

STATE OF CONNECTICUT

**AUDITORS' REPORT
BOARD OF TRUSTEES OF
COMMUNITY-TECHNICAL COLLEGES
NORTHWESTERN CONNECTICUT COMMUNITY COLLEGE
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 2001**

**AUDITORS OF PUBLIC ACCOUNTS
KEVIN P. JOHNSTON ♦ ROBERT G. JAEKLE**

Table of Contents

INTRODUCTION	1
COMMENTS	1
Foreword.....	1
Recent Legislation	2
Enrollment Statistics	3
Résumé of Operations.....	3
General Fund.....	3
Operating Fund	3
State Capital Projects	6
Grants-Tax-Exempt Proceeds Fund.....	6
Fiduciary Funds	6
Student Activity Fund.....	6
Institutional General Welfare Fund	7
Northwestern Connecticut Community College Foundation, Inc.	7
CONDITION OF RECORDS	9
Time and Effort Reporting.....	9
RECOMMENDATIONS	11
CERTIFICATION	13
CONCLUSION	15

February 20, 2003

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BOARD OF TRUSTEES OF COMMUNITY-TECHNICAL COLLEGES
NORTHWESTERN CONNECTICUT COMMUNITY COLLEGE
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 2001

We have examined the financial records of Northwestern Connecticut Community College (College) for the fiscal years ended June 30, 2000 and 2001.

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 College's compliance with certain provisions of financial related laws, regulations, contracts and grants, and evaluating the College's internal control structure policies and procedures established to ensure such compliance.

This report on our examination consists of the Comments, Condition of Records, Recommendations and Certification that follow.

COMMENTS

FOREWORD:

On October 18, 1999, the Board of Trustees of Community-Technical Colleges (the Board) approved a resolution changing the names of the colleges within the Community-Technical College system from Community-Technical Colleges to Community Colleges. Accordingly, during the audited period, the former Northwestern Connecticut Community-Technical College changed its name to Northwestern Connecticut Community College. The Board's name remained unchanged.

As such, Northwestern Connecticut Community College, located in Winsted, Connecticut, is one of 12 two-year institutions of higher education, which collectively form the Connecticut Community College system. The Board of Trustees of Community-Technical Colleges administers the 12 institutions.

The College operates primarily under the provisions contained in Sections 10a-71 through 10a-80 of the General Statutes.

Dr. R. Eileen Baccus served as President of the College during the audited period.

Recent Legislation:

The following notable legislation took effect during or near the audited period:

Public Act 98-252 – Effective July 1, 1998, Section 48 of this act amended Section 10a-8b of the General Statutes, requiring the amount the Department of Higher Education annually transfers to the individual higher education constituent units' endowment funds from the Higher Education State Matching Grant Fund to be certified based on agreed upon procedures developed by an independent certified public accountant or, upon request, by the Auditors of Public Accounts to determine statutory compliance. Further, effective July 1, 1998, Section 50 of this act allowed the carry forward to future years of gifts eligible for State Endowment Fund matching funds not included in the total certified by the Chairman of the Board of Trustees each February 15.

Public Act 99-285 – Effective July 1, 1999, Section 7 of this Act amended Section 10a-77a of the General Statutes to allow for the administration of the Community-Technical College Endowment Fund by a nonprofit entity so that interest on State bonds used to set up the fund can be Federally tax free. Section 7 further required these endowment fund monies to be held in a trust fund. It also required endowment fund eligible gifts to be deposited into a permanent endowment fund in the appropriate college foundation. In addition, it required that a share of the endowment fund matching grants for the Community-Technical Colleges, and a portion of the earnings on these grants, be transferred annually to such endowment funds.

Section 11, subsection (b) of this Act amended Section 10a-151b of the General Statutes to allow constituent units of public higher education to make purchases based on competitive negotiation as well as competitive bidding. Section 11 also increased the minimum cost of purchases that must be advertised from \$25,000 to \$50,000 and requires that purchases costing \$50,000 or less, rather than \$25,000 or less, be made in the open market and be based, when possible, on at least three competitive bids. It also increased the threshold below which purchases can be made without competitive bidding or negotiation to \$10,000 or less rather than \$2,000 or less.

