



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

Making government work better

Official Audit Report – Issued June 30, 2021

Northern Essex Community College

For the period July 1, 2018 through June 30, 2020





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Making government work better

June 30, 2021

Lane A. Glenn, PhD, President
Northern Essex Community College
100 Elliott Street
Haverhill, MA 01830

Dear President Glenn:

I am pleased to provide this performance audit of Northern Essex Community College. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2018 through June 30, 2020. 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 Northern Essex 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

cc: Jennifer Borislow, Chair of the Northern Essex Community College Board of Trustees

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LIST OF ABBREVIATIONS

CMR	Code of Massachusetts Regulations
CTR	Office of the Comptroller of the Commonwealth
ICP	internal control plan
IT	information technology
NECC	Northern Essex Community College
OSA	Office of the State Auditor
P-Card	procurement card

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 Northern Essex Community College (NECC) for the period July 1, 2018 through June 30, 2020.

In this performance audit, we examined NECC's activities related to the administration of fixed assets and procurement cards (P-Cards). We followed up on findings from our prior audit (No. 2016-0201-3E) to determine whether NECC had implemented corrective actions to strengthen the controls over its inventory of fixed assets. We determined whether NECC disposed of its fixed assets in accordance with Section 3 of Title 802 of the Code of Massachusetts Regulations and complied with the reporting requirements of Chapter 647 of the Acts of 1989. We also determined whether NECC complied with its P-Card policies and procedures when processing P-Card expenditures.

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

Finding 1 Page 9	NECC did not address the issues regarding fixed assets identified in our prior audit.
Recommendations Page 10	<ol style="list-style-type: none">1. NECC should review and edit its current fixed asset inventory list to include accurate locations for all assets on the list.2. NECC should enhance its "Inventory Control / Fixed Assets" policy to include detailed procedures for all phases of the fixed asset inventory process and provide guidance for the relocation of fixed assets.3. NECC should conduct annual inventory testing or physical inventories and designate an inventory coordinator to oversee and coordinate them.
Finding 2 Page 11	NECC did not always obtain required documentation, including approvals, for P-Card expenditures.
Recommendations Page 12	<ol style="list-style-type: none">1. NECC should ensure that all required supporting documentation for P-Card expenditures is provided.2. NECC should enforce its P-Card policies and procedures.

Finding 3 Page <u>12</u>	NECC did not ensure that its security vendor maintained required incident reports and daily crime logs.
Recommendations Page <u>13</u>	<ol style="list-style-type: none">1. NECC should implement monitoring controls to ensure that its security vendor complies with the requirements of its contract with NECC, including those of maintaining incident reports and daily crime logs.2. NECC's staff members or security vendor should report all incidents to NECC's vice president of administration and finance to file Chapter 647 reports.
Finding 4 Page <u>14</u>	NECC has not updated its internal control plan (ICP) since 2015.
Recommendations Page <u>14</u>	<ol style="list-style-type: none">1. NECC should review and update its ICP whenever significant changes occur in objectives, risks, management structure, or program scope, but at least annually.2. NECC should properly document a risk response that includes all aspects of its business operations.

OVERVIEW OF AUDITED ENTITY

Established in 1961, Northern Essex Community College (NECC) is an accredited public two-year college that offers associate's degrees and certificates of program completion. NECC is authorized by Section 5 of Chapter 15A of the Massachusetts General Laws and operates under the direction of a board of trustees, whose members are appointed by the Governor. The board operates under regulations promulgated by the state's Board of Higher Education; its responsibilities under these regulations include reviewing the college's mission statement, setting policy, and approving annual budgets.

The president is the administrative head of the college and reports to the board of trustees. The president's leadership cabinet includes the dean of academic innovations and professional development; director of public safety and risk management / chief of police; vice president of the Lawrence campus and community relations; vice president of institutional advancement; executive director of human resources; vice president of academic and student affairs; chief technology officer; vice president of administration and finance; assistant vice president of student affairs; dean of students; dean of institutional research, planning, and effectiveness; dean of development; dean of business and professional studies; and chief marketing officer.

NECC 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. NECC's main campus is located at 100 Elliott Street in Haverhill. The college has two other campuses, in Lawrence and downtown Haverhill.

