

STATE OF CONNECTICUT



*AUDITORS' REPORT
BOARD OF REGENTS FOR HIGHER EDUCATION
EASTERN CONNECTICUT STATE UNIVERSITY
FISCAL YEARS ENDED JUNE 30, 2019 AND 2020*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ CLARK J. CHAPIN

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August 4, 2021

EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have audited certain operations of the Eastern Connecticut State University for the fiscal years ended June 30, 2019 and 2020. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, and policies; and the need for changes in management practices that warrant the attention of management. The significant findings and recommendations are presented below:

| | |
|----------------|---|
| Page 8 | The university was not verifying that part-time nonteaching employees completed their assigned duties prior to paying them. Eastern Connecticut State University should develop control procedures to document that part-time nonteaching employees complete their assigned duties prior to paying them. (Recommendation 1.) |
| Page 9 | The university did not obtain quotes or perform a price comparison on a \$101,640 purchase using a multi-vendor contract. We also noted two instances in which the university did not obtain the Office of the Attorney General’s approval on contracts exceeding \$25,000. Eastern Connecticut State University should improve its compliance with purchasing policies and procedures. The university should ensure that it reviews applicable price comparisons and that it receives the Office of Attorney General’s approval on contracts exceeding \$25,000. (Recommendation 2.) |
| Page 12 | The university does not utilize a perpetual inventory system for tracking supplies. Eastern Connecticut State University should develop and maintain a perpetual inventory system for tracking supplies to comply with the Office of the State Comptroller State Property Control Manual. (Recommendation 5.) |
| Page 13 | We noted 12 instances in which approved disposal forms referenced attached lists. However, we could not clearly link these lists. We also noted two instances in which the university reported lost items as disposed and recycled, but did not complete and submit a corresponding CO-853 form. Eastern Connecticut State University should improve controls over disposals to ensure approval forms are clearly linked to the listing of donated/recycled items. In addition, CO-853 forms should be completed for all lost equipment. (Recommendation 6.) |

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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August 4, 2021

AUDITORS' REPORT EASTERN CONNECTICUT STATE UNIVERSITY FISCAL YEARS ENDED JUNE 30, 2019 and 2020

We have audited certain operations of the Eastern Connecticut State University (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 years ended June 30, 2019 and 2020. The objectives of our audit were to:

1. Evaluate the university's internal controls over significant management and financial functions;
2. Evaluate the university's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Evaluate the effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, minutes of meetings, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions. Our 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 Résumé of Operations is presented for informational purposes. This information was obtained from various available sources including, but not limited to, the department's management and the state's information systems, and was not subjected to the procedures applied in our audit of the department. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent non-compliance with laws, regulations, contracts and grant agreements, policies, and procedures; and
3. Identified need for improvements 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 the Eastern Connecticut State University.

COMMENTS

FOREWORD

Eastern Connecticut State University in Willimantic is one of the four higher education institutions that collectively make up the Connecticut State University System (CSUS). The other three are Central Connecticut State University in New Britain, Southern Connecticut State University in New Haven, and Western Connecticut State University in Danbury. During the audited period, the university was overseen by the Board of Regents for Higher Education, which serves as the administrative office for CSUS, the Connecticut Community College System, and Charter Oak State College. CSUS, part of the Connecticut State Colleges and Universities (CSCU) System and a constituent unit of the State of Connecticut's system of higher education, operated principally under the provisions contained in Sections 10a-87 through 10a-101 of the General Statutes.

Dr. Elsa Núñez served as university president during the audited period and continues to serve in that capacity.

Significant Legislation

Public Act 18-47, effective October 1, 2018, extended benefits to certain veterans diagnosed with post-traumatic stress disorder or a traumatic brain injury, or experienced military sexual trauma, including tuition waivers for state public colleges and universities if the veteran served in time of war.

Public Act 19-172, effective October 1, 2019, allowed the spouses and unemancipated children residing in the state to maintain their in-state student classification if the service member is

transferred out of state on military orders after the student has been accepted for matriculation in a degree-granting program.

RÉSUMÉ OF OPERATIONS

During the audited period, the primary support for university operations was comprised of appropriations from the state’s General Fund and tuition and fees credited to the university’s operating fund. In addition, the university received capital projects funds generated from state bond issues.