Special Act 99-10 – Section 1 of this Act appropriated, for the 1999-2000 fiscal year, \$2,199,964 of State General Fund money to the Regional Community-Technical Colleges to be used to help support a tuition freeze. Section 11 of this Act also appropriated \$2,199,964 of State General Fund money to the Regional Community-Technical Colleges, this time for the 2000-2001 fiscal year, for the same purpose. Both Sections became effective July 1, 1999.

Public Act 01-141 – Section 1 of this Act extends by five years the period the Department of Higher Education shall deposit into the endowment fund for the Community-Technical College system grants to match a portion of endowment fund eligible gifts received. The Act sets the new period as the fiscal years ended June 30, 2000, to June 30, 2014.

Section 2 of this Act increased the annual limits of such grants for the fiscal years ended June 30, 2004 and 2005, from \$4,000,000 to \$5,000,000 and from \$4,500,000 to \$5,000,000, respectively.

It also set the annual matching grant limit at \$5,000,000 for the fiscal years ended June 30, 2006, to June 30, 2014.

These Sections of the Act took effect July 1, 2001.

Enrollment Statistics:

Enrollment statistics compiled by the College's Institutional Research and Planning Department showed the following enrollment of full-time and part-time students during the two audited years:

	<u>Fall 1999</u>	<u>Spring 2000</u>	<u>Fall 2000</u>	<u>Spring 2001</u>
Full-time students	375	344	398	350
Part-time students	<u>1,323</u>	<u>1,252</u>	<u>1,198</u>	<u>1,251</u>
Total enrollment	<u>1,698</u>	<u>1,596</u>	<u>1,596</u>	<u>1,601</u>

The average of Fall and Spring semesters' enrollment during the 2000-2001 fiscal year decreased slightly, compared to the previous fiscal year.

RÉSUMÉ OF OPERATIONS:

During the audited period, operations of the College were primarily supported by appropriations from the State's General Fund and by tuition and fees credited to the Regional Community-Technical Colleges' Operating Fund.

This report also covers the operations of the College's two fiduciary funds, the Student Activity Fund and the Institutional General Welfare Fund.

General Fund:

General Fund receipts totaled \$1,459 and \$500 for the fiscal years 1999-2000 and 2000-2001, respectively. Receipts were mainly for refunds of expenditures of budgeted accounts.

During the audited period, General Fund expenditures consisted entirely of personal services costs. Expenditures totaled \$5,574,865 and \$5,470,426 for the fiscal years ended June 30, 2000 and 2001, respectively, compared to \$5,204,184 for the fiscal year ended June 30, 1999. These totals represented an increase of \$370,681 (seven percent) and a decrease of \$104,439 (two percent), respectively, during the audited years. The slight increase noted here was due to salary increases and filling of vacant positions during the 1999-2000 fiscal year.

Operating Fund:

The College's operating revenues and expenditures (excluding personal services expenditures charged to the General Fund) are accounted for within the Operating Fund. Receipts of the Operating Fund consisted primarily of student tuition and fees and Federal and other student financial assistance monies received.

Auditors of Public Accounts

Receipts recorded by the State Comptroller during the audited period and the preceding fiscal year is shown below.

	<u>Fiscal Year</u> <u>1998-1999</u>	<u>Fiscal Year</u> <u>1999-2000</u>	<u>Fiscal Year</u> <u>2000-2001</u>
Total Receipts	<u>\$3,473,908</u>	<u>\$3,516,545</u>	<u>\$ 2,943,652</u>

Total Operating Fund receipts increased by \$42,637 (one percent) during the 1999-2000 fiscal year as compared to the 1998-1999 fiscal year. Fund receipts decreased by \$572,893 (16 percent) during the 2000-2001 fiscal year compared to the previous year.

