

STATE OF CONNECTICUT



*AUDITORS' REPORT
CONNECTICUT STATE LIBRARY
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2011*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

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March 12, 2014

**AUDITORS' REPORT
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FOR THE FISCAL YEARS ENDED JUNE 30, 2010 and 2011**

We have examined the financial records of the Connecticut State Library (State Library) for the fiscal years ended June 30, 2010 and 2011. This report on that examination consists of the following Comments, Recommendations, and Certification that follow.

Financial statement presentation and auditing are being done on a Statewide Single Audit basis to include all state agencies. This audit has been limited to assessing the State Library's compliance with certain provisions of financial related laws, regulations, contracts, and grants, and evaluating the State Library's internal control policies and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The State Library Board, which is within the Department of Education for administrative purposes only, operates under the provisions of Title 11 of the Connecticut General Statutes and oversees the activities of the State Library. The primary functions of the State Library include: providing advice, planning, and financial assistance to all libraries in the state, operating the Raymond E. Baldwin Museum of Connecticut History and Heritage, maintaining library services for the blind and other persons with disabilities, and providing library and information services for the state government and the public.

Kendall Wiggin served as State Librarian throughout the audited period.

Pursuant to Section 11-1 subsection (d) of the General Statutes, the State Library Board established the Connecticut Heritage Foundation, Inc., a nonprofit foundation to raise funds from private sources to enhance the collections and programs of the State Library and museum. We issue a separate report on foundation operations.

Significant Legislation:

Public Act 11-1, Section 8 subsection (a) of the June Special Session, states that the Secretary of the Office of Policy and Management (OPM) shall recommend to the Governor reductions in expenditures for the executive branch for the fiscal years ending June 30, 2012, and June 30, 2013, and shall, upon approval of the Governor, reduce such expenditures by the amount of the executive branch budget savings and employee reductions described in sections 1 and 2 of that act. On July 15, 2011, the Secretary of OPM recommended a budget balancing plan that included reductions in expenditures for the executive branch pursuant to this public act. As part of that plan, the State Library's fiscal and human resource functions were transferred to the Department of Administrative Services (DAS) Small Agency Resource Team. This transfer took place in October 2011.

Members of the State Library Board:

Section 11-1 subsection (a) of the General Statutes provides that the board shall consist of 12 members. The board members, as of June 30, 2011, were as follows:

| | |
|-------------------------|-----------------------|
| Mollie Keller, Chairman | Jack Hasegawa |
| Joy W. Hostage | Francis X. Hennessy |
| John N. Barry | Allen Hoffman |
| Eileen DeMayo | Daphne Deeds |
| William Lavery | Robert D. Harris, Jr. |
| Scott Hughes | Linda Anderson |

The State Library Board has two advisory groups. The Advisory Council for Library Planning and Development, pursuant to Section 11-1 subsections (f) (1) and (f) (2) of the General Statutes, consists of 19 members appointed by the State Library Board and deals with library planning and development issues. Section 11-6a subsection (b) of the General Statutes establishes the Museum Advisory Committee, which consists of eight members, that advises the State Library Board with respect to the policies, collections, programs, activities, and operations of the Raymond E. Baldwin Museum of Connecticut History and Heritage.

RÉSUMÉ OF OPERATIONS:

General Fund Cash Receipts and Expenditures:

General Fund receipts applicable to State Library operations totaled \$3,072 and \$4,796 for the fiscal years ended June 30, 2010 and 2011, respectively. These receipts consisted primarily of refunds of prior year expenditures for photocopying charges.

