



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

*Making government work better*

Official Audit Report – Issued August 18, 2021

---

## Springfield Technical Community College

For the period March 1, 2020 through September 30, 2020





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

*Making government work better*

August 18, 2021

John B. Cook, PhD, President  
Springfield Technical Community College  
1 Armory Square, Suite 1  
Springfield, MA 01102-9000

Dear Dr. Cook:

I am pleased to provide this performance audit of Springfield Technical Community College. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, March 1, 2020 through September 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 Springfield Technical Community College for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMBump".

Suzanne M. Bump  
Auditor of the Commonwealth

cc: Marikate Murren, Chair of the Board of Trustees, Springfield Technical Community College  
Carlos E. Santiago, Commissioner of the Department of Higher Education  
Chris Gabrieli, Chair of the Board of Higher Education

---

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
OVERVIEW OF AUDITED ENTITY .....	2
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY.....	5
OTHER MATTERS.....	8

---

## LIST OF ABBREVIATIONS

CARES	Coronavirus Aid, Relief, and Economic Security
COVID-19	2019 coronavirus
ESF	Education Stabilization Fund
FAFSA	Free Application for Federal Student Aid
GEER	Governor's Emergency Education Relief
HEERF	Higher Education Emergency Relief Fund
IHE	institution of higher education
ISIR	Institutional Student Information Record
MDHE	Massachusetts Department of Higher Education
STCC	Springfield Technical Community College
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 Springfield Technical Community College (STCC) for the period March 1, 2020 through September 30, 2020.

In this performance audit, we reviewed financial activity from federal funds provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020. STCC received grant funds 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 and funding from the Massachusetts Department of Higher Education (MDHE), allocated through the Governor's Emergency Education Relief Fund. The purpose of our audit was to determine whether STCC administered the CARES Act funds it received according to the criteria established by US DOE and MDHE.

Our audit revealed no significant instances of noncompliance by STCC that must be reported under generally accepted government auditing standards. However, in the "Other Matters" section of this report, we provide some recommendations to improve internal controls over STCC's information security system.

---

## OVERVIEW OF AUDITED ENTITY

Springfield Technical Community College (STCC) 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 STCC is the administrative head of the college and reports to the board of trustees. According to its website, STCC's mission is to "[support] students as they transform their lives."

STCC 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 1967, STCC is a federally designated Hispanic-serving institution<sup>1</sup> and is the Commonwealth's only technical community college. In fiscal year 2019, 6,800 students were enrolled at STCC, and as of December 2020, STCC offered 76 degree and certificate programs to students.

### Coronavirus Aid, Relief, and Economic Security Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020, provided \$30.75 billion for an Education Stabilization Fund (ESF) to prevent, prepare for, and respond to the impact 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 ESF grants to state educational agencies and Governors' offices. The ESF also allocated money for the Higher Education Emergency Relief Fund (HEERF) Program.

The United States Department of Education (US DOE) awarded grants to states under the GEER Fund to provide local educational agencies, institutions of higher education (IHEs), and other education-related entities with emergency assistance funds. States can use GEER funds to provide emergency support through allocations to their IHEs that serve the students who have been most significantly affected by COVID-19. The Massachusetts Department of Education received \$50.8 million of GEER funding. The Massachusetts Department of Higher Education has a shared responsibility with the Massachusetts Department of Elementary and Secondary Education to allocate the funding to eligible recipients.

---

1. Hispanic-serving institutions are eligible institutions of higher education that have an undergraduate enrollment of at least 25% Hispanic students. Institutions must apply to the United States Department of Education to be designated as Hispanic-serving institutions.

---

According to the *Frequently Asked Questions about the Governor's Emergency Education Relief Fund (GEER Fund)* document distributed by US DOE, IHEs may use GEER funds 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 from the HEERF 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 funds (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 these funds, students must have completed the Free Application for Federal Student Aid 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 *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.*

The institutional portion could be used for managing campus safety and operations (disinfecting, cleaning, and reconfiguring classrooms to promote social distancing), upgrading Wi-Fi and technology, providing laptops to students, and training faculty members in online instruction. It 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 these funds must have been incurred on or after March 13, 2020.