Fund receipts fell during the 2000-2001 fiscal year, mostly as a result of a change in the method used by the community colleges to report student financial aid-related tuition and fee revenues to the State Comptroller. During the 1998-1999 fiscal year and into the 1999-2000 fiscal year, the community colleges reported to the State Comptroller all student financial aid revenues recorded in their general ledgers, including actual cash receipts received and non-cash, book entries of revenue recognized. This method had the effect of duplicating some receipts recorded on the State Comptroller's books. Effective during the 1999-2000 fiscal year, the community colleges, after consulting with the State Comptroller's Office, discontinued reporting to the State Comptroller the above non-cash transactions of tuition and fee revenues recorded in the colleges' general ledgers. Therefore, during the 2000-2001 fiscal year, no such duplicate receipts were reported to the State Comptroller, which contributed to the decrease in Operating Fund receipts recorded by the State Comptroller in the 2000-2001 fiscal year relative to the prior year.

Operating Fund receipts consisted in large part of student tuition payments received. Tuition charges are fixed by the Board of Trustees. The following summary shows annual tuition charges for full-time students during the audited fiscal years and the previous fiscal year.

	<u>In-State</u>	<u>Out-of-State</u>	<u>N.E. Regional</u> <u>Program</u>
1998-1999	\$ 1,608	\$ 5,232	\$ 2,412
1999-2000	1,608	5,232	2,412
2000-2001	1,680	5,232	2,520

As can be seen above, tuition rates remained unchanged during fiscal years 1998-1999 and 1999-2000. In December 1997, the Board of Trustees for Community-Technical Colleges, in an attempt to further eliminate barriers to higher education, approved a freeze of tuition and fees at the State's 12 community colleges. The freeze remained in effect through 1999-2000, supported by special appropriations granted by the State Legislature to offset the revenue lost during times of rising college costs. For fiscal year 2000-2001, the community college system received a tuition freeze appropriation to cover increased costs for the fiscal years tuition rates were frozen. Due to rising costs, the Board of Trustees of Community-Technical Colleges

approved a tuition increase of \$3 per credit hour for in-state residents and New England Regional students for fiscal year 2000-2001. Out of state resident tuition was not changed.

In accordance with Section 10a-67 of the General Statutes, the Board of Trustees for Community-Technical Colleges sets tuition amounts for nonresident students enrolled in community colleges through the New England Regional Student Program at an amount one and one-half that of in-State tuition.

Tuition for part-time students is charged on a prorated basis according to the number of credit hours for which a student registers.

Operating Fund expenditures, as recorded by the State Comptroller, during the audited period and the preceding fiscal year are shown below.

	<u>Fiscal Year</u> <u>1998-1999</u>	<u>Fiscal Year</u> <u>1999-2000</u>	<u>Fiscal Year</u> <u>2000-2001</u>
Personal Services	\$812,388	\$985,385	\$1,123,861
Contractual Services	879,821	919,956	1,231,531
Commodities	147,477	181,073	194,507
Revenue Refunds	319,805	347,955	496,947
Sundry Charges	774,026	803,739	184,270
Equipment	<u>139,877</u>	<u>62,635</u>	<u>105,626</u>
Total Expenditures	<u>\$3,073,395</u>	<u>\$3,300,743</u>	<u>\$3,436,742</u>

Expenditures were made up of costs associated with personal services, student financial assistance (included in the Sundry Charges category) and other College operating costs. Operating Fund expenditures increased by \$227,348 (seven percent) and \$135,999 (four percent) during the fiscal years 1999-2000 and 2000-2001, respectively.

The slight increase during fiscal year 1999-2000 was mostly due to salary increases and filling of vacant positions.

The increase in Fund expenditures during the 2000-2001 fiscal year was also caused, in part, by a rise in personal services costs. Scheduled salary increases took place and vacant positions were filled.

During the 2000-2001 fiscal year, the Fund's revenue refunds expenditures rose significantly, while sundry charges declined. The increase in revenue refunds expenditures reflects an increase in the amount of student financial assistance awarded during the year and an accompanying increase in the amount of aid refunded to students after the deduction of charges owed the College and the College bookstore. Furthermore, a change in the College's method of classifying certain expenditures also added to the increase in revenue refunds expenditures during the 2000-2001 fiscal year. During the 1999-2000 fiscal year, the College classified as sundry charges disbursements made to its bookstore in connection with financial aid student purchases. In the 2000-2001 fiscal year, the College classified these disbursements as revenue refunds.