A summary of General Fund expenditures applicable to State Library operations for the audited period and the preceding fiscal year is presented below:

| | <u>Fiscal Year Ended June 30,</u> | | |
|---------------------------|--|----------------------------|----------------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> |
| Budgeted Accounts: | | | |
| Personal Services | \$6,339,979 | \$5,248,909 | \$5,450,168 |
| Contractual Services | 4,199,987 | 3,301,118 | 3,229,270 |
| Commodities | 94,511 | 55,634 | 68,829 |
| Sundry Charges | 924 | 0 | 175 |
| Grants-in-aid | 1,905,637 | 1,838,748 | 1,836,140 |
| Equipment | <u>559,240</u> | <u>466,796</u> | <u>482,173</u> |
| Total Expenditures | <u>\$13,100,278</u> | <u>\$10,911,205</u> | <u>\$11,066,755</u> |

Expenditures from budgeted accounts decreased nearly 17 percent during the fiscal year ended June 30, 2010 and increased just over one percent during the fiscal year ended June 30, 2011. Decreases in personal services were primarily caused by the retirement of sixteen staff members as part of the 2009 retirement incentive program. Subscriptions and online information services accounted for approximately 78 and 75 percent of total contractual services during the respective audited years. The decrease of \$38,877 in commodities during the 2009-2010 fiscal year was primarily caused by a decrease in the purchase of maintenance supplies. During the 2008-2009 fiscal year, the department purchased a substantial amount of maintenance supplies in anticipation of taking in significant documents from the consolidation of the state's probate court district. The decline in equipment purchases during 2009-2010 fiscal year was due to decreases in book purchases.

During the audited period, the State Library administered a number of state-aid-grant programs. A schedule of grant expenditures by program and a brief description of each program are presented below:

| | <u>State-Aid-Grants</u> | | |
|--|--|---------------------------|---------------------------|
| | <u>Fiscal Year Ended June 30,</u> | | |
| | <u>2009</u> | <u>2010</u> | <u>2011</u> |
| General Fund Budgeted Accounts: | | | |
| Cooperating Library Service Units | \$332,500 | \$265,611 | \$263,003 |
| Grants to Public Libraries | 347,109 | 347,109 | 347,109 |
| Connecticard Payments | <u>1,226,028</u> | <u>1,226,028</u> | <u>1,226,028</u> |
| Total State-Aid-Grants | <u>\$1,905,637</u> | <u>\$1,838,748</u> | <u>\$1,836,140</u> |

Cooperating Library Service Units – Section 11-9e of the General Statutes provides for libraries to coordinate services through planning, resource sharing, and the development of programs too costly or impractical for a single library to maintain.

Grants to Public Libraries – Section 11-24b subsections (b), (c) and (d) of the General Statutes authorizes three types of grants to principal public libraries: base grants, formula based equalization grants, and incentive grants.

Connecticard Payments – Section 11-31b of the General Statutes provides for a cooperative program among public libraries that allows residents to borrow materials from any participating state public library. Grant payments to participating libraries are based on the volume of program activity levels.

Special Revenue Funds:

Federal and Other Restricted Accounts Fund:

A summary of federal and other restricted accounts receipts applicable to State Library operations for the audited period is presented below:

| | <u>Fiscal Year Ended June 30,</u> | | |
|---|--|---------------------------|---------------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> |
| Federal and Other Restricted Accounts: | | | |
| Federal Grants | \$2,199,705 | \$1,992,304 | \$2,039,831 |
| Non-Federal Aid | 1,251,409 | 1,239,913 | 1,197,158 |
| All Other | <u>47,569</u> | <u>102,450</u> | <u>100,163</u> |
| Total Receipts | <u>\$3,498,683</u> | <u>\$3,334,667</u> | <u>\$3,337,152</u> |

Federal grant receipts resulted from grant agreements between the federal government and the state library for the administration of programs and activities supporting statewide library initiatives and services. Non-federal aid receipts were primarily for a grant program, entitled Historic Documents Preservation Account, funded from a portion of fees collected by local towns, to be used for grants to towns for the preservation and management of historic documents. The decrease in federal grants during the 2009-2010 fiscal year was a reflection of

federal budgeting concerns, which resulted in a decrease in funding for the library services and technology act grant.

