



Board of Directors and Management  
Eastern Connecticut Regional Educational Service Center  
Hampton, Connecticut

In planning and performing our audit of the financial statements of Eastern Connecticut Regional Educational Service Center (EASTCONN) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered EASTCONN's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EASTCONN's internal control. Accordingly, we do not express an opinion on the effectiveness of EASTCONN's internal control.

However, during our audit we noted the following matters involving the internal control over financial reporting and its operation that we offer as constructive suggestions for your consideration as part of the ongoing process of modifying and improving accounting controls and administrative practices.

#### **Grant Rollforward**

During our review of the grant rollforward schedule and grant questionnaire we noted several errors and there was no evidence of review of these spreadsheets.

We recommend that the grant rollforward schedule is reviewed for completeness and accuracy by someone other than the person preparing the schedule. The rollforward schedule should be prepared and reviewed ahead of the start of the audit fieldwork.

#### **Month End Closing Procedures**

EASTCONN has had significant changes in the accounting department during the period under audit. This change contributed to the overall monthly closing procedures not being performed timely and correctly. The process could have been more efficient at year-end in closing the books and preparation for the audit if the accounting department was using a more formal year-end closing schedule. Such an approach would detail all the critical steps in the year-end close as well as the account analysis and schedule preparation required for the audit. Due dates would also be monitored so that the process stays on target for the established time deadline. Particular attention should be paid to cash balances and necessary reclassification closing journal entries should be done in order to avoid negative cash balances at year-end.

We recommend EASTCONN develop such a formal year-end closing schedule that indicates specific personnel responsibilities and corresponding time requirements. Strict adherence to this schedule should be required because this will allow for the year-end work and audit preparation to be a much less time-consuming and arduous process.

**Lack of Review of Capital Asset Rollforward**

During our audit, we noted that there was a lack of review over the completion of the capital asset rollforward. Several errors were identified and corrected subsequently to the start of the audit.

We recommend appropriate controls be put in place to ensure that capital assets rollforward schedule is reviewed by a person not involved in the preparation. This process should be performed prior to the start of the audit. The review should be documented with the initials or signature of the reviewer and the date on which the review was performed.

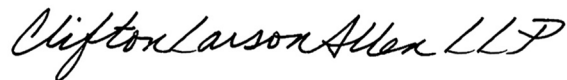
**Custodial Fund Cash Management**

We noted that three member organizations of the Eastern Connecticut Health Insurance Program (ECHIP) have a deficit cash balance as of June 30, 2023, which has been carried forward from previous years.

We recommend that EASTCONN, the administrator of the program, develop a plan for the members to fund these deficits and develop procedures to ensure that deficits are identified and resolved on a timely manner in the future.

This letter should be read in conjunction with our report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated May 23, 2024.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, and federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.



West Hartford, Connecticut  
May 23, 2024