Sundry charges decreased significantly during the 2000-2001 fiscal year, mostly as a result of a change in the method used by the community colleges to report student financial aid expenditures to the State Comptroller. During part of the 1999-2000 fiscal year, the community colleges reported to the State Comptroller all student financial aid expenditures recorded in their general ledgers, including actual cash disbursements and non-cash, book entries of expenditures recognized (classified as Sundry Charges on the State Comptroller's records). This method had the effect of duplicating some expenditures recorded on the State Comptroller's books. Effective during the 1999-2000 fiscal year, the community colleges, after consulting with the State Comptroller's Office, discontinued reporting to the State Comptroller the above non-cash transactions of student financial aid expenditures recorded in the Colleges' general ledgers. Therefore, during the 2000-2001 fiscal year, no such duplicate expenditures were reported to the State Comptroller, which contributed to the decrease in Operating Fund revenue refunds expenditures recorded by the State Comptroller in the 2000-2001 fiscal year.

State Capital Projects:

Capital projects funds expenditures during the 1999-2000 and 2000-2001 fiscal years totaled \$728,630 and \$315,945, respectively. These expenditures were primarily made for capital improvements and equipment.

Grants – Tax-Exempt Proceeds Fund:

The College accounted for certain grants, other than Federal, in the Inter-agency/Intra-agency Grants – Tax-Exempt Proceeds Fund. This fund was used to record receipts and disbursements related to grant transfers financed by State of Connecticut tax-exempt bonds in accordance with Sections 3-24a through 3-24h of the General Statutes.

Fund expenditures totaled \$38,369 and \$24,920 during the 1999-2000 and 2000-2001 fiscal years, respectively. Expenditures were made primarily for capital improvements.

Fiduciary Funds:

Student Activity Fund:

The Student Activity Fund, as established under Sections 4-52 through 4-55 of the General Statutes, is used for the benefit of students. Section 4-54 of the General Statutes provides for the student control of activity funds under specific conditions. During the audited period, the student government managed the Student Activity Fund subject to the supervision of the College administration.

Receipts, as presented in financial statements prepared by the College, totaled \$35,204 and \$29,185 in the respective audited years and primarily consisted of the Student Activity fees assessed on students as well as income generated from various student organization activities.

Expenditures, according to financial statements prepared by the College, totaled \$37,929 and \$25,613 in the respective audited years, and were mostly made to cover the costs of student organizations and related activities.

Institutional General Welfare Fund:

The Institutional General Welfare Fund operated under the provisions of Sections 4-56 through 4-58 of the General Statutes. The fund was established to record the financial activities of any gifts, donations or bequests, including scholarships made to benefit students of the College.

Receipts, as shown on financial statements prepared by the College, totaled \$45,775 and \$589,904 in the 1999-2000 and 2000-2001 fiscal years, respectively. During the audited years, receipts included scholarship monies received. In addition, the fund was used as a clearing account for checks received in payment for tuition and fees, which required a return of change to students. Such checks were deposited into this fund, with amounts allocated and disbursed between amounts owed the College and remaining balances owed to students.

Tuition and fee payments made by credit card were also deposited into the Welfare Fund during the audited period. Prior to fiscal year 2000-2001, receipts from credit card payments were included in accounting records, but not on the fund's financial statements. Beginning in fiscal year 2000-2001, the College began including credit card payments in the receipts shown on the fund's financial statements. This change in statement presentation explains the significant increase in receipts shown.

Financial statements prepared by the College reported disbursements that totaled \$40,804 and \$513,552 during the respective audited years. Disbursements included payments for scholarships and the above-mentioned distributions of change to students from checks paid to the College for tuition and fees.

Disbursements from the fund also included transfers of the above-mentioned credit card receipts to the College's Operating Fund. Prior to fiscal year 2000-2001, these disbursements were not included on the fund's financial statements. Beginning in fiscal year 2000-2001, the College began including these disbursements on the fund's financial statements. This change in statement presentation explains the significant increase in disbursements shown above.

Northwestern Connecticut Community College Foundation, Inc.:

The Northwestern Connecticut Community-Technical College Foundation, Inc. was established in December, 1981. Its objective is to support, promote and solicit funds and contributions for the educational needs of the College. A Board of Directors governs the Foundation.

