

**MASSACHUSETTS BAY
COMMUNITY COLLEGE**

(an agency of the Commonwealth of Massachusetts)

**INDEPENDENT AUDITOR'S REPORTS AS
REQUIRED BY THE UNIFORM GUIDANCE AND
GOVERNMENT AUDITING STANDARDS
AND RELATED INFORMATION**

June 30, 2016

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

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Independent Auditor's Report on Supplementary Information
Required by the Uniform Guidance

To the Board of Trustees
Massachusetts Bay Community College

We have audited the financial statements of the business-type activities and the discretely presented component unit of Massachusetts Bay Community College (an agency of the Commonwealth of Massachusetts) as of and for the year ended June 30, 2016, which collectively comprise Massachusetts Bay Community College's basic financial statements, and our report thereon dated (Report Date), which included an emphasis of matter paragraph, expressed unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the 2016 financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is not a required part of the 2016 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 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2016 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 financial statements or to the 2016 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 2016 financial statements as a whole.



Boston, Massachusetts
November 22, 2016

Independent Auditor's 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
Massachusetts Bay Community College

We have audited, in accordance with the 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 the business-type activities and discretely presented component unit of Massachusetts Bay Community College (the "College") (an agency of the Commonwealth of Massachusetts), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 22, 2016, which includes an emphasis of matter paragraph.

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 entity'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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Boston, Massachusetts
November 22, 2016

Independent Auditor's Report on Compliance for
Each Major Federal Program and on Internal Control over
Compliance Required by the Uniform Guidance

To the Board of Trustees
Massachusetts Bay Community College

Report on Compliance for Each Major Federal Program

We have audited Massachusetts Bay Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Massachusetts Bay Community College's major federal programs for the year ended June 30, 2016. Massachusetts Bay Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Massachusetts Bay Community 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance 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 Massachusetts Bay Community 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 Massachusetts Bay Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Massachusetts Bay Community 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, 2016.

Other Matters

The results of our auditing procedures disclosed two instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. Our opinion on each major federal program is not modified with respect to these matters.

Massachusetts Bay Community College's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Massachusetts Bay Community 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 Massachusetts Bay Community 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 Massachusetts Bay Community 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Massachusetts Bay Community 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Boston, Massachusetts
November 22, 2016

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Labor				
Trade Adjustment Assistance Community College and Career Training Grants (Passed through from Quinsigamond and Massasoit Community College)	17.282	17	-	\$ 213,025
Total U.S. Department of Labor				<u>213,025</u>
National Science Foundation				
Education and Human Resources	47.076		-	205,187
Education and Human Resources (Passed through from Boston College)	47.076	47	-	6,840
Education and Human Resources (Passed through from Batec)	47.076	47	-	<u>35,304</u>
Total National Science Foundation				<u>247,331</u>
U.S. Department of Education				
Higher Education - Institutional Aid	84.031A		-	162,990
Special Education Grants to States (Passed through from Perkins Post secondary)	84.027	84	-	<u>156,883</u>
Total Non-Cluster U.S. Department of Education				<u>319,873</u>
<u>Student Financial Assistance Cluster:</u>				
Federal Supplemental Educational Opportunity Grants	84.007		-	119,201
Federal Work-Study Program	84.033		-	65,214
Federal Pell Grant Program	84.063		-	4,693,229
Federal Direct Student Loans	84.268		-	<u>2,639,043</u>
Total Student Financial Assistance Cluster				<u>7,516,687</u>
Total U.S. Department of Education				<u>7,836,560</u>
Total Expenditures of Federal Awards				<u>\$ 8,296,916</u>

See Notes to Schedule of Expenditures of Federal Awards.