A summary of federal and other restricted accounts expenditures applicable to state library operations for the audited period is presented below:

| | <u>Fiscal Year Ended June 30,</u> | | |
|---|--|---------------------------|---------------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> |
| Federal and Other Restricted Accounts: | | | |
| Restricted Federal Accounts | \$1,931,522 | \$1,887,172 | \$2,121,318 |
| Restricted Private Accounts: | | | |
| Historic Documents Preservation Account | 2,011,312 | 900,308 | 876,923 |
| All Other Private Accounts | <u>337,385</u> | <u>325,832</u> | <u>122,468</u> |
| Total Expenditures | <u>\$4,280,219</u> | <u>\$3,113,312</u> | <u>\$3,120,709</u> |

A decrease in state-aid grants within the historical documents preservation account was responsible for the majority of the \$1,166,907 decrease in expenditures during the 2009-2010 fiscal year. Expenditures primarily consisted of personal services, related fringe benefits, and grant awards for the various federal and state programs.

Capital Equipment Purchase Fund:

Capital Equipment Purchase Fund expenditures totaled \$97,505 and \$340,982 during the fiscal years ended June 30, 2010 and 2011, respectively. These purchases were primarily made for books, office equipment, and computers.

Grants to Local Governments and Others Fund:

This fund was primarily used for grants for public library construction, improvements, and other related projects. Expenditures totaled \$1,227,044 and \$1,680,510 during the fiscal years ended June 30, 2010 and 2011, respectively. Fluctuations were mainly caused by the availability of state and local funds for approved projects.

Capital Improvements and Other Purposes Fund:

There were no expenditures made from this fund during the fiscal years ended June 30, 2010 and 2011.

CONDITION OF RECORDS

Our review of the records of the Connecticut State Library revealed the following areas that require improvement.

Property Control and Reporting:

Criteria: Section 4-36 of the Connecticut General Statutes requires each state agency to establish and keep an inventory account in a form prescribed by the State Comptroller, and to transmit to the Comptroller, a detailed annual inventory of all real property and capitalized personal property owned by the state and in the custody of the agency.

The State Property Control Manual specifies requirements and standards that state agency property control systems must include to ensure that all assets currently owned by or in custody of the state are properly acquired, managed and disposed of. These requirements include: proper accounting of equipment, filing accurate Asset Management/Inventory Report/GAAP Reporting Form (CO-59 form), conducting an annual physical inventory, and establishing software inventory records to track and control all agency software media, licenses, certificates of authenticity, and other related items. For works of art and historical treasures, additional information is required, which includes a detailed description of the item.

Condition: The State Library maintains separate inventory systems and records for different categories of inventory. Our review of the State Library's property control and reporting systems disclosed the following deficiencies:

- Equipment: The State Library reported over \$94,000,000 in equipment value on its CO-59 form for the fiscal year ended June 30, 2010; however, the agency was unable to provide sufficient support documentation for this amount. Our prior audit found that the fiscal year ended June 30, 2009 equipment value ending balance was understated by \$268,326; yet that figure was carried forward and used as a beginning balance on the fiscal year ended June 30, 2010 CO-59 form without any adjustments. In addition, the State Library did not complete a CO-59 form for the fiscal year ended June 30, 2011.

We conducted a physical test of 30 equipment items. Two of those 30 items (6.7 percent) were not found. We were informed that these items had been surplus; however, the Core-CT asset management system, used to account for equipment, listed these items as in-service. Further investigation revealed that these items had been surplus for over one year, yet the Core-CT

system was not updated to reflect this status change. An additional five out of the 30 items (16.7 percent) were not found in the location indicated in the Core-CT asset management system.

- Works of Art and Historic Treasures: The State Library reported over \$215,000,000 in the category of Fine Art on its CO-59 form during the audited period ended June 30, 2010. We noted a difference of \$37,700 between the Core-CT asset management system and the amount reported on the CO-59 form for this category. It appears that this difference was due to additions made in fiscal year ended June 30, 2009 that was not updated in Core-CT. The State Library did not take a complete physical inventory of these items during the audited period. Also, inventory lists of archival documents and museum pieces do not detail each item's cost and are based on staff's estimates of current values. Due to the age of the collections and the lack of complete records, documentation of an item's cost at the time it was received may no longer be available.

We conducted a physical inspection of 23 museum collection items and found that for nine of the 23 items (39 percent) there were discrepancies with the information contained in the agency's internal database. Specifically, we found that four of the nine items were de-accessioned, yet the database did not reflect that information. Two items were not found in the location indicated per the database. Two items had insufficient location descriptions and one item had an incorrect accession number in the database.

- Software Inventory: The State Library does not maintain a complete a software inventory list as required by the State Property Control Manual.

Effect: Information provided to the Office of the State Comptroller was inaccurate, unsupported and incomplete. As a result, the state's annual financial statements may contain erroneous information. Deficiencies in the control over equipment and museum items inventory results in a decreased ability to safeguard state assets and inadequate insurance coverage in case of loss or damage.

Cause: The causes were not determined.

Recommendation: The State Library should improve its internal controls relating to asset management and reporting of assets, as described in the State Property

Control Manual and in accordance with Section 4-36 of the General Statutes. (See Recommendation 1.)

Agency Response: “The loss of key staff members to retirement in FY 2011 and the subsequent elimination of all CSL business office staff in September 2011 as part of the state budget, created significant challenges for the agency in maintaining internal controls related to asset management. The agency remains committed to improving its recordkeeping and will collaborate with DAS in that effort going forward.”

Public Library Construction Grants:

Criteria: Section 4-231 subsection (a) (1) of the General Statutes states that each nonstate entity which expends a total amount of state financial assistance equal to or in excess of three hundred thousand dollars in any fiscal year of such nonstate entity beginning on or after July 1, 2009, shall have either a single audit or a program-specific audit made for such fiscal year.

Section 4-232 subsection (b) (1) of the General Statutes states that, upon completion of the audit, the nonstate entity shall file a copy of the audit report with the cognizant agency and, if applicable, state grantor agencies and pass-through entities.

In addition, the Regulations of Connecticut State Agencies Section 4-236-29 discusses audit resolution and recovery of state program funds based on audit findings. Specifically, subsection (b) states that after the audit report is accepted by the cognizant agency, the grantor state agencies shall review the audit report including the audit findings relating to the agencies’ programs and the auditee’s corrective action plans.

Condition: We reviewed two towns that had received construction grants for public libraries from the State Library during the audited period. One of the towns selected for review had received over \$300,000 during fiscal year 2010-2011 and, as a result, a state single audit was required.

Although a state single audit had been completed, a copy was not filed with the State Library, the grantor agency. We reviewed a copy of the report that had been filed with the cognizant agency, the Office of Policy and Management.

The state single audit report recorded as a grant received from the State Library for public library construction did not agree with the amount paid to that town by the State Library. The report stated that the grant amount received was \$1,800,000; however, according to State Library records and Core-CT reports, it appears that the total

amount paid by the State Library to that town was \$900,000 during the fiscal year ended June 30, 2011.

During the course of our review, we also noted that monitoring for compliance with the requirements of the state single audit statutes had not been done during the audited period. In the past, certain State Library employees would identify towns that had received construction grants and, as a result, may be subject to the state single audit statutory requirements. The employees would send letters to the towns to remind them of those requirements. We found that during the audited period, these types of letters were not sent and monitoring for receipt of single audit reports was not completed.

Effect: The lack of monitoring for compliance with state single audit statutes and regulations leads to an increased risk of noncompliance with statutory requirements and may also lead to erroneous financial reporting.

Cause: The reason for the discrepancy in the state single audit report reviewed could not be determined.

It appears that staff previously assigned the duties of monitoring for compliance with state single audit requirements have retired and since that time, the State Library had not reassigned those responsibilities to other employees.

Recommendation: The State Library should monitor for compliance with the state single audit statutes and state regulations relating to those statutes and should review state single audit reports for audit findings and erroneous information. (See Recommendation 2.)

