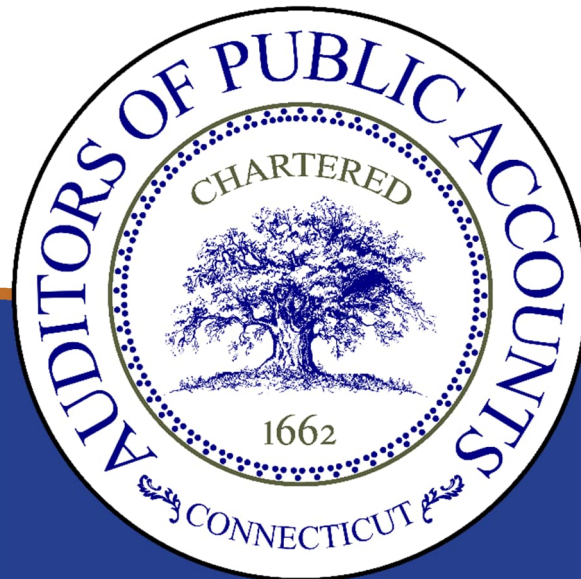


AUDITORS' REPORT

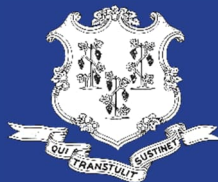
Eastern Connecticut State University

FISCAL YEARS ENDED JUNE 30, 2023 AND 2024



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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November 25, 2025

INTRODUCTION

We are pleased to submit this audit of Eastern Connecticut State University (ECSU) for the fiscal years ended June 30, 2023 and 2024 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies and instances of noncompliance with laws, regulations, or policies.

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

Melissa Forauer
Samantha Grabowski
Audrey Wood

A handwritten signature in black ink that reads "Audrey Wood".

Audrey Wood
Principal Auditor

Approved:

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

John C. Geragosian
State Auditor

A handwritten signature in black ink that reads "Craig A. Miner".

Craig A. Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of Eastern Connecticut State University disclosed the following 11 recommendations, of which seven were repeated from the previous audit.

Finding 1

Unsupported Personnel Actions

Criteria	Supervisors must complete an ECSU Position Action Request Form, approved by various levels of management, to process a position action. Human Resources must also complete and approve a Core-CT Human Resource Management System (HRMS) Action Form to support any personnel actions, including new hires, promotions, and pay rate adjustments. It is a good business practice to maintain adequate documentation to support personnel actions.
Condition	Our review of 15 personnel actions found that the university could not provide documentation, including one Position Action Request Form and two Core-CT HRMS Action Forms, to support two promotions. Without this documentation, we could not verify that management and Human Resources properly approved the promotions.
Context	During the audited period, there were 2,089 employees with 9,091 personnel actions. We judgmentally selected 15 personnel actions, including five new hires, five promotions, three sabbaticals, and two pay rate adjustments, for review.
Effect	Insufficient documentation increases the risk for unauthorized or unjustified personnel actions.
Cause	The identified condition appears to be the result of a lack of management oversight.
Prior Audit Finding	This finding has not been previously reported.

Recommendation	Eastern Connecticut State University should strengthen internal controls to ensure it maintains adequate documentation to support personnel actions.
Agency Response	"The University agrees with the finding. Eastern CT State University Human Resources Department will continue to work on ensuring that appropriate documentation is on file to support all personnel actions and comply with established procedures for processing such actions."

Finding 2

Inadequate Medical Leave Records

Criteria	According to Section 5-247-11 of the state personnel regulations and most collective bargaining agreements, employees must submit a medical certificate to substantiate a period of sick leave of more than five consecutive working days. The statewide Family and Medical Leave Entitlements Manual sets forth procedures for requesting and approving leave under the Family and Medical Leave Act (FMLA). The manual outlines the required forms and submission deadlines.
Condition	Our review of ten medical leaves, nine FMLA and one non-FMLA, identified the following conditions: • Eight FMLA forms were missing for five employees on medical leave for a total of 272 days. • The university did not promptly complete the required FMLA documentation for five employees on medical leave for a total of 264 days. The university completed six forms between one and six business days late. • A required medical certificate was missing for two employees on medical leave for a total of 115 days.
Context	During the audited period, 628 employees charged 75,612 hours of sick leave. We haphazardly selected ten employees on medical leave for 502 days. Nine of the employees were on FMLA leave for 476 days and one was on non-FMLA leave for 26 days.
Effect	There is an increased risk for unauthorized medical leaves, which could result in unnecessary costs to the state.

