



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued August 30, 2022

Berkshire Community College

For the period March 1, 2020 through June 30, 2021





Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

August 30, 2022

Ms. Ellen Kennedy, President
Berkshire Community College
1350 West Street
Pittsfield, MA 01201

Dear Ms. Kennedy:

I am pleased to provide this performance audit of Berkshire Community College. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, March 1, 2020 through June 30, 2021. My audit staff discussed the contents of this report with management of the college, whose comments are reflected in this report.

I would also like to express my appreciation to Berkshire Community College for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular background.

Suzanne M. Bump
Auditor of the Commonwealth

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LIST OF ABBREVIATIONS

ARP	American Rescue Plan
BCC	Berkshire Community College
CARES	Coronavirus Aid, Relief, and Economic Security
CFO	chief financial officer
COVID-19	2019 coronavirus
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act
EOE	Executive Office of Education
EOTSS	Executive Office of Technology Services and Security
ESF	Education Stabilization Fund
FAFSA	Free Application for Federal Student Aid
GEER	Governor's Emergency Education Relief
HEERF	Higher Education Emergency Relief Fund
ICP	internal control plan
ICQ	Internal Control Questionnaire
IHE	institution of higher education
ISA	interdepartmental service agreement
MDHE	Massachusetts Department of Higher Education
US DOE	United States Department of Education

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of Berkshire Community College (BCC) for the period March 1, 2020 through June 30, 2021.

In this performance audit, we reviewed financial activity from federal funding provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020; the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), enacted on December 27, 2020; and the American Rescue Plan (ARP) Act, enacted on March 11, 2021. BCC received grant funding under two components of the CARES Act's Education Stabilization Fund: direct funding from the United States Department of Education (US DOE), provided through the Higher Education Emergency Relief Fund (HEERF),¹ and funding from the Massachusetts Department of Higher Education (MDHE), allocated through the Governor's Emergency Education Relief (GEER) Fund. The purpose of our audit was to determine whether BCC administered the CARES Act, CRRSAA, and ARP Act funding it received in accordance with the criteria established by US DOE and MDHE, as well as with its own student grant distribution method (see "[Appendix](#)").

We also determined whether BCC complied with the Office of the Comptroller of the Commonwealth's guidance by updating its internal control plan to address risks related to the 2019 coronavirus (COVID-19) pandemic. In addition, we determined whether BCC personnel who had access to COVID-19 funding in BCC's Colleague² system completed cybersecurity awareness training in accordance with Sections 6.2.3 and 6.2.4 of the state Executive Office of Technology Services and Security's (EOTSS's) Information Security Risk Management Standard IS.010.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page 13	BCC did not collect and retain adequate detailed documentation to support expenditures charged to federal funding it received for emergency support.
Recommendation Page 14	BCC should create and implement monitoring controls to ensure that all required supporting documentation for its federal expenditures is collected and retained.

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1. The HEERF consists of three separate grants related to the 2019 coronavirus pandemic emergency that were directly funded from US DOE under the CARES Act (HEERF I), CRRSAA (HEERF II), and ARP Act (HEERF III).
 2. Colleague is the database system for BCC's administrative activities, accounting, and student records.

Finding 2 Page <u>14</u>	BCC did not have the required approval for all institutional-portion disbursements from HEERF I and HEERF II grants.
Recommendation Page <u>15</u>	BCC should create and implement monitoring controls to ensure that the required approval process for use of HEERF I and HEERF II funding is consistently followed.
Finding 3 Page <u>16</u>	BCC did not always ensure that its employees who had access to COVID-19 funding completed initial cybersecurity awareness training or annual refresher training.
Recommendation Page <u>16</u>	BCC should develop and implement policies, procedures, and controls to ensure that its employees with access to COVID-19 funding complete an EOTSS-compliant cybersecurity awareness training program.

OVERVIEW OF AUDITED ENTITY

Berkshire Community College (BCC) is authorized by Section 5 of Chapter 15A of the Massachusetts General Laws and operates under the direction of a board of trustees, the members of which are appointed by the Governor. The president of BCC is the administrative head of the college and reports to the board of trustees. According to its website,

[BCC] strives to place higher education within reach of all residents of Berkshire County and beyond. BCC is committed to access, academic excellence, student success, and leadership in the community.

BCC is a member of the Massachusetts public higher education system, which consists of 15 community colleges, nine state universities, and five University of Massachusetts campuses. Founded in 1960, BCC was the first community college established by the Commonwealth. The main campus is in Pittsfield, and a satellite facility is in Great Barrington. In fiscal year 2021, 2,283 students were enrolled at BCC, and BCC offered 40 associate's degree programs and 15 certificate programs.

