

**MASSACHUSETTS BAY
COMMUNITY COLLEGE**

(an agency of the Commonwealth of Massachusetts)

**INDEPENDENT AUDITORS' REPORTS AS REQUIRED
BY OFFICE OF MANAGEMENT AND BUDGET (OMB)
CIRCULAR A-133 AND *GOVERNMENT AUDITING
STANDARDS* AND RELATED INFORMATION**

JUNE 30, 2015

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

**Independent Auditors' Reports as Required by Office of Management and
Budget (OMB) Circular A-133 and *Government Auditing Standards* and
Related Information**

June 30, 2015

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB
CIRCULAR A-133**

To the Board of Trustees of
Massachusetts Bay Community College
Wellesley Hills, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited Massachusetts Bay Community College's (an agency of the Commonwealth of Massachusetts) (the "College") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2015. Massachusetts Bay Community College's major Federal programs are identified in the Summary of Auditors' Results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Findings 2015-001 through 2015-004. Our opinion on each major Federal program is not modified with respect to this matter.

The College's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Findings 2015-001 through 2015-004, that we consider to be significant deficiencies.

The College's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the College as of and for the year ended June 30, 2015, and have issued our report thereon dated October 27, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* and not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor and Drew, P.C.

Certified Public Accountants
Braintree, Massachusetts

November 24, 2015

(except for the Schedule of Expenditures of Federal Awards, for which the date is October 27, 2015)



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Massachusetts Bay Community College
Wellesley Hills, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Massachusetts Bay Community College (the "College"), which comprise the statements of net position as of June 30, 2015, the related statements of revenues and expenses, changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 27, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Massachusetts Bay Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor and Drew, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

October 27, 2015

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Schedule of Current Year Findings and Questioned Costs

June 30, 2015

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

Major programs of Massachusetts Bay Community College include:

| <u>Program Title</u> | <u>CFDA Number</u> |
|--|--------------------|
| Student Financial Assistance Cluster: | |
| Federal Supplemental Education Opportunity Grant Program | 84.007 |
| Federal Work Study Program | 84.033 |
| Federal Pell Grant Program | 84.063 |
| Federal Direct Student Loans (Note 2) | 84.268 |
| Title III Part A, Strengthening Institutions Program | 84.031A |

The dollar threshold to distinguish between Type A and Type B programs is \$300,000.

The Office of Management and Budget (OMB) has minimum requirements for a recipient of Federal funds to be considered a low-risk auditee. The College does not qualify as a low-risk auditee because there were audit findings resulting from the Single Audits performed on the College's Schedule of Expenditures of Federal Awards in each of the last two years.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs

Finding number: 2015-001 (PY Finding 2014-001)
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063 and 84.268
Award year: 2015

Condition

The Federal government requires the College to report student enrollment changes to the National Student Loan Data System (NSLDS). Out of a sample of forty students with enrollment status changes, six of the students' changes were not reported in a timely manner, one of whose status was reported incorrectly.

Criteria

According to 34 C.F.R. Section 685.309(b)(2):

An institution shall, unless it expects to submit its next Enrollment Reporting Roster File to the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days if the institution discovers a Direct Subsidized, Direct Unsubsidized, or Direct Plus loan has been made to a student who enrolled at the institution and:

1. Has ceased to be enrolled on at least a half-time basis
2. Has failed to enroll on at least a half-time basis for the period for which the loan was intended
3. The loan was made to a full-time student who has ceased to be enrolled on a full-time basis
4. Has changed his or her permanent address

Other conditions that lead to a change in enrollment status include a student's graduation from the College.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Cause/Effect

The College utilizes the National Student Clearinghouse (NSC), a contracted third party, to report status changes to NSLDS. The College reviews the information from NSC and makes any necessary adjustments prior to the final submission to NSLDS. The Registrar has established a schedule of transmissions to NSC on a bi-weekly basis, employed a degree reporting tool and has also developed written policies and procedures for the process to ensure that student status changes are reported accurately and in a timely manner. However, while there were improvements overall in reporting, some instances remained where these processes were unable to provide timely and accurate reporting on a consistent basis.

Lack of timely reporting of changes in student enrollment may result in a delay in the start of the grace period for Federal student loans and a delay of the repayment of these loans if the student has previously utilized their loan grace period.