Cause	These conditions appear to be the result of lack of management oversight.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.
Recommendation	Eastern Connecticut State University should strengthen internal controls to ensure that it administers medical leave in accordance with collective bargaining agreements and Family and Medical Leave Act guidelines.
Agency Response	"The University agrees with the finding. Eastern CT State University Human Resources Department will continue to work on strengthening processes and controls to comply with the requirements for documentation to support medical leaves of absence approved for employees."

Finding 3

Inadequate Controls over Time and Attendance Records

Criteria	Proper internal controls dictate that supervisors should review and approve employee timesheets at the end of each pay period to ensure accuracy and completeness. Employees and supervisors should promptly correct any timekeeping errors. Core-CT allows agencies to temporarily use the Leave in Lieu of Accrual (LILA) time reporting code until it posts monthly leave accruals to an employee's leave time balance. Core-CT Job Aid procedures require state agencies to review monthly usage of LILA time reporting codes and adjust these hours to the appropriate leave accrual balances.
Condition	Our review of ten employees who charged 213 hours of holiday time on non-scheduled holidays found that the university incorrectly coded all 213 hours. As a result of the coding errors, the university overpaid two employees \$1,038 for premium holiday time they did not work. As of September 11, 2025, the university had not recovered the overpayments. Our review of seven employees who charged 153 hours of LILA found that the university adjusted 135 hours of LILA for four employees between 179 and 890 days after they were recorded.

Context	During the audited period, 15 employees charged 315 hours of holiday time on non-scheduled holidays and seven charged 153 hours of unadjusted LILA. We haphazardly selected ten employees who charged 213 hours of holiday time on non-scheduled holidays and all seven employees with 153 hours of unadjusted LILA charges.
Effect	There is an increased risk for undetected timekeeping errors and improper payroll expenditures. Lack of monitoring of the use of the LILA time reporting code could result in employees using more leave time than they earned.
Cause	These issues appear to be the result of inadequate supervisory review of timesheets and a lack of management oversight in the monitoring of the LILA time reporting code.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.
Recommendation	Eastern Connecticut State University should strengthen internal controls to ensure adequate review of employee timesheets and prompt adjustment in the use of the Leave in Lieu of Accrual time reporting code.
Agency Response	"The University agrees with the finding. Due to a turnover in staff, the new policy and supporting reports were not completed in a timely manner. The University will continue to work with staff to rectify this administrative oversight using CORE reports."

Finding 4

Weaknesses in Controls over Part-Time Lecturers

Criteria	The university maintains Part Time Faculty Assignment Authorization (PTFA) forms to support payroll payments to part-time lecturers for teaching and nonteaching assignments. The form documents the assignment details, pay rate, and biweekly payment amounts. The department chair, dean or Vice President of Academic Affairs, Provost, and Human Resources must review and approve the form prior to the first day of classes or the start of nonteaching assignments. Article 12.8 of the Connecticut State University American Association of University Professors (AAUP) collective bargaining agreement outlines the pay rates for part-time faculty. Sound internal controls require the university to maintain adequate
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documentation to justify pay rates and stipends that deviate from the established pay rates.

The university's Load Credit for Non-Instructional Work for Part-Time Faculty Assignment and Reporting Guidelines for Departments requires department chairs to submit a report to the dean of the non-instructional work completed by part-time faculty no later than the last working day of the semester. The guidelines outline the information that department chairs must include in the report.