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Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Note 1 - **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Massachusetts Bay Community College (the “College”) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2 - **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to a reimbursement. The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - **Federal Direct Student Loans (“FDL”)**

The Schedule includes FDL (“CFDA 84.268”) which are made directly from the U.S. Department of Education to individual students.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

A. Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on whether the financial statements of Massachusetts Bay Community College were prepared in accordance with generally accepted accounting principles.
2. No significant deficiencies related to the audit of the financial statements were reported in the Independent Auditor’s 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*. No material weaknesses were reported.
3. No instances of noncompliance material to the financial statements of Massachusetts Bay Community College, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.
5. The auditor’s report on compliance for the major federal award programs for Massachusetts Bay Community College expresses an unmodified opinion on all major federal programs.
6. There are two audit findings (Finding 2016-001 and 2016-002) required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.
7. The programs tested as major programs were:

<u>Agency</u>	<u>Title</u>	<u>CFDA #</u>
<u>Student Financial Assistance Cluster:</u>		
U.S. Department of Education	Federal Supplemental Educational Opportunity Grants	84.007
U.S. Department of Education	Federal Work-Study Program	84.033
U.S. Department of Education	Federal Pell Grant Program	84.063
U.S. Department of Education	Federal Direct Student Loans	84.268

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

8. The threshold for distinguishing between Type A and B programs for Massachusetts Bay Community College was \$750,000.
9. Massachusetts Bay Community College was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

See Findings 2016-001 and 2016-002 on the Schedule of Findings and Questioned Costs.

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Federal Direct Student Loans (84.268)

Federal Award Number: P268K161601

Award Year: 2016

U.S. Department of Education

Finding Reference: 2016-001

Criteria:

A school shall (1) Upon receipt of an enrollment report from the Secretary, must update all information included in the report and return the report to the Secretary (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary; and (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that (i) A loan under title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended or; (ii) A student who is enrolled at the school and who received a loan under title IV of the Act has changed his or her permanent address (34 CFR 685.309 (b)).

Statement of Condition:

Massachusetts Bay Community College's policy is to report student enrollment to a contracted third party, the National Student Clearinghouse ("NSC"). Massachusetts Bay Community College utilized the NSC to facilitate its responsibility to notify the National Student Loan Data System ("NSLDS") of changes in the enrollment status of students. However, Massachusetts Bay Community College is ultimately responsible to ensure that NSLDS is properly and timely notified of all student enrollment status changes. Massachusetts Bay Community College reports an initial enrollment status and subsequent changes in enrollment status to the NSC based on a pre-determined schedule throughout each semester.

Criteria:

In our sample of 51 students, we noted five students who had a status change reported in excess of the allowable days to be transmitted to NSLDS. Therefore, NSLDS was not notified of the change in enrollment status within the 60-day requirement. Additionally, we noted two students who had a status change and these changes were not reported at all to NSLDS.

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Statement of Cause:

In the spring of 2016, the College experienced an unexpected authorized leave of absence in the Registrar's office. During this time, the NSLDS reporting was processed by an employee in the Registrar's Office with support from the College's Office of Information Technology. These employees were not as experienced in the details of the roster processing with the National Student Clearinghouse ("NSC"). As a result, although the enrollment report was processed and certified timely to the NSC, the error report was not resolved within the recommended time and therefore the enrollment status report was not picked up for reporting to the NSLDS until after the 60 day requirement.

Two students who were reported as having withdrawn from the College in previous terms re-enrolled during FY2016. During fiscal year 2016, the roster submissions to the NSC included the enrollment changes for these students. However, as the students were not added back to the Student Status Confirmation Report ("SSCR"), the NSLDS was not notified of the students' enrollment at the College.

The College contacted NSC and was informed that these students were reported as withdrawn from the College for repeat terms and therefore the student removed from the SSCR roster. Although the College certified the enrollment statuses for these students during 2016, it was the policy of NSC at the time to only respond to students who were on the SSCR roster.

The College contacted the NSLDS customer service and spoke with an enrollment reporting specialist and was informed that these students were not added to the SSCR roster by the Common Origination and Disbursement ("COD") System at the time of disbursement in 2016 because COD only notifies NSLDS aid the first time that the student received Title IV, and not each time awards are originated with COD.

Statement of Effect:

The College is not in compliance with U.S. Department of Education regulations.

Auditor's Recommendation:

The College should enhance their policies and procedures to ensure the timely reporting of enrollment data to NSLDS in accordance with federal regulations requirements.

