

# OFFICE OF THE STATE AUDITOR

---

# DIANA DIZOGLIO

Official Audit Report – Issued November 26, 2025

---

## Massachusetts Cultural Council

For the period July 1, 2022 through June 30, 2024



# OFFICE OF THE STATE AUDITOR

---

# DIANA DIZOGLIO

November 26, 2025

Michael J. Bobbitt, Executive Director  
Massachusetts Cultural Council  
10 Saint James Avenue, 3rd Floor  
Boston, MA 02116

Dear Executive Director Bobbitt:

I am pleased to provide to you the results of the enclosed performance audit of the Massachusetts Cultural Council. As is typically the case, this report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2022 through June 30, 2024. 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 the Massachusetts Cultural Council. 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: Marc Carroll, Chair of the Massachusetts Cultural Council  
Deborah Goldberg, Treasurer and Receiver General of Massachusetts

---

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
OVERVIEW OF AUDITED ENTITY .....	3
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY .....	9
DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE .....	13
1. The Massachusetts Cultural Council did not ensure that local cultural councils complied with the annual reporting requirements outlined in its “Local Cultural Council Program Guidelines.” .....	13
2. The Massachusetts Cultural Council did not ensure that all its contracted employees completed cybersecurity awareness training.....	16
OTHER MATTERS.....	18
APPENDIX .....	20

---

## LIST OF ABBREVIATIONS

MCC	Massachusetts Cultural Council
LCC	local cultural council
SOC	Secretary of the Commonwealth of Massachusetts
MMARS	Massachusetts Management Accounting and Reporting System
CFO	chief financial officer
P-Card	procurement card

## EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the Massachusetts Cultural Council (MCC) for the period July 1, 2022 through June 30, 2024.

The purpose of our audit was to determine the following:

- Did MCC establish and administer grant program funding in accordance with its grant guidelines?
- Did MCC ensure that local cultural councils (LCCs) complied with the annual reporting requirements outlined in MCC's "Local Cultural Council Program Guidelines"?
- Did MCC ensure that corrective actions for noncompliance with program guidelines that it identified during its review of LCCs were implemented in accordance with MCC's "Local Cultural Council Program Guidelines"?

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

<b>Finding 1</b> <b>Page <a href="#">13</a></b>	MCC did not ensure that local cultural councils complied with the annual reporting requirements outlined in its "Local Cultural Council Program Guidelines."
<b>Effect</b>	<p>If MCC does not ensure that LCCs meet deadlines, it increases the risk of public funds being used for activities not related to arts, humanities, and sciences, which could undermine MCC's commitment to promoting cultural activities. MCC's enforcement of its "Local Cultural Council Program Guidelines" is also important to LCCs, because noncompliance of LCCs could put their funding at risk.</p> <p>MCC's disbursement of grant funding before the LCC submitted its annual report also may have allowed the LCC to use the grant funding without proper accountability or adherence to the intended financial guidelines.</p>
<b>Recommendations</b> <b>Page <a href="#">15</a></b>	<ol style="list-style-type: none"><li>1. MCC should ensure that LCCs comply with annual reporting requirements.</li><li>2. MCC should consistently assist all LCCs with recruiting and maintaining at least five active members, electing officers, and providing training to LCC members to help with the submission of annual reports until LCCs are at 100% compliance with submission deadlines.</li><li>3. MCC should ensure that disbursement of funds is made only after LCCs submit their annual reports.</li></ol>
<b>Finding 2</b> <b>Page <a href="#">16</a></b>	MCC did not ensure that all its contracted employees completed cybersecurity awareness training.
<b>Effect</b>	Without cybersecurity awareness training, these contractors may inadvertently expose sensitive data or expose MCC's systems to malicious threats.

**Recommendations**  
**Page 17**

1. MCC should ensure that all contractors with access to its grant management system complete cybersecurity awareness training.
2. MCC should develop and implement monitoring controls to ensure that contractors complete the cybersecurity awareness training.

In addition to the conclusions we reached regarding our audit objectives, we also identified an issue not specifically addressed by our objectives regarding the nonsubmission of MCC's annual report to the Secretary of the Commonwealth of Massachusetts. See Other Matters for more information.

---

## OVERVIEW OF AUDITED ENTITY

The Massachusetts Cultural Council (MCC) was created by Section 15 of Chapter 653 of the Acts of 1989. This act added Section 52 to Chapter 10 of the Massachusetts General Laws, establishing MCC within the Office of the State Treasurer, but not making MCC subject to the Office of the State Treasurer’s control.

According to its website, MCC’s mission is the following:

*[MCC] advances the Commonwealth’s creative and cultural sector by celebrating traditions and talents, championing its collective needs, and equitably investing public resources.*

*The Council pursues this mission through a wide range of grants, initiatives, and advocacy for artists, communities, organizations, and schools.*

MCC is governed by the MCC Governing Council, which comprises 19 volunteer members who are appointed by the Governor. Council members serve three-year terms with staggered appointment dates to avoid all 19 members having the same term expiration date. The Governor chooses a chair and a vice chair from among the council members. By majority vote, the council approves an annual program of grant offerings and a budget. An executive director, who is appointed by the Governing Council, manages MCC’s daily activities.

As of June 30, 2024, MCC had approximately 39 full-time employees. Its office is located at 10 Saint James Avenue in Boston. MCC received appropriations and grants of \$84,831,610 in fiscal year 2023 and \$32,928,445 in fiscal year 2024.<sup>1</sup> MCC also distributed \$78,276,989 in fiscal year 2023 and \$27,880,773 in fiscal year 2024 through donations and grants.

The table below details the sources of funding for MCC during fiscal years 2023 and 2024.

---

1. During fiscal year 2023, MCC received \$54,574,500 in Pandemic Recovery Funds. See the “[MCC Sources of Funding](#)” table for the breakdown of grants that MCC received during fiscal years 2023 and 2024.

## MCC Sources of Funding

Source of Funding	Fiscal Year 2023	Fiscal Year 2024
State Appropriation	\$ 22,500,000	\$ 25,000,000
State Earmarked Pass-Through Funds	877,000	895,000
State Executive Office for Administration and Finance Reserve Pass-Through Funds*	—	155,175
MassDevelopment Cultural Facilities Fund**	428,368	347,189
National Endowment for the Arts: Basic State Plan	707,900	804,100
National Endowment for the Arts: Arts in Education	63,400	62,900
National Endowment for the Arts: Arts in Underserved Communities	241,300	282,900
National Endowment for the Arts: Folk Arts Infrastructure Grant	30,000	35,000
National Endowment for the Arts: Poetry Out Loud	20,000	20,000
Chapter 23K Funds (Gaming)†	5,165,522	5,125,055
Harry Rice Trust Account**	223,620	201,126
Cultural Sector Recovery Funds (Chapter 102 of the Acts of 2021)*	54,574,500	—
<b>Total</b>	<b>\$ 84,831,610</b>	<b>\$ 32,928,445</b>

\* The State Executive Office for Administration and Finance Reserve Pass-Through Funds were a one-time reimbursement that MCC received from the Executive Office for Administration and Finance related to the collective bargaining unit's fiscal year 2024 retro payments.

\*\* The MassDevelopment Cultural Facilities and Harry Rice Trust Funds are continuous trust accounts that MCC uses for its own funding. The account balances in this table reflect the account balances from the Massachusetts Management Accounting and Reporting System (MMARS) as of the end of each fiscal year.

† Chapter 23K Funds relate to the 2% gaming tax revenue collected from Massachusetts gaming licenses for each budget year, as stated in Section 59 of Chapter 23K of the General Laws. This fund was established to support the Massachusetts Cultural and Performing Arts Mitigation Trust Fund.

‡ The Cultural Sector Recovery Fund was a one-time grant that MCC received from the Executive Office for Administration and Finance, which it disbursed in fiscal year 2023 to support individual artists and cultural workers impacted by the COVID-19 pandemic.

## MCC Program Grants

According to its website, MCC provides grants to individuals and organizations through various programs funded by state and federal funds. Once MCC receives funding, it establishes grant allocation and program guidelines. These funds are distributed through direct grants to individuals and organizations across the state through a competitive grant process. To raise awareness about these grants, MCC promotes them through social media, by hosting information webinars, and by providing details about each grant on its website.

Individuals and organizations submit applications for grants through MCC's grant management system. MCC hires external reviewers who ensure that each applicant meets the program's eligibility requirements.

Examples of grant requirements for an organization include: (1) whether the organization’s primary mission is to create or present cultural activities within the arts, humanities, or interpretive sciences; (2) whether these cultural activities should be publicly accessible and community based; (3) whether the organization is associated with a federally or state-recognized tribe or an Urban Indian organization that has ties to the land currently known as Massachusetts; and (4) whether the organization was established on or after March 31, 2020. Examples of grant requirements for an individual include: (1) whether the applicant is 18 years of age or older, (2) whether the applicant is a full-year resident of Massachusetts for the calendar year, and (3) whether the applicant received a different artist grant during the same calendar year.

The external reviewers provide a funding recommendation list, along with a priority rating, to MCC’s Governing Council for approval. Once MCC’s Governing Council approves the applications, applicants are notified, and an MCC program staff member publishes the funding recommendation list on MCC’s website. The MCC finance team initiates the standard grant contract process, which includes processing a Form W-9 for an organization’s tax identification number; obtaining a completed and signed electronic fund transfer form and a contractor-authorized signatory listing form, which lists the people authorized to sign forms on behalf of an organization; and completing the standard grant contract within the grant management system.

MCC also distributes funds to local and regional cultural councils, which then regrant funds to arts, humanities, and science projects in their communities.

The table below details MCC’s distribution of funding during fiscal years 2023 and 2024.

### MCC Distribution of Program Fundings

Program/Organization	Fiscal Year 2023	Fiscal Year 2024
Local Cultural Councils	\$ 5,500,000	\$ 5,500,000
Grants for Creative Individuals	—	1,920,000
Cultural Investment Portfolio	5,758,300	5,672,360
Cultural Investment Portfolio Gateway	132,000	118,500
Cultural Sector Recovery for Individuals	19,775,000	685,790
Cultural Sector Recovery for Organizations	30,981,000	—
Cultural Sector Recovery for Partnership and Service	2,500,000	—
Cultural District Initiative	795,000	810,000

Program/Organization	Fiscal Year 2023	Fiscal Year 2024
Festivals and Projects	1,788,500	1,812,500
Gaming Mitigation	3,737,400	3,662,200
Gaming Cultural Investment Portfolio	1,100,000	1,200,000
Partnership and Service	2,180,465	2,544,423
STAR Residencies	1,399,900	1,435,000
Traditional Arts Apprenticeships	180,024	180,000
Universal Participation Innovation	475,000	470,000
YouthReach	1,874,400	1,870,000
Social Prescription	100,000	—
Total	<u>\$ 78,276,989</u>	<u>\$27,880,773</u>

## MCC Administrative Spending

During fiscal years 2023 and 2024, MCC incurred \$5,668,129 and \$5,744,112, respectively, for general and administrative expenses. These administrative expenses include payroll-related expenses, staff travel, professional development, routine maintenance, service contracts, and other office operating expenses. MCC's Governing Council reviews and approves the annual spending each August through a vote.

According to MCC officials, employees, including the executive director, are required to request preapproval for expenses such as professional development, in-state travel, subscriptions, interpreters, and office equipment by completing an expenditure/procurement form. The employee then submits the expenditure/procurement form to their manager for approval. Once the expense is incurred, the employee then submits an employee reimbursement form to their manager for approval. Once a manager approves the form, they forward it to MCC's chief financial officer (CFO) for approval. The CFO reviews the form and ensures that the manager has signed and approved the request and submits the employee reimbursement form, along with the expenditure/procurement form, to the Payroll Department for processing. The Payroll Department records the expense in the appropriate accounts and processes the payment of the expense through the Human Resources Compensation Management System, the Commonwealth's official payroll system.

Out-of-state travel expenses require prior approval from the Governing Council for all employees, including the executive director. MCC employees submit an out-of-state travel request to the CFO, who consults with the employee's manager to review and confirm the nature and requirements of the travel

request. The CFO then submits the travel request to MCC's Governing Council for approval. Upon approval by the MCC's governing council, the CFO submits the travel request to the Executive Committee for further approval. Once all approvals are obtained, the employee is notified that the request for out-of-state travel has been authorized. Once the travel expense is incurred, the employee completes an employee reimbursement form and submits it to their manager for approval. Once approved, the form is forwarded to the CFO for final review and approval. The CFO ensures that all required invoices and forms are accurate and complete, then forwards the out-of-state travel reimbursement form to the Payroll Department for processing. The Payroll Department records the expense in the appropriate accounts and processes the payment of the expense through the Human Resources Compensation Management System.

MCC adheres to the Commonwealth's procurement card (P-Card) program<sup>2</sup> policies and procedures, which are regulated by the Office of the Comptroller of the Commonwealth. Two employees at MCC are authorized to use P-Cards for business-related expenses. These employees complete a procurement request form for all P-Card purchases, which are pre-approved by the CFO. These two employees reconcile P-Card expenses monthly and submit the procurement request forms, invoices, and reconciliations to the fiscal team, which ensures that all required invoices and reconciliations are accurate and complete. The CFO then reviews and approves the payment for the P-Card expenses, and the fiscal team records the expenses in the appropriate accounts and processes the payments of the expenses through MMARS.

## **Local Cultural Council Program**

According to MCC's "Local Cultural Council Program Guidelines," MCC will provide public funding for arts, humanities, and science programs or projects for any community in the Commonwealth, as long as the city or town has established a local cultural council (LCC). The 329 LCCs in Massachusetts are listed in the [Appendix](#).

City and town officials are responsible for appointing LCC council members who will distribute the funds on behalf of the community. Cities and towns also have the option to form regional cultural councils. A regional cultural council can receive total funding equal to the combined allocations of all the participating communities. When two or more towns come together to establish a regional council, at least one representative from each community must be appointed by each regional council. Additionally, MCC must approve the establishment of the regional consortia, as outlined in Section 58 of Chapter 10 of the General Laws.

---

2. For more information on the P-Card program, please see <https://www.macomptroller.org/pcard/>.

LCCs must have between 5 and 22 members on the council. These council members are appointed by the community's top administrative official, such as the mayor, city manager, select board member, or another executive officer. Council members must have a demonstrated interest in the arts, humanities, or sciences. However, the community's top administrative official and members of a city or town council or select board, as defined in Section 21C of Chapter 59 of the General Laws, cannot serve as council members. Towns and cities are responsible for their LCCs.

Each LCC must establish a revolving account for grant money from MCC, keeping it separate from other funds administered by the LCC. According to MCC's "Local Cultural Council Program Guidelines," LCCs are required to do the following each year: (1) submit council priorities and guidelines by August 31, (2) meet with the municipal fiscal officer between September 1–30 and complete the LCC account form by October 17, and (3) complete and submit the grant decision report to MCC through MCC's grant management system no later than January 17, allowing for a 15-day reconsideration period.

MCC may impose corrective actions on any LCC that does not meet the above regulatory guidelines. Corrective actions may include, but are not limited to, the following: submission of financial reports within a new timeframe specified by MCC, resolving differences in the LCC's and municipality's accounting records, providing training to the LCC on how to adhere to MCC's guidelines, and appointing or removing members of the LCC as necessary.

MCC reviews all three sections of LCCs' annual reports and approves or rejects funding for LCCs. If MCC determines that corrective action is needed for an LCC, it will withhold funding until the LCC takes necessary corrective actions. Based on MCC's Local Cultural Council Guidelines, LCCs have the freedom to make funding decisions that address the specific needs and priorities of their communities while adhering to broader state guidelines. Each LCC establishes its own eligibility requirements through a community input process, which is then integrated into its local priorities.

## 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 the Massachusetts Cultural Council (MCC) for the period July 1, 2022 through June 30, 2024.