Condition

Our review of ten payments, totaling \$44,096, to ten part-time lecturers for five teaching assignments and six nonteaching assignments identified the following conditions:

- The university did not properly complete all 11 PTFA forms supporting ten payments, totaling \$44,096.
 - o The dean, vice president of academic affairs, and human resources did not approve or sign ten forms.
 - o Human resources did not indicate the assigned pay group on six forms.
 - o The department chair did not sign three forms.
 - o Human resources did not date its signature on one form so we could not verify its timeliness.
 - o Management signed six forms between three and 383 days after the assignment start dates.
- The university used an incorrect pay rate for one \$2,013 payment, underpaying the employee \$632 for the semester.
- The university could not provide documentation to support its justification for paying \$2,500 stipends to two part-time lecturers for nonteaching assignments.
- The university could not provide the non-instructional work reports to support six payments, totaling \$15,915, to part-time lecturers for nonteaching assignments. Without this information, we could not verify that the part-time lecturers completed their nonteaching assignments prior to payment.

Context

During the audited period, there were 7,576 regular payroll transactions, totaling \$9,385,229, made to 466 part-time lecturers, including 7,007 transactions, totaling \$8,677,201, for teaching assignments and 569 transactions, totaling \$708,028, for nonteaching assignments. We haphazardly selected ten payroll transactions, five teaching and five nonteaching, totaling \$44,096, for review.

Effect	There is an increased risk for unauthorized or improper payroll transactions. There is also decreased assurance that employees fulfilled their duties before the university paid them.
Cause	These conditions appear to be the result of lack of management oversight.
Prior Audit Finding	This finding has been previously reported in the last two audit reports covering the fiscal years 2019 through 2022.
Recommendation	Eastern Connecticut State University should strengthen internal controls over part-time lecturers to ensure that it maintains adequate documentation to support payroll transactions and complies with collective bargaining agreements and university policies and procedures.
Agency Response	"The University agrees with the finding. The electronic form for PTFA will be updated to reduce the chances of the approval/disapproval step being overlooked. The non-instructional work report process can be extended to take in all work performed under a PTFA, whether associated with a specific academic department or not. PTFA's should ordinarily be fully approved prior to the start of activities. In exigent circumstances or in the event of oversight, a policy exception request should be submitted."

Finding 5

Purchasing Card Documentation Issues

Criteria	The State Comptroller's Purchasing Card Manual and the Eastern Connecticut State University Purchasing Card Procedures Manual outline the requirements for state purchasing cards. Each cardholder must keep a monthly log of all transactions, which they and their supervisor must sign. Sound internal controls require the cardholders and supervisors to promptly sign and date monthly logs to ensure prompt resolution of any errors or issues. Cardholders are responsible for ensuring that purchases are tax exempt. If a vendor incorrectly bills for sales tax, the cardholder and agency coordinator must dispute the charge and verify receipt of a credit.
Condition	We reviewed 25 purchasing card expenditures, totaling \$13,188, and identified the following:

- Our review of four of the university president's purchasing card expenditures, totaling \$1,124, found:
 - o There was no supervisory review and approval of the purchases.
 - o The president did not maintain a purchasing card log to support a \$180 expenditure.
 - o The president incurred \$24 in sales tax, which the university did not dispute.
- Cardholders and supervisors did not properly complete and review three purchasing card logs supporting three expenditures, totaling \$1,637. Supervisors did not promptly review two logs until 109 and 231 days after the statement end dates. The cardholder and supervisor did not date one log so we could not verify its timeliness.
- The university could not provide a purchasing card log supporting one expenditure, totaling \$758.

Context	During the audited period, there were 12,974 purchasing cards expenditures, totaling \$2,879,793. We haphazardly selected five monthly statements, with five expenditures from each, for a total of 25 expenditures, totaling \$13,188.
Effect	The identified conditions increase the risk for improper purchases, abuse, and errors.
Cause	There are no procedures to ensure adequate oversight of the president's purchases. The missing and improper purchasing card logs appear to be the result of a lack of management oversight.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	Eastern Connecticut State University and the Board of Regents for Higher Education should strengthen internal controls over purchasing cards to ensure compliance with state and university policies and procedures. The university and board should establish procedures to ensure adequate oversight of the university president's purchases.
ECSU Response	"The University agrees with this finding. Effective May 2025, a new reconciliation process is being used that include signatures of P Card user and P Card holder. Under the new policy, Presidential P Cards require review and sign off by System Office Chief of Staff, Vice Chancellor for System Affairs. We will continue to work with staff to follow the guidelines."