NECC had 4,932 and 4,715 students enrolled for the fall 2019 and fall 2020 terms, respectively. The college employed 263 and 264 full- and part-time faculty members for the fall 2018 and fall 2019 terms, respectively.

NECC received appropriations of \$20,288,244 and \$21,111,643 from the Commonwealth for fiscal years 2019 and 2020, respectively.

Fixed Assets

The Office of the Comptroller of the Commonwealth's "Fixed Assets—Acquisition Policy" defines fixed assets as follows:

Singular assets [including] . . .

- ***Vehicles, equipment, furniture, computer software, and all electrical and computer components with (1) a useful life of more than one year and (2) with an original cost between \$1,000 and \$49,999.***

Fixed assets must be recorded in the college's inventory and reconciled annually. In fiscal year 2019, NECC purchased 131 fixed assets with a total cost of \$274,389. This included 103 information technology (IT) assets that cost a total of \$152,953 and 28 non-IT assets that cost a total of \$121,436. In fiscal year 2020, NECC purchased 351 fixed assets with a total cost of \$1,097,627. This included 194 IT assets that cost a total of \$306,626 and 157 non-IT assets that cost a total of \$791,001.

Chapter 647 Reporting

Under Chapter 647 of the Acts of 1989, state government entities, including NECC, have a responsibility to taxpayers to protect state property from loss or theft. If property goes missing or is stolen, this law requires that these entities immediately report it to the Office of the State Auditor (OSA). OSA uses this information to develop recommendations through the audit process that help state government entities prevent future losses.

Procurement Cards

NECC's procurement cards (P-Cards) are designed to be used to purchase consumable supplies related to college-related business and travel expenses that are consistent with established policies and procedures. The P-Card simplifies the process of buying and paying for goods in person at supplier sites, online, over the phone, or by mail. Employees can submit applications to use P-Cards; their department heads approve the applications. NECC's P-Card administrator processes approved applications. Each P-Card is in an employee's or department's name, and cardholders are required to obtain and submit supporting documentation, including itemized sales receipts, cash register receipts, vendor order forms, and packing lists, monthly to their supervisors for approval after purchases. In fiscal year 2019, NECC had 57 P-Cards that were used for 3,968 transactions, totaling \$744,080. In fiscal year 2020, NECC had 59 P-Cards that were used for 2,970 transactions, totaling \$576,705.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor (OSA) has conducted a performance audit of certain activities of Northern Essex Community College (NECC) for the period July 1, 2018 through June 30, 2020.

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 NECC address the issues regarding fixed assets identified in the finding of the prior OSA audit report (No. 2016-0201-3E) in accordance with the Office of the Comptroller of the Commonwealth's (CTR's) "Fixed Asset—Acquisition Policy," CTR's "Accounting and Management Policy," and NECC's "Inventory Control / Fixed Asset Policy"?	No; see Finding <u>1</u>
2. Did NECC follow Section 3 of Title 802 of the Code of Massachusetts Regulations (CMR) when disposing of its fixed assets?	Yes
3. Did NECC comply with the reporting requirements of Chapter 647 of the Acts of 1989?	No; see Findings <u>3</u> and <u>4</u>
4. Were procurement card (P-Card) expenditures supported by adequate documentation and restricted to college-related business expenses in accordance with NECC's <i>P-Card Policy & Procedures Manual</i> for fiscal years 2019 and 2020?	No; see Finding <u>2</u>

In our prior audit, we found that NECC did not do the following:

- conduct a complete annual inventory or inventory testing
- designate an inventory coordinator
- ensure the proper recording of required fixed asset information.

To achieve our audit objectives, we gained an understanding of NECC's internal control environment related to the objectives by reviewing college policies and procedures, as well as conducting inquiries with NECC's staff members and management. We also reviewed, and tested the operating effectiveness of, internal controls regarding fixed asset inventory, asset surplus disposal, and P-Card expenditures. To obtain sufficient, appropriate audit evidence to address our audit objectives, we conducted further audit testing as follows.

Fixed Asset Inventory

To determine whether NECC had taken the necessary measures to address the fixed asset inventory issues found in our prior audit, we interviewed the college's vice president of administration and finance and its director of procurement.