STCC also received funding from the HEERF Program under Section 18004(a)(2) of the CARES Act for the Minority Serving Institutions Program, a component of Title III of the federal Higher Education Act. This funding can be used to defray expenses, including lost revenue, reimbursement for expenses already incurred, technology costs associated with a transition to distance education, faculty and staff training, payroll, and grants given to students for any component of their cost of attendance, including food, housing, course materials, technology, healthcare, and childcare.

Below is a summary of STCC's financial activity related to CARES Act grants during the audit period.

**Financial Activity Related to CARES Act Grants  
March 1, 2020 through September 30, 2020**

<b>Grant Type</b>	<b>Award</b>	<b>Disbursements</b>
<b>CARES 18004(a)(1) Student</b>	\$1,922,527	\$1,032,604
<b>CARES 18004(a)(1) Institutional</b>	1,922,527	53,461
<b>CARES 18004(a)(2) Title III</b>	239,316	11,039
<b>GEER Institutional</b>	502,425	60,517
<b>GEER Student*</b>	0	0
<b>Total</b>	<u>\$4,586,795</u>	<u>\$1,157,621</u>

\* STCC received \$159,266 of student-portion GEER funding after the audit period.



## 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 Springfield Technical Community College (STCC) for the period March 1, 2020 through September 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 and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Did STCC receive and administer the student portion of funding under Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in accordance with Sections C, D, and E of the United States Department of Education’s (US DOE’s) <i>Frequently Asked Questions (FAQ) Rollup Document</i> ? <sup>2</sup>	Yes
2. Did STCC receive and administer the institutional portion of CARES 18004(a)(1) funding in accordance with Section F of the <i>Frequently Asked Questions (FAQ) Rollup Document</i> ?	Yes
3. Did STCC receive and administer CARES 18004(a)(2) funding in accordance with the <i>Frequently Asked Questions (FAQ) Rollup Document</i> ?	Yes
4. Did STCC receive and administer Governor’s Emergency Education Relief (GEER) funds in accordance with the guidance issued by US DOE <sup>3</sup> and/or the Massachusetts Department of Higher Education (MDHE) interdepartmental service agreement? <sup>4</sup>	Yes

---

2. Because of the federal mandate to accelerate the distribution of money from the Higher Education Emergency Relief Fund to students, there was not sufficient time to develop detailed guidance to govern the administration of these funds. Guidance was provided through a series of documents responding to frequently asked questions. In October 2020, US DOE issued a *Frequently Asked Questions (FAQ) Rollup Document* that combined all prior frequently asked questions into one document. We used this document as a criterion in conducting the audit.

3. US DOE issued guidance for using CARES GEER funds in a document called *Frequently Asked Questions about the Governor’s Emergency Education Relief Fund*. In addition, governors or state education authorities were required to sign a “Certification and Agreement for Funding” that described compliance requirements.

4. MDHE issued an interdepartmental service agreement that accompanied the GEER award to each recipient for institutional costs. The agreement included requirements for administering the funds.

---

To achieve our objectives, we gained an understanding of the internal controls related to the objectives by reviewing applicable policies and interviewing STCC officials. We evaluated the design and implementation of controls over STCC's purchasing process and tested the operating effectiveness of these controls. In addition, we performed the following procedures to address the objectives.

- To determine whether STCC had appropriately received and allocated the student and institutional portions of CARES 18004(a)(1) funding, we obtained screenshots of the funding authorization in the federal government's grant system and the allocations in STCC's Colleague<sup>5</sup> financial system. We compared the grant screenshots to the award notification from the federal government and the trial balance of STCC's general ledger.
- To determine whether STCC had expended CARES 18004(a)(1) student portion funding in accordance with the guidance issued by US DOE, we obtained a list of 2,973 student payments. We stratified the list into two populations: 2,863 payments of \$350 and 110 additional payments of various amounts. STCC issued payments of \$350 to all eligible students and provided additional payments to students who requested further assistance. These additional payment requests were reviewed, and subject to approval, by STCC management.
  - From the population of 2,863 payments of \$350, we selected a random, statistical sample of 60. We reviewed each student's Institutional Student Information Record (ISIR) to verify that s/he had completed the Free Application for Federal Student Aid (FAFSA). To determine whether the method of payment was allowable, we verified that payments to students were made by a method approved by US DOE and examined transcripts to verify that none of the students was enrolled in an online-only program as of March 13, 2020.
  - From the population of 110 additional payments, we selected a random, nonstatistical sample of 35 payments to students who requested and received additional CARES 18004(a)(1) student-portion funding to assist with various financial needs. We reviewed each student's ISIR to verify that s/he had completed the FAFSA, and we reviewed copies of each student's request form to verify that the purpose of the payment was allowable. To determine whether the payment method was allowable, we verified that payments to students were made by a method approved by the US DOE and examined transcripts to verify that none of the students was enrolled in an online-only program as of March 13, 2020.
- To determine whether STCC had expended CARES 18004(a)(1) institutional funding in accordance with guidance issued by US DOE, we selected a random, nonstatistical sample of 4 transactions from a population of 15. We reviewed invoices, payment vouchers, purchase orders, and approvals to determine whether each transaction was related to the disruption of campus operations due to the 2019 coronavirus (COVID-19), whether the documentation supported the need for each item or service, and whether each purchase was allowable.