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, the Board of Regents for Higher Education sets tuition charges. The following presents annual tuition charges for full-time students during the audited period:

| Student Status: | 2018 - 2019 | | | 2019 - 2020 | | |
|-----------------|-------------|--------------|----------|-------------|--------------|----------|
| | In-State | Out-of-State | Regional | In-State | Out-of-State | Regional |
| Undergraduate | \$5,642 | \$16,882 | \$7,824 | \$5,924 | \$17,726 | \$8,216 |
| Graduate | 7,027 | 18,102 | 9,750 | 7,378 | 19,008 | 10,238 |

Besides tuition, the university charged students other fees during the audited period, including the University General Fee and a University Fee. The following presents these fees, on an annual basis, during the audited period:

| Fee Description: | 2018 - 2019 | | | 2019 - 2020 | | |
|------------------|-------------|--------------|----------|-------------|--------------|----------|
| | In-State | Out-of-State | Regional | In-State | Out-of-State | Regional |
| General | \$4,596 | \$4,596 | \$4,596 | \$4,804 | \$4,804 | \$4,804 |
| University | 918 | 2,186 | 918 | 918 | 2,076 | 918 |

In addition, the Housing and Food Service fees required of resident students represents 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:

| | 2018 - 2019 | 2019 - 2020 |
|--------------|-------------|-------------|
| Housing | \$ 7,758 | \$ 7,952 |
| Food Service | 5,762 | 5,956 |

Enrollment Statistics

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

| | Fall 2018 | Spring 2019 | Fall 2019 | Spring 2020 |
|-------------------------|----------------------|------------------------|----------------------|------------------------|
| Full-time undergraduate | 4,247 | 3,939 | 4,063 | 3,719 |
| Full-time graduate | 84 | 82 | 80 | 75 |
| Total full-time | 4,331 | 4,021 | 4,143 | 3,794 |
| Part-time undergraduate | 766 | 844 | 740 | 452 |
| Part-time graduate | 111 | 101 | 97 | 102 |
| Total part-time | 877 | 945 | 837 | 554 |
| Total enrollment | 5,208 | 4,966 | 4,980 | 4,348 |

The average enrollment was 5,115 during the 2017-2018 fiscal year and 5,087 during the 2018-2019 fiscal year, a decrease of 28 (.6%). It dipped 423 (8.3%) to 4,664 in the 2019-2020 fiscal year.

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 revenue 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:

| | 2017 – 2018 | 2018 – 2019 | 2019 – 2020 |
|--|---------------------|---------------------|---------------------|
| Tuition and Fees (net of scholarship allowances) | \$32,401,011 | \$40,817,273 | \$39,823,374 |
| Federal Grants and Contracts | 861,240 | 959,473 | 865,437 |
| State and Local Grants and Contracts | 1,549,395 | 1,520,127 | 1,625,074 |
| Non-Governmental Grants and Contracts | 438,817 | 618,706 | 710,090 |
| Indirect Cost Recoveries | 79,547 | 94,747 | 154,730 |
| Auxiliary Revenues | 29,843,766 | 30,103,363 | 23,763,485 |
| Other Operating Revenues | 3,296,335 | 1,126,616 | 946,212 |
| Total Operating Revenues | \$68,470,111 | \$75,240,305 | \$67,888,402 |

Operating revenues totaled \$75,240,305 and \$67,888,402 during the fiscal years ended June 30, 2019 and 2020, respectively, compared to \$68,470,111 during the fiscal year ended June 30, 2018. There was an increase of \$6,770,194 (9.9%) in fiscal year 2019 and decrease of \$7,351,903 (9.8%) in fiscal year 2020.

The growth during the fiscal year ended June 30, 2019 was primarily due to a 4% increase in tuition and fee rates combined with the removal of a debt service fee. During fiscal year 2019, the

system office decided not to deduct debt service fees from the tuition and fees reported in the financial statements, but opted to record it as an interagency transfer.

The decrease during the fiscal year ended June 30, 2020 is largely attributable to a reduction in auxiliary revenues. Due to the COVID-19 pandemic and campus closure midway through the spring 2020 semester, the university refunded a large portion of housing and meal fees.

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, among others.