To determine whether NECC properly recorded the required information on its fixed asset inventory list and whether the list was accurate, we obtained NECC's fixed asset inventory list as of March 2, 2021 from Banner, NECC's electronic accounting system. We performed two tests. First, we analyzed the fixed asset inventory list to determine whether all required information (purchase date, description, cost, tag number, and location) was on the list for assets purchased during the audit period. Second, we selected a nonstatistical judgmental sample of 40 of the 487 assets purchased during the audit period. We physically examined¹ each asset in our sample to verify that it existed, was properly labeled with a tag number, and was accurately recorded on the fixed asset inventory list. We also selected an additional nonstatistical, judgmental sample of 40 assets from NECC's Lawrence, downtown Haverhill, and main Haverhill campuses and verified their locations and the accuracy of the fixed asset inventory list data.

We asked NECC officials whether an annual inventory or inventory testing of fixed assets had been performed during our audit period and whether an inventory coordinator had been designated.

To determine whether disposals of surplus information technology (IT) and non-IT fixed assets were performed in accordance with 802 CMR 3, we requested and received documentation for all 20 IT and non-IT fixed asset disposals that occurred during our audit period. We selected a judgmental sample of 10 disposals and examined NECC supporting documentation (completed Declaration of Surplus Property Forms and email correspondence between NECC and the State Surplus Property Office) for evidence

1. Because of safety concerns related to the 2019 coronavirus pandemic, we could not visit NECC campuses to physically observe inventory. Instead, we made observations remotely using video technology.

that NECC obtained approval from the State Surplus Property Office to dispose of assets. For assets in our sample of 20 that NECC had determined to have no value, we reviewed the Surplus Property Disposal Requests for Worthless Equipment/Furniture for approval by the NECC vice president of administration and finance.

Chapter 647 Compliance

To determine whether NECC submitted Chapter 647 reports for any variances, losses, shortages, or thefts of funds or property, we interviewed the college's vice president of administration and finance. We examined OSA records of Chapter 647 report submissions and determined that NECC had not submitted any Chapter 647 reports during the audit period. We interviewed NECC's director of public safety and risk management / chief of police to request incident reports and daily crime logs related to loss of property or funds. We examined the contract with the third-party security vendor with which NECC contracted during the audit period to confirm that the contract contained a requirement to maintain incident reports and daily crime logs. We determined whether NECC's internal control plan complied with CTR requirements, including that of annual updates.

P-Card Expenditures

To determine whether P-Card expenditures were supported by adequate documentation and restricted to college-related business in accordance with NECC's policies and procedures, we obtained a list of all NECC's P-Card transactions for the audit period from Banner. Total P-Card activity for the audit period consisted of 6,938 P-Card transactions, totaling \$1,320,785. We selected a nonstatistical, judgmental sample of 100 P-Card transactions for testing. We examined NECC's supporting documentation (Travel Authorization Forms, original detailed vendor receipts, detailed explanations of charges, Lost/Missing Receipt Forms, Travel Reimbursement Forms, and/or preapproval documentation for food purchases) to validate the nature and business purpose of the expenditures. We also reviewed the monthly Citibank statements for the selected expenditures for supervisors' authorization signatures.

We used nonstatistical sampling methods for our audit objectives and did not project the sample results to any of the population.

Data Reliability

We reviewed certain general information system controls (including access controls, security management, configuration management, segregation of duties, and contingency planning) over Banner to determine the reliability of the data therein.

To determine the accuracy of NECC's fixed asset inventory list, we selected a judgmental sample of 40 IT and non-IT assets and traced them from the fixed asset inventory list to their physical locations to verify their existence, tag numbers, and descriptions. To determine the completeness of the list, we selected a judgmental sample of 40 assets from different locations on NECC campuses and traced the assets to the list. We also analyzed the Banner data for duplicate records.

We assessed the reliability of Banner P-Card transaction data by judgmentally selecting 20 transactions from the Banner data and tracing them to supporting documentation, including NECC's monthly Citibank statements. We verified the date, vendor name, and amount for each transaction. To determine the completeness of the data, we selected 20 transactions from NECC's monthly Citibank statements. We compared the monthly Citibank statements with the Banner transaction data. In addition, we compared the Banner transaction data from the audit period to Citibank's list of transactions to determine the completeness of the Banner transaction data.