Recommendation

We recommend that management strengthen their oversight of the NSLDS reporting to ensure that accurate and timely reporting of student enrollment is made in order for the College to be in compliance with the aforementioned requirements.

Questioned Costs

Not applicable

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Views of Responsible Officials

In June of 2015, a full review of the NSLDS reporting was launched to confirm the accuracy of our reporting to the NSLDS, for the period of 7/1/2013-6/30/2014, as requested by the Department of Education. A team made up of Finance, Information Technology, the Registrar and Financial Aid was assembled to analyze the data, identify underlying causes of inaccurate reporting and initiate an action plan to address the findings.

The results of the review concluded that the College needed to focus efforts on three major areas of improvement. First, it was identified that certain policies and procedures hindered timely reporting of enrollment changes. Second, the review made clear that there were significant challenges in the system program reporting function and that a full review was necessary and upgrades to the system in the future need to trigger a review of the submission output. Third, an internal compliance structure to monitor and manage changes to these requirements needed to be put in place. The recommendations of the team received the full support of the President and the Board of Trustees and the solutions are underway.

The causal explanations for the findings in the current year were identified in this review and solutions were being executed at the time of this audit. However, we recognize that there were multiple factors that contributed and a comprehensive approach is necessary to address some underlying reasons for occurrences of non-compliance. In these instances, we outlined what steps will be put in place to address the issue in the immediate term as we move towards complete compliance in this area.

Furthermore, this process highlighted that a thorough review of our reporting procedures and programming, College-wide comprehensive training on this compliance requirement and on-going diligence to internal review and senior-level monitoring of the compliance framework will be a priority of the College going forward.

Contact Persons

Roxanne Dumas
Director of Financial Aid

Ali Güvendiren
Registrar

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Finding number: 2015-002 (PY Finding 2014-004)
Federal agency: U.S. Department of Education
Program: Federal Work Study Program
CFDA #: 84.033
Award year: 2015

Condition

Federal regulations require an institution to monitor and ensure that a work-study student is not working during his/her designated class time.

Our testing revealed that five out of fifteen sampled students worked during scheduled class time at various points throughout the academic year.

Criteria

According to 34 C.F.R. Sections 675.8:

To participate in the FWS program, an institution of higher education shall enter into a participation agreement with the Secretary. The agreement provides that, among other things, the institution shall...

- d) Award FWS employment, to the maximum extent practicable, that will complement and reinforce each recipient's educational program or career goals.

Also, the Federal Student Aid Handbook states:

In general, students are not permitted to work in FWS positions during scheduled class times. Exceptions are permitted if an individual class is cancelled or if the instructor has excused the student from attending for a particular day. Any such exemptions must be documented.

Cause/Effect

The College had not refined its policies and procedures at the start of the award year. However, the College now has a policy that specifically addresses this issue.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Recommendation

The College should continue to monitor its updated policies and procedures to ensure they are compliant with this regulation in the future.

Questioned Costs

\$230

Views of Responsible Officials

In the fall of 2014, several measures were put in place to prevent students from working during scheduled class times, including mandatory supervisor training and providing class schedules to hiring FWS supervisors. At these training sessions, supervisors were told that a student could work if their class was cancelled if the student could provide documentation that the class was cancelled prior to working. However in practice, supervisors allowed students to work during cancelled class times, but did not collect and retain proof of class cancellation documentation on a consistent basis.

To address this in the current year, the supervisor training guide has been changed to clearly state supervisors are not allowed to authorize students to work during scheduled class times even in the event of a class cancellation. Further it was made clear that it is the supervisor's responsibility to ensure this policy is followed. In addition, a section was added to the guide that discusses the audit findings and provides the associated federal regulations regarding the FWS program. Supervisors are still required to attend the training and now only supervisors who have attended the trainings are allowed to sign off on the FWS timesheets submitted by their students. The paper timesheets have also been modified to include language outlining the supervisor's responsibility to ensure students are not submitting hours worked during scheduled class times. Also in the supervisor guide, and through the trainings, supervisors have been informed that any future findings involving one of their FWS students will result in the supervisor not being allowed to have FWS students in a future semester and/or academic year. These measures have been added to the prior policies to ensure MassBay is compliant regarding this FWS regulation.

Contact Person

Roxanne Dumas
Director of Financial Aid

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Finding number: 2015-003
Federal agency: U.S. Department of Education
Program: Student Financial Aid Cluster
CFDA #: Various
Award year: 2015

Condition

In testing a sample of forty students, we noted one instance in which a student was awarded financial aid despite not maintaining Satisfactory Academic Progress (SAP). There was no evidence of an appeal, and the student was not placed on academic probation.

Criteria

According to 34 C.F.R. Section 668.16(e), an institution is deemed to have administrative capability if it:

For purposes of determining student eligibility for assistance under a title IV, HEA program, establishes, publishes, and applies reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory academic progress in his or her educational program.

According to 34 C.F.R. Section 668.34(a):

An institution must establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV, HEA programs.

Also, the College's Student Financial Handbook states:

A student must maintain Satisfactory Academic Progress in order to maintain their eligibility to receive financial aid funds. Satisfactory Academic Progress is determined using three standards: qualitative and quantitative components, and a maximum timeframe for completion of a student's program. Students who do not meet one or more of these standards will have their financial aid immediately suspended.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Criteria - Continued

Upon being notified of the suspension, you have the right to appeal the decision to the Director of Financial Aid. An appeal must be made within two weeks of the notice of your failure to meet the standard of Satisfactory Academic Progress.

If your appeal is approved, you will be placed on financial aid probation. Your probation will be contingent upon completion of both the academic progress plan and an acknowledgement that you understand the terms and conditions of your probation. During periods of probation, you are still eligible to receive financial aid. Students granted probationary status will have their Academic Program Plan reviewed at the conclusion of each probationary semester. Students not meeting the terms of their Academic Program Plan will be placed on financial aid suspension and will be ineligible to receive financial aid.

Cause/Effect

The College has established policies and procedures to ensure students' maintenance of SAP. This student was incorrectly coded as meeting the College's SAP standards as a result of an automated error.

Recommendation

We recommend that the College review its current policies and procedures to determine the cause of this error. We further recommend that the College update their procedures to include review procedures on manually entered data to ensure that only students maintaining SAP are awarded Federal financial aid.

Questioned Costs

\$5,198

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Views of Responsible Officials

Previous to fall 2014, the Financial Aid office review of students for Satisfactory Academic Progress (SAP) was a very manual and labor intensive process where student transcripts were reviewed one at a time and the counselor was charged with manually calculating the credits earned versus attempted, cumulative GPA, and 150% completion rate. In fall 2014, MassBay took a step towards automating the process, the Financial Aid office teamed up with the Registrar's office and the information technology department to create a report that identified students who were not meeting the College's SAP criteria for counselor review.

Although this process was very much improved overall, the current finding is the result of a small flaw in the program logic of the SAP report that was created. The report did not pick up the student because the last time they had attended was a couple years prior, they only attended one semester, and they had been coded as withdrawn from college. MassBay has since adjusted the report and modified it so students in that same scenario will be captured going forward.

Contact Person

Roxanne Dumas
Director of Financial Aid

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Finding number: 2015-004
Federal agency: U.S. Department of Education
Program: Federal Direct Student Loans
CFDA #: 84.268
Award year: 2015

Condition

When a recipient of Federal Direct Student Loans withdraws or graduates from an institution, the institution is responsible for ensuring that exit counseling is conducted with each borrower. In testing twenty-five students who received Federal Direct Student Loans, six of these students did not complete exit counseling.

Criteria

According to 34 C.F.R. Section 672.42(b):

An institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution. As an alternative, in the case of a student enrolled in a correspondence program or a study-abroad program that the institution approves for credit, the borrower may be provided with written counseling material by mail within 30 days after the borrower completes the program. If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.

Cause/Effect

The College uses an automated process inherent in its enterprise software to contact graduated and/or withdrawn students to ensure exit counseling is conducted. During the transition to its current enterprise software, PeopleSoft, the automated process was not immediately implemented, resulting in the lack of exit counseling for the students noted.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Current Year Findings and Questioned Costs - Continued

June 30, 2015

II. Federal Audit Findings and Questioned Costs - Continued

Recommendation

We recommend that the College, when converting to new or updated software programs, prepare and manage a detailed task list addressing all needed outcomes. This will ensure proper completion and adherence to the achievability of the planned outcomes.

Questioned Costs

Not applicable

Views of Responsible Officials

The College executed the implementation of the PeopleSoft financial aid module in fall of 2014. Unfortunately, the implementation proved to be a challenging undertaking given the timing and scope of the project. In addition, over this period the position of Director of Financial Aid was vacant for several months. These factors caused in the implementation to be fragmented which resulted in the full transfer of accounting and tracking of students financial aid to PeopleSoft without the communication features completely functional. Regrettably, this oversight was not immediately identified and exit counseling information was not sent to students timely which caused the instances of non-compliance as identified in the audit.

In June of 2015, the College hired an experienced individual in the role of Director of Financial Aid. Further, a consultant was hired to finish the implementation of the communication functionality in PeopleSoft.

Contact Person

Roxanne Dumas
Director of Financial Aid

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Schedule of Prior Year Findings and Questioned Costs

June 30, 2015

- Prior Year Finding 2014-001

Auditors' Current Year Comment:

Our current year testing revealed findings in this area; see current year finding 2015-001.

- Prior Year Finding 2014-002

Condition:

Prior year testing revealed that unclaimed funds were not returned to the Federal government within the 240 day timeframe as required by Federal regulations.

Auditors' Current Year Comment:

Our current year testing revealed no findings in this area during fiscal year 2015.

- Prior Year Finding 2014-003

Condition:

Prior year testing revealed that out of a sample of twenty-five students who were determined to have withdrawn from the College, one student was noted for whom funds were not returned to the Federal government as of the date the testing took place.

Auditors' Current Year Comment:

Our current year testing revealed no findings in this area during fiscal year 2015.

- Prior Year Finding 2014-004

Auditors' Current Year Comment:

Our current year testing revealed findings in this area; see current year finding 2015-002.

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2015

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA Number | Federal Expenditures |
|---|------------------------|---------------------------------|
| <u>Student Financial Assistance Cluster:</u> | | |
| <i>U.S. Department of Education:</i> | | |
| Federal Supplemental Educational Opportunity Grants | 84.007 | \$ 82,635 |
| Federal Work-Study Program | 84.033 | 50,894 |
| Federal Pell Grant Program | 84.063 | 5,584,443 |
| Federal Direct Student Loans | 84.268 | <u>3,458,302</u> |
| Total Student Financial Assistance Cluster | | <u>9,176,274</u> |
| <u>Non-Cluster:</u> | | |
| <i>National Science Foundation:</i> | | |
| National Science Foundation | 47.000 | 56,987 |
| Education and Human Resources (Passed through from Batec, Step-Up) | 47.076 | <u>29,430</u> |
| | | <u>86,417</u> |
| <i>U.S. Department of Education:</i> | | |
| Title III Part A Strengthening Institutions Program | 84.031A | 358,108 |
| Special Education Grants to States (Passed through from Perkins Post Secondary) | 84.207 | <u>132,612</u> |
| Total U.S. Department of Education | | <u>490,720</u> |
| <i>U.S. Department of Labor:</i> | | |
| Labor Trade Adjustment Assistance Community College and Career Training Grant (Passed through from Quinsigamond and Massasoit Community College) | 17.282 | <u>181,931</u> |
| <i>U.S. Geological Service:</i> | | |
| Assistance to State Water Resource Research Institutes (Passed through from Massachusetts Water Resource Center, UMASS) | 15.805 | <u>1,711</u> |
| Total Expenditures of Federal Awards | | <u>\$ 9,937,053</u> |

See accompanying notes to schedule of expenditure of Federal awards.

MASSACHUSETTS BAY COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2015

Note 1 - **Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (the "Schedule") includes the Federal grant activities of Massachusetts Bay Community College (the "College") (an agency of the Commonwealth of Massachusetts) and is presented on the accrual basis of accounting.

For purposes of the Schedule, Federal awards include all grants, contracts, and similar agreements entered into directly between the College, agencies, departments of the Federal government, and all subawards to the College by nonfederal organizations pursuant to Federal grants, contracts, and similar agreements.

Note 2 - **Federal Direct Student Loans Program**

The College disbursed \$3,458,302 of loans under the Federal Direct Student Loans program, which includes Stafford Subsidized and Unsubsidized Loans and Parents' Loans. It is not practical to determine the balances of loans outstanding to students of the College under this program as of June 30, 2015. The College is responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the College's financial statements.