BOR Response

"The BOR agrees with the findings. Effective April 2025, a new policy that better outlines process including the approval of the President's transaction via the Chancellor or his designee. The policy also requires further oversight of constituent unit P card programs. Mandatory training is required for all cardholders."

Finding 6

Employee Travel & Reimbursements

Criteria

The Connecticut State University System and Connecticut Board of Regents System Office Travel Procedures Manual outline the requirements for all state university employees traveling on school-related business.

Employees must have their supervisor preapprove travel plans and estimated costs on a travel authorization form and submit the approved form to the university's Travel Office at least two weeks prior to travel.

Employees must submit their expenses for reimbursement, along with any receipts and relevant documents, on a travel reimbursement form to the Travel Office within 30 calendar days after travel.

Universities must obtain proof of car insurance, indicating state required minimum liability coverage, prior to reimbursing employee mileage for use of their personal vehicle.

Employees must submit an athletic travel reconciliation form for a travel advance to the Travel Office within five business days after travel.

Condition

We reviewed ten travel-related expenditures, totaling \$13,003, and identified the following:

- Our review of two of the president's travel expenditures, totaling \$2,643, found that the president did not submit properly completed travel authorization forms to support the expenditures. The president submitted two blanket travel authorization forms spanning ten and 11 months that did not identify the reasons for travel or the estimated total costs. The president also submitted one travel authorization form a month after the start of the travel period and two forms without supervisory review or approval.

- Employees did not record the document date on three travel reimbursement forms supporting three expenditures, totaling \$3,551, so we could not verify their timeliness.
- The university could not provide evidence that it obtained proof of car insurance prior to reimbursing an employee \$40 in mileage expenses.
- An employee submitted an athletic travel reconciliation form for a \$300 travel advance three days late.

Context	During the audited period, there were 5,800 expenditures for travel and other employee reimbursements, totaling \$2,295,752. We judgmentally selected ten expenditures, totaling \$13,003, with a focus on expenditures related to the president, executive management, and faculty members.
Effect	The identified conditions increase the risk for improperly authorized travel, abuse, and reimbursement errors.
Cause	The university lacks procedures to ensure adequate oversight over the president's travel-related expenditures. The improper and missing documents appear to be the result of a lack of management oversight.
Prior Audit Finding	This finding has not been previously reported.
Recommendation	Eastern Connecticut State University and the Board of Regents for Higher Education should strengthen internal controls over employee travel and reimbursements to ensure compliance with system policies and procedures. The university and board should establish additional procedures to ensure adequate oversight of the university president's travel expenditures.
ECSU Response	"The University agrees with this finding. Eastern will continue to work to rectify the administrative oversight. The department has new staff and will be provided with follow up guidance on intake of travel forms and importance of stamping the date it was received. Additionally, staff has reviewed procedures and the importance of obtaining, review and making a copy for the repository. We will continue to work with staff to follow the guidelines."
BOR Response	"The BOR agrees with the finding. The BOR is currently drafting a new travel and reimbursement policy and procedures to be implemented over the course of this fiscal year. The implementation will include mandatory training by all CSCU employees including senior leadership."

Finding 7

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

Criteria	Section 4-32 of the General Statutes generally requires state agencies to deposit funds within 24 hours of receipt. Sound internal controls dictate that state agencies should maintain adequate tracking records that include receipt dates.
Condition	We examined 15 receipt transactions, consisting of cash and checks collected outside the Bursar’s Office. For 15 receipts, totaling \$65,487, there was no record of when the departments received the funds. Without receipt dates, we could not confirm that the Bursar’s Office promptly received and deposited the receipts.
Context	Departments outside of the Bursar’s Office collected 2,399 receipts, totaling \$5,391,638. We haphazardly selected 15 receipts, totaling \$65,487, for review.
Effect	Without documents to verify when the university initially collected funds, there is decreased assurance that the university complied with statutory deposit requirements. The risk of loss or theft is increased when the university does not promptly deposit funds.
Cause	It appears that the university did not have sufficient controls to prevent this condition.
Prior Audit Finding	This finding has been previously reported in the last three audit reports covering the fiscal years 2017 through 2022.
Recommendation	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.
Agency Response	“The University agrees with this finding and will continue to work with the University community to stress the importance of compliance with the general statutes regarding prompt deposits of funds.”