Sections 4-37e through 4-37j of the General Statutes set requirements for organizations such as the Foundation. The requirements include and deal with the annual filing of an updated list of board members with the State agency for which the foundation was set up, financial record

Auditors of Public Accounts

keeping and reporting in accordance with generally accepted accounting principles, financial statement and audit report criteria, written agreements concerning use of facilities and resources, compensation of State officers or employees and the State agency's responsibilities with respect to foundations.

An audit of the books and accounts of the Foundation was performed by an independent certified public accounting firm for the fiscal year ended June 30, 2000, in accordance with Section 4-37f, subsection (8), of the General Statutes. An unqualified opinion was expressed on the Foundation's financial statements and indicated compliance, in all material respects, with Sections 4-37e through 4-37i of the General Statutes.

CONDITION OF RECORDS

Our review of the financial records of Northwestern Connecticut Community College revealed certain areas requiring attention, as discussed in this section of the report.

Time and Effort Reporting

Criteria: The Federal Office of Management and Budget Circular A-21 establishes principles for determining costs applicable to grants, contracts, and other agreements between the Federal government and educational institutions. Under this Circular, the method of distributing payroll charges must recognize the principle of after-the-fact confirmation or determination so that costs distributed represent actual costs. To accomplish this, institutional records must adequately document that payroll expenditures posted to an account were actually incurred in the course of carrying out the program accounted for in the account.

According to Circular A-21, to confirm that charges to a program represent a reasonable estimate of the work performed by the employee for the benefit of the program during the period, an acceptable method of documentation includes the use of statements signed by the employee, principal investigator, or responsible official(s), using suitable means of verification that the work was performed. For professorial and professional staff, the statements must be prepared each academic term, but no less frequently than every six months.

Condition: During the audited period, the College received and administered Federal grants to which payroll expenditures were charged. The College did not require time and effort reports from employees performing work on Federal grants as required by the Office of Management and Budget Circular A-21.

Effect: The College did not comply with the Office of Management and Budget Circular A-21 requirements concerning the documentation of payroll distribution costs.

Cause: College personnel informed us that they were unaware of this requirement.

Recommendation: The College should implement a time and effort reporting system documenting payroll costs for employees associated with its Federal grant programs, as required by the Office of Management and Budget Circular A-21. (See Recommendation 1.)

Agency Response: “NCCC concurs with the finding and has reviewed the College’s federal grant to insure that time and effort reports from employees performing work for the grant are being utilized properly. The College has also implemented a time and effort-reporting system documenting payroll cost for employees associated with its Federal grant programs, as required by the Office of management and Budget Circular A-21.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

- In reviewing payroll transactions during the previous audit, we examined documentation indicating the appointment of employees and authorized rates of pay. We selected a random sample of sixty-five payroll transactions during the audit period. In this sample, twenty-three employees requiring contracts were included. We noted that fourteen of the twenty-three contracts were signed by College officials after the date Contractors began working. It should be noted that payments were not made to the employees until after the authorization was complete. We recommended that the College improve internal control related to personnel procedures related to preparation of employee contracts. During the current routine audit of payroll, we noted significant improvement in timely authorization of employee contracts. The recommendation is not being repeated.
- We noted significant delays in depositing of receipts. We reviewed a total of ninety receipt batches during the fiscal years ended June 30, 1997, 1998 and 1999. Sixty-nine of these batches was not deposited in a timely manner. Delays ranged from 1-5 days. Improvement were noted toward the end of fiscal year 1999, when most delays were only one day. We recommended that the College improve procedures to ensure compliance with Section 4-32 of the General Statutes. We noted significant improvement in the College's compliance with Section 4-32 of the General Statutes during the current audit. The recommendation is not being repeated.
- We reviewed forty transactions coded as outside personal services for compliance with commitment requirements provided by the State Accounting Manual (SAM). We noted that all forty transactions reviewed were committed on a purchase order. We recommended that the College should procure outside professional services through the use of personal service agreements rather than purchase orders as required by the State Accounting Manual. In our current audit, we noted that the College used personal services agreements when necessary. This recommendation is not being repeated.
- During our previous audit, the College did not transmit the Foundation audit report for fiscal year 1996 with an accompanying letter signed by the executive authority to the Auditors of Public Accounts. Our staff requested and received the audit report. We recommended that the College should develop procedures to assure its affiliated Foundation complies with statutory sections related to audit reports. During the current audit, we noted that the most recent audit report of the Foundation had been transmitted to the Auditors of Public Accounts with an accompanying letter as required by the General Statutes. The recommendation is not being repeated.
- In reviewing the software inventory of the College, it was noted that inventory reports were not retained for the fiscal years under review. We were able to review evidence of the current inventory for fiscal year 1999-2000. We recommended that the College should retain software inventory evidence as required by the Property Control Manual. During our current

