

OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

Official Audit Report – Issued March 26, 2025

Bristol Community College

For the period March 1, 2020 through June 30, 2023



OFFICE OF THE STATE AUDITOR

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March 26, 2025

Dr. Sedgwick L. Harris, President
Office of the President
Bristol Community College
777 Elsbree Street
Fall River, MA 02720

Dear President Harris:

I am pleased to provide to you the results of the enclosed performance audit of Bristol Community College. As is typically the case, this report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, March 1, 2020 through June 30, 2023. As you know, my audit team discussed the contents of this report with agency managers. This report reflects those comments.

I appreciate you and all your efforts at Bristol Community College. The cooperation and assistance provided to my staff during the audit went a long way toward a smooth process. Thank you for encouraging and making available your team. I am available to discuss this audit if you or your team has any questions.

Best regards,



Diana DiZoglio
Auditor of the Commonwealth

cc: Joan M. Medeiros, Chair of the Bristol Community College Board of Trustees

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LIST OF ABBREVIATIONS

ARPA	American Rescue Plan Act
BRC	Bristol Community College
CARES	Coronavirus Aid, Relief, and Economic Security
CFDA	Catalog of Federal Domestic Assistance
CRRSAA	Coronavirus Response and Relief Supplemental Appropriations Act
CTR	Office of the Comptroller of the Commonwealth
FAFSA	Free Application for Federal Student Aid
FAQ	frequently asked question
HEERF	Higher Education Emergency Relief Fund
IHE	institute 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 Bristol Community College (BRC) for the period March 1, 2020 through June 30, 2023.

The purpose of our audit was to determine the following:

- whether BRC administered 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) *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*;
- whether BRC administered the student portion of funding under Section 314(a)(1) of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and Section 2003(a)(1) of the American Rescue Plan Act (ARPA) in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (Catalog of Federal Domestic Assistance [CFDA] 84.425E and 84.425F) FAQ* and *US DOE's HEERF III FAQ Rollup Document*;
- whether BRC administered the institutional portion of funding in accordance with US DOE's *HEERF I, II, and III FAQs*;
- whether BRC updated its internal control plan to address the COVID-19 pandemic in accordance with the Office of the Comptroller of the Commonwealth's (CTR's) "COVID-19 Pandemic Response Internal Controls Guidance," dated September 30, 2020;
- whether BRC ensured that its employees with access to its Banner¹ system completed cybersecurity awareness training in accordance with the requirements noted in Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010; and
- whether BRC had internal policies and procedures in place for (a) the review and approval of employee settlement agreements, including use of non-disclosure, non-disparagement, or similarly restrictive clauses, and (b) the reporting of monetary employee settlements to CTR in accordance with Sections 5.06 and 5.09 of Title 815 of the Code of Massachusetts Regulations.

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

Finding 1
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BRC did not ensure that all of its employees completed cybersecurity awareness training.

1. Banner is the database system for BRC'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 BRC's financial system.

Effect	If BRC does not ensure that all of its employees complete cybersecurity awareness training, then it may expose itself to an increased risk of cybersecurity attacks and financial and/or reputational losses.
Recommendations Page <u>19</u>	<ol style="list-style-type: none">1. BRC should ensure that all its newly hired employees complete cybersecurity awareness training within 30 days of orientation and annually thereafter.2. BRC should establish sufficient procedures to monitor employee cybersecurity awareness training throughout the training cycle and establish management controls to ensure that it detects issues of noncompliance.
Finding 2 Page <u>20</u>	BRC did not have a transparent or accountable process related to employee settlement agreements.
Effect	If BRC does not have a transparent and accountable process to handle employee settlement agreements, especially for those containing non-disclosure, non-disparagement, confidentiality, or similar clauses, then it cannot ensure that employee settlements are handled in an ethical, legal, or appropriate manner. If the BRC board of trustees does not ensure appropriate oversight regarding employee settlements, then the financial stability and reputation of BRC and its employees may be negatively impacted. Furthermore, public dollars could be abused to cover up harassment, discrimination, or other forms of misconduct, while protecting perpetrators of abuse in BRC's employ, in reality or in appearance.
Recommendations Page <u>24</u>	<ol style="list-style-type: none">1. BRC should develop, document, and implement a policy related to employee settlement agreements.2. To help increase transparency and accountability, BRC should seek and obtain approval from its board of trustees before executing employee settlement agreements and any non-disclosure, non-disparagement, or similarly restrictive clauses in its agreements.

OVERVIEW OF AUDITED ENTITY

Bristol Community College (BRC) is authorized by Section 5 of Chapter 15A of the Massachusetts General Laws and operates under the direction of a board of trustees, which consists of 11 members: nine appointed by the Governor, one alumnus, and one student representative. The president of BRC is the administrative head of the college and reports to the board of trustees.

BRC 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. Established in 1965, BRC offers degree and certificate programs, serving 20 cities and towns across southeastern Massachusetts. BRC's main campus is located in Fall River, but it also has satellite locations in New Bedford, Attleboro, and Taunton and offers online classes.

According to its website, BRC is "a comprehensive, public community college offering more than 130 career and transfer programs of study that lead to an associate degree in science, arts, applied sciences, and certificates of accomplishment or achievement."

As of the fall 2023 semester, there were approximately 6,000 students enrolled at BRC, with 34% full-time students and 66% part-time students. The state budget allocated \$23.9 million to BRC in fiscal year 2021, \$24.7 million in fiscal year 2022, and \$26.1 million in fiscal year 2023.

The Coronavirus Aid, Relief, and Economic Security Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress on March 27, 2020, provided \$30.75 billion in aid for an Education Stabilization Fund to prevent, prepare for, and respond to the effects of the COVID-19 pandemic.

Section 18004(a)(1) of the CARES Act provided funding for the Higher Education Emergency Relief Fund (HEERF) I Program based on student enrollment. It required institutes of higher education (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 institutional portion included upgrades to heating, ventilation, and air conditioning systems across multiple buildings on its campus; developing distance-learning courses; and personal protective equipment (masks, wipes, and sanitizer).

The student portion provided funding for items related to students' cost of attendance, such as tuition, course materials, technology, food, housing, healthcare, and childcare. Students could receive funding under the CARES Act if they filed a Free Application for Federal Student Aid (FAFSA) form² or if they applied for funding using an application developed by their educational institution. At institutions that provided both online and on-campus education, students were not eligible if they were enrolled in an online-only program on March 13, 2020, the date the President declared the national emergency.

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.

Section 314(a)(1) of the CRRSAA allocated funding to IHEs by providing both student and institutional funding through CRRSAA, like the CARES Act. The United States Department of Education (US DOE) modified its guidance to allow more students to receive funding. Under the modified guidance, students were no longer required to complete a FAFSA form or be enrolled entirely 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 Act (ARPA) was signed into law, providing an additional \$40 billion for the HEERF Program. ARPA required that at least half of each institution's award be used to make emergency financial aid grants to students, with the remainder available for institutional purposes.

2. The FAFSA form is used by colleges to determine how much financial aid a student is eligible to receive. Aid may include grants, scholarship, work-study programs, and loans.

US DOE's guidance document for ARPA funding, the *HEERF III FAQ* document, 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 BRC's financial activity related to COVID-19 funding during the audit period.

Grant Type	Award	Disbursements
CARES Act 18004(a)(1) Student	\$ 2,343,251	\$ 2,343,251
CARES Act 18004(a)(1) Institutional	2,343,251	2,343,251
CRRSAA 314(a)(1) Student	2,343,251	2,343,251
CRRSAA 314(a)(1) Institutional	7,754,095	7,754,095
ARP Act Student	8,996,857	8,996,857
ARP Act Institutional	8,513,511	7,469,088
Totals	<u>\$ 32,294,216</u>	<u>\$ 31,249,793*</u>

* This includes disbursements up to June 30, 2023. BRC was given a no-cost extension until June 30, 2024 to expend the remainder of the funds.

Office of the Comptroller of the Commonwealth's "COVID-19 Pandemic Response Internal Controls Guidance"

On September 30, 2020, the Office of the Comptroller of the Commonwealth (CTR) provided guidance to state agencies in response to the COVID-19 pandemic. The guidance helped state agencies that were experiencing significant changes identify their goals, objectives, and risks associated with the COVID-19 pandemic. The objectives included implementing telework and return-to-office plans, conducting risk assessments of COVID-19's impact on department operations, modifying business processes, establishing safety protocols for employees and visitors, and separately tracking COVID-19-related awards and expenditures from other federal, state, and local expenditures.

Cybersecurity Awareness Training

The Executive Office of Technology Services and Security has established policies and procedures that apply to all Commonwealth agencies within the executive branch. The Executive Office of Technology Services and Security recommends, but does not require, non-executive branch agencies to follow these

policies and procedures. Section 6.2 of the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010 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.

To ensure that employees are clear on their responsibilities, all employees in executive branch state agencies with access to a Commonwealth-provided email address are required to complete a cybersecurity awareness course every year. All newly hired employees are required to complete an initial cybersecurity awareness training course within 30 days after their orientation.

While BRC is not required to follow this standard because it is a non-executive branch state agency, we consider it a best practice. BRC used the KnowBe4 training platform during the audit period to administer required initial and annual cybersecurity awareness training to its employees. BRC assigned one training in 2020, one training in 2021, three trainings in 2022, and three trainings in 2023. BRC's policy required employees to complete all trainings in a given year in order to be considered compliant.

State Employee Settlement Agreements

CTR has established policies and procedures for Commonwealth agencies processing settlements and judgments.

CTR's Settlements and Judgments Policy states,

A settlement or judgment results from a formal claim (grievance, complaint or lawsuit) against the Commonwealth that results in either a Settlement Agreement, or a court or administrative award, order or Judgment. . . .

A "claim" is considered any demand by any person for damages to compensate a wrong allegedly suffered, including but not limited to violation of civil rights, breach of contract, failure to comply with contract bidding laws, incorrect or improper personnel determinations regarding pay, promotion or discipline, failure to comply with statutory or constitutional provisions applicable to employment, an eminent domain taking, and attorney's fees, interest and litigation costs associated with these claims.

For the purposes of our audit, we focused on settlement agreements resulting from claims brought by current or former state employees against BRC.

Section 5.00 of Title 815 of the Code of Massachusetts Regulations describes the procedures for agencies to determine availability of funds for the payment of settlements and judgments against the Commonwealth as well as reporting requirements. The regulation requires agencies to prepare and submit a report to CTR's general counsel before making the payment to ensure proper tax reporting. When reporting employee settlement agreements to CTR, state agencies use a Non-Tort Settlement/Judgment Payment Authorization Form (referred to in this report as the SJ Authorization Form) to document whether the claim will be paid by the agency or through the Settlement and Judgment Reserve Fund. It also documents the type of claim, agency information, the employee's information, the type and amount of damages detailed in the settlement agreement, the amount of any attorney's fees awarded, and the amount of any interest awarded or accrued. Additionally, agencies must include a copy of the employee settlement agreement signed by authorized representatives of both parties when they submit the SJ Authorization Form.

We found that BRC entered into 14 employee settlements agreements, totaling \$96,500, during 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 Bristol Community College (BRC) for the period March 1, 2020 through June 30, 2023.

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 BRC 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>Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document</i> ?	Yes
2. Did BRC administer the student portion of funding under Section 314(a)(1) of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and Section 2003(a)(1) of the American Rescue Plan Act (ARPA) in accordance with the <i>HEERF II Public and Private Nonprofit Institution (a)(1) Programs (Catalog of Federal Domestic Assistance [CFDA] 84.425E and 84.425F) FAQ</i> and <i>HEERF III FAQ</i> ?	Yes
3. Did BRC administer the institutional portion of funding in accordance with US DOE's <i>HEERF I, II, and III FAQs</i> ?	Yes
4. Did BRC update its internal control plan to address the COVID-19 pandemic in accordance with the Office of the Comptroller of the Commonwealth's (CTR's) "COVID-19 Pandemic Response Internal Controls Guidance," dated September 30, 2020?	Yes
5. Did BRC adhere to Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010 with regard to cybersecurity awareness training?	No; see Finding <u>1</u>
6. Did BRC have internal policies and procedures in place for (a) the review and approval of employee settlement agreements, including the use of non-disclosure, non-disparagement, or similarly restrictive clauses, and (b) the reporting of monetary employee settlements to CTR in accordance with Sections 5.06 and 5.09 of Title 815 of the Code of Massachusetts Regulations?	No; see Finding <u>2</u>

To accomplish our audit objectives, we gained an understanding of the aspects of BRC's internal control environment relevant to our objectives by reviewing applicable policies and procedures, by reviewing BRC's internal control plan, and by interviewing BRC management and employees.

To obtain sufficient, appropriate evidence to address our audit objectives, we performed the procedures described below.

CARES Act Student Funds

To determine whether BRC administered the student portion of funding under Section 18004(a)(1) of the CARES Act in accordance with the guidance provided in Sections C, D and E of US DOE's *HEERF I FAQ Rollup Document*, we performed the procedures described below.

We obtained a list of all 5,001 students who received CARES Act student-portion funding, totaling \$2,346,557, during the audit period from BRC's Banner system. From this list, we selected a random, statistical sample³ of 60 students, using a 95% confidence level,⁴ a 0% expected error rate,⁵ and a 5% tolerable error rate⁶ for testing. The total amount of CARES Act student-portion funding associated with our sample was \$28,206 (1.2%). For each student in our sample, we reviewed BRC's electronic student account records, including each student's financial aid awards, account information, and course credit details. We determined whether each student was enrolled during the spring or fall 2020 semester, had certified that they were impacted by the COVID-19 pandemic, and had attended at least one class in person and were, therefore, eligible to receive CARES Act student-portion funding.

To determine whether the amount of CARES Act student-portion funding that each student received was accurate, we reviewed BRC's electronic student account records to verify the number of registered credit hours for each student and determined whether each student had received a Pell Grant, which is a federal grant for students with the highest financial need. We calculated the amount each student should have

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3. Auditors use statistical sampling to select items for audit testing when a population is large and contains similar items. Auditors generally use a statistical software program to choose a random sample when sampling is used. The results of testing using statistical sampling, unlike those from judgmental sampling, can usually be used to make conclusions or projections about entire populations.
 4. Confidence level is a mathematically based measure of the auditor's assurance that the sample results (statistic) are representative of the population (parameter), expressed as a percentage.
 5. Expected error rate is the number of errors that are expected in the population, expressed as a percentage. It is based on the auditor's knowledge of factors such as prior year results, the understanding of controls gained in planning, or a probe sample.
 6. The tolerable error rate (which is expressed as a percentage) is the maximum error in the population that is acceptable while still using the sample to conclude that the results from the sample have achieved the objective.

received using BRC's established distribution methodology, which had different tiers based on each student's registered credit hours and whether they had received a Pell Grant.

For the spring 2020 semester, eligible students received the higher of two calculated amounts as their CARES Act student award: either 25% of their Pell Grant-awarded amount or their registered credit hours multiplied by \$25. The minimum award amount was \$250, meaning eligible students would receive at least \$250 even if both calculations resulted in a lower amount.

For the fall 2020 semester, eligible students' award amounts were determined by two factors: their Pell Grant status and the number of their registered credit hours. The payments were as follows:

- Students received \$858 if they were Pell Grant recipients with 12 or more registered credit hours.
- Students received \$546 if they were Pell Grant recipients with fewer than 12 registered credit hours.
- Non-Pell Grant students received \$312 if they had 12 or more registered credit hours.
- Non-Pell Grant students received \$156 if they had fewer than 12 registered credit hours.

We compared each of our calculated amounts to the actual amounts students received from BRC for agreement.

Based on the results of our testing, we determined that, during the audit period, BRC appropriately administered the student portion of funding that we sampled under Section 18004(a)(1) of the CARES Act in accordance with Sections C, D, and E of US DOE's *HEERF FAQ Rollup Document*. Because we used statistical sampling, we believe the results of our analysis accurately represent the larger population.

CRRSAA and ARPA Student Funds

To determine whether BRC administered the student portion of funding under Section 314(a)(1) of the CRRSAA and Section 2003(a)(1) of the ARPA in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) FAQ* and Section B of US DOE's *HEERF III FAQ*, we performed the procedures described below.

We obtained a list of all 15,928 students who received CRRSAA and/or ARPA (HEERF II and HEERF III) student-portion funding, totaling \$11,339,187, during the audit period from BRC's Banner system. From this list, we selected a random, statistical sample of 60 students, using a 95% confidence level, a 0%

expected error rate, and a 5% tolerable error rate for testing. The total amount of CRRSAA and ARPA student-portion funding associated with our sample was \$42,300 (0.37%). For each student in our sample, we reviewed BRC's electronic student account records, including each student's financial aid awards, account information, and course credit details. We determined whether each student was enrolled during the spring 2021 through the spring 2023 semesters, had certified that they were impacted by COVID-19, and were, therefore, eligible to receive CRRSAA and/or ARPA student-portion funding.

To determine whether the amount of CRRSAA and/or ARPA student-portion funding that each student received was accurate, we reviewed BRC's electronic student account records to verify the number of registered credit hours for each student and determined whether each student received a Pell Grant. We calculated the amount that each student should have received using BRC's established distribution methodology, which had different tiers based on students' registered credit hours and whether they received a Pell Grant. We then compared each of our calculated amounts to the actual amounts students received from BRC for agreement.

For the fall 2021 semester, payments were as follows:

- Students received \$750 if they were Pell Grant recipients with 12 or more registered credit hours.
- Students received \$550 if they were Pell Grant recipients with between 3 and 12 registered credit hours.
- Students received \$400 if they were Pell Grant recipients with fewer than 3 registered credit hours.
- Non-Pell Grant students received \$400 as long as they had registered credit hours.

For the spring 2022 semester, payments were as follows:

- Students received \$1,000 if they were Pell Grant recipients with 12 or more registered credit hours.
- Students received \$800 if they were Pell Grant recipients with between 3 and 12 registered credit hours.
- Students received \$450 if they were Pell Grant recipients with fewer than 3 registered credit hours.
- Non-Pell Grant students received \$450 if they had 12 or more registered credit hours.
- Non-Pell Grant students received \$350 if they had between 3 and 12 registered credit hours.
- Non-Pell Grant students received \$250 if they had fewer than 3 registered credit hours.

For the summer 2022 semester, payments were as follows:

- Students received \$1,000 if they were Pell Grant recipients with 12 or more registered credit hours.
- Students received \$750 if they were Pell Grant recipients with between 3 and 12 registered credit hours.
- Students received \$500 if they were Pell Grant recipients with fewer than 3 registered credit hours.
- Non–Pell Grant students received \$600 if they had 12 or more registered credit hours.
- Non–Pell Grant students received \$400 if they had between 3 and 12 registered credit hours.
- Non–Pell Grant students received \$250 if they had fewer than 3 registered credit hours.

For the fall 2022 semester, payments were as follows:

- Students received \$1,600 if they were Pell Grant recipients with 12 or more registered credit hours.
- Students received \$1,100 if they were Pell Grant recipients with fewer than 12 registered credit hours.
- Non–Pell Grant students received \$750 if they had 12 or more registered credit hours.
- Non–Pell Grant students received \$400 if they had fewer than 12 registered credit hours.

For the spring 2023 semester, payments were as follows:

- Students received \$1,500 if they were Pell Grant recipients with 12 or more registered credit hours.
- Students received \$1,100 if they were Pell Grant recipients with between 3 and 12 registered credit hours.
- Students received \$700 if they were Pell Grant recipients with fewer than 3 registered credit hours.
- Non–Pell Grant students received \$1,000 if they had 12 or more registered credit hours.
- Non–Pell Grant students received \$700 if they had between 3 and 12 registered credit hours.
- Non–Pell Grant students received \$500 if they had fewer than 3 registered credit hours.

Based on the results of our testing, we determined that BRC appropriately administered the student portions of funding that we sampled under Section 314(a)(1) of the CRRSAA and Section 2003(a)(1) of the

ARPA during the audit period. Because we used statistical sampling, we believe the results of our analysis accurately represent the larger population.

CARES Act, CRRSAA, and ARPA Institutional Funds

To determine whether BRC administered the institutional portion of funding in accordance with US DOE's *HEERF I, II, and III FAQs*, we performed the following procedures:

- We obtained a list of all 7,036 CARES Act, CRRSAA, and ARPA transactions, totaling \$17,566,434, classified as the institutional-portion transactions during the audit period. We then stratified the population into the following two subpopulations:
 - One subpopulation had 97 transactions, with each valued more than \$50,000.
 - The other subpopulation had 6,939 transactions, with each valued less than or equal to \$50,000.
- We selected a random, nonstatistical sample of 20 transactions, totaling \$1,857,315 (11%), from the subpopulation of 97 transactions over \$50,000.
- We selected a random, statistical sample of 60 transactions, totaling \$21,592 (0.12%), from our subpopulation of transactions under \$50,000, using a 95% confidence level, a 0% expected error rate, and a 5% tolerable error rate.
- For our total of 80 sampled transactions, we requested and reviewed hardcopy supporting documentation (purchase orders, general journal entries, invoices/bills, emails, payroll records, receipts, etc.) to identify the nature of the expense and to determine whether the expense was related to COVID-19 and allowable under the CARES Act, CRRSAA, and ARPA.

Based on the results of our testing, we determined that, during the audit period, BRC appropriately administered the institutional portion of funding (that we sampled) under the CARES Act, CRRSAA, and ARPA.

Internal Control Plan COVID-19 Updates

To determine whether BRC updated its internal control plan to address the effects of COVID-19 in accordance with CTR's "COVID-19 Pandemic Response Internal Controls Guidance," dated September 30, 2020, we obtained BRC's Internal Control Questionnaires submitted to CTR for fiscal years 2021, 2022, and 2023, as well as BRC's internal control plan in place during the audit period. We also obtained BRC's COVID-19 policy updates made during the audit period. We reviewed this documentation for evidence that the five objectives outlined in CTR's "COVID-19 Pandemic Response Internal Controls Guidance" were addressed.

Based on the results of our testing, we determined that BRC appropriately updated its internal control plan during the audit period. BRC created and updated its policies and procedures in accordance with the five objectives of CTR's "COVID-19 Pandemic Response Internal Controls Guidance."

Cybersecurity Awareness Training

To determine whether BRC adhered to Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010 with regard to cybersecurity awareness training, we selected a random, statistical sample of 60 employees, using a 95% confidence level, a 0% expected error rate, and a 5% tolerable error rate, from the population of 1,644 employees active during the audit period. We reviewed the KnowBe4 training results data to determine whether employees completed the required annual cybersecurity awareness training.

Additionally, we selected a random, nonstatistical sample of 50 employees from the population of 508 employees newly hired during the audit period. We determined whether each employee completed initial cybersecurity awareness training within 30 days of their hire date.

See Finding 1 for more information regarding the results of our testing related to cybersecurity awareness training.

Employee Settlement Agreements

To determine whether BRC had internal policies and procedures in place for (a) the review and approval of employee settlement agreements, including the language used, and (b) the reporting of employee settlement agreements to CTR, we interviewed BRC's vice president of administration and finance. BRC stated that it follows CTR's Settlements and Judgments Policy for the processing of payments for employee settlement agreements. According to CTR's Settlements and Judgments Policy, BRC is only required to report monetary employee settlements to CTR. Nonmonetary settlements are not required to be reported.

To determine whether BRC included non-disclosure, non-disparagement, or similarly restrictive clauses in employee settlement, we obtained a list of all 14 employee settlements (5 monetary and 9 nonmonetary) executed during the audit period. We requested and reviewed the language in the associated employee settlement agreements, documenting any instances of restrictive language.

See Finding 2 for more information regarding the use of employee settlement agreements by BRC.

To determine whether BRC properly reported monetary settlements to CTR, we requested and reviewed copies of the settlement documentation. We determined whether the employee settlement agreements were signed by authorized representatives of both the employee and BRC. For the five monetary settlements, we determined whether the SJ Authorization Form detailed the terms of the settlement claim payment and was signed by BRC's chief financial officer and general counsel. We also determined whether the emails from CTR documented the review and approval of the settlement claim for payment. These emails served as evidence that the required documentation was reported to CTR. In the event that an employee settlement agreement, SJ Authorization Form, or CTR email could not be provided by BRC, we looked for the settlement's inclusion as part of CTR's quarterly Settlements and Judgments Transparency Report,⁷ which applies only to monetary settlements, to serve as evidence that the settlement was reported.

Based on the results of our testing, we determined that BRC appropriately reported all 5 monetary employee settlements to CTR for approval, as required by Section 5.00 of Title 815 of the Code of Massachusetts Regulations.

We used a combination of statistical and nonstatistical sampling methods for testing, and we did not project the results of our testing to the corresponding populations.

Data Reliability Assessment

Banner System Data—Students and COVID-19 Funding

To determine the reliability of the data obtained from BRC's Banner system, we interviewed BRC officials who were knowledgeable about the data. We also reviewed certain general information system controls (including security management, access controls, configuration management, segregation of duties, and contingency planning) over BRC's Banner system.

We obtained a list of all students registered at BRC during the audit period. Students who received grant funds and students who did not receive grant funds were included in this list, as well as their total credits (in-person credits and online credits), eligible grant-award amounts, and grant-award amounts paid. There were 58,043 registered student records from the audit period, across nine

7. In accordance with Section 2 of Chapter 28 of the General Laws, CTR is required to submit quarterly reports each fiscal year on payments from the Settlements and Judgments Reserve Account. These reports provide information on payees, amounts, and the associated Commonwealth of Massachusetts department or agency for settlements and judgments paid from appropriation account under line item 1599-3384 in the state budget.

different semesters, with award amounts totaling \$13,685,744. We reviewed a random sample of 20 students. We traced each student's enrollment information, award amounts, and credits to the records maintained by the student accounts office. We reviewed canceled checks or direct deposit confirmations (where applicable) to verify the amounts paid to students.

We also obtained a list of CARES Act, CRRSAA, and ARPA institutional transactions (totaling \$17,566,434) made during the audit period from BRC's special grants accountant. We traced a random sample of 20 transactions from our population to the hardcopy invoices, and we traced the information from a random sample of 20 hardcopy invoices from within the audit period to the list of transactions. For all 40 of the sampled transactions, we verified payment amounts by reviewing hardcopy direct deposit confirmations and canceled checks (when applicable). In addition, we checked these lists for hidden rows and columns, missing values in key data fields, and duplicate records. We compared each expenditure total by fiscal year against the reported total amount expended in BRC's audited financial statements. We also compared the expenditure amounts against the Grant Award Notifications⁸ that BRC received from US DOE.

Cybersecurity Awareness Training

To determine the reliability of the cybersecurity awareness training records we obtained from KnowBe4, we reviewed System and Organization Control Reports⁹ covering the audit period. We ensured that certain information system control tests (access controls, security management, configuration management, contingency planning, and segregation of duties) had been performed without exception.

To determine the reliability of the list of 1,644 unique full-time and part-time employees that we obtained from BRC, we verified that the employee names, identification numbers, and employment date information for a sample of 20 employee records matched personnel files. We then traced employee information from a sample of 20 personnel files to the employee list. We accessed the Human Resources Compensation Management System, the Commonwealth's official payroll system, to append employment start dates and end dates (if applicable) to the list of employees.

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8. This notification is a legally binding document that informs the grantee (the institution) and others that an award has been made, contains or references all terms and conditions of the award, and documents the obligation of federal funds.
9. A System and Organization Control report is a report on controls, issued by an independent contractor, about a service organization's systems relevant to security, availability, processing integrity, confidentiality, or privacy.
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As part of our review, we also ensured that the format of dates was correct, checked for employment start and end dates outside the audit period, checked for missing values in key data fields, and checked for duplicate records within the list.

Employee Settlement Agreements

BRC's vice president of administration and finance provided a list of 14 records representing employee settlement agreements entered into between current or former employees and BRC during the audit period.

To ensure the accuracy of the list, we traced each employee name, settlement date, amount, and type of confidentiality language included in the list to source documents (copies of the settlement agreement and SJ Authorization Form). To ensure the completeness of the monetary settlements, we traced each employee name, date, amount, and funding source from CTR's Settlements and Judgments Access data from the period to BRC's settlement list.

As of part of our review, we also ensured that the formats of dates and dollar amounts were correct, checked for settlement dates outside the audit period, checked for missing values in key data fields, and checked for duplicate records within the list.

Based on the results of the data reliability assessment procedures described above, we determined that the information we obtained was sufficiently reliable for the purposes of our audit.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Bristol Community College did not ensure that all of its employees completed cybersecurity awareness training.

Bristol Community College (BRC) did not ensure that all employees with access to its Banner system completed cybersecurity awareness training. Specifically, 47 (78%) of the 60 employees in our sample¹⁰ did not complete all required annual cybersecurity awareness trainings during the period. Additionally, 33 (66%) of the 50 newly hired employees in our sample did not complete initial cybersecurity awareness training within 30 days of their hire date. Of these 33 newly hired employees, we found that 24 completed the training late and 9 did not complete the training at all.

The table below breaks down annual training completion for BRC employees sampled for the audit period.

	Completed	Not Completed	Not Applicable*	Total
2020 Training	7	42	11	<u>60</u>
2021 Training	36	13	11	<u>60</u>
2022 Training A	34	8	18	<u>60</u>
2022 Training B	34	8	18	<u>60</u>
2022 Training C	35	7	18	<u>60</u>
2023 Training A	29	5	26	<u>60</u>
2023 Training B	29	5	26	<u>60</u>
2023 Training C	28	6	26	<u>60</u>
All Assigned Trainings During the Audit Period	11	47	2**	<u>60</u>

* Individuals who were not employed at BRC in a given year were assessed as not applicable. This would include, for example, newly hired employees and employees who left before the training was assigned.

** Two individuals in our sample had employment termination dates before the training was assigned in 2020. These were assessed as not applicable for the audit period.

If BRC does not ensure that all of its employees complete cybersecurity awareness training, then it may expose itself to an increased risk of cybersecurity attacks and financial and/or reputational losses.

10. Please note that the testing samples discussed in this finding are separate from the ones used in our data reliability assessment for cybersecurity awareness training.

Authoritative Guidance

Section 6.2 of the Executive Office of Technology Services and Security 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 course must be completed within 30 days of orientation.

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

Reasons for Issue

According to BRC officials, in 2020, BRC encouraged employees to take the training, but it was considered optional. However, in 2021 and onward, BRC made cybersecurity awareness training mandatory for all employees. BRC did not have sufficient procedures in place to monitor employee cybersecurity awareness training completion throughout the training cycle.

Recommendations

1. BRC should ensure that all its newly hired employees complete cybersecurity awareness training within 30 days of orientation and annually thereafter.
2. BRC should establish sufficient procedures to monitor employee cybersecurity awareness training throughout the training cycle and establish management controls to ensure that it detects issues of noncompliance.

Auditee's Response

Bristol Community College acknowledges this audit finding and is appreciative of the effort and collaboration with the Office of [the State] Auditor on this process. Bristol has made significant progress on ensuring that new and existing employees are properly trained on best practices in the awareness of cybersecurity threats. The College has aligned all required employee training programs and communication is shared across all areas for annual training. Additionally, a focus has been placed on working with leadership throughout the college to ensure that employees understand the necessary nature of required training programs. In addition to Bristol's training program, employees and students are enrolled in simulated phishing email messages to raise awareness and informational campaigns are routinely shared with the College community. From a technical perspective, robust tools are available to the College with third-party vendors providing continuous support for potential threats. We agree with the recommendations suggested.

Auditor's Reply

Based on its response, BRC is taking measures to address our concerns regarding this matter. As part of our post-audit review process, we will follow up on this matter in approximately six months.

2. Bristol Community College did not have a transparent or accountable process related to employee settlement agreements.

BRC did not have documented internal policies and procedures for reviewing, entering into, and finalizing its employee settlement agreements during the audit period.

We also noted that BRC did not have a documented process for its board of trustees' review of employee settlements before approval. The bylaws of the BRC board of trustees require BRC's president to keep the board "informed of all relevant matters." However, BRC could not provide evidence that any of the 14 employee settlement agreements executed during the audit period were presented to its board of trustees for approval.

Additionally, we asked about the use of non-disclosure, non-disparagement, and similarly restrictive language as part of settlement agreements. We were informed that BRC does not use such language and that no internal policy exists. Subsequently, it was explained that non-disparagement language may be included at the request of the employee as it may be mutually beneficial to both parties. We found seven instances of restrictive language included in the employee settlement agreements that we reviewed.

The table below summarizes the years, amounts, funding sources, and types of restrictive language used (where applicable) within employee settlement agreements BRC entered into during the audit period.

Were Allegations Specified in the Agreement?	Settlement Year	Amount	Method of Payment	Restrictive Language	Quoted Language
No*	2020	\$2,500	Settlements and Judgments Reserve Fund	No restrictive language identified	No restrictive language identified
No**	2020	\$50,000	Settlements and Judgments Reserve Fund	No restrictive language identified	No restrictive language identified

Were Allegations Specified in the Agreement?	Settlement Year	Amount	Method of Payment	Restrictive Language	Quoted Language
No**	2021	\$30,000	Settlements and Judgments Reserve Fund	Non-disclosure	"The former employee agrees not to disclose to any person, unless required by law, the terms of this Agreement, except to [their] attorneys, tax consultants, family members, medical personnel, financial planners, or counselors."
No**	2023	\$10,000	Settlements and Judgments Reserve Fund	No restrictive language identified	No restrictive language identified
No**	2023	\$4,000	Settlements and Judgments Reserve Fund	No restrictive language identified	No restrictive language identified
No**	2020	\$0	No payment made	Non-disparagement	"The parties agree not to disparage each other."
No**	2020	\$0	No payment made	Non-disclosure	"To the extent permitted by law, the Parties agree that all terms of this Agreement shall remain confidential. [Employee] further agrees not to disclose to any person, unless required by law, the terms of this agreement."
No**	2020	\$0	No payment made	Non-disclosure	"[Employee] further agrees not to disclose to any person, unless required by law, the terms of this Agreement."
No**	2020	\$0	No payment made	No restrictive language identified	No restrictive language identified
No**	2020	\$0	No payment made	Non-disclosure	"[Employee] further agrees not to disclose to any person, unless required by law, the terms of this Agreement. . . . Neither party acting on their own or through a third party, will disparage each other."

Were Allegations Specified in the Agreement?	Settlement Year	Amount	Method of Payment	Restrictive Language	Quoted Language
No**	2021	\$0	No payment made	Non-disclosure, not for publication	"Parties agree not to disclose, divulge, or publish any information regarding the substance, terms, or existence of this agreement . . . to the extent required by law. . . . Neither party will disparage each other."
No**	2021	\$0	No payment made	Non-disclosure, not for publication	"Parties agree not to disclose, divulge, or publish any information regarding the substance, terms, or existence of this agreement . . . to the extent required by law."
No**	2022	\$0	No payment made	No restrictive language identified	No restrictive language identified
No†	2023	\$0	No payment made	No restrictive language identified	No restrictive language identified

* This settlement was a grievance resolution and resulted in the removal of documentation from this employee's personnel file.

** These settlements were related to employment action (e.g., termination, resignation, or dismissal from assignments).

† These settlements were related to sick and vacation leave.

The table below is a breakdown of the types of restrictive language identified within the documentation provided.

Type of Restrictive Language	Count
No restrictive language identified	7
Non-disclosure	4
Non-disclosure, not for publication	2
Non-disparagement	1
Grand Total	<u>14</u>

If BRC does not have a transparent and accountable process to handle employee settlement agreements, especially for those containing non-disclosure, non-disparagement, confidentiality, or similar clauses, then it cannot ensure that employee settlements are handled in an ethical, legal, or appropriate manner.

If the BRC board of trustees does not ensure appropriate oversight regarding employee settlements, then the financial stability and reputation of BRC and its employees may be negatively impacted. Furthermore, public dollars could be abused to cover up harassment, discrimination, or other forms of misconduct, while protecting perpetrators of abuse in BRC's employ, in reality or in appearance.

Authoritative Guidance

Section 5.09 of Title 815 of the Code of Massachusetts Regulations states the following:

- (1) Responsibility of assigned attorney or staff person: Preparation of Reports. When litigation involving a monetary claim against the Commonwealth covered by these regulation terminates in a final Settlement or judgment with regard to such a claim, the agency attorney or staff person assigned to handle or monitor the claim shall do the following:*
 - (a) Prepare a report indicating:*
 - 1. the principal amount of the settlement or judgment;*
 - 2. the amount of any attorney's fee award;*
 - 3. the amount of any interest award or accrued, and whether the interest continues to accrue post-judgment;*
 - 4. a request for payment of the amount;*
 - 5. a description of the basis for the request, (e.g., Court order or settlement agreement); and*
 - 6. whether the assigned attorney desires to award the payment check to the claimant;*
 - (b) Forward the report with a copy of the settlement or judgment just described to the General Counsel of the [Office of the Comptroller of the Commonwealth] within the time frames set forth in [Section 5.09(2) of Title 815 of the Code of Massachusetts Regulations]. . . .*
- (2) Time for preparation of reports. The report . . . shall be sent by the agency attorney to the General Counsel of the Comptroller:*
 - (a) if based on a settlement agreement, within 15 days of signing of the final settlement papers; or*
 - (b) if based on a judgment against the Commonwealth or any agency, within fifteen days of the Commonwealth's decision not to appeal; or*

(c) if based on a judgment against the Commonwealth or an agency, where the Commonwealth decides to take an appeal from the judgment, within fifteen days of any final order on appeal or in remand proceedings, if such remand proceedings are ordered.

We consider this to be a best practice, since this regulation outlines the procedures required by the Office of the Comptroller of the Commonwealth for executive branch state agencies.

The US Government Accountability Office's *Standards for Internal Control in the Federal Government*, known as the Green Book, sets internal control standards for federal entities. The Green Book defines internal controls in the following way:

Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. Internal control serves as the first line of defense in safeguarding assets. In short, internal control helps managers achieve desired results through effective stewardship of public resources. . . . Management should design control activities to achieve objectives and respond to risks. . . . Management should implement control activities through policies.

While BRC is not required to follow this policy, we believe it to be a best practice.

Reasons for the Issue

BRC officials stated that, because of the infrequent use of employee settlement agreements and the detailed nature of the state's policy, there is no need for BRC to have another in place. We were informed by BRC's vice president of administration and finance that the president informs the board chair of potentially "significant settlements," but we found that BRC has not defined a threshold for board approval of employee settlements. BRC's assertion that it notifies the board chair of these settlements is self-reported, and we have not reviewed documentation that proves that this communication occurred.

Recommendations

1. BRC should develop, document, and implement a policy related to employee settlement agreements.
2. To help increase transparency and accountability, BRC should seek and obtain approval from its board of trustees before executing employee settlement agreements and any non-disclosure, non-disparagement, or similarly restrictive clauses in its agreements.

Auditee's Response

Bristol Community College agrees that documenting a policy and procedures can help ensure consistent practices. To date we have relied on the Office of the Comptroller's Policy on Settlements and Judgements that includes them signing off in addition to college legal counsel. The College will

use that policy to create a Bristol policy. We hope for a system-wide policy to ensure consistency across the system in the handling of these matters.

For all cases handled by the Attorney General's Office we followed the required settlement procedures of the Attorney General's Office. This included seeking and securing approval from the Attorney General's Office for all settlement amounts and terms.

For grievances by union members, we follow the terms of collective bargaining agreements, which in some cases expressly provide that grievance settlements must be non-precedential.

No restrictive language was identified after 2021. To the extent non-disclosure language remains in any agreements, we agree it should be eliminated.

Nine of the 14 agreements had no monetary value, and the others were not material, which is why they were not brought forward to the Board. The College agrees to inform the Board about future employee settlement agreements as requested. We will include guidelines in our policy to bring such matters to the Board's attention.

Auditor's Reply

Based on its response, BRC is taking measures to address our concerns regarding this matter. We recommend that BRC clearly define materiality in its policy so that there is a clear threshold for determining which agreements should be brought to the attention of its board of trustees. This will help avoid any ambiguity in the future and ensure consistent adherence to the process. As part of our post-audit review process, we will follow up on this matter in approximately six months.