Finding 8

Asset Management

Criteria	Section 4-36 of the General Statutes requires that each agency establish and maintain an inventory account in the form prescribed by the State Comptroller and annually transmit a detailed inventory as of June 30th of all real and personal property to the Comptroller. The State Property Control Manual provides standards and procedures for maintaining a property control system and requires agencies to accurately report real and personal property on the CO-59 report, maintain specific inventory records, tag and track capital and controllable assets, and annually conduct physical inventories.
Condition	Our review of the university's property control system disclosed the following. • Our review of the fiscal year 2023 and 2024 CO-59 reports found that the university did not record its acreage or number of its buildings. Additionally, the university reported capitalized and licensed software inventory balances as \$0 on its CO-59 reports. Due to an incomplete software inventory, we could not verify the accuracy of these balances. • Our review of 679 assets, totaling \$924,718, purchased during the audited period found that the university did not completely record 21 assets, totaling \$43,525, in its inventory records. Twenty assets were missing the manufacturer, vendor, and acquisition method, and one asset was missing the serial number.
Context	The university reported \$529,219,897 and \$534,819,526 in real and personal property for the fiscal years 2023 and 2024, respectively. During the audited period, there were 360 capital and controllable asset purchases, totaling \$2,339,392. We haphazardly selected ten purchases, totaling \$924,718, consisting of 679 individual assets.
Effect	There is an increased risk of inaccurate reporting and loss of state property.
Cause	A lack of management oversight contributed to this condition.
Prior Audit Finding	This finding has not been previously reported.

Recommendation	Eastern Connecticut State University should strengthen internal controls over its property control system to ensure compliance with the State Property Control Manual.
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Agency Response	"The University agrees with the findings. Eastern will continue to work on strengthening our review process of the CO-59 data. We have updated the required asset data in eEquip and will continue to work towards better alignment of our procedures with the State Property Control Manual."
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Finding 9

Lack of Perpetual Inventory System – Stores and Supplies

Criteria	The State Property Control Manual requires a separate perpetual inventory of all stores and supplies if the estimated value of the entire inventory meets the \$5,000 capitalization threshold.
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Condition	The university did not maintain a perpetual inventory system to track stores and supplies.
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Context	The university's stores and supplies inventory totaled \$255,020 and \$228,385 as of June 30, 2023 and 2024, respectively.
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Effect	Without a perpetual inventory system, there is an increased risk of loss or theft.
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Cause	The university informed us that it does not have the resources to develop and maintain a perpetual inventory of stores and supplies.
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Prior Audit Finding	This finding has been previously reported in the last two audit reports covering the fiscal years 2019 through 2022.
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Recommendation	Eastern Connecticut State University should develop and maintain a perpetual inventory system for tracking stores and supplies to comply with the Office of the State Comptroller State Property Control Manual.
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Agency Response	"The University agrees with the finding. Eastern lacks sufficient resources to procure and maintain a perpetual inventory system."
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Finding 10

Inadequate Software Inventory Records

Criteria	The State Property Control Manual sets forth the requirements for maintaining software inventory, including the information to track.
Condition	The university's software inventory did not contain all the information required by the State Property Control Manual. The missing information included assigned identification number, software version, manufacturer, serial number, acquisition type, acquisition detail, initial installation date, location, number of licenses, cost, and disposal detail.
Context	As of May 2025, the university's software inventory consisted of 25 items.
Effect	Incomplete software inventory records may lead to inaccurate reporting of state property and an increased risk of loss or theft.
Cause	The condition appears to be the result of a lack of management oversight and staff turnover.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.
Recommendation	Eastern Connecticut State University should strengthen internal controls over software inventory and ensure that its inventory records are accurate and contain all required information.
Agency Response	"The University agrees with this finding. Eastern will designate a Software Librarian, develop a software policy, and create a software tracking system."