In fiscal year 2020, BCC had operating revenue of \$11,799,053 and non-operating revenue (state appropriation, federal assistance, and investment income) of \$17,337,119. In fiscal year 2021, BCC had operating revenue of \$11,219,010 and non-operating revenue of \$19,190,462.

Coronavirus Aid, Relief, and Economic Security Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020, provided \$31 billion for an Education Stabilization Fund (ESF) to prevent, prepare for, and respond to the effect of the 2019 coronavirus (COVID-19) pandemic. The ESF includes the Governor's Emergency Education Relief (GEER) Fund, the Elementary and Secondary School Emergency Relief Fund, and grants to state educational agencies and Governors' offices. The ESF also allocated money for the Higher Education Emergency Relief Fund (HEERF) Program.

Section 18002 of the CARES Act awarded grants to states under the GEER Fund to provide emergency assistance funding to local educational agencies, institutions of higher education (IHEs), and other education-related entities. States can use GEER funding to provide emergency support through allocations to IHEs that serve the students who have been most significantly affected by COVID-19. The Massachusetts Executive Office of Education received \$51 million of GEER funding and distributed

approximately \$21 million of it to the Massachusetts Department of Higher Education to support state IHEs.

According to the *Frequently Asked Questions about the Governor's Emergency Education Relief Fund (GEER Fund)* document distributed by the United States Department of Education (US DOE), IHEs may use GEER funding to provide the following:

- *Staff, infrastructure and technology to support distance education, or remote learning;*
- *Academic support for libraries, laboratories, and other academic facilities;*
- *Institutional support for activities related to personnel, payroll, security, environmental health and safety, and administrative offices;*
- *Student services that promote a student's emotional and physical well-being outside the context of the formal instructional program; and*
- *Student financial aid, such as IHE-sponsored grants and scholarships.*

Section 18004(a)(1) of the CARES Act provided funding for the HEERF I Program based on student enrollment. It required IHEs to spend at least 50% of the funding (referred to as the student portion) to provide students with emergency financial aid grants to help cover expenses related to the “disruption of campus operations due to coronavirus” and the remaining funding (the institutional portion) to cover institutional costs associated with “significant changes to the delivery of instruction due to the coronavirus.”

The student portion was to provide funding for items related to students’ cost of attendance, such as tuition, course materials, technology, food, housing, healthcare, and childcare. To be eligible for this funding, students must have completed a Free Application for Federal Student Aid (FAFSA) and could not be enrolled in an online-only academic program on March 13, 2020, the date the President declared the national emergency due to COVID-19. According to Section E(19) of US DOE’s *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*,

Institutions may provide emergency financial aid grants to students using checks, electronic transfer payments, debit cards, and payment apps that adhere to [US DOE’s] requirements for paying credit balances [i.e., money paid directly] to students.

IHEs were responsible for determining how to distribute the grants to students, calculating the amount of each student grant, and developing any guidance to be provided to students for the grants.

The institutional portion could be used to cover any costs associated with significant changes to the delivery of instruction due to COVID-19. These costs included expenditures to expand remote learning programs and build information technology capacity to support the programs (by upgrading WiFi and technology, providing laptops to students, and training faculty members in online instruction) as well as expenditures related to managing campus safety and operations (by disinfecting, cleaning, purchasing of personal protective equipment, adding personnel to increase cleaning frequency, and reconfiguring facilities to promote social distancing). Institutional funding could also be used to reimburse tuition and fees paid by students and to provide additional emergency financial aid grants to students. All expenses paid using this funding must have been incurred on or after March 13, 2020.

Coronavirus Response and Relief Supplemental Appropriations Act

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27, 2020 to provide approximately \$23 billion of additional funding to support IHEs affected by the COVID-19 pandemic.

Like the CARES Act, Section 314(a)(1) of the CRRSAA allocated funding to IHEs by providing both student and institutional funding through HEERF II grants. US DOE modified its guidance to allow more students to receive funding. Under the modified guidance, students were no longer required to have completed a FAFSA or to be enrolled in on-campus classes to receive emergency financial aid grants.

US DOE also modified the guidance for the institutional portion, allowing IHEs to use funding to defray expenses associated with lost revenue. This updated guidance could also be applied to any CARES Act funding that was not expended by the time an IHE received CRRSAA funding.

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan (ARP) Act was signed into law, providing an additional \$40 billion for the HEERF Program. The ARP Act required that at least half of each institution's award be used to make emergency financial aid grants to students and the rest for institutional purposes.

US DOE's guidance document for ARP Act funding, *Higher Education Emergency Relief Fund III Frequently Asked Questions*, defines funding used for institutional purposes as follows:

[Funding used to] (a) implement evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines; and (b) conduct direct outreach to financial aid applicants

about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances.

Below is a summary of BCC's financial activity related to COVID-19 funding during the audit period.

Grant Type	Award	Disbursements
CARES Act 18004(a)(1) and CRRSAA 314(a)(1) Student	\$1,052,144.00	\$1,052,144.00
CARES Act 18004(a)(1) and CRRSAA 314(a)(1) Institutional	2,232,737.00	1,611,673.01
CARES Act 18004(a)(2) and CRRSAA 314(a)(2) Title III	144,357.00	71,702.15
GEER Student	103,209.00	103,209.00
GEER Institutional	147,175.00	147,175.00
ARP Act 2003(a)(1) Student	2,006,844.00	23,615.00
ARP Act 2003(a)(1) Institutional	1,963,069.00	0.00
Total	<u>\$7,649,535.00</u>	<u>\$3,009,518.16</u>

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of Berkshire Community College (BCC) for the period March 1, 2020 through June 30, 2021.

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.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Did BCC administer the student portion of funding under Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Section 314(a)(1) of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and Section 2003(a)(1) of the American Rescue Plan (ARP) Act in accordance with the United States Department of Education's (US DOE's) <i>Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document</i> , <i>Higher Education Emergency Relief Fund (HEERF) II Public and Private Nonprofit Institution (a)(1) Programs ([Catalog of Federal Domestic Assistance, or CFDA] 84.425E and 84.425F) Frequently Asked Questions</i> , and <i>Higher Education Emergency Relief Fund III Frequently Asked Questions</i> and its own distribution method?	Yes
2. Did BCC administer the institutional portion of funding under Section 18004(a)(1) of the CARES Act and Section 314(a)(1) of the CRRSAA in accordance with US DOE's <i>Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document</i> and <i>Higher Education Emergency Relief Fund (HEERF) II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) Frequently Asked Questions</i> ?	No; see Findings <u>1</u> and <u>2</u>
3. Did BCC calculate lost revenue ³ that it recovered in accordance with Questions 3, 9, and 10 of US DOE's <i>Higher Education Emergency Relief Fund (HEERF I, II, and III) Lost Revenue Frequently Asked Questions</i> ?	Yes

3. According to US DOE's *Higher Education Emergency Relief Fund (HEERF I, II, and III) Lost Revenue Frequently Asked Questions*, "Lost revenue refers to those revenues an institution of higher education . . . otherwise expected but were reduced or eliminated as a result of the novel coronavirus 2019 (COVID-19) pandemic."

Objective	Conclusion
4. Did BCC provide the student portion of Governor’s Emergency Education Relief (GEER) funding to eligible students in accordance with Attachment A of the interdepartmental service agreement (ISA) between the Massachusetts Executive Office of Education (EOE) and the Massachusetts Department of Higher Education (MDHE), and did it provide the institutional portion of GEER funding in accordance with Attachment A of its own ISA with MDHE?	No; see Finding 1
5. Did BCC update its internal control plan (ICP) to address the effect of the 2019 coronavirus (COVID-19) pandemic in accordance with the Office of the Comptroller of the Commonwealth’s “COVID-19 Pandemic Response Internal Controls Guidance,” dated September 30, 2020?	Yes
6. Did all BCC Administration and Finance Division and Student Financial Services Office employees who had access to COVID-19 funding complete required cybersecurity awareness training in accordance with Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security’s (EOTSS’s) Information Security Risk Management Standard IS.010?	No; see Finding 3

To achieve our objectives, we gained an understanding of the internal controls we determined to be relevant to the objectives by reviewing BCC’s policies and procedures, as well as conducting inquiries with BCC’s staff members and management. We evaluated the design and implementation of the internal controls related to approvals of BCC’s Higher Education Emergency Relief Fund (HEERF) I and HEERF II institutional-portion disbursements.

To test the effectiveness of internal controls related to the approval of CARES Act and CRRSAA institutional-portion disbursements, we selected a random sample of 11 of 594 CARES Act and CRRSAA institutional-portion disbursements that occurred during our audit period. We inspected emails or purchase orders for these 11 disbursements for evidence of approval from BCC’s chief financial officer or another member of the executive council before the disbursement of funding.

In addition, we performed the following procedures to address the objectives.

CARES Act, CRRSAA, and ARP Act Student Portion

To determine whether BCC administered the student portion of CARES Act, CRRSAA, and ARP Act funding in accordance with US DOE’s *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*, *Higher Education Emergency Relief Fund (HEERF) II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) Frequently Asked Questions*, and *Higher Education Emergency Relief Fund III Frequently Asked Questions*, as well as its own distribution method, we divided

our population of 1,569 student grants into three categories: CARES Act technology grant;⁴ CRRSAA emergency grant;⁵ and CARES Act, CRRSAA, and ARP Act additional student assistance grants distributed during our audit period. For each category, we conducted the following procedures:

- To determine whether BCC administered the student portion of the CARES Act technology grant in accordance with US DOE's *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*, we selected a random, nonstatistical sample of 50 student grants from a population of 640. We verified that each student in our sample had completed a 2019–2020 Free Application for Federal Student Aid (FAFSA); was enrolled in at least one on-campus course on March 13, 2020; and had maintained satisfactory academic progress. To determine whether the payment method was allowable, we verified that payments to students were made by a method approved by US DOE (i.e., checks, electronic transfers, debit cards, or payment apps that adhere to US DOE's requirements for paying credit balances to students).
- To determine whether BCC administered the student portion of the CRRSAA emergency grant in accordance with US DOE's *Higher Education Emergency Relief Fund (HEERF) II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) Frequently Asked Questions*, we selected a random, nonstatistical sample of 50 student grants from a population of 620. We verified that each student in our sample had completed a 2020–2021 FAFSA, was enrolled in at least one three-credit spring 2021 course, and had maintained satisfactory academic progress. To determine whether the payment method was allowable, we verified that payments to students were made by a method approved by US DOE.
- To determine whether BCC administered student requests for additional assistance from CARES Act, CRRSAA, and ARP Act funding in accordance with US DOE's *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*, *Higher Education Emergency Relief Fund (HEERF) II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) Frequently Asked Questions*, and *Higher Education Emergency Relief Fund III Frequently Asked Questions*, as well as its own method for calculating each distribution amount, we selected a random, nonstatistical sample of 40 student grants from a population of 309. We verified that each student had submitted an online request for additional assistance, that the additional assistance was related to COVID-19, and that the student had provided supporting documentation. We requested copies of the corresponding schedule for each source of funding (CARES Act, CRRSAA, or ARP Act funding) to verify that the student met the following enrollment requirements:
 - If a student received a grant from CARES Act funding, we verified that they had completed a 2019–2020 FAFSA; were enrolled in at least one on-campus course on March 13, 2020; and had maintained satisfactory academic progress.

4. CARES Act technology grants were awarded to students to help cover costs associated with converting to online learning.

5. CRRSAA emergency grants were awarded to students to help cover the costs of remote learning, such as food, technology, Internet service, and utilities.

- If a student received a grant from CRRSAA funding, we verified that they had completed a 2020–2021 FAFSA, were enrolled in at least one three-credit course for the spring 2021 semester, and had maintained satisfactory academic progress.
- If a student received a grant from ARP Act funding, we verified that they were enrolled on or after March 13, 2020. To determine whether the payment method was allowable, we verified that payments to students were made by a method approved by US DOE, and we recalculated each payment amount for accuracy.

CARES Act and CRRSAA Institutional Portion

To determine whether BCC administered the institutional portion of CARES Act and CRRSAA funding in accordance with US DOE's *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document* and *Higher Education Emergency Relief Fund (HEERF) II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) Frequently Asked Questions*, we selected a random, nonstatistical sample of 50 institutional transactions from our population of 593. For each sampled transaction, we inspected purchase orders, vouchers, invoices or bills, emails, payment vouchers, and/or receipts to determine the reason for the transaction, whether the transaction was related to the disruption of campus operations due to COVID-19, whether the documentation adequately supported the need for each item or service, and whether the transaction was allowable.

Lost Revenue

To determine whether lost revenue recovered by BCC was calculated in accordance with US DOE's *Higher Education Emergency Relief Fund (HEERF I, II, and III) Lost Revenue Frequently Asked Questions*, we reperformed BCC's calculation of lost revenue recovered, for accuracy, and analyzed the method used to determine the recovery amount.

GEER Funding

To determine whether BCC administered the student portion of GEER funding in accordance with Attachment A of the ISA between EOE and MDHE, and the institutional portion of GEER funding in accordance with Attachment A of BCC's ISA with MDHE, we split the total population of 96 transactions into 65 institutional transactions and 31 summarized student transactions. The 31 summarized student transactions consisted of 133 individual GEER Fund student grants.

- To determine whether BCC administered the institutional portion of GEER funding in accordance with the ISAs, we selected a random, nonstatistical sample of 20 institutional transactions from the population of 65. We inspected purchase orders, vouchers, emails, invoices/bills, and/or

receipts to determine whether each expense was incurred between March 1, 2020 and December 31, 2020; what was the purpose of each one; whether each transaction was related to the disruption of campus operations due to COVID-19; whether funding was used for staff members, student services, or building services; and whether each transaction was allowable.

- To determine whether BCC administered the student portion of GEER funding in accordance with Attachment A of the ISA between EOE and MDHE, we selected a random, nonstatistical sample of 35 student transactions from a population of 133. For each student transaction, we determined whether the student was a Massachusetts resident, was enrolled in a degree or certificate program, had completed a FAFSA, had maintained satisfactory academic progress, and had not earned a baccalaureate or professional degree. Additionally, we determined whether each transaction was related to COVID-19; whether the funding disbursed was for education expenses, childcare, healthcare, technology expenses, transportation, or personal expenses; and that the funding granted did not exceed \$1,000.

ICP

To determine whether BCC updated its ICP to address the effects of COVID-19, as required by the Office of the Comptroller of the Commonwealth’s “COVID-19 Pandemic Response Internal Controls Guidance,” we received and reviewed Internal Control Questionnaires (ICQs) from fiscal years 2020 and 2021, BCC’s ICP from before March 2020, and BCC’s ICP from June 2020. We also compared the ICQs for fiscal years 2020 and 2021 to the ICPs to determine whether BCC performed a risk assessment related to COVID-19.

Cybersecurity Awareness Training

To determine whether all 31 BCC Administration and Finance Division and Student Financial Services Office employees who had access to COVID-19 funding during our audit period completed annual refresher or new hire cybersecurity awareness training in accordance with EOTSS’s Information Security Risk Management Standard IS.010, we obtained and inspected certificates of completion of cybersecurity awareness training for these 31 employees.

When nonstatistical sampling was used, we could not project the results to the entire population.

Data Reliability Assessment

To determine the reliability of the data from Colleague, we interviewed knowledgeable officials about the datasets for institutional and student transactions and system users. We tested BCC’s access and security management controls for this system.

We tested both CARES Act and GEER Fund student grant lists for missing and duplicate records and for records outside the audit period; we also traced grants from both lists to each student's application and reconciled the student grant list with the summarized transaction totals from the general ledger.

To determine the reliability of both CARES Act and GEER Fund institutional transaction lists, we reconciled the lists to the account balances and their respective revenue accounts from the general ledger.

To determine the reliability of the Colleague system user list, we compared it to the list of employees provided by BCC officials.

As a result of these procedures, we determined that the institutional and student transaction data and the user lists were sufficiently reliable for the purpose of our audit. However, we did identify a number of information technology general control issues we believe warrant BCC's attention; we have disclosed them in the "Other Matters" section of this report.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Berkshire Community College did not collect and retain adequate detailed documentation to support expenditures charged to federal funding it received for emergency support.

Berkshire Community College (BCC) could not provide adequate records for 18 of the 50 Higher Education Emergency Relief Fund (HEERF) I and HEERF II institutional-portion transactions in our sample. We had examined these transactions to substantiate that they were related to the 2019 coronavirus (COVID-19) and were for student grants, refunds, scholarships, information technology equipment or software for students, COVID-19-related safety supplies, computer system upgrades, the defraying of expenses such as distance education or faculty and staff member training, or other student support activities.

BCC could not provide adequate records for 1 of the 35 Governor's Emergency Education Relief (GEER) Fund student-portion transactions we examined to identify the transactions' purposes. BCC also could not provide adequate records for 9 of the 20 GEER Fund institutional-portion transactions we examined to substantiate that the transactions were related to COVID-19 and were for staff members,⁶ student services, building services, or temporary facilities.

Without collecting and retaining adequate documentation to support that expenditures of federal funding are related to COVID-19, BCC cannot provide assurance that the funding has been used for its intended purposes. Furthermore, noncompliance with record retention requirements for federal grants may result in BCC having to repay the funding and may adversely affect its ability to obtain future funding.

Authoritative Guidance

Section 200.334 of Title 2 of the Code of Federal Regulations, which the federal Office of Management and Budget uses in its *Uniform Guidance* (2014), requires the following:

Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report . . . as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

6. Staff member transactions are expenses that were needed to compensate staff and faculty members for training on remote learning, hygiene, and ways to minimize the spread of disease when in-person classes resumed.

Reasons for Issue

BCC has no monitoring controls to ensure that all required supporting documentation for its federal expenditures is collected and retained.

Recommendation

BCC should create and implement monitoring controls to ensure that all required supporting documentation for its federal expenditures is collected and retained.

Auditee's Response

While the College believes proper procedures and controls were in place for the audit period, the global pandemic required moving from [on-premises] to remote work and adapting a paper-based procurement system to an online system. In our internal post audit discovery, we found supporting documents, but they were stored in multiple locations. The requested documentation was not provided to the State Auditors in a timely fashion, if at all. This illustrated the issue outlined by this audit.

We are creating a streamlined monitoring system for transactions to ensure approval from inception to payment. This process has already begun with the post audit business discovery effort. A financial software upgrade is in progress, which includes extensive training for employees who will interact with it. In the meantime, all documents are reviewed for adherence to the requirements of federal and state guidelines and approved by designated signatories.

Auditor's Reply

Based on its response, BCC is taking measures to address our concerns on this matter.

2. BCC did not have the required approval for all institutional-portion disbursements from HEERF I and HEERF II grants.

BCC did not have the required approval from its chief financial officer (CFO) or another member of the executive council (i.e., BCC's president, any department vice president, or the executive director of human resources) for 10 of the 11 institutional-portion disbursements from HEERF I and HEERF II grants in our sample. We had examined these disbursements to assess the effectiveness of internal controls.

A lack of authorized approvals of HEERF I and HEERF II institutional-portion disbursements increases the risk of improper use of this funding.

Authoritative Guidance

The "Berkshire Community College CARES/GEER/HEERF Funds Policy and Procedures" document states,

- *Request is sent to CFO for analysis under the guides of HEERF I, II, III*
- *If request meets standards as outlined in guidance, the request is approved [by the CFO or a member of the Executive Council]. . . .*
- *Requests, emails, and documents are kept as back up to the expenditure.*

Reasons for Issue

BCC has no monitoring controls to ensure that the required approval process for use of HEERF I and HEERF II funding is consistently followed.

Recommendation

BCC should create and implement monitoring controls to ensure that the required approval process for use of HEERF I and HEERF II funding is consistently followed.

Auditee's Response

The College established clear internal procedures for HEERF I and HEERF II expenditures that met all requirements as outlined by the federal government. The audit uncovered that these procedures were not followed for every transaction, which we deeply regret.

The re-implementation of Ellucian Colleague, the College's student information system, slated to launch in January 2023 for the finance module, and April 2023 for the rest of the system, will automate the requisition, purchasing, approval, and disbursement process to record all requests, approvals, and payments with appropriate authority and will apply date stamps for recording purposes.

The College embraces the recommendations of the State Auditor. Until [Colleague] is re-implemented the College is ensuring, through manual processes, that every expenditure has appropriate approval signatures and clear reference for applicability for use of HEERF I and II funds (actually, all college funds). The College is carefully reviewing documented procedures for clarity and completeness and will ensure they are shared broadly. Long tenures by many employees pre-pandemic, may have created an over reliance on institutional memory.

Auditor's Reply

Based on its response, BCC is taking measures to address our concerns on this matter.

3. BCC did not always ensure that its employees who had access to COVID-19 funding completed initial cybersecurity awareness training or annual refresher training.

The two employees who were hired during the audit period and given access to COVID-19 funding did not complete cybersecurity awareness training within 30 days of hire, and 22 of 29 employees with access to COVID-19 funding did not complete annual cybersecurity awareness refresher training.

If BCC does not always ensure that its employees complete cybersecurity awareness training, the college is exposed to a higher risk of cyberattacks and financial and/or reputation losses.

Authoritative Guidance

Section 6.2 of the Executive Office of Technology Services and Security's (EOTSS's) Information Security Risk Management Standard IS.010 states,

6.2.3 New Hire Security Awareness Training: All new personnel must complete an Initial Security Awareness Training course. . . . The New Hire Security Awareness course must be completed within 30 days of new hire orientation.

6.2.4 Annual Security Awareness Training: All personnel will be required to complete Annual Security Awareness Training.

Reasons for Issue

While reviewing this issue with us, BCC management acknowledged the importance of providing cybersecurity awareness training to all system users. They also noted several obstacles that had affected their ability to implement an effective cybersecurity awareness training program. These obstacles were associated with transitioning to a different cybersecurity awareness training provider, as well as turnover in BCC's Information Technology Department. Additionally, BCC lacked the policies, procedures, and controls needed to administer an EOTSS-compliant cybersecurity awareness training program.

Recommendation

BCC should develop and implement policies, procedures, and controls to ensure that its employees with access to COVID-19 funding complete an EOTSS-compliant cybersecurity awareness training program.

Auditee's Response

The College will implement revised policies, procedures, and controls to ensure that our employees who have access to Covid-19 funding (and [Colleague]) complete an EOTSS-compliant

cybersecurity awareness training program by October 2022. The following changes have been and will be implemented since the audit issues were identified. . . .

- On July 12th, the College instituted MFA (Multi-Factor Authentication) on Microsoft 365 accounts . . . and [our virtual private network] starting with staff, then a phased approach for summer enrolled students, then students returning this fall, as dictated by our cyber security insurance carrier.*
- As part of our new policies and procedures, the College will introduce October as Cyber Security Month this year and going forward.*
- KnowBe4 [cybersecurity awareness training software] licenses were purchased for all employees for cyber awareness and training, which will provide monthly modules as part of our developing training plan. Participation by all employees at the College will be captured and employees will be nudged to complete training in a timely manner. Requiring cyber security participation has now been agreed to state-wide at the Massachusetts community colleges with respective collective bargaining units.*
- More advanced endpoint security protection was purchased through a State grant for college equipment including laptops, desktops, etc. It will be a component of our developing control plan.*
- The College purchased KACE Systems Management Appliance through a state grant, ensuring all college computers have the latest security patches. This is also a component of our developing control plan.*

Auditor's Reply

Based on its response, BCC is taking measures to address our concerns on this matter.

OTHER MATTERS

Berkshire Community College needs to strengthen its information technology general controls.

During our review of Colleague's information technology general controls, we identified a number of issues that warrant attention from Berkshire Community College (BCC). These issues concerned incomplete or missing Access Request Forms;⁷ user access rights that were inconsistent with employees' job functions; a lack of evidence of background checks for system users; continued system access for terminated employees; and a lack of password complexity, user lockouts after unsuccessful login attempts, and session lockouts for inactivity.

We identified 31 BCC employees with user access to Colleague in the Administration and Finance Division and Student Financial Services Office, 25 of whom were active throughout the audit period and 6 of whom were terminated during the audit period.

1. Evidence of Access Rights Approval

We requested the Access Request Forms for 5 of the 25 active users to determine whether employees' access rights were properly authorized. In our review, we found that 2 users were missing an Access Request Form, 1 user's Access Request Form did not contain the required supervisor's signature authorizing the access, and 1 user's access did not correspond to their Access Request Form.

Not having adequate access controls could compromise the security and integrity of sensitive BCC data.

Section 6.1 of the Executive Office of Technology Services and Security's (EOTSS's) Access Management Standard IS.003 states,

6.1.4.3 User access requests shall be recorded (paper or tool-based) and approved by the requestor's supervisor. . . .

*6.1.5.1 Access Authorization: The **Information Owner** or **Information Custodian** shall verify that the type of access requested is required for the user's role and responsibilities.*

7. This is a form that management completes to authorize system access that is appropriate for a user. It is also used to request modification of a user's access rights.

BCC should ensure that Access Request Forms include the appropriate supervisor's approval and should periodically review user access to ensure that user permission rights correspond to the system access level appropriate to each employee's position.

2. Evidence of Background Check

We requested evidence of criminal background checks for 5 of the 25 active users to determine whether BCC performed such checks for all system users. In our review, we found that none of the 5 active users selected had criminal background checks performed.

Not performing criminal background checks could give individuals with criminal records access to personally identifiable information or other restricted system data.

The National Institute of Standards and Technology recommends background checks for all personnel before they are given access to an agency's systems.

BCC should perform criminal background checks on all personnel before giving them access to its computer systems.

3. Evidence of Promptly Terminated Access Privileges

We requested evidence of promptly terminated access privileges for two of the six users who left BCC during the audit period and found that one user account was not deactivated upon termination or after 90 days of inactivity.

Not immediately deactivating terminated employees' access rights increases the risk of unauthorized access to student and employee information. BCC should ensure that all terminated employees' access rights are removed immediately and that all accounts are deactivated after 90 days of inactivity.