---

5. Colleague is the database system for STCC's administrative activities, accounting, and student files. It is designed to link various integrated modules, including modules for registration, student billing, and financial aid, to the college's financial system.

- To determine whether STCC appropriately received and allocated CARES 18004(a)(2) funding, we obtained screenshots of the funding authorization in the federal government's grant system and the allocations in Colleague. We compared the grant screenshots to the award notification from the federal government and the trial balance of STCC's general ledger.
- To determine whether STCC had expended CARES 18004(a)(2) funding in accordance with guidance issued by US DOE, we selected a random, nonstatistical sample of 5 transactions from a population of 14 transactions in which STCC had used CARES 18004(a)(2) funds to reimburse students who had requested refunds because of the switch to online learning. We reviewed documentation of each student's refund request to determine whether the refund addressed needs that were directly related to COVID-19. Using the sampled students' schedules and tuition rates, we calculated and corroborated the refunded amounts.
- To determine whether STCC had expended the institutional portion of GEER funds in accordance with the guidance issued by US DOE and/or the terms in Attachment A of the interdepartmental service agreement issued by MDHE, we selected a random, nonstatistical sample of 4 transactions from a population of 16. We reviewed invoices, payment vouchers, purchase orders, and approvals to determine whether each transaction was related to the disruption of campus operations due to COVID-19 and whether the documentation adequately supported the need for each item or service.

We did not project our results of our tests to the various populations.

## **Data Reliability**

We reviewed access controls and security management for Colleague to determine the reliability of the data therein.

We assessed the completeness and accuracy of the CARES 18004(a)(1) and GEER institutional transaction lists and the CARES 18004(a)(1) and CARES 18004(a)(2) student disbursement lists by reconciling the lists with the general ledger trial balances provided by STCC's comptroller.

As a result of our data reliability analysis, reconciliations, and information system control work, we found that the data on the lists were sufficiently reliable for the purpose of our audit objectives.

## OTHER MATTERS

### Information Security Training

According to the Association of Certified Fraud Examiners' article "Cyberattacks in Higher Education at an Epidemic Level," each year colleges and universities nationwide lose millions of dollars to cybercriminals. The article states,

*Higher education is highly susceptible. . . .*

*[University servers] hold treasure troves of valuable data, including sensitive student and employee data, such as addresses, passwords, payment details, bank information and confidential research. . . .*

*During the global pandemic . . . the risks are greatly increased and access points for hackers are multiplied.*

This has resulted in an escalation in cyberattacks on institutions of higher education. The most effective way to prevent such cyberattacks is through information security training.

During our audit, we noted that Springfield Technical Community College (STCC) had not established a program to ensure that system users received information security training. Information Security Risk Management Standard IS.010, issued by the Enterprise Security Office within the Executive Office of Technology Services and Security, requires Commonwealth agencies to ensure that all personnel are trained on all relevant rules and regulations for cybersecurity. These requirements include security awareness training for all new hires and annual refresher security awareness training for all personnel. STCC does not require new employees to take initial information security training as part of new hire orientation, nor does it require employees to take refresher training annually thereafter. Instead, information security training at STCC is voluntary.

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

## **Auditee's Response**

*STCC is currently working towards providing mandatory information security training for all employees as recommended. The college is working with legal counsel concerning collective bargaining complications in an effort to require all [Massachusetts Community College Council] and [American Federation of State, County & Municipal Employees] union members to complete annual training. We have also obtained a license for an information security training platform and will be requiring [non-union professionals] and newly hired employees to complete the training.*