Finding 11

Late Termination of Accounting System Access

Background	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.
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Criteria	It is a good business practice to promptly deactivate an employee's access to Banner when they separate from the university. The university should sufficiently document its deactivation of the employee's system access.
Condition	We examined the Banner access status for ten employees who separated from the university during the audited period and found that the university could not provide documentation to support that it deactivated four student workers' Banner access upon their separation.
Context	As of April 2025, there were 206 active Banner accounts. We haphazardly selected 20 accounts for review, including ten accounts for newly hired employees and ten accounts for separated employees.
Effect	Unauthorized access to a protected information system can jeopardize the security of its information.
Cause	The condition appears to be the result of a lack of management oversight.
Prior Audit Finding	This finding has previously been reported in the last two audit reports covering the fiscal years 2019 through 2022.
Recommendation	Eastern Connecticut State University should strengthen internal controls to ensure that it promptly deactivates former employees' Banner access upon their separation and maintains adequate supporting documentation.
Agency Response	"The University agrees with this finding. Eastern will develop a formal process for the timely notification of student worker status changes."

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Eastern Connecticut State University contained seven recommendations. All seven have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
Eastern Connecticut State University should strengthen internal controls to ensure adequate review of employee timesheets and prompt adjustment in the use of the Leave in Lieu of Accrual time reporting code.	REPEATED Recommendation 3
Eastern Connecticut State University should strengthen internal controls to ensure that it administers medical leave in accordance with collective bargaining agreements and Family and Medical Leave Act guidelines.	REPEATED Recommendation 2
Eastern Connecticut State University should document that part-time nonteaching employees complete their assigned duties prior to paying them.	REPEATED Modified Form Recommendation 4
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.	REPEATED Modified Form Recommendation 7
Eastern Connecticut State University should develop and maintain a perpetual inventory system for tracking stores and supplies to comply with the Office of the State Comptroller State Property Control Manual.	REPEATED Recommendation 9
Eastern Connecticut State University should promptly deactivate its former employees' Banner access upon their separation.	REPEATED Modified Form Recommendation 11

Prior Recommendation	Current Status
Eastern Connecticut State University should strengthen internal controls over software inventory and ensure that its inventory records are accurate and contain all required information.	REPEATED Recommendation 10

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of Eastern Connecticut State University in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2023 and 2024. The objectives of our audit were to evaluate the:

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

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, revenue and cash receipts, purchasing and expenditures, asset management, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

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

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the university and certain external parties. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the university's management and state information systems. It was not subject to our audit procedures. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. Did not identify a need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of Eastern Connecticut State University.

ABOUT THE AGENCY

Overview

[Eastern Connecticut State University](#) (ECSU) in Willimantic is one of the four higher education institutions that collectively make up the Connecticut State University component of the Connecticut State Colleges and Universities (CSCU) System. The other three are Central Connecticut State University in New Britain, Southern Connecticut State University in New Haven, and Western Connecticut State University in Danbury. The Board of Regents for Higher Education, which serves as the administrative office for CSCU, oversees the university. The Connecticut State University System, a constituent unit of the State of Connecticut's system of public higher education, operates principally under the provisions contained in Sections 10a-87 through 10a-101 of the General Statutes. Dr. Elsa Núñez served as president of the university through June 30, 2024. The Board of Regents for Higher Education appointed Dr. Karim Ismaili as president, effective July 31, 2024.

Significant Legislative Changes

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

- **Public Act 23-204** made various changes impacting the university. Effective July 1, 2023, **Section 87** authorized the Board of Regents for Higher Education, with approval from the Office of Policy and Management secretary, to sell, exchange, lease, convey, or transfer surplus property outside the current disposition process.

Effective July 1, 2023, **Sections 89 and 445** required the Comptroller to pay the retirement-related fringe benefit costs for all employees of the constituent units of the state higher education system. It also required constituent units to fund their employee health and life insurance, unemployment compensation, and employer social security tax.

Effective June 12, 2023, **Section 428** expanded the authority for CSCU to make purchases under an existing contract held by another Connecticut state branch, division, department, constituent unit of higher education or federal entity, or join with any of these entities in a cooperative purchasing plan, if it would serve in the state's best interests.

Effective October 1, 2023, **Section 429** increased from \$50,000 to \$100,000, the maximum cost of a goods and services procurement for which CSCU does not need to solicit competitive bids or proposals. The act also increased, from \$10,000 to \$25,000, the maximum cost of a minor purchase that is exempt from these competitive purchasing requirements.

- **Public Act 23-205 (Sections 105 through 111)**, effective July 1, 2023, increased the maximum cost of capital projects that CSCU may administer from \$2 million to \$3 million. Beginning July 1, 2028, the Department of Administrative Services must annually adjust the threshold for inflation.

Financial Information

Operating Receipts

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

The university did not directly receive General Fund appropriations. Rather, the state distributes General Fund appropriations for the entire Connecticut State University System to the 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 fiscal years:

Student Status	2022-2023			2023-2024		
	In-State	Out-of-State	Regional	In-State	Out-of-State	Regional
Undergraduate	\$ 6,470	\$ 19,358	\$ 9,706	\$ 6,664	\$ 19,940	\$ 9,996
Graduate	\$ 8,058	\$ 20,756	\$ 12,088	\$ 8,300	\$ 21,380	\$ 12,450

Tuition for all in-state and out-of-state students increased by 3% from fiscal year 2023 to fiscal year 2024.

Besides tuition, the university charged students other fees during the audited years, including General, State University, and Student Activity fees. The following presents these fees, on an annual basis, during the audited fiscal years:

Fee Description	Fiscal Year Ended June 30,	
	2023	2024
General	\$ 5,246	\$ 5,404
State University	\$ 994	\$ 1,024
Student Activity	\$ 200	\$ 200

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

Fee Description	Fiscal Year Ended June 30,	
	2023	2024
Housing	\$ 8,642	\$ 8,902
Food Service	\$ 6,472	\$ 6,666
Residence Hall Social Fee	\$ 40	\$ 40

Enrollment Statistics

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

Enrollment	Fall 2022	Spring 2023	Fall 2023	Spring 2024
Full-time undergraduate	3,285	3,083	3,184	3,009
Full-time graduate	81	80	72	81
Total full-time	3,366	3,163	3,256	3,090
Part-time undergraduate	642	346	655	291
Part-time undergraduate	75	67	70	89
Total part-time	717	413	725	380
Total Enrollment	4,083	3,576	3,981	3,470

The average enrollment was 3,830 and 3,726 during the 2023 and 2024 fiscal years, respectively, compared to 4,040 during the 2022 fiscal year. Average student enrollment declined 211 (5.2%) from fiscal year 2022 to fiscal year 2023 and 104 (2.7%) from fiscal year 2023 to fiscal year 2024.

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:

Operating Revenue Description	Fiscal Year Ended June 30,		
	2022	2023	2024
Tuition and Fees (net of scholarship allowances and waivers)	\$ 31,998,579	\$ 29,716,156	\$ 29,989,120
Federal Grants and Contracts	503,346	1,277,496	3,606,781
State and Local Grants and Contracts	1,502,629	1,491,678	556,607
Non-governmental Grants and Contracts	585,969	159,444	7,592
Indirect Cost Recoveries	49,857	19,553	35,057
Auxiliary Revenues	26,076,276	27,150,795	27,795,700
Other Operating Revenues	671,635	793,397	755,251
Total Operating Revenues	\$ 61,388,291	\$ 60,608,519	\$ 62,746,108

Total operating revenues decreased by \$779,772 (1.3%) in fiscal year 2023 due to reductions in tuition and fees of \$2,282,423 resulting from declining enrollment, offset by an increase in auxiliary revenues of \$1,074,519 as students returned to campus following the peak of the COVID-19 pandemic.

Total operating revenues grew by \$2,137,589 (3.5%) in fiscal year 2024 due to an increase in tuition and fees of \$272,964 and auxiliary revenues of \$644,905 resulting from a 3% increase in tuition and fee rates and more students returning to dormitories. There was also a \$2,329,285 increase in federal grants and contracts primarily associated with COVID-19 relief, offset by a \$935,071 decrease in state and local grants and contracts.

Operating Expenses

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

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

Operating Expenses Description	Fiscal Year Ended June 30,		
	2022	2023	2024
Personal Services and Fringe Benefits	\$ 104,500,913	\$ 98,373,213	\$ 76,211,678
Professional Services and Fees	2,885,809	2,959,444	3,139,725
Educational Services and Support	21,549,377	15,404,689	16,432,793
Travel Expenses	527,293	846,334	886,617
Operation of Facilities	7,594,764	8,350,164	8,906,700
Other Operating Supplies and Expenses	5,018,297	3,742,262	6,489,896
Depreciation Expense	16,295,287	16,477,651	16,381,303
Amortization Expense	173,409	1,095,641	1,202,627
Total Operating Expenses	\$ 158,545,149	\$ 147,249,398	\$ 129,651,339

Total operating expenses decreased by \$11,295,751 (7.1%) during fiscal year 2023 which was mainly the result of a \$6,127,700 reduction in personal services and fringe benefit expenditures due to a decrease in pension and other post-employment benefits. Additionally, educational services and support expenditures decreased by \$6,144,688 due to technology updates from fiscal year 2022 that did not continue in fiscal year 2023.

Total operating expenses decreased by \$17,598,059 (12%) during fiscal year 2024. Effective July 1, 2023, CSUS no longer funds retirement contributions for employees participating in state retirement plans, as the state now covers these contributions. As a result of this legislative change, there was a \$24,371,175 decrease in fringe benefit expenditures.

Nonoperating Revenues and Expenses

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

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

Nonoperating Revenue / Expense Description	Fiscal Year Ended June 30,		
	2022	2023	2024
State Appropriations	\$ 67,236,552	\$ 65,780,957	\$ 36,289,706
Pell Grant Revenue	5,820,164	5,658,651	6,133,176
Federal Emergency Grant Revenue	14,001,729	13,923,562	14,551,458
Gifts	813,105	813,668	233,988
Investment Income	163,815	2,309,518	3,814,295
Interest Expense	(5,268)	(127,624)	(105,379)
Capital Projects Expensed by System Office	1,365,538	7,496,045	2,853,434
Other Nonoperating Revenues (Expenses)	994	19,237	20,846
Total Nonoperating Revenues (Expenses)	\$ 89,396,629	\$ 95,874,014	\$ 63,791,524

Net nonoperating revenues grew by \$6,477,385 (7.2%) in the 2023 fiscal year due to a \$6,130,507 increase in capital projects financed by the system office.

Net nonoperating revenues decreased by \$32,082,490 (33.5%) in the 2024 fiscal year due primarily to a \$29,491,251 reduction in state appropriations resulting from the legislative changes that require the state to fund the retirement contributions for employees of constituent units of higher education.

In addition to the operating and nonoperating revenues and expenses presented above, the university's financial statements presented revenues classified as state appropriations restricted for capital purposes totaling \$2,307,761 and \$8,926,968, for fiscal years 2023 and 2024, 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 recordkeeping and reporting in accordance with generally accepted accounting principles; financial statement and audit report criteria; written agreements concerning the use of facilities and resources; compensation of state officers or employees; and the state agency's responsibilities with respect to affiliated foundations.

An independent certified public accounting firm audited the books and accounts of the foundation for the fiscal years ended June 30, 2023 and 2024, in accordance with Section 4-37f(8) of the General Statutes. The auditors expressed unqualified opinions on the foundation's financial statements for both fiscal years. In addition, the foundation's audit reports disclosed no reportable instances of noncompliance with Sections 4-37e through 4-37k of the General Statutes.

The foundation's financial statements reported revenues totaling \$3,995,964 and \$3,891,274 during the fiscal years ended June 30, 2023 and 2024, respectively. Net assets totaled \$22,298,661 and \$25,048,359 as of June 30, 2023 and 2024, respectively.