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

| | 2017 – 2018 | 2018 – 2019 | 2019 – 2020 |
|---------------------------------------|----------------------|----------------------|----------------------|
| Personal Service and Fringe Benefits | \$94,248,133 | \$93,576,218 | \$99,682,140 |
| Professional Services and Fees | 2,457,457 | 3,120,642 | 2,825,070 |
| Educational Services and Support | 15,615,145 | 17,250,355 | 16,504,019 |
| Travel Expenses | 877,064 | 1,032,866 | 713,892 |
| Operation of Facilities | 7,419,981 | 8,045,236 | 7,183,538 |
| Other Operating Supplies and Expenses | 3,670,649 | 3,813,034 | 3,631,708 |
| Depreciation Expense | 14,551,697 | 14,278,190 | 15,972,155 |
| Total Operating Expenses | \$138,840,126 | \$141,116,541 | \$146,512,522 |

Operating expenses totaled \$141,116,541 and \$146,512,522 during the fiscal years ended June 30, 2019 and 2020, respectively, compared to \$138,840,126 during the fiscal year ended June 30, 2018. There was an increase of \$2,276,415 (1.6%) during fiscal year 2019 and \$5,395,981 (3.8%) during fiscal year 2020.

The slight growth during the fiscal year ended June 30, 2019 was mostly due to an increase in expenses for educational services and support as well as operation of facilities.

The growth during the fiscal year ended June 30, 2020 was mostly attributable to the rise in personal service and fringe benefits due to salary increases in bargaining unit contracts.

Nonoperating Revenues

Nonoperating revenues are receipts 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 include items such as the state's General Fund appropriation, private gifts and donations, and investment income.

Nonoperating revenues during the audited years and the previous fiscal year were presented in the university's audited financial statements as follows:

| | 2017 – 2018 | 2018 – 2019 | 2019 – 2020 |
|------------------------------------|---------------------|---------------------|---------------------|
| State Appropriations | \$49,803,080 | \$53,785,817 | \$54,527,601 |
| Pell Grant Revenue | 7,080,943 | 7,546,078 | 6,964,583 |
| Fed. Emergency Grant Revenue | - | - | 3,379,670 |
| Gifts | 390,040 | 752,288 | 529,993 |
| Investment Income | 670,679 | 1,294,292 | 826,398 |
| Capital Projects Financed by SO | - | 21,855,811 | 9,501,896 |
| Other Nonoperating Revenues | 223,644 | 102,960 | 22,562 |
| Total Nonoperating Revenues | \$58,168,386 | \$85,337,246 | \$75,752,703 |

Nonoperating revenues totaled \$85,337,246 and \$75,752,703 during the fiscal years ended June 30, 2019 and 2020, respectively, compared to \$58,168,386 during the fiscal year ended June 30, 2018. There was an increase of \$27,168,860 (46.7%) during fiscal year 2019 and a decrease of \$9,584,543 (11.2%) during fiscal year 2020.

The large increase during the fiscal year ended June 30, 2019 was mostly attributable to capital projects financed by the system office for the completion of two campus building renovations.

The decrease during the fiscal year ended June 30, 2020 was largely due to a reduced amount of capital projects financed by the system office.

In addition to the operating and nonoperating revenues presented above, the university's financial statements reported revenues classified as state appropriations restricted for capital purposes totaling \$21,330,131, \$15,604,427, and \$4,600,871, for the fiscal years ended June 30, 2018, 2019, and 2020, respectively.

Eastern Connecticut State University Foundation, Inc.

The Eastern 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 record keeping 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.

Audits of the books and accounts of the foundation were performed by an independent certified public accounting firm for the fiscal years ended June 30, 2019 and 2020 in accordance with Section 4-37f subsection (8) of the General Statutes. The auditors expressed unqualified opinions on the foundation's financial statements in both fiscal years. In addition, the foundation's auditors indicated compliance, in all material respects, with Sections 4-37e through 4-37k of the General Statutes.

The foundation's audited financial statements reported support and revenues totaling \$3,195,116 and \$2,209,867 during the fiscal years ended June 30, 2019 and 2020, respectively. Net assets were reported at \$19,294,395 and \$19,340,238 as of June 30, 2019 and 2020, respectively.

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Eastern Connecticut State University disclosed the following six recommendations, of which four have been repeated from the previous audit:

Weaknesses in Control over Part-Time Nonteaching Employees

Criteria: Sound internal control requires the preparation of properly approved timesheets or equivalent documentation to provide assurance that the university only paid employees for hours they worked.