Section 6.1.7.2.1 of EOTSS's Access Management Standard IS.003 states, "Login accounts inactive for 90 days must be disabled."

4. Evidence of Password Complexity Requirement or Automated Session Lock

We requested BCC's policies on password complexity and on the number of failed login attempts and duration of user inactivity that would trigger an automated lockout of the system. BCC told us that it did

not have policies for password complexity, user lockout after failed login attempts, or user lockout after inactivity.

A lack of adequate access controls, or having inappropriate permissions, could compromise the security and integrity of sensitive BCC data.

Section 6 of EOTSS's Access Management Standard IS.003 provides the following guidance:

Commonwealth agencies and offices shall document and implement proper user identification and authentication processes, including . . .

6.2.8 Access attempts shall be limited by locking [user access] after no more than five (5) failed login attempts. . . .

6.3.3 Workstations left unattended for extended periods of time must be locked or logged off. . . .

6.4 Password Management

Commonwealth Executive Offices and Agencies must ensure that systems and processes to manage the enforcement of password controls for access to the network, operating systems, databases or applications shall be interactive and require strong passwords.

6.4.1 Passwords shall be configured securely using complexity and expiration requirements, as follows:

6.4.1.1 User passwords must be a minimum of twelve (12) characters and contain three (3) of the following four (4) characteristics:

6.4.1.1.1. Special characters (e.g., ', %, \$, #)

6.4.1.1.2. Numerical characters (e.g., 1, 2, 3)

6.4.1.1.3. Alphabetic characters (e.g., a, b, c)

6.4.1.1.4. Combination of uppercase and lowercase letters

BCC should implement procedures that require password configuration that complies with EOTSS's Access Management Standard IS.003, lock users out after failed login attempts, and lock the system or log users out after a period of inactivity.

Additionally, BCC should update its internal control plan (ICP) to incorporate a section on information system controls to reduce the risk of information technology general control issues.

Auditee's Response

- *The College is instituting a policy and putting procedures in place to review documentation during onboarding and off boarding (and any changes in position) to ensure that personnel permissions correspond with system access requirements for the position. By April 2023, Colleague will be re-implemented with new roles, responsibilities, and personas that will correspond with security level access. These roles, responsibilities, and personas will be tied to positions by Human Resources and cross checked by IT (Information Technologies). Quarterly, these assignments will be reviewed for accuracy. . . .*
- *This September (2022), the College will require that new hires complete a [Criminal Offender Record Information, or CORI] form. We are exploring our ability to implement CORI with current employees, which may be complicated by existing collective bargaining agreements. . . .*
- *On July 5, 2022, passwords on College technology accounts require reset at 90 days. If they are not reset by the user the account becomes inactive. . . .*
- *On July 6th, the College instituted . . . a screen lock after 15 minutes of inactivity. . . .*
- *BCC will update its internal control plan by incorporating an information system control section that will be developed through the BCC Strategic Plan.*

Auditor's Reply

Based on its response, BCC is taking measures to address our concerns on this matter. BCC should also update the relevant section of its ICP to incorporate user lockout after no more than five failed login attempts.

APPENDIX

Berkshire Community College's Student Additional Funding Distribution Method

Award	Amount	Household Size	Based On	Frequency	Documentation Required
Computer Grant	\$650.00	N/A	Fixed Amount	Maximum one-time award	N
Food to 08/31/2021	\$28.50	[Number] in Household	Weeks in Semester	Once Per Semester	N
Food beginning 09/01/2021	\$37.50	[Number] in Household, less student	Weeks in Semester	Once Per Semester	N
Housing	Varies	N/A	varies	varies	Y
Transportation	\$250.00	N/A	Fixed Amount	Once Per Semester	N
Tuition and Fees	Varies	N/A	Actual less aid	Once Per Semester	N—verify with College bill
Books/course materials	Varies	N/A	actual and/or [cost of attendance] estimate	Once Per Semester	N—estimated by class/program
Childcare	Varies	[Number] in Care	Actual/class or study time only	Once Per Semester	Y
Health Care (must be related to [the 2019 coronavirus])	Varies	N/A	Actual	Once Per Semester	Y
Electric	Varies	N/A	Actual/Increase to Bill	varies	Y
Technology/internet	Varies	N/A	Actual less block grant	varies	Y
Heat	Varies	N/A	Actual/Increase to Bill	varies	Y
Other	Varies	N/A	Actual	varies	Y

Note: Information in this table is quoted from the "Berkshire Community College Emergency Funding Guidelines."