Based on the data reliability procedures described above, we determined that the data obtained for our audit period were sufficiently reliable for the purposes of our audit work. During this process, we noted that NECC had an information-security training program; however, it is not mandated for all employees (see Other Matters).

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Northern Essex Community College did not address the issues regarding fixed assets identified in our prior audit.

In our prior audit (No. 2016-0201-3E), we found that Northern Essex Community College (NECC) did not properly record required information on its fixed asset inventory list, conduct a complete annual inventory or any inventory testing of its fixed assets, or designate an inventory coordinator.

During our current audit period, NECC's fixed asset inventory list was inaccurate, and not all assets had been added to the list. Additionally, NECC could not substantiate that it had conducted annual inventories, or inventory testing, for fiscal years 2019 and 2020. Finally, NECC had not designated an inventory coordinator to oversee and coordinate annual inventories.

As a result of these issues, NECC cannot be certain that all its fixed assets are adequately safeguarded against misuse or that it can effectively detect lost, missing, or stolen items.

We randomly selected and tested 80 fixed assets (40 from the fixed asset inventory list and 40 from NECC's Lawrence, downtown Haverhill, and main Haverhill campuses) and noted that 40 (50%) of them were in locations different from the locations on the list. Further, we noted that 3 (4%) of these 80 fixed assets located on the campuses were not on the fixed asset inventory list.

Authoritative Guidance

Institutions of higher education in Massachusetts are required to follow fixed asset guidance issued by the Office of the Comptroller of the Commonwealth (CTR).

CTR's "Accounting and Management" policy states,

*There shall be an **annual inventory** taken of fixed assets owned by every Department. This inventory shall include, at a minimum, a verification of the existence and location of fixed assets owned by a Department. . . .*

*There shall be a **reconciliation of the fixed asset inventory** against the books and records maintained by the Department. . . . This reconciliation is to be done, at a minimum, on an annual basis.*

In addition, NECC's "Inventory Control / Fixed Assets" policy states that the college must designate an individual to oversee and coordinate annual inventories.

Reasons for Issues

NECC personnel stated that the locations on the fixed asset inventory list were not always updated when assets were moved to new locations. Regarding annual inventories and inventory testing, NECC personnel stated that staffing to conduct annual inventories or inventory testing had been an issue since the loss of a dedicated position in fiscal year 2018. They also stated that NECC administration could not designate an inventory coordinator because of funding constraints.

Recommendations

1. NECC should review and edit its current fixed asset inventory list to include accurate locations for all assets on the list.
2. NECC should enhance its "Inventory Control / Fixed Assets" policy to include detailed procedures for all phases of the fixed asset inventory process and provide guidance for the relocation of fixed assets.
3. NECC should conduct annual inventory testing or physical inventories and designate an inventory coordinator to oversee and coordinate them.

Auditee's Response

Overall, we agree with this finding.

We would like to add that the sampled tested assets procurements were all appropriately procured with the required internal approvals. [The 2019 coronavirus, or COVID-19, pandemic] impacted the timing of the [fiscal year 2020] physical inventory which started in August 2020 versus June 2020 due to the campus on-site [COVID-19] restrictions.

We agree with the above 3 recommendations. In conjunction with the [fiscal year 2021] physical inventory, the college has procured and installed WASP AssetCloud portal technology inventory control asset system which will both assist in the physical inventories processes and serve as the college's database of record for all required track assets, effective July 1, 2021. This technology will provide an automated fixed asset tracking system and enable us to provide a streamlined annual physical inventory process and the ability to update the existing inventory data. Warehouse and [information technology] staff have completed the provided training and are developing an implementation plan, currently. Further, we are updating the college's inventory control / fixed asset policies and procedures, including the relocation/moving of assets. The college's comptroller's position was vacant for a portion of [fiscal year 2020], and a new comptroller joined the college on July 29th, 2020. The comptroller [will] serve as the college's inventory coordinator.

Auditor's Reply

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

2. NECC did not always obtain required documentation, including approvals, for procurement card expenditures.

NECC did not always obtain documentation, including preapprovals for travel and food purchases, for procurement card (P-Card) expenditures in accordance with its policies and procedures. Without proper approvals and adequate documentation to support the business purposes of the transactions made with P-Cards, NECC cannot ensure that purchases are for the college's benefit.

We reviewed 100 of 6,938 P-Card transactions from the audit period and noted the following:

- Eight transactions did not have preapproved Travel Authorization Forms.
- Fifteen transactions for food did not have evidence of preapproval.
- Five transactions did not have adequate supporting documentation. Specifically, two receipts were unreadable; two Lost/Missing Receipt Forms were completed and approved when we requested them, not when the expenses occurred; and one receipt was not itemized as required.

Authoritative Guidance

Chapter 2 of NECC's *P-Card Policy & Procedures Manual*, for fiscal years 2019 and 2020, states, "The cardholder will maintain adequate documentation to support the legitimate business purpose of all transactions made with the *P-Card*."

Responsibilities listed in the "Cardholder's Reallocation and Reconciliation of Statement" section of the *P-Card Policy & Procedures Manual* for both years include the following:

Upon completion of reconciliation, the cardholder shall staple the supporting documentation to the cardholder statement and send to their Supervisor/Approver. . . .

The supervisor must sign the statement as an indication of review/approval.

Regarding travel expenditures, both years' editions of the *P-Card Policy & Procedures Manual* state that an employee must submit a Travel Authorization Form before traveling.

Regarding food expenses, the fiscal year 2019 *P-Card Policy & Procedures Manual* states that obtaining "prior approval of the expenditure through normal administrative channels" is a recordkeeping requirement. The fiscal year 2020 *P-Card Policy & Procedures Manual* states, "All food purchases must have prior approval from the Vice President of Administration & Finance."

Reasons for Noncompliance

Although P-Card policies and procedures have been developed and approved, NECC personnel who were responsible for review and approval of P-Card expenditures have not enforced them.

Recommendations

1. NECC should ensure that all required supporting documentation for P-Card expenditures is provided.
2. NECC should enforce its P-Card policies and procedures.

Auditee's Response

In response to providing NECC employees and [its Finance Department] with a better overall control environment, the college switched banks January 1, 2021 to US Bank. We had realized the need for our bank provider to have an enhanced internal control structure [related to] the approval and system documentation capabilities. Additionally, to reduce risk to the college we took an aggressive approach in reducing the number of college P-cards, we had reduced issued P-Cards by 22 or 28%.

We would like to add that the 100 sampled P-Card expenditures were appropriate expenditures. We realize an opportunity exists to improve required supporting documentation.

We agree with the above 2 recommendations. US Bank's internal control structure and related reporting mechanisms are enhancing the college's ability to manage the P-Card processes. All required documentation is attached to the transaction electronically. This ensures that approvers and [NECC's Finance Department] can view documentation in real time and identify any documentation that is missing. Additionally, we are in the processing of updating the college's P-card policies, including travel and food policies.

Auditor's Reply

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

3. NECC did not ensure that its security vendor maintained required incident reports and daily crime logs.

NECC did not ensure that its security vendor maintained required incident reports and daily crime logs. During the audit period, the college had a contract with a security vendor to provide public safety and security for the Lawrence and Haverhill campuses. The vendor did not maintain any incident reports or daily crime logs for our audit period. Without documentation of reported incidents, NECC cannot ensure that all losses or thefts of college property are submitted to the Office of the State Auditor in compliance with Chapter 647.

Authoritative Guidance

Chapter 647 of the Acts of 1989 states, "All unaccounted for variances, losses, shortages, or thefts of funds or property shall be immediately reported to the state auditor's office."

NECC's "Chapter 647 Reporting—Procedure for Unaccounted or Missing/Lost or Stolen Items" states,

Items verified as missing/lost or stolen will be submitted to the Vice President of Administration and Finance for approval to delete from inventory and filing of [Chapter] 647 violations for missing/lost or stolen as required.