audit we were able to review physical inventories performed for both fiscal years under examination. The recommendation is not being repeated.

- In reviewing accounts receivable reported on financial statements each fiscal year under audit, we noted that subsidiary detail existed, but was not totaled and reconciled to the control accounts. The College should implement controls to reconcile subsidiary detail to accounts receivable control accounts. During the current audit review, we noted that subsidiary detail, by student, was available and that reconciliations were performed. The recommendation is not being repeated.

Current audit recommendations:

- 1. The College should implement a time and effort reporting system documenting payroll costs for employees associated with its Federal grant programs, as required by the Office of Management and Budget Circular A-21.**

Comment:

During the audited period, the College received and administered Federal grants to which payroll expenditures were charged. The College did not have in place a time and effort reporting system, as required by Office of Management and Budget Circular A-21.

INDEPENDENT AUDITOR'S CERTIFICATION

As required by Section 2-90 of the General Statutes, we have audited the books and accounts of Northwestern Connecticut Community College for the fiscal years ended June 30, 2000 and 2001. This audit was primarily limited to performing tests of the College's compliance with certain provisions of laws, regulations, contracts and grants, and to understanding and evaluating the effectiveness of the College's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations, contracts and grants applicable to the College are complied with, (2) the financial transactions of the College are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the College are safeguarded against loss or unauthorized use. The financial statement audits of Northwestern Connecticut Community College for the fiscal years ended June 30, 2000 and 2001, are included as a part of our Statewide Single Audits of the State of Connecticut for those fiscal years.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial-related 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 Northwestern Connecticut Community College complied in all material or significant respects with the provisions of certain laws, regulations, contracts and grants and to obtain a sufficient understanding of the internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Compliance:

Compliance with the requirements of laws, regulations, contracts and grants applicable to Northwestern Connecticut Community College is the responsibility of Northwestern Connecticut Community College's management.

As part of obtaining reasonable assurance about whether the College complied with laws, regulations, contracts, and grants, 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 College's financial operations for the fiscal years ended June 30, 2000 and 2001, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying "Condition of Records" and "Recommendations" sections of this report. The finding is a lack of compliance with Federal Circular A-87 requiring a system for time and effort reporting.

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

The management of Northwestern Connecticut Community College is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations, contracts and grants applicable to the College. In planning and performing our audit, we considered the College's internal control over its financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the College's financial operations in order to determine our auditing procedures for the purpose of evaluating Northwestern Connecticut Community College's financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations, contracts and grants, and not to provide assurance on the internal control over those control objectives.

However, we noted certain matters involving the internal control over the College's financial operations, safeguarding of assets, and/or compliance that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over the College's financial operations, safeguarding of assets, and/or compliance that, in our judgment, could adversely affect the College's ability to properly record, process, summarize and report financial data consistent with management's authorization, safeguard assets, and/or comply with certain provisions of laws, regulations, contracts, and grants. We believe the following finding represents a reportable condition: A lack of controls for time and effort reporting.

A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants or the requirements to safeguard assets that would be material in relation to the College's financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to the College being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over the College's financial operations and over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material or significant weaknesses. However, of the reportable conditions described above, we believe the following reportable condition to be a material or significant weakness: The College's lack of controls for time and effort reporting.

This report is intended for the information of 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 courtesies and cooperation extended to our representatives by the personnel of Northwestern Connecticut Community College during the course of our examination.

Terri L. Brust
Auditor II

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts