

OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

Official Audit Report – Issued July 9, 2024

Commonwealth Corporation

For the period July 1, 2020 through June 30, 2022



OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

July 9, 2024

Molly Jacobson, President and Chief Executive Officer
Commonwealth Corporation
33 Harrison Avenue, 3rd Floor
Boston, MA 02111

Dear Ms. Jacobson:

I am pleased to provide to you the results of the enclosed performance audit of Commonwealth Corporation. As is typically the case, this report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2020 through June 30, 2022. 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 Commonwealth Corporation. 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 have any questions.

Best regards,



Diana DiZoglio
Auditor of the Commonwealth

cc: Lauren E. Jones, Secretary of the Executive Office of Labor and Workforce Development and Chair of the Commonwealth Corporation Board of Directors

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY	3
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	10
DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE	14
1. Commonwealth Corporation did not consistently collect or analyze employment outcome data related to its YouthWorks program participants.	14
2. Commonwealth Corporation did not ensure that YouthWorks grant recipients obtained eligibility documentation and accurately recorded program participant information.	17
3. Commonwealth Corporation did not ensure that its employees completed cybersecurity awareness training.	20
4. Commonwealth Corporation had inadequate access controls for its YouthWorks Database.	22
a. Commonwealth Corporation did not have documented management approval for employees’ access rights to its YouthWorks database.	22
b. Commonwealth Corporation could not provide evidence that it promptly revoked former employees’ access rights to its YouthWorks database.	23

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 certain activities of Commonwealth Corporation (CommCorp) for the period July 1, 2020 through June 30, 2022.

The purpose of our audit was to determine the following:

- whether CommCorp ensured that YouthWorks grant recipients met the program participant eligibility and reporting requirements in Sections V and IX (for fiscal year 2021) and Sections III and VII (for fiscal year 2022) of CommCorp's YouthWorks "Program Administration and Management Guide";
- whether CommCorp tracked each YouthWorks program participant's employment status after the completion of each program cycle to assess whether the program achieved its goal of helping program participants secure unsubsidized employment, in accordance with Section VIII (for fiscal year 2021) and Section VII (for fiscal year 2022) of CommCorp's YouthWorks "Program Administration and Management Guide" and Section 116(b)(2)(A) of the Workforce Innovation and Opportunity Act of 2014; and
- whether CommCorp ensured that its employees completed cybersecurity awareness training, in accordance with Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security's (EOTSS's) Information Security Risk Management Standard IS.010.

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

Finding 1 Page 14	CommCorp did not consistently collect or analyze employment outcome data related to its YouthWorks program participants.
Recommendations Page 16	<ol style="list-style-type: none">1. CommCorp should develop policies and procedures to effectively monitor the extent to which its YouthWorks program achieves its intended purpose of helping program participants secure unsubsidized employment. These policies and procedures should include information on how to routinely collect and analyze employment outcome data related to its YouthWorks program participants.2. CommCorp should revise its YouthWorks post-program survey to capture information regarding whether a program participant gained unsubsidized employment as a result of its YouthWorks program.3. CommCorp should require all YouthWorks grant recipients to report employment outcome data in the YouthWorks database.

Finding 2 Page <u>17</u>	CommCorp did not ensure that YouthWorks grant recipients obtained eligibility documentation and accurately recorded program participant information.
Recommendations Page <u>19</u>	<ol style="list-style-type: none">1. CommCorp should develop and implement monitoring controls to ensure that YouthWorks grant recipients obtain documentation to support program participant eligibility and accurately record program participant information in the YouthWorks database.2. CommCorp should review program participant Social Security numbers that are recorded in the YouthWorks database and correct any incomplete or inaccurate numbers.
Finding 3 Page <u>20</u>	CommCorp did not ensure that its employees completed cybersecurity awareness training.
Recommendations Page <u>21</u>	<ol style="list-style-type: none">1. CommCorp should develop, document, and implement monitoring controls to ensure that its employees complete cybersecurity awareness training within 30 days of their orientation and annually thereafter. The cybersecurity awareness training should include a test of each individual's understanding of all policies and their role in maintaining the security of CommCorp's information technology systems.2. CommCorp should maintain a record of completion of cybersecurity awareness training for each employee.
Finding 4a Page <u>22</u>	CommCorp did not have documented management approval for employees' access rights to its YouthWorks database.
Finding 4b Page <u>23</u>	CommCorp could not provide evidence that it promptly revoked former employees' access rights to its YouthWorks database.
Recommendations Page <u>25</u>	<ol style="list-style-type: none">1. CommCorp should develop, document, and implement policies and procedures for YouthWorks database user access requests that include documented management approval.2. CommCorp should develop, document, and implement policies and procedures for the revocation of user access to the YouthWorks database upon termination of a user's employment. CommCorp should incorporate periodic access reviews (at least semiannually) to ensure that users' access rights are limited to their individual job requirements.

OVERVIEW OF AUDITED ENTITY

Commonwealth Corporation (CommCorp) is a quasi-public workforce development agency overseen by the Executive Office of Labor and Workforce Development. Section 64 of Chapter 365 of the Acts of 1996 established CommCorp (which was originally known as the Corporation for Business, Work and Learning until the Legislature approved its name change in September 2004) by merging two former Massachusetts nonprofit organizations (the Industrial Service Program and the Bay State Skills Corporation). CommCorp administers several workforce and youth development programs through partnerships with businesses, educators, and other workforce organizations across the Commonwealth.

According to its website, “Commonwealth Corporation fosters workforce equity in Massachusetts by delivering innovative and collaborative professional development solutions that help diverse communities and employers succeed.”

CommCorp is governed by a 19-member board of directors, which is chaired by the Secretary of the Executive Office of Labor and Workforce Development. Under the direction of the board of directors, CommCorp’s president and chief executive officer manages all of CommCorp’s programs and divisions. During the audit period, CommCorp employed 148 individuals.

YouthWorks

On behalf of the Executive Office of Labor and Workforce Development, CommCorp is responsible for the administration and oversight of YouthWorks, which is a state-funded program that, through training and paid temporary work opportunities, helps young people¹ living in low-income communities across Massachusetts find and retain employment. CommCorp partners with the 16 MassHire Workforce Development Boards² across the Commonwealth to administer YouthWorks. According to CommCorp’s YouthWorks frequently asked questions document, YouthWorks program participants gain jobs in many different areas of business, including administrative support, childcare, care for older people, landscaping, and retail. In addition to work opportunities, YouthWorks program participants receive work-readiness

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1. According to CommCorp’s YouthWorks “Program Administration and Management Guide” for fiscal years 2021 and 2022, individuals between the ages of 14 and 21 are eligible to participate in the program.
 2. According to the Executive Office of Labor and Workforce Development’s 2022 MassHire Annual Report, part of the workforce development system in Massachusetts is made up of 16 MassHire Workforce Development Boards, which create local employment programs to assist those both seeking and offering jobs.

training in soft skills (e.g., collaboration, communication, and dependability) as part of CommCorp’s Signal Success curriculum, which YouthWorks grant recipients use throughout all YouthWorks programs.

CommCorp’s Request for Proposals for the YouthWorks Year-Round Program for 2021–2022, which outlines requirements for YouthWorks grant recipients, states,

The YouthWorks program aims to improve the employability of youth placed at risk by offering them structured work and learning opportunities through subsidized employment and supporting activities. The anticipated outcome of YouthWorks is to provide young people with the skills, experience, and networks to be able to secure employment in the unsubsidized labor market.

According to the Commonwealth’s Fiscal Year 2022 Final Budget, the Commonwealth funds YouthWorks through an annual appropriation “for a youth-at-risk program targeted at reducing juvenile delinquency and youth and young adult homelessness in high-risk areas.” The appropriations were \$20,000,000 and \$24,000,000 for fiscal years 2021 and 2022, respectively.

YouthWorks offers cycle 1 (which took place from July through August during the audit period) and cycle 2 (which took place from September through June during the audit period), and program participants are able to participate in multiple program cycles. During the audit period, CommCorp enrolled 8,547 program participants in one or more program cycles, translating to 10,280 program participant spots filled by YouthWorks’s program participants during fiscal years 2021 and 2022 (see table below).

MassHire Workforce Development Board	Number of Filled Participant Spots	Number of Served Program Participants
Berkshire	147	111
Boston	2,632	2,244
Bristol	441	379
Cape and Islands	58	43
Central Region	804	672
Franklin Hampshire	88	76
Greater Brockton	320	270
Greater Lowell	388	316
Greater New Bedford	555	434
Hampden County	1,378	1,107
Merrimack Valley	544	453
Metro North	1,349	1,098

MassHire Workforce Development Board	Number of Filled Participant Spots	Number of Served Program Participants
Metro South/West	281	239
North Central	261	228
North Shore	648	531
South Shore	386	346
Total	<u>10,280</u>	<u>8,547</u>

CommCorp does not provide support to program participants directly. Instead, CommCorp provides grants, oversight, administrative support, and technical support to the different MassHire Workforce Development Boards, each of which then administers its own YouthWorks program by partnering with nonprofit organizations, cities and towns, and businesses. Each YouthWorks grant recipient³ directly recruits, trains, and places YouthWorks program participants in various available positions with partnering businesses.

The table below shows the funding amounts that CommCorp distributed to its YouthWorks grant recipients during the audit period.

MassHire Workforce Development Board	Fiscal Year 2021		Fiscal Year 2022	
	Cycle 1	Cycle 2	Cycle 1	Cycle 2
Berkshire	\$ 188,300	\$ 119,778	\$ 235,500	\$ 75,940
Boston	3,202,827	578,671	3,711,480	319,000
Bristol	704,276	166,861	901,180	215,236
Cape and Islands	135,626	87,778	172,700	75,940
Central Region	905,926	431,212	1,136,680	273,592
Franklin Hampshire	101,882	137,429	144,440	93,511
Greater Brockton	479,208	188,708	621,720	148,088
Greater Lowell	581,422	302,556	722,200	175,068
Greater New Bedford	606,131	185,556	763,020	183,860
Hampden County	1,826,035	548,963	2,267,080	319,000
Merrimack Valley	869,025	293,551	1,108,420	264,800
Metro North	1,051,405	314,259	1,306,240	314,000

3. For the purposes of this audit report, we use the term YouthWorks grant recipient to refer to MassHire Workforce Development Boards and their partners (unless stated otherwise).

	Fiscal Year 2021		Fiscal Year 2022	
MassHire Workforce Development Board	Cycle 1	Cycle 2	Cycle 1	Cycle 2
Metro South/West	228,616	137,756	351,680	107,964
North Central	401,148	123,708	496,120	118,712
North Shore	748,345	287,407	960,840	228,424
South Shore	442,724	123,708	568,340	134,296
Subtotal*	\$ 12,472,896	\$ 4,027,900	\$ 15,467,640	\$ 3,047,431
Grand Total	\$ 16,500,796		\$ 18,515,071	

* Discrepancy in total is due to rounding.

YouthWorks Program Participant Eligibility and Reporting

Program Participant Eligibility

YouthWorks program participants need to meet the eligibility requirements in three main categories: age, income, and risk factors. To be eligible for the program, a program participant must be between the ages of 14 and 21 at least part of the time during a program cycle.⁴ In addition, the program participant's family income for the six months before the requested program cycle cannot exceed 200% of the federal poverty guidelines. Lastly, in "an effort to strategically target high-needs youth," as stated in CommCorp's YouthWorks "Program Administration and Management Guide," program participants should be individuals experiencing one or more of the risk factors that can be found in the table below.

YouthWorks grant recipients are responsible for verifying and documenting program participant eligibility. CommCorp's YouthWorks "Program Administration and Management Guide" for fiscal year 2022 provided the following guidance table on potential ways that YouthWorks grant recipients could fulfill their requirement to document program participants' risk factor eligibility.

Risk Factor Definition	Acceptable Documentation
A history of juvenile delinquency . . .	Court and police records, letter of parole, letter from probation officer or [a Department of Youth Services] caseworker or referral from community-based organization with proven capacity for servicing gang-involved youth

4. Beginning in fiscal year 2023, which was after the audit period, individuals between the ages of 14 and 25 were eligible to participate in CommCorp's YouthWorks program.

Risk Factor Definition	Acceptable Documentation
Poor academic performance or [having left the education system without a degree]	School records such as grades or [Massachusetts Comprehensive Assessment System] results, attendance . . . letter from school; for out-of-school youth, school records dated in the prior two years could be used as well as local assessment such as the [Tests of Adult Basic Education]
[Experiencing] homelessness . . .	Written statement from an individual providing temporary residence, letter from shelter or [one of the Executive Office of Health and Human Services' (EOHHS's) agencies]
Having aged out of foster care, or being close to aging out of foster care	Court documents or letter from EOHHS agency
Being the child of a single parent	Applicant statement of household size
Having a disability or [functional] needs	School records, medical records, observable condition, or letter from social service agency
Lack of fluency in English, or being a documented immigrant	School records, teacher or community-based-organization referral, or local assessment of English-language proficiency
Being a [teenager and a parent]	Birth certificate, school records, referral or letter from social services agency

Source: CommCorp's YouthWorks "[Program Administration and Management Guide](#)" for fiscal year 2022

In addition to the risk factors in the table above, income is also a risk factor that is addressed within CommCorp's YouthWorks "Program Administration and Management Guide." According to this guide, acceptable documentation for income include, "For youth enrolled in public school, evidence that the school has determined a student's eligibility for a 'reduced price lunch,' or 'free lunch.'" For youth who are not in school, YouthWorks grant recipients can accept program participants' self-attested statements of household income and size. However, "income documentation is not required for youth who are documented as [experiencing homelessness], in foster care, or for youth with disabilities."

During the COVID-19 pandemic, if COVID-19 affected a program participant's family, then CommCorp also included this situation as an acceptable risk factor when YouthWorks grant recipients determined a program participant's eligibility.

Reporting

YouthWorks grant recipients enter all program participant information (e.g., name, age, risk factors, Social Security numbers, and information related to the program participant's corresponding

program) into CommCorp’s YouthWorks database.⁵ According to CommCorp’s YouthWorks “Program Administration and Management Guide,”

Grantees are required to report individual YouthWorks participant record data, including participant social security numbers that will enable the state to develop program profiles, statistical reports on the characteristics of participating youth and employers, and calculate data on program wage levels as part of the process of reporting program outcomes to the Massachusetts Legislature. All grantees must make sure that data is entered or uploaded to the YouthWorks database.

YouthWorks grant recipients either upload documentation to support program participant eligibility directly to the YouthWorks database, or store documentation internally on a network drive or as hardcopy files. CommCorp uses the information in the YouthWorks database to report the following information to the Massachusetts Legislature: the number of young people the program served, these young people’s demographic information, and the types of job industries in which the program has placed these young people. The YouthWorks database is also connected to and shares data with the Massachusetts Department of Elementary and Secondary Education’s Connecting Activities program database.⁶

YouthWorks Performance Assessment

The Workforce Innovation and Opportunity Act (WIOA) is a 2014 federal law governing employment and training programs. WIOA requires the US Department of Labor and the US Department of Education to implement a performance accountability system across the six WIOA-designated core programs (one of which involves youth programs). This performance accountability system established common indicators of performance in areas such as employment and earnings.

WIOA requires workforce development programs to evaluate the effectiveness of their efforts to achieve positive outcomes for their program participants. As a best practice for measuring employment outcome data of workforce development programs (such as YouthWorks), WIOA promotes matching program participant information (such as Social Security numbers) to unemployment insurance data (such as

5. CommCorp’s YouthWorks database helps YouthWorks grant recipients manage and report on their YouthWorks programs. All YouthWorks grant recipients use the YouthWorks database to record program participant–level demographic information. YouthWorks grant recipients also use the database to compile reports (e.g., employer lists, training dates, and enrollment and completion status by program participant), which they are required to submit to the Executive Office of Labor and Workforce Development and the Massachusetts Legislature.

6. The Massachusetts Department of Elementary and Secondary Education’s Connecting Activities program is a school-based program that gives employment experience to Massachusetts students between ninth grade and twelfth grade.

quarterly wage records) that states collect to administer unemployment benefits. This method allows CommCorp to track and evaluate the employment status and earnings of program participants upon their completion of the YouthWorks program cycles in which they participated.

The versions of CommCorp's YouthWorks "Program Administration and Management Guide" that were in effect during the audit period also required YouthWorks grant recipients to collect the employment outcome data corresponding to YouthWorks program participants.

Cybersecurity Awareness Training

The Executive Office of Technology Services and Security (EOTSS) has established policies and procedures that apply to all Commonwealth agencies within the executive branch. EOTSS recommends, but does not require, non-executive branch agencies to follow these policies and procedures. Section 6.2 of EOTSS'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, EOTSS's policies require that all employees in state executive agencies complete a cybersecurity awareness course every year. All newly hired employees must complete an initial security awareness training course within 30 days of their orientation.

Although CommCorp is not required to follow this standard, since it is not an executive branch agency, EOTSS still recommends that non-executive branch agencies follow these standards. We also consider it a best practice. According to the Office of the Comptroller of the Commonwealth's website, EOTSS's Enterprise Information Security Policies and Standards "are the default standard for non-Executive departments who have not adopted comparable cyber and data security standards as part of their Internal Control Plan."

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 Commonwealth Corporation (CommCorp) for the period July 1, 2020 through June 30, 2022.

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 CommCorp ensure that YouthWorks grant recipients met the program participant eligibility and reporting requirements in Sections V and IX (for fiscal year 2021) and Sections III and VII (for fiscal year 2022) of CommCorp's YouthWorks "Program Administration and Management Guide"?	No; see Finding <u>2</u>
2. Did CommCorp track each YouthWorks program participant's employment status after the completion of each program cycle to assess whether the program achieved its goal of helping program participants secure unsubsidized employment, in accordance with Section VIII (for fiscal year 2021) and Section VII (for fiscal year 2022) of CommCorp's YouthWorks "Program Administration and Management Guide" and Section 116(b)(2)(A) of the Workforce Innovation and Opportunity Act of 2014?	No; see Finding <u>1</u>
3. Did CommCorp ensure that its employees completed cybersecurity awareness training, in accordance with Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security's (EOTSS's) Information Security Risk Management Standard IS.010?	No; see Finding <u>3</u>

To accomplish our audit objectives, we gained an understanding of the aspects of CommCorp's internal control environment relevant to our objectives by reviewing applicable policies and procedures and by interviewing officials at CommCorp, the Executive Office of Labor and Workforce Development, and four MassHire Workforce Development Boards.

In addition to the findings mentioned in the table above, CommCorp also had inadequate access controls for its YouthWorks database (see Findings [4a](#) and [4b](#) for more information).

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

YouthWorks Program Participant Eligibility and Reporting

To determine whether CommCorp ensured that YouthWorks grant recipients met the program participant eligibility and reporting requirements in Sections V and IX (for fiscal year 2021) and Sections III and VII (for fiscal year 2022) of CommCorp’s YouthWorks “Program Administration and Management Guide,” we took the following actions.

CommCorp provided us with a list of all YouthWorks participant spots filled during the audit period (the population of which was 10,280), which originated from its YouthWorks database. We then selected a random, statistical⁷ sample of 100 participant spots filled, using a 95% confidence level,⁸ a 0% expected error rate,⁹ and a 5% tolerable error rate.¹⁰ We reviewed program participant case files to determine whether YouthWorks grant recipients maintained supporting documentation that verifies program participant eligibility and accurately recorded program participant information in the YouthWorks database. To verify program participants’ age eligibility as recorded in the list, we inspected certain documentation that YouthWorks grant recipients collected from each program participant (e.g., birth certificates, identification cards, driver’s licenses, and passports). To verify program participants’ income eligibility as recorded in the list, we inspected certain documentation that YouthWorks grant recipients collected from each program participant (e.g., self-attestation statements, parent or guardian pay stubs and tax returns, Supplemental Nutrition Assistance Program eligibility records, free or reduced-price school lunch eligibility records, and school records). To verify program participants’ risk-factor eligibility as recorded in the list, we inspected certain documentation that YouthWorks grant recipients collected

7. Auditors use statistical sampling to select items for audit testing when a population is large (usually over 1,000) and contains similar items. Auditors generally use a statistics software program to choose a random sample when statistical 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.

8. 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.

9. 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.

10. 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.

from each program participant (e.g., school records, letters or records from the Executive Office of Health and Human Services, foster care letters or records, and court records). To verify program participants' Social Security numbers as recorded in the list, we inspected certain documentation that YouthWorks grant recipients collected from each program participant (e.g., Social Security cards, school records, and employment forms). Lastly, we analyzed the entire list of YouthWorks participant spots filled to determine the quantity of participant spots filled that were missing a corresponding Social Security number in the YouthWorks database.

See Finding 2 for more information regarding the results of our testing of CommCorp's adherence to YouthWorks program participant eligibility and reporting requirements.

YouthWorks Performance Assessment

We determined whether CommCorp tracked each YouthWorks program participant's employment status after the completion of each program cycle to assess whether the program achieved its goal of helping program participants secure unsubsidized employment, in accordance with Section VIII (for fiscal year 2021) and Section VII (for fiscal year 2022) of CommCorp's YouthWorks "Program Administration and Management Guide" and Section 116(b)(2)(A) of the Workforce Innovation and Opportunity Act of 2014. To do this, we took the following actions.

We reviewed the versions of CommCorp's YouthWorks "Program Administration and Management Guide" that were in effect during the audit period. We interviewed the following CommCorp officials to discuss the intended purpose of YouthWorks: the director of youth employment, curriculum, and training; the associate director of YouthWorks; the vice president of legal affairs and administration; and the evaluation director. We also asked these officials whether CommCorp had developed any performance measures to evaluate the effectiveness of its YouthWorks program and, if the program did not achieve desired results, whether CommCorp management identified what CommCorp needed to do to improve the program's performance. Lastly, we filtered the entire list of participant spots filled (10,280) by the "Any Employment Outcomes" data field to determine whether YouthWorks grant recipients tracked and reported on program participants' success in securing unsubsidized employment after their time with YouthWorks.

See Finding 1 for more information regarding the results of our testing of CommCorp's assessment of its YouthWorks program.

Cybersecurity Awareness Training

To determine whether CommCorp ensured that its employees completed cybersecurity awareness training, in accordance with Sections 6.2.3 and 6.2.4 of EOTSS's Information Security Risk Management Standard IS.010, we interviewed CommCorp's information technology and facilities manager and CommCorp's vice president of legal affairs and administration to discuss whether CommCorp had established a cybersecurity awareness training program for its employees.

See Finding [3](#) for more information regarding the results of our testing of CommCorp's cybersecurity awareness training.

Data Reliability Assessment

To determine the reliability of the list of YouthWorks participant spots filled that CommCorp provided to us, we took the following actions. We checked the list for consistent formatting, duplicate records, and missing data. We also ensured that the ages of program participants were within the required eligibility range. In addition, we tested information system general controls and policies related to access control over the YouthWorks database (for more information, see Findings [4a](#) and [4b](#)).

To test the accuracy of the list we received, we randomly selected a sample of 50 program participants from the list and compared program participant information to source documentation (e.g., YouthWorks program participant applications, birth certificates, identification cards, and school records) provided by YouthWorks grant recipients. To test the completeness of the data we received, we selected a different random sample of 50 program participant files we obtained from YouthWorks grant recipients and traced these back to the list of YouthWorks participant spots filled. Additionally, we reviewed the internal program participant lists and payroll records of three MassHire Workforce Development Boards and compared the total number of program participants found on them to the list of YouthWorks participant spots filled.

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

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Commonwealth Corporation did not consistently collect or analyze employment outcome data related to its YouthWorks program participants.

Commonwealth Corporation (CommCorp) did not consistently collect or analyze employment outcome data related to its YouthWorks program participants. Specifically, during the audit period, YouthWorks grant recipients had the ability to report in the YouthWorks database whether each corresponding program participant had obtained unsubsidized employment or been retained by a YouthWorks partner. However, we found that CommCorp does not require that YouthWorks grant recipients report this employment outcome data. We found that, of the 10,280 YouthWorks participant spots filled during the audit period, only 179 (2%) had data recorded in the YouthWorks database indicating that each corresponding program participant had obtained unsubsidized employment or been retained by a YouthWorks partner.

If CommCorp does not track its program participants' employment outcome data, then it cannot evaluate and understand the impact of YouthWorks on the individuals who use the program. This prevents the public and policymakers from determining the effectiveness of this program and use of taxpayer dollars. It also prevents YouthWorks from demonstrating its value to secure additional funding.

Authoritative Guidance

Section 116(b)(2)(A) of the Workforce Innovation and Opportunity Act (WIOA) of 2014 established three employment-related accountability indicators to assess the effectiveness of youth workforce development programs. WIOA identifies the following indicators of program performance:

- (I) the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;*
- (II) the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;*
- (III) the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program.*

Although CommCorp is not required to use these indicators, we consider it a best practice.

The US Department of Labor provides guidance to state workforce development agencies on how to implement the performance accountability requirements under WIOA through a document called "Training and Employment Guidance Letter WIOA No. 26-16." This document states,

Matching a participant's [Social Security number] against quarterly wage record information is the most effective means for determining employment status and earnings for a program participant.

Although CommCorp is not required to follow this guidance, we consider it a best practice.

Section VIII (for fiscal year 2021) and Section VII (for fiscal year 2022) of CommCorp's YouthWorks "Program Administration and Management Guide" states,

Commonwealth Corporation will analyze and share wage record matching data that looks at the earnings of YouthWorks participants for eight quarters after their participation in the program in comparison to wages by similar demographic of non-participants.

During the audit period, CommCorp had access to wage records through a memorandum of understanding with the Department of Unemployment Assistance. This memorandum of understanding states,

The purpose [of this agreement] is to use matched wage reporting data to track the post-program employment outcomes of participants in YouthWorks . . . programs that are funded through state appropriations and administered by Commonwealth Corporation. Analyses will be conducted for each program at the statewide level as well as by grantee and Workforce Board region.

However, during the audit period, CommCorp did not use this memorandum to obtain available wage records, which prevented it from demonstrating the cost-benefit of YouthWorks.

Reasons for Issue

CommCorp states in its YouthWorks "Program Administration and Management Guide" that it "will analyze and share wage record matching data that looks at the earnings of YouthWorks participants for eight quarters after their participation in the program." However, it does not have documented procedures on how it will do so. Also, even though the policy exists, CommCorp did not appear to follow it during the audit period. CommCorp officials told us that before the audit period, CommCorp did conduct wage tracking to determine whether YouthWorks program participants secured unsubsidized employment after the program. However, this process was paused during the audit period because of insufficient staffing resources.

During the audit period, CommCorp had access to wage records¹¹ through a memorandum of understanding with the Massachusetts Department of Unemployment Assistance. However, CommCorp officials told us that they did not use these records to evaluate the employment status or earnings of former YouthWorks program participants because the COVID-19 pandemic made it difficult for CommCorp to obtain data it needed from the Department of Unemployment Assistance to perform this analysis.

CommCorp officials told us that they use post-program surveys of YouthWorks program participants as a method for measuring the success of its YouthWorks program. However, we found that these post-program surveys only allow for a self-assessment of the skills that program participants gained because of YouthWorks and do not capture whether a program participant gained unsubsidized employment as a result of YouthWorks.

Recommendations

1. CommCorp should develop policies and procedures to effectively monitor the extent to which its YouthWorks program achieves its intended purpose of helping program participants secure unsubsidized employment. These policies and procedures should include information on how to routinely collect and analyze employment outcome data related to its YouthWorks program participants.
2. CommCorp should revise its YouthWorks post-program survey to capture information regarding whether a program participant gained unsubsidized employment as a result of its YouthWorks program.
3. CommCorp should require all YouthWorks grant recipients to report employment outcome data in the YouthWorks database.

Auditee's Response

CommCorp's YouthWorks program experienced tremendous changes during the audit period, which coincided with the Governor's Declared State of Emergency in response to the COVID-19 pandemic. These changes included a complete program overhaul, transitioning from an in-person summer jobs program pre-pandemic, to a fully remote year-round program. In addition to the program re-design, there was staff turnover on the YouthWorks team during the audit period that presented further challenges with regard to consistent enforcement of established program protocols, policies, and procedures.

YouthWorks is in the process of re-tooling its review strategy to analyze participant post-program outcomes. YouthWorks has an active Alumni Engagement network that allows the CommCorp

11. Employers in Massachusetts are required to register with the Department of Unemployment Assistance and report quarterly wage records related to its employees.

YouthWorks team to obtain post-program participant data on a voluntary basis. CommCorp is also in the process of both enhancing its program design and augmenting related review metrics to ensure that these changes are fully implemented by the start of the next program cycle (contracts beginning on or after May 15, 2024). The YouthWorks Program revised its post-program survey, which now includes participant employment and education outcomes, and implemented the new survey during the last program cycle (October 2023). . . .

YouthWorks is in the final stages of developing a new secure database, which will be implemented on June 10, 2024. That database will have robust internal controls and safeguards to ensure that all required participant data is collected, and any incomplete entries into the database will serve as a barrier to complete program enrollment. The new database will also ensure more complete and accurate participant outcome data, as a participant profile will not be complete until all wage related data is entered. Such data will be verified against the Department of Unemployment Assistance's recorded wage data. A revised [memorandum of understanding] between CommCorp and the [Department of Unemployment Assistance] will support this work. Grant recipients will be able to enter employment outcome data in the new database.

Auditor's Reply

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

2. Commonwealth Corporation did not ensure that YouthWorks grant recipients obtained eligibility documentation and accurately recorded program participant information.

During the audit period, CommCorp did not ensure that YouthWorks grant recipients obtained documentation that supported YouthWorks program participant eligibility and accurately recorded program participant information. Out of our sample of 100 YouthWorks participant spots filled, YouthWorks grant recipients were unable to provide documentation that supported one or more eligibility requirements for 34 of these participant spots. Specifically, we found the following: 10 instances where YouthWorks grant recipients could not provide documentation supporting a program participant's age, 24 instances where YouthWorks grant recipients could not provide documentation supporting a program participant's family income, and 5 instances where YouthWorks grant recipients could not provide documentation supporting a program participant's risk factor.

In addition, we found 7 instances where a YouthWorks grant recipient did not record a program participant's risk factor in the YouthWorks database, even though these program participants' files had adequate documentation to support recording this information in the YouthWorks database.

Furthermore, YouthWorks grant recipients did not consistently and/or accurately document Social Security numbers for YouthWorks program participants. From our sample of 100 YouthWorks participant spots filled, we found the following types and numbers of issues regarding Social Security numbers that YouthWorks grant recipients recorded (or did not record) in the YouthWorks database:

- YouthWorks grant recipients had 4 instances of missing documentation for recorded Social Security numbers;
- YouthWorks grant recipients had 3 instances of incorrectly recorded Social Security numbers; and
- YouthWorks grant recipients had 18 instances of no recorded Social Security numbers.

In addition to our original test using our sample of 100 YouthWorks participant spots filled, we also identified an additional 1,603 instances where YouthWorks grant recipients did not record the Social Security number of an individual who participated in one or more YouthWorks program cycles during the audit period.

If CommCorp does not ensure that YouthWorks grant recipients obtain documentation that supports program participant eligibility, then not only is it possible that YouthWorks funding may be used to pay wages and/or provide services to ineligible individuals, but it is also possible that YouthWorks funding may not reach the individuals for whom it was intended.

In addition, if CommCorp does not ensure that YouthWorks grant recipients accurately record program participant information, then it cannot use the information in its YouthWorks database to evaluate the overall success of YouthWorks, nor can it report accurate information regarding YouthWorks to the Massachusetts Legislature and the Massachusetts Department of Elementary and Secondary Education.

Authoritative Guidance

CommCorp provides guidance to YouthWorks grant recipients regarding program participant eligibility requirements in its annual YouthWorks “Program Administration and Management Guide.” See the “[Program Participant Eligibility](#)” section of the Overview for a detailed explanation about this guidance and how it relates to this finding.

CommCorp’s YouthWorks “Program Administration and Management Guide” for fiscal years 2021 and 2022 also states,

Grantees are required to report individual YouthWorks participant record data, including participant social security numbers that will enable the state to develop program profiles, statistical reports on the characteristics of participating youth and employers, and calculate data on program wage levels as part of the process of reporting program outcomes to the Massachusetts Legislature. All grantees must make sure that data is entered or uploaded to the YouthWorks database.

Reasons for Issue

CommCorp had not developed and implemented monitoring controls to ensure that YouthWorks grant recipients obtain documentation that supports program participant eligibility and accurately record program participant information in the YouthWorks database.

Recommendations

1. CommCorp should develop and implement monitoring controls to ensure that YouthWorks grant recipients obtain documentation to support program participant eligibility and accurately record program participant information in the YouthWorks database.
2. CommCorp should review program participant Social Security numbers that are recorded in the YouthWorks database and correct any incomplete or inaccurate numbers.

Auditee's Response

CommCorp's YouthWorks program experienced tremendous changes during the audit period, which coincided with the Governor's Declared State of Emergency in response to the COVID-19 pandemic. These changes included a complete program overhaul, transitioning from an in-person summer jobs program pre-pandemic, to a fully remote year-round program. In addition to the program re-design, there was significant staff turnover on the YouthWorks team during the audit period that presented further challenges with regard to consistent enforcement of established program protocols, policies, and procedures.

YouthWorks is in the final stages of developing a new secure database, which will be implemented on June 10, 2024. That database will have robust internal controls and safeguards to ensure that all required participant data is collected, and any required eligibility data (e.g., Social Security Numbers) not fully or correctly entered into the database will serve as a barrier to complete program enrollment. The new database will also ensure more complete and program and participant data, as a participant profile cannot be completed until all required data is entered. CommCorp is also in the process of revitalizing both its program design and related review metrics to ensure that these changes are fully implemented by the start of the next program cycle (contracts beginning on or after May 15, 2024).

Prior to the audit review period, the YouthWorks team completed site visits and related file reviews and desk audits. During the audit period, this practice was suspended as CommCorp modified its program design and worked to prioritize staff and program participant safety and comply with COVID-19 related safety requirements. CommCorp will be returning to this practice during the next

program cycle (summer 2024) and will also be conducting random site visits and related monitoring to ensure that collected data is complete and accurate.

Auditor's Reply

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

3. Commonwealth Corporation did not ensure that its employees completed cybersecurity awareness training.

CommCorp did not ensure that its employees completed cybersecurity awareness training. While CommCorp officials told us that they provided newly hired employees with a verbal overview of CommCorp's information technology policies during orientation, CommCorp did not test these newly hired employees on their understanding of these policies. Further, CommCorp was unable to provide evidence that it provided annual cybersecurity awareness training to its employees in either calendar years 2021 or 2022.

If CommCorp does not ensure that its employees complete cybersecurity awareness training, then it exposes itself to a higher-than-acceptable risk of cybersecurity attacks and financial and/or reputational losses.

Authoritative Guidance

Section 8 of the "Commonwealth Corporation Information Security Policy" states,

CommCorp shall ensure that employees understand their security responsibilities and have the requisite skills and knowledge to ensure the effective execution of the roles they are assigned to reduce the risk of unauthorized access, use or modification of Information Assets, including:

Mandatory Security Training

- a) Semi-Annual training will be provided to all new hires; and*
- b) Annual training will be provided to all staff.*

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

6.2.1 Implement an enterprise-wide information security awareness and training program. . . .

6.2.1.3 The training shall: . . .

*6.2.1.3.4 Test each individual's understanding of all **policies** and of his or her role in maintaining the highest ethical **standards**. . . .*

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

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

Although CommCorp is not required to follow this standard, since it is not an executive branch agency, EOTSS still recommends that non-executive branch agencies follow these standards. We also consider it a best practice.

Reasons for Noncompliance

CommCorp did not have monitoring controls to ensure that all employees complete cybersecurity awareness training.

Beginning in 2021, CommCorp implemented an annual mandatory cybersecurity awareness training program for its employees. However, CommCorp officials told us that CommCorp encountered obstacles when retrieving certificates of completion of cybersecurity awareness training because of employee turnover.

CommCorp officials told us that, because they began transitioning to a different cybersecurity awareness training provider in 2022, they did not have established courses with the new provider.

Recommendations

1. CommCorp should develop, document, and implement monitoring controls to ensure that its employees complete cybersecurity awareness training within 30 days of their orientation and annually thereafter. The cybersecurity awareness training should include a test of each individual's understanding of all policies and their role in maintaining the security of CommCorp's information technology systems.
2. CommCorp should maintain a record of completion of cybersecurity awareness training for each employee.

Auditee's Response

Commonwealth Corporation has implemented mandatory comprehensive cybersecurity training. In August of 2022, CommCorp transitioned to using the LinkedIn Learning platform for its information technology and cybersecurity training. As part of CommCorp's commitment to maintaining a secure

environment, all employees, [temporary workers], interns, and contractors must complete mandatory cybersecurity training during onboarding and annually thereafter. This is consistent with the best practices recommended above.

Employees must provide a certificate of completion to CommCorp's [information technology] department at the end of the training as proof of completion; such certificates are kept on file. CommCorp also can track and pull progress reports on training assignments for individual employees, contractors, etc. The monitoring tools help ensure compliance with cybersecurity training requirements and provide valuable insights into CommCorp's security awareness efforts. The comprehensive training curriculum includes assessments of each employee so that additional and individualized follow up can be scheduled if needed.

Commonwealth Corporation recognizes the importance of cybersecurity and remains dedicated to ensuring security awareness, risk mitigation, and accountability among employees.

Auditor's Reply

Based on its response, CommCorp has taken measures to address our concerns on this matter.

4. Commonwealth Corporation had inadequate access controls for its YouthWorks Database.

CommCorp did not have documented management approval for its employees' access rights to its YouthWorks database and could not provide evidence that it promptly revoked former employees' (e.g., those who resigned, who retired, or those whose employment was terminated) access rights to its YouthWorks database.

If CommCorp does not have adequate access controls, then the security and integrity of data within the YouthWorks database could be compromised.

a. Commonwealth Corporation did not have documented management approval for employees' access rights to its YouthWorks database.

CommCorp did not have documented management approval for its employees' access rights to its YouthWorks database for any of the nine users who were active during the audit period. CommCorp provided us with system documentation showing when each of the nine active user accounts were created but could not provide evidence of management approval for the access rights of these accounts.

Without management approval, there is insufficient verification that the users were approved to use the database at all or that user accounts were limited to the fewest privileges necessary for

employees' job duties. This increases risks involved with letting some employees have unnecessary access to view and/or alter personal information in the YouthWorks database beyond what their job duties require.

Authoritative Guidance

Section 6.1 of EOTSS's Access Management Standard IS.003 states,

6.1.5 Request access privileges: User requests for access privileges shall follow a formal process. . . .

*6.1.5.2 User registration and revocation procedures shall be implemented for all **information systems** and services.*

*6.1.5.3 User access requests shall be recorded (paper or tool-based), include a business justification for access, and be approved by the requestor's supervisor and the appropriate **Information Owner** or authorized delegate.*

Although CommCorp is not required to follow this standard, since it is not an executive branch agency, EOTSS still recommends that non-executive branch agencies follow these standards. We also consider it a best practice.

Reasons for Issue

CommCorp did not have documented policies and procedures for obtaining and recording approvals of YouthWorks database user access requests.

b. Commonwealth Corporation could not provide evidence that it promptly revoked former employees' access rights to its YouthWorks database.

CommCorp could not provide evidence that it promptly revoked access rights to its YouthWorks database for any of the nine former users whose employment ended during the audit period.

If CommCorp does not promptly revoke former employees' access rights to its YouthWorks database, then this increases the risk that former employees could improperly access and/or alter personal information in YouthWorks.

Authoritative Guidance

Section 8 of the "Commonwealth Corporation Information Security Policy" states,

CommCorp shall ensure that employees understand their security responsibilities and have the requisite skills and knowledge to ensure the effective execution of the roles they are assigned to reduce the risk of unauthorized access, use or modification of Information Assets, including: . . .

Security Access

- a) Risk assessment to determine applicable level of employee screening prior to and upon change in responsibility during employment.*
- b) Disablement of access rights to data systems after an extended period of inactivity.*
- c) Return of agency issued equipment and/or devices upon termination or change of employment.*
- d) Removal of access rights upon termination of employment.*

Section 6.1 of EOTSS's Access Management Standard IS.003 states,

- 6.1.8. Revoke access privileges: Upon a transfer, termination or other significant change to a user's employment status or role, Commonwealth Executive Offices and Agencies must ensure that the user's previous supervisor shall be responsible for informing security administration personnel to take appropriate action. . . .*
 - 6.1.8.2 Privileges that are no longer required by a user to fulfill his or her job role shall be removed.*
 - 6.1.8.3. If the termination date of **personnel** is known in advance, the respective access privileges—specifically those with access to **confidential** information—shall be configured to terminate automatically.*
 - 6.1.8.3.1. If not, access must be manually removed within 24 business hours. . . .*
- 6.1.10. Review of user access rights: Commonwealth Executive Offices and Agencies must ensure that **security administrators** shall maintain and review account access (either tool-based or manual) to verify that inactive and unauthorized accounts are appropriately de-provisioned. . . .*
 - 6.1.10.2 A review of user's access must be conducted, at a minimum, semiannually, and all unauthorized accounts and access must be removed.*

Although CommCorp is not required to follow this standard, since it is not an executive branch agency, EOTSS still recommends that non-executive branch agencies follow these standards. We also consider it a best practice.

Reasons for Issue

CommCorp management told us that they could not provide evidence that CommCorp promptly revoked access rights for former employees, because an employee mistakenly deleted all user data related to former CommCorp employees from the YouthWorks database.

In addition, CommCorp did not have documented policies and procedures regarding the revocation of user access to the YouthWorks database upon termination of a user's employment.

Recommendations

1. CommCorp should develop, document, and implement policies and procedures for YouthWorks database user access requests that include documented management approval.
2. CommCorp should develop, document, and implement policies and procedures for the revocation of user access to the YouthWorks database upon termination of a user's employment. CommCorp should incorporate periodic access reviews (at least semiannually) to ensure that users' access rights are limited to their individual job requirements.

Auditee's Response

CommCorp's YouthWorks program experienced tremendous changes during the audit period, which coincided with the Governor's Declared State of Emergency in response to the COVID-19 pandemic. These changes included a complete program overhaul, transitioning from primarily an in-person summer jobs program pre-pandemic, to a fully remote year-round program. In addition to the program re-design, there was staff turnover on the YouthWorks team during the audit period that presented further challenges with regard to consistent enforcement of established program protocols, policies, and procedures.

YouthWorks is in the final stages of developing a new secure database, which will be implemented on June 10, 2024. That database will have robust internal controls and safeguards to ensure that user access is carefully monitored in a manner consistent with CommCorp's robust cybersecurity and information technology controls. In addition, CommCorp is implementing standard policies around all terminations or other separations for employment to ensure that revocation of access to systems is coterminous with employment.

The secure database in use during the audit period was maintained by the developer and employees were trained on its use. At all times material, including during the audit period, CommCorp had policies and a procedure manual for the database. The procedure manual contained a section entitled "About the Process for Managing Usernames" which covered access permissions,

including guidance on reviewing user access permissions, the frequency of review, and restricting access when appropriate. During the audit period, a now-former employee failed to follow the procedures set forth in the database manual, rendering CommCorp unable to provide evidence of the fact that it limited access when employees separated from CommCorp or were no longer working in the YouthWorks Program. The new database has a comprehensive audit trail and additional security features to safeguard against any similar future oversights.

Auditor's Reply

As noted above, CommCorp did not have documented management approval for its employees' access rights to its YouthWorks database for any of the nine active users during the audit period. In addition, CommCorp could not provide evidence that it promptly revoked access rights to its YouthWorks database for any of the nine former users whose employment ended during the audit period.

In its response, CommCorp indicated that, during the audit period, it had "policies and a procedure manual" that "covered access permissions, including guidance on reviewing user access permissions, the frequency of review, and restricting access when appropriate." We acknowledge that, during the audit period, CommCorp had a database guide documenting information regarding its YouthWorks database. However, this guide did not sufficiently detail how CommCorp justifies the levels of system access to the YouthWorks database for potential users, nor did it mention how to document the approval process (e.g., details regarding approvals from the requestor's supervisor). This was the cause of our finding regarding CommCorp's lack of evidence of documented management approval for the employees' access rights to its YouthWorks database.

We reiterate our recommendation that CommCorp should develop, document, and implement policies and procedures for YouthWorks database user access requests that include documented management approval. As previously stated, CommCorp should also develop, document, and implement policies and procedures for the revocation of user access to the YouthWorks database upon termination of a user's employment. CommCorp should incorporate periodic access reviews (at least semiannually) to ensure that users' access rights are limited to their individual job requirements.