Agency Response: “In 2009 CT State Library (CSL) lost the Grant Administrator position responsible for the duties of monitoring compliance with the state single audit statutes and state regulations. The responsibilities were delegated to other staff whose positions were eliminated in September 2011 when business office functions were transferred to DAS in implementation of the state budget. CSL will work with DAS to ensure that these duties are reassigned to appropriate staff and monitoring is carried out in the future.”

GAAP Closing Package:

Criteria: The Office of the State Comptroller annually requires each state agency to submit Generally Accepted Accounting Principles (GAAP) Closing Packages to enable the State Comptroller to prepare accurate financial statements in accordance with GAAP. The information

contained on these forms contains financial information that is not readily available on the state's Core-CT accounting system.

Condition: Our audit disclosed that the State Library did not complete a GAAP closing package for the fiscal year ended June 30, 2011. The report should have been completed and submitted to the Office of the State Comptroller by September 6, 2011. In prior years reviewed, we noted that GAAP Form 3- Grant Receivables had been applicable to the department. The average grant receivable amount reported in the prior three fiscal years was approximately \$1.5 million.

Effect: The state's financial statements may not contain all of the necessary grant receivable information.

Cause: We did not determine the exact cause. However, we did note the department's business office functions were in the process of being transferred to the Department of Administrative Services – Small Agency Resource Team when the report should have been prepared and submitted.

Recommendation: The State Library should ensure that GAAP Reporting Package information is submitted in accordance with the Office of the State Comptroller's instructions. (See Recommendation 3.)

Agency Response: "The CT State Library staff person tasked with completing the GAAP Reporting Package retired unexpectedly in June 2011, CSL subsequently lost all business office staff in September 2011 when these functions were transferred to DAS in implementation of the state budget. The responsibility of submitting the GAAP Reporting Package has been transferred to DAS Business Office which should ensure that future filings are done."

State Library Board Meetings Attendance:

Criteria: Section 11-1 subsection (c) of the General Statutes, states that the State Library Board shall meet at least once during each calendar quarter and at such other times that the chairman deems necessary or upon the request of a majority of members in office. This subsection further states that any appointed member who fails to attend three consecutive meetings or who fails to attend fifty percent of all meetings held during a calendar year shall be deemed to have resigned from office.

Condition: A review of the attendance of the twelve members of the State Library Board revealed that two members were absent for three consecutive meetings during the audited period. We expanded our scope to include five additional meeting and noted that another member was also absent for three consecutive meetings and one of the two members noted

above was absent again for three additional meetings. We found that six of the 12 board members, or 50 percent, had missed 33 percent to 58 percent of the meetings during the audited period.

Effect: The CT State Library Board was not in compliance with Section 11-1 subsection (c) of the General Statutes. In circumstances where all commission members are not present, there is less assurance that the board's agenda is being carried out with the input from the full complement of its members.

Cause: The cause for this issue was not determined.

Recommendation: The State Library Board should monitor for compliance with Section 11-1 subsection (c) of the General Statutes and stress the importance of regular attendance by its members. (See Recommendation 4.)

Agency Response: "The State Librarian met with the Chair of the State Library Board in 2011 to review attendance at the State Library Board meetings. The Chair then sent a memo to the board citing attendance requirements under C.G.S. Section 11-1(c). The State Librarian, as secretary to the board, maintains the attendance and notifies the Chair when a board member has missed the requisite number of meetings. The State Library Board Chair then notifies the appointing authority. The two board members noted in the audit as having missed three consecutive meetings during the audit period have since been replaced. The Chair of the State Library Board will annually send a letter to board members reminding them of the attendance requirement and stressing the importance of attending meetings."

RECOMMENDATIONS

Our prior audit report on the State Library contained two recommendations. Of those recommendations, one has been resolved and the other has been modified and is repeated. Two new recommendations are being presented as a result of our current examination.

Status of Prior Audit Recommendations:

- The State Library should improve its controls over state property as outlined by the State Property Control Manual in accordance with Section 4-36 of the General Statutes. This recommendation has not been implemented; therefore, it will be repeated in modified form. (See Recommendation 1.)
- The State Library should develop internal control procedures prohibiting employees from receiving their own timesheet after supervisors sign them and the payroll department should be diligent in comparing faxed timesheet to originals that are received at a later date. This recommendation has been implemented and otherwise resolved; therefore, it will not be repeated.

Current Audit Recommendations:

- 1. The State Library should improve its internal controls relating to asset management and reporting of assets, as described in the State Property Control Manual and in accordance with Section 4-36 of the General Statutes.**

Comment:

The State Library was not able to provide sufficient support documentation for information contained in the CO-59 Report for the fiscal year ended June 30, 2010. The agency did not file a CO-59 Report for the fiscal year ended June 30, 2011. Our physical inspection of the agency's equipment, works of art and historical treasures found discrepancies with information contained in the Core-CT asset management system as well as the agency's internal database. A software inventory list was not maintained.

- 2. The State Library should monitor for compliance with the state single audit statutes and state regulations relating to those statutes and should review state single audit reports for audit findings and erroneous information.**

Comment:

A state single audit report reviewed noted that the amount reported as a grant received from the State Library for public library construction did not agree with the amount paid by the State Library. In addition, monitoring for compliance with state single audit statutes was not performed during the audited period.

- 3. The State Library should ensure that GAAP Reporting Package information is submitted in accordance with the Office of the State Comptroller's instructions.**

Comment:

The agency did not submit a GAAP Reporting Package to the Office of the State Comptroller for the fiscal year ended June 30, 2011.

- 4. The State Library Board should monitor for compliance with Section 11-1 subsection (c) of the General Statutes and stress the importance of regular attendance by its members.**

Comment:

We found that two of the twelve board members missed three consecutive meetings during the audited period.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes, we have audited the books and accounts of the Connecticut State Library for the fiscal years ended June 30, 2010 and 2011. This audit was primarily limited to performing tests of the agency's compliance with certain provisions of laws, regulations, contracts and grant agreements, and to understanding and evaluating the effectiveness of the agency's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grant agreements applicable to the agency are complied with, (2) the financial transactions of the agency are properly initiated, authorized, recorded, processed, and reported on consistent with management's direction, and (3) the assets of the agency are safeguarded against loss or unauthorized use. The financial statement audits of the Connecticut State Library for the fiscal years ended June 30, 2010 and 2011, are included as part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Connecticut State Library complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grant agreements, and to obtain a sufficient understanding of the internal controls to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

Management of the Connecticut State Library is responsible for establishing and maintaining effective internal control over financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts, and grants. In planning and performing our audit, we considered the Connecticut State Library's internal control over its financial operations, safeguarding of assets, and compliance with requirements as a basis for designing our auditing procedures for the purpose of evaluating the agency's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grant agreements, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over those control objectives. Accordingly, we do not express an opinion on the effectiveness of the Connecticut State Library's internal control over those control objectives.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct on a timely basis, unauthorized, illegal or irregular transactions, or breakdowns in the safekeeping of any asset or resource. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions and/or material noncompliance with certain provisions of laws, regulations, contracts, and grant agreements that would be material in relation to the agency's financial operations will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial operations, safeguarding of assets, and compliance with requirements was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial operations, safeguarding of assets, and compliance with requirements that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over the agency's financial operations, safeguarding of assets, or compliance with requirements that we consider to be material weaknesses, as defined above. However, we consider the following deficiencies, described in detail in the accompanying Condition of Records and Recommendations sections of this report, to be significant deficiencies: Recommendation 1 – property control and reporting and Recommendation 2 – public library construction grants. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether the Connecticut State Library complied with laws, regulations, contracts and grant agreements, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the agency's financial operations, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters which we reported to Agency management in the accompanying Condition of Records and Recommendations sections of this report.

The Connecticut State Library's responses to the findings identified in our audit are described in the accompanying Condition of Records section of this report. We did not audit the Connecticut State Library's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the agency management, the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

We wish to express our appreciation for the cooperation and courtesies extended to our representatives by the personnel of the Connecticut State Library during the course of our audit.


Stephanie Novello
Associate Auditor

Approved:



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts