retain admission tickets for three years or until audited, whichever is later.
Condition	We reviewed the internal controls in place over home football game ticket sales and noted that the university did not document its reconciliation of unsold tickets with monies collected from ticket sales to provide assurance that it accounted for those funds. The university did not retain unsold tickets in accordance with record retention requirements.

Context	The bursar's office received \$18,775 that the university collected in ticket sales for the ten home football games played during the audited period. We selected ticket sales for the four games played during fiscal year 2023 for our review.
Effect	Without adequate retention of documentation over football game ticket sales and proper segregation of duties over the collection, reconciliation, and deposit of receipts, there is decreased assurance that all receipts collected by the athletic department for ticket sales are submitted to the bursar's office intact and in a timely manner.
Cause	It appears that the university has not established proper internal control policies and procedures over the collection of ticket sales funds.
Prior Audit Finding	This finding has previously been reported in the last four audit reports covering the fiscal years 2013 through 2021.
Recommendation	Western Connecticut State University should improve internal controls over football game receipts by retaining unsold tickets and documenting its reconciliation of unsold tickets to ensure the proper handling of cash receipts.
Agency Response	"We agree with this finding. We misinterpreted the prior finding regarding the retention of unsold tickets. The Controller will explore further ways to document the reconciliation of unsold tickets and cash receipts."

Finding 12

Missing or Late Facilities Use Agreement Deposits

Criteria	Western Connecticut State University permits outside organizations to use its facilities to hold events provided the organization submits a facilities use agreement that the university reviews and approves prior to the date of the event. The WCSU Event & Conference Management Policies and Procedures requires customers to submit a ten percent deposit to the university at the time the agreement is signed.
Condition	We reviewed five facilities use agreements in place during the audited period, totaling \$30,476, and found that deposits were not received at the time the agreements were executed. One deposit

was not received but paid in full after the event. The remaining four deposits ranged between 12 to 38 days late.

Context	The university entered into 33 facilities use agreements, totaling \$142,099, during the audited period from which we haphazardly selected five agreements for review.
Effect	Failing to promptly collect facilities use agreement deposits decreases assurance that the university will receive all amounts due.
Cause	The university stated that, in most instances, the customer signs the facilities usage agreements electronically and mails the deposit check the following week.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	Western Connecticut State University should strengthen internal controls to ensure that deposits are submitted at the time the facilities use agreements are executed.
Agency Response	"We agree with this finding. Deposits were not consistently received at the time Facilities Use Agreements were executed primarily due to agreements being signed electronically while deposits were submitted separately via mailed checks. Going forward, Facilities Use Agreements will not be considered fully executed, nor will space be confirmed until the required deposit is received. The University is also implementing enhanced tracking and exploring integrated electronic payment solutions to eliminate delays associated with mailed payments."

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Western Connecticut State University contained 16 recommendations. Six have been implemented or otherwise resolved and ten have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
Western Connecticut State University should improve compliance with its internal controls and purchasing procedures by properly authorizing an expenditure before placing an order. Western Connecticut State University should document vendor selection, including submitted requests for proposals, sole source vendor justifications, and price comparisons of the Department of Administrative Services multi-vendor and consortium contracts in accordance with the Connecticut State Colleges and Universities Procurement Manual.	REPEATED Modified Form Recommendation 1
Western Connecticut State University should promptly review and reconcile purchasing card monthly statements and ensure authorized and proper use of purchasing cards assigned to departments and individuals in compliance with the Western Connecticut State University Purchasing Card Policy Manual and the State Comptroller's Purchasing Card Cardholder Work Rules. Western Connecticut State University should follow its ordering process guidelines and secure sales tax exemptions prior to placing an order to avoid paying Connecticut sales tax. Western Connecticut State University should review purchasing card usage to ensure that cardholders do not make payments in violation of conflict-of-interest rules as defined by Section 1-85 of the General Statutes.	REPEATED Modified Form Recommendation 3
Western Connecticut State University should improve its internal controls over procurement by executing standard contracts for capital projects.	RESOLVED
Western Connecticut State University should record the dates funds are collected and submitted to the bursar's office to provide assurance that the university complies with statutory deposit requirements. The university should promptly deposit all receipts in accordance with Section 4-32 of the General Statutes and applicable waivers from the Office of the State Treasurer.	REPEATED Recommendation 6

Prior Recommendation	Current Status
Western Connecticut State University should promptly sanitize electronic storage devices slated for disposal and adequately document their sanitization and disposal.	REPEATED Modified Form Recommendation 5
Western Connecticut State University should obtain and retain written approvals of new manager salaries from appropriate personnel in compliance with the Connecticut State Colleges and Universities Human Resources Policies for Management & Confidential Professional Personnel.	RESOLVED
Western Connecticut State University should improve internal controls over the collection of football game receipts by completing accurate accountability reports of ticket sales, retaining unsold tickets for reconciliation, and segregating the responsibilities of cash collection, reconciliation, and deposit. The university should also maintain detailed documentation to verify the promptness of fund deposits.	REPEATED Modified Form Recommendation 11
Western Connecticut State University should annually test its information technology disaster recovery plan as required.	RESOLVED
Western Connecticut State University should obtain and maintain required ethics affidavits from its vendors.	REPEATED Modified Form Recommendation 1
Western Connecticut State University should strengthen internal controls to ensure that Banner access is properly approved and documented. Western Connecticut State University should promptly terminate employee access to Banner upon separation.	RESOLVED
Western Connecticut State University should promptly report any unauthorized release of restricted information to the Office of the State Comptroller as required by Section 4-33a of the General Statutes.	RESOLVED
Western Connecticut State University should implement control procedures related to the distribution of gift card stipends to research participants. In addition, the university should properly document and maintain records confirming each recipient's participation and receipt of the gift card.	RESOLVED

Prior Recommendation	Current Status
Western Connecticut State University should retain all gasoline credit card sales receipts for purchases.	REPEATED Modified Form Recommendation 10
Western Connecticut State University should improve its compliance with dual employment requirements, policies, and procedures by ensuring that it promptly completes and reviews Dual Employment Request Forms.	REPEATED Modified Form Recommendation 8
Western Connecticut State University should obtain and review background investigations for newly hired employees before allowing them to begin work in accordance with the Connecticut State Colleges & Universities Pre-employment Background Verification Policy. The university also should document its justification and approval when extending employment to candidates before completing a background investigation in special circumstances.	REPEATED Modified Form Recommendation 7
Western Connecticut State University should retain all documentation related to the part-time appointment procedures and ensure that all appropriate personnel approve all part-time teaching appointments before extending employment.	REPEATED Modified Form Recommendation 9

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of Western Connecticut State University 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, 2022 and 2023. The objectives of our audit were to evaluate the:

1. University's internal controls over significant management and financial functions;
2. University's compliance with policies and procedures internal to the university 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 to users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, asset management, capital projects, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

The Connecticut State University System Office administers certain activities centrally for the state universities, including system-wide information systems, telecommunications, and capital projects planning and support. The Board of Regents for Higher Education serves as the governing body for the four state universities, Connecticut State Community College, and Charter Oak State College. Our audit reviewed these functions, based on assessments of risk and significance, as they relate to the Western Connecticut State University. Our review did not include reviewing other aspects of Connecticut State University System Office's or Board of Regents for Higher Education's operations.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the university and certain external parties. We also tested selected transactions. Our transaction selections were designed to provide sufficient and appropriate evidence to support our findings, conclusions, and recommendations. 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 university's management and state information systems. It was not subject to our audit procedures. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. Did not identify 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 Western Connecticut State University.

ABOUT THE AGENCY

Overview

[Western Connecticut State University](#) in Danbury is one of the four higher education institutions that collectively make up the Connecticut State University component of the Connecticut State Colleges and Universities (CSCU) System. The other three are Central Connecticut State University in New Britain, Eastern Connecticut State University in Willimantic, and Southern Connecticut State University in New Haven. The State of Connecticut's system of public higher education operates principally under the provisions contained in Sections 10a-87 through 10a-101 of the General Statutes.

Organizational Structure

The Board of Regents for Higher Education, which serves as the administrative office for CSCU, oversees the university. The board of regents has 15 voting members appointed as follows:

- Nine members appointed by the Governor.
- Four members appointed by legislative leadership, of whom one is a specialist in K-12 education and three are alumni of the Connecticut Community Colleges, Connecticut State Universities, and/or Charter Oak State College.
- Two student members chosen by their peers (chair and vice-chair of the Student Advisory Committee).

In addition, the board of regents has eight non-voting, ex-officio members.

Dr. John B. Clark served as president of the university until July 14, 2022. Dr. Paul Beran served as interim president from July 15, 2022 through August 2023 after which Dr. Manohar Singh served as interim president until July 1, 2025. Dr. Jesse M. Bernal began serving as president of the university effective July 11, 2025 and continues to serve in that capacity.

Significant Legislative Changes

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

- **Public Act 21-81** effective July 1, 2021, made various changes to laws dealing with sexual misconduct at higher education institutions. It established a 20-member Council on Sexual Misconduct Climate Assessments and required higher education institutions to conduct biennial sexual misconduct climate assessments and report the results to the Higher Education and Employment Advancement Committee of the General Assembly.
- **Public Act 21-132**, effective July 1, 2021, made numerous changes to higher education laws. It required each higher education institution to review and update its policies on awarding college credit for a student's military training. It also required each institution to (1) establish a mental health coalition to assess the institution's mental health services and programs; (2) maintain a memorandum of understanding with at least one community-based mental health care provider for institutions that lack campus resources; and (3) adopt a student mental health policy. It also prohibited the Board of Regents for Higher Education from assessing or charging a graduation

fee to students enrolled at public higher education institutions and allowed students to earn compensation through an endorsement contract or employment in an activity unrelated to an intercollegiate athletic program.

- **Public Act 21-184**, effective July 1, 2021, required the reporting of accidents that resulted in serious physical injuries or death at institutions of higher education.
- **Public Act 22-101 (Sections 1, 4 through 7)**, effective July 1, 2022, made various changes including entitling certain veterans and dependents of armed forces members living in Connecticut to receive in-state tuition rates, and imposing various requirements to assess and address student food insecurity at the state's public colleges and universities.

Financial Information

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

The university 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 university's operating fund, primarily for personal services and related fringe benefits.

Operating fund receipts consisted primarily of student tuition payments. Under the provisions of Section 10a-99(a) of the General Statutes, tuition charges are set by the Board of Regents for Higher Education. The following presents annual tuition charges for full-time students during the audited fiscal years:

Student Status	2021-2022			2022-2023		
	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional
Undergraduate	\$ 6,162	\$ 18,436	\$ 9,244	\$ 6,470	\$ 19,358	\$ 9,706
Graduate	\$ 7,674	\$ 19,768	\$ 11,512	\$ 8,058	\$ 20,756	\$ 12,088

Tuition for all in-state and out-of-state students remained the same from fiscal years 2021 to 2022. Tuition for all in-state and out-of-state students increased 5.0% from fiscal year 2022 to 2023.

Besides tuition, the university charged students other fees during the audited years, including a general, fee, state university fee, and student activity fees. The following presents these fees, on an annual basis, during the audited fiscal years:

Fee	2021-2022			2022-2023		
	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional
General	\$ 4,434	\$ 4,434	\$ 4,434	\$ 4,656	\$ 4,656	\$ 4,656
State University	\$ 946	\$ 2,076	\$ 946	\$ 994	\$ 994	\$ 994
Student Activity	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199	\$ 199

In addition, the Housing and Food Service fees required of resident students represent a significant portion of the operating revenues category titled Auxiliary Revenues. The following presents the average annual Housing (double occupancy) and Food Service fees during the audited period:

Fee Description	Fiscal Year Ended June 30,	
	2022	2023
Housing	\$ 8,020	\$ 8,420
Food Service	\$ 5,856	\$ 6,148

Enrollment Statistics

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

Enrollment	Fall 2021	Spring 2022	Fall 2022	Spring 2023
Full-time undergraduate	3,440	3,103	3,165	2,849
Full-time graduate	81	79	69	75
Total full-time	3,521	3,182	3,234	2,924
Part-time undergraduate	732	750	634	718
Part-time graduate	549	509	549	481
Total part-time	1,281	1,259	1,183	1,199
Total Enrollment	4,802	4,441	4,417	4,123

The average enrollment was 4,622 and 4,270 during fiscal years 2022 and 2023, respectively, compared to 5,014 during fiscal year 2021. Average student enrollment declined 392 (7.8%) in fiscal year 2022 and 352 (7.6%) in fiscal year 2023.

Operating Revenues

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

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

Operating Revenue Description	Fiscal Year Ended June 30,		
	2021	2022	2023
Tuition and Fees (net of scholarship allowances)	\$ 50,675,859	\$ 44,976,862	\$ 44,844,663
Federal Grants and Contracts	2,041,084	1,796,977	3,218,605
State and Local Grants and Contracts	1,923,181	5,390,578	7,056,211
Nongovernment Grants and Contracts	57,351	-	21,390
Indirect Cost Recoveries	25,950	-	14,335
Auxiliary Revenues	13,211,127	15,015,446	15,239,810
Other Operating Revenues	830,014	765,273	1,063,548
Total Operating Revenues	\$ 68,764,566	\$ 67,945,136	\$ 71,458,562

Total operating revenues decreased by \$819,430 (1.2%) in fiscal year 2022. This was primarily due to a decrease in tuition and fees brought on by continuing declining enrollment exacerbated by the effects of the COVID-19 pandemic during the period. The university received Higher Education Emergency Relief Fund (HEERF) money during fiscal year 2022 which partially offset the decrease in total operating revenues.

Total operating revenues grew by \$3,513,426 (5.2%) in fiscal year 2023 primarily due to increases in federal, state, and local grants and contracts.