Condition: During our review of part-time nonteaching assignments, we noted the university does not obtain after-the-fact confirmation that employees completed their assigned duties prior to paying them.

Effect: There is decreased assurance that employees fulfilled their duties before the university paid them.

Cause: The university informed us that it had not established a system to document whether part-time nonteaching employees completed their duties. Rather, the university relied on the employees' supervisors to inform it when an employee did not complete assigned work.

Prior Audit Finding: A similar finding was reported in our previous audit covering the fiscal years ended June 30, 2017 and 2018.

Recommendation: Eastern Connecticut State University should develop control procedures to document that part-time nonteaching employees complete their assigned duties prior to paying them. (See Recommendation 1.)

Agency Response: "The University agrees with the finding. Human Resources will work with the Provost and Vice President of Academic Affairs and the American Association of University Professors (AAUP) to identify a practicable resolution to address these circumstances."

Procurement Control Weaknesses

Criteria: Proper purchasing procedures require universities to obtain more than one quote or compare pricing on multi-vendor contracts to ensure the university receives the best price and value for a purchase.

The CSCU Procurement Manual requires approval from the Office of the Attorney General for any contract with a value greater than \$25,000.

Condition: We reviewed 20 expenditure transactions, totaling \$519,788, and noted the following:

1. In one instance, the university did not obtain competitive quotes on a \$101,640 purchase using a multi-vendor Department of Administrative Services (DAS) contract.
2. In two instances, the university did not obtain the Office of the Attorney General's approval for contracts exceeding \$25,000. The contracts totaled \$29,997 and \$100,000.

Context: University expenditures totaled \$71,661,971 and \$64,918,207 in fiscal year 2019 and 2020, respectively.

Effect: A lack of price comparisons or competitive bidding during the purchase process decreased assurance that goods and services were obtained at the best prices.

The university did not comply with established procedures concerning contracts exceeding \$25,000.

Cause: The university did not properly execute established control procedures over some purchases.

Prior Audit Finding: We previously reported the portion of this finding concerning the lack of competitive bids in the last audit covering the fiscal years ended June 30, 2017 and 2018.

Recommendation: Eastern Connecticut State University should improve its compliance with purchasing policies and procedures. The university should ensure that it reviews applicable price comparisons, and that it receives the Office of Attorney General's approval on contracts exceeding \$25,000. (See Recommendation 2.)

Agency Response: "The University agrees with the recommendation and will continue to work on our adherence to purchasing policies & procedures regarding price comparisons and Attorney General approval on contracts."

Lack of Receiving Dates – Receipts Originating Outside of the Bursar's Office

Criteria: Section 4-32 of the General Statutes generally requires state agencies to deposit funds within 24 hours of receipt. In addition, the Office of the State Treasurer granted Eastern Connecticut State University a two-day waiver for the deposit of receipts collected by armored car.

| | |
|-----------------------------|--|
| <i>Condition:</i> | We examined ten receipt transactions, consisting of cash and checks collected outside the Bursar's Office. For nine receipts, totaling \$144,130, the university did not provide documentation to confirm that the Bursar's Office promptly received and deposited funds. Specifically, the university did not provide records to document when departments received them. |
| <i>Context:</i> | Departments outside of the Bursar collected receipts totaling \$3,419,211 and \$2,936,427 in fiscal years ended June 30, 2019 and 2020, respectively. |
| <i>Effect:</i> | Without documents to verify when the university initially collected funds, we are unable to verify that the university complied with statutory deposit requirements. The risk of loss or theft is increased when funds are not deposited promptly. |
| <i>Cause:</i> | It appears that controls in place were insufficient to prevent the above condition from occurring. |
| <i>Prior Audit Finding:</i> | This finding has been previously reported in the last audit report covering the fiscal years ended June 30, 2017 through 2018. |
| <i>Recommendation:</i> | Eastern Connecticut State University should record the date funds are collected by departments outside of the Bursar's Office to ensure prompt deposit as required by Section 4-32 of the General Statutes. (See Recommendation 3.) |
| <i>Agency Response:</i> | "The University agrees with this finding and will revise the form. The University will continue to stress the importance of compliance with General Statutes." |

Late Termination of Accounting System Access

| | |
|--------------------|---|
| <i>Background:</i> | Eastern Connecticut State University uses Ellucian Banner as its enterprise resource planning and student information system. The university uses this automated system to maintain its accounting and student academic records. |
| <i>Criteria:</i> | It is a good business practice to promptly terminate an employee's access to Banner when the employee separates from the university. |
| <i>Condition:</i> | We examined the Banner access status for ten employees who separated from the university during the audited period and noted the following: <ol style="list-style-type: none">1. In five instances, the university did not promptly terminate Banner access. The delays ranged from 8 to 126 days after the separation date. |

2. In one instance, the university could not provide documentation to confirm that it disabled an employee's access during an approximately three-month period between retirement and rehire.

Context: The university deactivated 62 Banner user accounts in fiscal year 2020.

Effect: Untimely deactivation allows former employees access to the university's information system. This increases the risk that former employees could potentially manipulate data.

Cause: The university did not have sufficient controls in place to prevent this condition.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: Eastern Connecticut State University should promptly deactivate its former employees' Banner access upon their separation. (See Recommendation 4.)

Agency Response: "The University agrees with the finding and is currently working to rectify this administrative oversight, as well as develop a more comprehensive procedure and review process."

Lack of Perpetual Inventory System – Stores and Supplies

Criteria: The Office of the State Comptroller State Property Control Manual requires a separate perpetual inventory of all store and supplies if the estimated value of the entire inventory meets the capitalization threshold.

Condition: The university does not maintain a perpetual inventory system to track stores and supplies.

Context: The university's stores and supplies inventory totaled \$202,345 as of June 30, 2020.

Effect: Without a perpetual inventory system there is an increased risk of loss or theft.

Cause: The university informed us that it does not have the resources to develop and maintain a perpetual inventory of supplies.

Prior Audit Finding: This finding has not been previously reported.

Recommendation: Eastern Connecticut State University should develop and maintain a perpetual inventory system for tracking supplies to comply with the Office of the State Comptroller State Property Control Manual. (See Recommendation 5.)

Agency Response: “The University agrees with the finding. Eastern currently does not have sufficient resources to procure and maintain a perpetual inventory at this time.”

Noncompliance with Equipment Disposal Controls

Criteria: The Connecticut State University System Procedures for the Disposal of Surplus Property governs the disposal of surplus property at Eastern Connecticut State University. The procedures require completing the following forms: Equipment Disposition, Equipment Pick-up, Certification of Purging (for computers), and Certification of Recycling (for computers). The forms must be signed and identify the items being disposed.

Per the Comptroller’s Property Control Manual, Form CO-853 “Report of Loss or Damage to Real and Personal Property” must be filled out for all lost equipment. A copy of the form must be submitted to the Office of the State Comptroller, Auditors of Public Accounts, and the Department of Administrative Services Insurance and Risk Management.

Condition: We examined the records of 15 assets disposed during the audited period. Our review disclosed the following:

1. In 12 instances, the approved disposal forms referenced an attached list. However, we could not clearly link the listing of items provided to the listing referenced on the approval form.
2. In two instances, the university reported lost items as disposed and recycled. The university did not complete and submit a required CO-853 loss report.

Context: The university disposed of 1,029 equipment items in fiscal year 2019 and 176 in fiscal year 2020.

Effect: There is decreased assurance that all items on the attached list were properly approved and disposed.

Cause: The disposal forms include a relatively small area for asset identification. There are no provisions that address linking to an attached list.

The university used a recycling code in error and did not complete a required CO-853.

Prior Audit Finding: We noted a separate issue concerning disposals in the prior audit covering fiscal years ended June 30, 2017 and 2018.

Recommendation: Eastern Connecticut State University should improve controls over disposals to ensure approval forms are clearly linked to the listing of donated or recycled items. In addition, the university should complete CO-853 forms for all lost equipment. (See Recommendation 6.)

Agency Response: “The University agrees with the finding and is working with the departments involved. We are providing additional staff training for employees.”

RECOMMENDATIONS

Status of Prior Audit Recommendations:

Our prior audit report on the Eastern Connecticut State University contained ten recommendations. Six have been implemented or otherwise resolved and four have been repeated or restated with modifications during the current audit.

- Eastern Connecticut State University should improve its compliance with purchasing policies and procedures. The university should compare prices prior to significant purchases. **This recommendation is being repeated, with modification. (See Recommendation #2.)**
- Eastern Connecticut State University should follow its purchasing card policies and procedures to ensure authorized and proper use of purchasing cards. **This recommendation has been resolved.**
- Eastern Connecticut State University should ensure that it documents the approval of part-time faculty appointments prior to the commencement of service. The university should also document that part-time faculty completed their assigned duties prior to paying them. **This recommendation is being repeated, with modification. (See Recommendation #1.)**
- Eastern Connecticut State University should regularly review and test its disaster recovery plan. **This recommendation has been resolved.**
- Eastern Connecticut State University should record all of its controllable equipment items in accordance with the State Property Control Manual and the CSUS Capital Asset Valuation Manual. **This recommendation has been resolved.**
- Eastern Connecticut State University should improve compliance with the policies and procedures set forth in the Connecticut State University System procedures for the disposal of surplus property. Specifically, the university should sufficiently document that it purged data or software from computers slated for disposal. It also should adequately document the actual transfer of recycled equipment. **This recommendation is being repeated, with modification. (See Recommendation #6.)**
- Eastern Connecticut State University should ensure that it retains adequate back-up records when transitioning to new information systems. **This recommendation has been resolved.**
- Eastern Connecticut State University should promptly disable its former employees' network accounts to university computer resources. **This recommendation has been resolved.**

- Eastern Connecticut State University should ensure that it promptly deposits departmental receipts as required by Section 4-32 of the General Statutes. **This recommendation is being repeated. (See Recommendation #3.)**
- Eastern Connecticut State University should improve compliance with Sections 31-57s and 31-57u(c) of the General Statutes to ensure that it promptly reviews and posts student workers' earned paid sick time to Core-CT employee attendance and leave records. **This recommendation has been resolved.**

Current Audit Recommendations:

- 1. Eastern Connecticut State University should develop control procedures to document that part-time nonteaching employees complete their assigned duties prior to paying them.**

Comment:

The university did not obtain after-the-fact documentation confirming employees completed certain nonteaching assignments before it paid them.

- 2. Eastern Connecticut State University should improve its compliance with purchasing policies and procedures. The university should ensure that it reviews applicable price comparisons and that it receives the Office of Attorney General's approval on contracts exceeding \$25,000.**

Comment:

The university did not obtain competitive quotes for one multi-vendor DAS contract purchase, totaling \$101,640. We also noted two instances in which the university did not obtain the Office of the Attorney General's approval on contracts exceeding \$25,000.

- 3. Eastern Connecticut State University should record the date funds are collected by departments outside of the Bursar's Office to ensure prompt deposit as required by Section 4-32 of the General Statutes.**

Comment:

We noted nine instances in which the university did not date non-Bursar department receipts, totaling \$144,130. Therefore, we could not confirm that the university promptly deposited them.

- 4. Eastern Connecticut State University should promptly deactivate its former employees' Banner access upon their separation.**

Comment:

We noted five instances in which the university did not promptly terminate its former employees' Banner account access upon termination. Delays ranged from 8 to 126 days after separation. We also noted one instance in which the university could not provide documentation to confirm that it disabled an employee's account during a three-month period between retirement and rehire.

- 5. Eastern Connecticut State University should develop and maintain a perpetual inventory system for tracking supplies to comply with the Office of the State Comptroller State Property Control Manual.**

Comment:

The university does not utilize a perpetual inventory system for stores and supplies.

- 6. Eastern Connecticut State University should improve controls over disposals to ensure approval forms are clearly linked to the listing of donated/recycled items. In addition, CO-853 forms should be completed for all lost equipment.**

Comment:

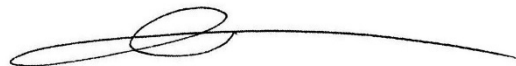
We noted 12 instances in which approved disposal forms referenced attached lists. However, we could not clearly link these lists. We also noted two instances in which the university reported lost items as disposed and recycled, but did not complete and submit a corresponding CO-853 form.

ACKNOWLEDGMENTS

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Eastern 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:

Andrew Collins
Austin Holden
Sameed Iqbal
Linnette Stark
Michael Stemmler

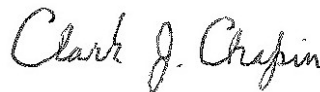


Michael R. Stemmler
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Approved:



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State Auditor



Clark J. Chapin
State Auditor