Questioned Costs:

None

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Views of Responsible Officials and Corrective Actions:

Management has identified that this finding occurred because the College did not have a sufficient employee back up training plan for this procedure. Therefore, beginning immediately, enrollment reporting, using the existing reporting schedule with the NSC, will now be processed by two individuals, instead of one in the Registrar's office at least quarterly. Management believes this will provide on-the-job backup training and allow employees to gain experience for this important and complex reporting process going forward.

In addition, a review of the NSLDS reporting procedures will be conducted to ensure that steps are well documented and in-line with the current procedures and explanations will be provided to afford the reader a full understanding of the process. Further, a resource list will be created to accompany the procedures that will be available during this process should employees have any questions or concerns. This review and documentation will be completed by December 31, 2016.

The College will continue to provide employees with various educational opportunities to ensure that staff members at all levels are aware of the complexities of the reporting compliance requirements. Specifically, a webinar on this topic has been identified for November 2016. Staff members of the Registrar's office, in addition to the Assistant Vice President of Enrollment Management, will be in attendance.

Finally, the Assistant Vice President for Enrollment Services was added to the email list from the NSC that notifies recipients of the file schedule, when files are received and when errors have been resolved. Management believes this will provide an extra level of monitoring of the timeliness of the processing.

The College will update the enrollment procedures to include a reconciliation between the SSCR roster and the certified enrollment roster that is sent to NSC to confirm that enrollment reporting to the NSLDS is accurate. These procedures will be identified and implemented by December 31, 2016.

In December of 2015, The National Clearing House put an enhancement to the College's services which assists in ensuring students that should be on the SSCR Roster are requested to be added.

Between the updated procedures and the additional support provided by our third party service provider, management is confident that this situation will not occur in the future.

Contact: Lisa Slavin
Associate Vice President for Enrollment Management

Implementation dates: Fall, 2016

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Student Financial Assistance Cluster (84.033 and 84.268)

Federal Award Number: P033A131863/P268K161601

Award Year: 2016

U.S. Department of Education

Finding Reference: 2016-002

Criteria:

A school's procedures must provide that an applicant whose FAFSA information is selected for verification is required to complete verification before the school exercises any authority under section 479A(a) of the HEA to make changes to the applicant's cost of attendance or to the values of the data items required to calculate the EFC (34 CFR 668.51-61).

Statement of Condition:

Massachusetts Bay Community College's policy is to complete information verification for all students selected for verification by the Central Processor or the school. All documentation is maintained in the student's financial aid file. Before aid can be disbursed, all verification information must be completed.

Criteria:

In our sample of 18 students, we noted one student who had been flagged for income verification but did not complete a verification worksheet before financial aid was disbursed.

Statement of Cause:

Massachusetts Bay Community College has written policies and procedures for verifying an applicant's FAFSA information in accordance with the provisions of 34 CFR 668.51-61. Unfortunately, the resulting finding occurred because the FAFSA information selected for verification was overlooked for this applicant. This applicant was selected for verification by the Department of Education on a subsequent transaction in March 2016.

In addition to the full written policies and procedures, the Financial Aid Department at the College utilizes a system generated report that is used to monitor updated FAFSA's for students selected for verification on a subsequent Institutional Student Information Record ("ISIR") transaction. The procedures dictate running and reviewing this report weekly when new ISIRs are uploaded into the financial aid module. If there are any students who have been selected for verification, the office obtains the necessary documentation before moving forward with the applicant processing. In this case, the procedures identified the verification requirement, but the information was not followed up on by the individual processing the application.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

Statement of Effect:

The College is not in compliance with U.S. Department of Education regulations.

Auditor's Recommendation:

The College should review and enhance, as deemed necessary as a result of its review, the policies and procedures to ensure income verification prior to the disbursement of aid in accordance with the federal regulations requirements.

Questioned Costs:

None

Views of Responsible Officials and Corrective Actions:

After a full review of the circumstances that contributed to this finding, the Director of Financial Aid is satisfied that the policies and procedures for the verification requirement are adequate and that an additional review of all students on the report will be required before the processing of the report is considered to be complete. The College also identified that training is necessary to make sure that the procedures and compliance requirements are understood by employees who are processing applications.

Contact: Roxanne Dumas
Director of Financial Aid

Implementation dates: Fall 2016

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2016

The College has completed corrective action on the findings noted below from the OMB Circular A-133 Single Audit report for the year ended June 30, 2015.

Student Financial Assistance Cluster (84.063 and 84.268)

Federal Award Number: P063P150209/P268K161601

Award Year: 2015

U.S. Department of Education

Finding Reference: 2015-001

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 40 students with enrollment status changes tested by O’Connor & Drew, P.C. (“OCD”), the predecessor auditor, six of the students’ changes were not reported in a timely manner, one of whose status was reported incorrectly.

Current Status:

Management continues to find ways to strengthen oversight of the NSLDS reporting requirements to ensure accurate and timely reporting of student enrollment. The mechanism for this oversight is through the College’s compliance committee. The compliance committee has full support of the President and the Board of Trustees and is directed by the Vice President of Finance and Administration, CFO and the Vice President of Academic Affairs. Over the last year, the committee has focused specifically on the NSLDS reporting requirements with the following mandates:

- Build an internal compliance control structure to monitor and manage changes to the reporting requirements.
- Identify and retool policies and procedures across functional areas to improve the accuracy and timeliness of reporting enrollment changes.
- Evaluate the results of reviews of the system program reporting function, system and third party partnership requirement updates.
- Identify and take advantage of opportunities to communicate compliance requirements to faculty and staff.

The findings for the current year have been significantly reduced from the prior year. Management believes that continued diligence in the action plan set forth by the College will reach full compliance going forward.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2016

Federal Work Study Program (84.033)
Federal Award Number: P033A131863
U.S. Department of Education
Finding Reference: 2015-002

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.

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

Current Status:

There were no findings in the current audit year for the Federal Work-study (“FWS”) Program. Management does not expect to have future findings as they continue to make internal control and procedural improvements to the administration of the program.

As in prior year, supervisors are required to attend mandatory training sessions in the beginning of the award year prior to the commencement of the FWS program at the College and only those attendees are allowed to sign off on student FWS timecards. This training includes an annually updated, 20-page, Student Employment Federal Work-study training guide, with supplements and forms. One example of the improvements in the award year 2016-17 version is the expanded “Do’s and Don’t’s” section as well as highlights of prior years’ audit findings.

In the FY16-17 award year, payroll processing will no longer be manual but will be included in the HR CMS Massachusetts State Employee electronic timecard and payroll processing system. This will reduce the risk of human error in processing and increase the accuracy and timeliness of processing the FWS payroll.

In addition to the above stated improvements, management has continued the concerted effort to inform the faculty and staff on the compliance requirements through increased communication efforts and professional development opportunities.

MASSACHUSETTS BAY COMMUNITY COLLEGE
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Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2016

Student Financial Aid Cluster (Various)

Federal Award Number: P033A131863

Award Year: 2015

U.S. Department of Education

Finding Reference: 2015-003

Condition:

In testing a sample of forty students performed by OCD, they 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.

Current Status:

In the Fall of 2014, the College made significant steps toward automating the Satisfactory Academic Progress (“SAP”) review. Unfortunately, the report had a small flaw that resulted in the single finding for award year 2014-15.

This weakness has since been corrected. There were no findings identified in the award year 2015-16 and management does not expect to see similar findings in the future.

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Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2016

Federal Direct Student Loans (84.268)
Federal Award Number: P268K161601
U.S. Department of Education
Finding Reference: 2015-004

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 25 students, performed by OCD, who received Federal Direct Student Loans, six of these students did not complete exit counseling.

Current Status:

Due to the implementation of the financial aid module of the PeopleSoft accounting system, the communication features of the system were not fully functional and failed to timely identify six students that required exit counseling.

When the situation was recognized, the College hired an experienced consultant to finish the implementation of the communication functionality in the PeopleSoft System. There were no findings identified in the award year 2015-16 and management does not expect to see similar findings in the future.