Operating Expenses

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

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

Operating Expenses Description	Fiscal Year Ended June 30,		
	2021	2022	2023
Personal Services and Fringe Benefits	\$ 102,902,208	\$ 105,211,211	\$ 100,575,779
Professional Services and Fees	2,977,694	2,788,003	5,287,712
Educational Services and Support	22,018,882	29,172,151	23,009,077
Travel Expenses	90,662	505,511	801,508
Operation of Facilities	6,961,210	6,927,934	8,325,114
Other Operating Supplies and Expenses	4,648,741	5,048,277	4,318,500
Depreciation Expense	12,562,346	11,862,940	11,544,678
Amortization Expense	1,531	156,681	1,213,412
Total Operating Expenses	\$ 152,163,274	\$ 161,672,708	\$ 155,075,780

Total operating expenses increased by \$9,509,434 (6.3%) in fiscal year 2022. This is primarily due to growth of \$2,309,003 in personal services and fringe benefits due to salary increases and retroactive payments and \$7,153,269 in educational services largely due to technology updates.

Total operating expenses decreased by \$6,596,928 (4.1%) during fiscal year 2023. This was mainly due to a decrease of \$4,635,432 in personal services and fringe benefits which was the result of the state making significant contributions to pension and OPEB plans and a reduction of \$6,163,074 in educational services expenses which was due to nonrecurring payments made during fiscal year 2022. The decrease was slightly offset by a \$2,499,709 increase in professional services and fees.

Nonoperating Revenue and Expenses

Nonoperating revenues and expenses are from other than the sale or exchange of goods or services that relate to the university's primary functions of instruction, academic support, and student services. Nonoperating revenues and expenses include items such as the state's General Fund appropriation, private gifts and donations, investment income, state-financed plant facilities revenues, and interest expense.

Nonoperating revenues and expenses, as presented in the university's audited financial statements for the audited period and previous fiscal year, follow:

Nonoperating Revenue/ Expense Description	Fiscal Year Ended June 30,		
	2021	2022	2023
State Appropriations	\$ 54,423,997	\$ 68,024,461	\$ 66,192,907
Pell Grant Revenue	7,047,359	6,524,509	6,524,657
Federal Emergency Grant Revenue	12,150,423	14,083,841	14,448,729
Gifts	3,214	36,495	49,408
Investment Income	22,481	66,220	1,149,965
Interest Expense	-	(10,126)	(186,464)
Capital Projects Financed by System Office	1,687,971	14,481,050	15,237,372
Other Nonoperating Revenues	68,579	117,691	235,129
Total Nonoperating Revenues (Expenses)	\$ 75,404,024	\$ 103,324,141	\$ 103,651,703

Total nonoperating revenues grew by \$27,920,117 (37.0%) in fiscal year 2022 primarily due to a \$13,600,464 increase in state appropriations and a \$12,793,079 increase in capital projects financed by the system office.

Total nonoperating revenues increased by \$327,562 (0.3%) in fiscal year 2023 primarily due to the \$1,083,745 growth in investment income from the state's Short-Term Investment Fund (STIF) for which the interest rate increased in fiscal 2023 and a \$756,322 increase in capital projects financed by the system office. This increase was offset by \$1,831,554 decrease in state appropriations.

In addition to the operating and nonoperating revenues and expenses presented above, the university's financial statements presented revenues classified as state appropriations restricted for capital purposes totaling \$2,762,593 and \$4,202,903 for the fiscal years 2022 and 2023, respectively.

Western Connecticut State University Foundation, Inc.

The Western Connecticut State University Foundation, Inc. is a private, nonprofit corporation established to raise funds to support the activities of the university.

Sections 4-37e through 4-37k of the General Statutes define and set requirements for such organizations that support state agencies. The requirements address the annual filing of an updated list of board members with the state agency for which the foundation was established, financial recordkeeping and reporting in accordance with generally accepted accounting principles, financial statement and audit report criteria, written agreements concerning the use of facilities and resources, compensation of state officers or employees, and the state agency's responsibilities with respect to affiliated foundations.

An independent certified public accounting firm performed audits of the books and accounts of the foundation for the fiscal years ended June 30, 2022 and 2023, in accordance with Section 4-37f (8) of the General Statutes. The auditors expressed unqualified opinions on the foundation's financial statements for both fiscal years. In addition, the foundation's auditors reported that the foundation complied, in all material respects, with Sections 4-37e through 4-37i of the General Statutes.

The foundation's financial statements reported revenues totaling \$(1,565,164) and \$3,355,697 during the fiscal years ended June 30, 2022 and 2023, respectively. Net assets totaled \$27,043,570 and \$29,015,677 as of June 30, 2022 and 2023, respectively. Net assets increased by \$1,972,107 during fiscal year 2023 mainly due to fluctuations in the market value of the foundation's investments.