NECC's contract with its security vendor states that the vendor must comply with the requirements outlined in the request for proposal that NECC issued for the security services contract. The request for proposal requires the vendor to "maintain permanent records of all security [incident] reports, daily crime log & daily activities."

Reasons for Noncompliance

NECC did not implement monitoring controls to ensure that its security vendor complied with the requirements of the contract.

Recommendations

1. NECC should implement monitoring controls to ensure that its security vendor complies with the requirements of its contract with NECC, including those of maintaining incident reports and daily crime logs.
2. NECC's staff members or security vendor should report all incidents to NECC's vice president of administration and finance to file Chapter 647 reports.

Auditee's Response

The college had switched the outsourced security vendor provider on July 1, 2020. [COVID-19] also impacted the hiring process for open campus police positions—who would have ensured that the outsourced security vendor followed all established reporting requirements, timely.

We agree with the above 2 recommendations. Effective July 1, 2021, the college's police chief updated and issued the revised policy and process that will address the above 2 recommendations. The Campus Police Department and the [outsourced] security vendor will ensure related policies and reporting requirements are done completely and timely.

Auditor's Reply

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

4. NECC has not updated its internal control plan since 2015.

Annual Internal Control Questionnaires submitted by NECC to CTR indicated that the internal control plan (ICP) was updated annually in fiscal years 2019 and 2020. However, when we asked to review the ICP that was in effect during the audit period, NECC gave us one dated May 2015 that did not include the required risk response. According to management, NECC's ICP had not been updated since that time.

Not reviewing and updating its ICP as conditions warrant (but at least annually) as required by CTR impedes NECC's response to changes in its control environment and exposes it to heightened risks in its operations.

Authoritative Guidance

According to the CTR *Internal Control Guide* from June 2015,

Internal Control Plans are based on comprehensive assessments of risks, especially those related to the prevention of fraud, waste and abuse. . . . Accordingly, departments are obligated to revise their ICPs whenever significant changes occur in objectives, risks, management structure, program scope, etc. At the very least, the ICP must be reviewed and updated annually. . . .

To be considered compliant, a department's Internal Control Plan must contain . . . [a] Risk Response.

Reasons for Noncompliance

NECC personnel could not explain why the ICP had not been updated as required by CTR.

Recommendations

1. NECC should review and update its ICP whenever significant changes occur in objectives, risks, management structure, or program scope, but at least annually.
2. NECC should properly document a risk response that includes all aspects of its business operations.

Auditee's Response

As stated in the audit report, the college did update and file with the State Comptroller's Office, the Annual Internal Control Questionnaire for the audit period, fiscal years 2019 and 2020. However, the college had not updated its Internal Control Plan (ICP) for this audit period.

We agree with the above two recommendations. [NECC's Finance Department] is working with college leaders in updating the college's Internal Control Plan, and will be completed in July. Annually or if need be earlier, we will update the ICP.

Auditor's Reply

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

OTHER MATTERS

Northern Essex Community College does not require its users to complete information security awareness training.

During our audit of Northern Essex Community College (NECC), we noted that NECC did not require new employees to take initial information security training as part of new hire orientation, nor did it require employees to take refresher training annually thereafter. Instead, information security training at NECC was voluntary.

Section 6.2 of the Executive Office of Technology Services and Security's "Information Security Risk Management Standard," effective October 15, 2018, states,

*The objective of the Commonwealth information security training is to educate users on their responsibility to help protect the confidentiality, availability and integrity of the Commonwealth's **information assets**. Commonwealth Offices and Agencies must ensure that all personnel are trained on all relevant rules and regulations for cybersecurity. . . .*

6.2.1.3. The training shall:

6.2.1.3.1 Explain acceptable use of information technology

6.2.1.3.2 Inform personnel about relevant policies and standards

6.2.1.3.3 Detail each individual's accountability for each of the provisions of all policies and the underlying procedures.

The standard also indicates that personnel should complete information security awareness training when they are initially hired and annually thereafter.

Without educating all its system users on their responsibility of helping protect the security of information assets by requiring training, NECC is exposed to a higher risk of cybersecurity attacks and financial and/or reputation losses. We strongly encourage NECC to require information security training for all new employees and annual refresher training for all employees.