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 MCC establish and administer grant program funding in accordance with its grant guidelines?	Yes
2. Did MCC ensure that local cultural councils (LCCs) complied with the annual reporting requirements outlined in MCC's "Local Cultural Council Program Guidelines"?	No; see Finding <u>1</u>
3. Did MCC ensure that corrective actions for noncompliance with program guidelines that it identified during its review of LCCs were implemented in accordance with MCC's "Local Cultural Council Program Guidelines"?	Yes

To accomplish our audit objectives, we gained an understanding of the MCC internal control environment relevant to our objectives by reviewing applicable policies and procedures, as well as by conducting interviews and walkthroughs with MCC management. We evaluated the design and implementation of the internal controls related to our objectives. We also tested the operating effectiveness of controls related to the review and approval of LCC operations before the release of funding and the committee review and approval of the grantee funding recommendation list. In addition, to obtain sufficient, appropriate evidence to address our audit objectives, we performed the procedures described below.

## **MCC Program Grants**

To determine whether MCC established and administered grant program funding in accordance with its grant guidelines, we took the following actions. First, we divided our testing into two groups: (1) grant applicants who applied for the Cultural Sector Recovery for Individuals and Organizations Grants and (2) grant applicants who applied to all other MCC grant programs during the audit period.

For the grant applicants who applied for the Cultural Sector Recovery for Individuals and Organizations Grants, we selected a statistical<sup>3</sup> sample of 60 out of a total population of 9,102 grant applicants, using a 95% confidence level,<sup>4</sup> a 0% expected error rate,<sup>5</sup> and a 5% tolerable error rate.<sup>6</sup>

For the grant applicants who applied for all other MCC program grants, we selected a statistical sample of 47 out of a total population of 8,564 grant applicants, using a 90% confidence level, a 0% expected error rate, and a 5% tolerable error rate.

For each of the applicants in our samples, we reviewed the grant guidelines for each of the grants they applied to, reviewed the approved funding list for each of the grant programs, and confirmed that the grant applicant met eligibility requirements by examining their Forms W-9 and grant applications. Furthermore, we determined whether the approved amounts on the funding lists matched the payment amounts recorded in the Massachusetts Management Accounting and Reporting System (MMARS).

For this objective, we found no significant issues during our testing. Therefore, we concluded that, based on our testing, MCC established and administered grant program funding in accordance with its grant guidelines.

- 
3. 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.
  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. A 95% confidence level means that 95 out of 100 times, the statistics accurately represent the larger population.
  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 audit results, the understanding of controls gained in planning, or a probe sample. In this case, we are assuming there are no errors in the data provided to us by the auditee.
  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.

## **Compliance with MCC’s “Local Cultural Council Program Guidelines”**

To determine whether MCC ensured that LCCs complied with the annual reporting requirements outlined in MCC’s “Local Cultural Council Program Guidelines,” we took the following actions. First, we selected a random, nonstatistical<sup>7</sup> sample of 35 out of 329 LCCs for each fiscal year during the audit period.

For each of the 35 LCCs in our sample, we confirmed, using MCC’s grant management system, that the LCC submitted its council priorities and local guidelines by the required deadline of August 31. We also confirmed that the LCC’s grant financial report was submitted by October 17. Furthermore, we confirmed that the annual grant decision report was submitted by its due date of January 17. We followed up with MCC for any inconsistencies when LCCs did not submit annual reports by the required dates indicated in MCC’s “Local Cultural Council Program Guidelines.”

For this objective, we found certain issues during our testing; namely, MCC did not always ensure that LCCs complied with the annual reporting requirements outlined in its “Local Cultural Council Program Guidelines.” See [Finding 1](#) for more information.

## **Follow-Up of LCC’s Corrective Actions for Noncompliance**

To determine whether MCC ensured that corrective actions for noncompliance with program guidelines that it identified during its review of LCCs were implemented in accordance with MCC’s “Local Cultural Council Program Guidelines,” we took the following actions. First, we selected a random, nonstatistical sample of 20 out of 93 LCCs that were late for over 15 days in submitting their annual reports during the audit period. For each of the LCCs in our sample, we examined emails from MCC to LCCs and comments in the grant management system to ensure that LCCs had addressed the corrective actions provided by MCC.

For this objective, we found no significant issues during our testing. Therefore, we concluded that, based on our testing, MCC ensured that corrective actions for noncompliance with program guidelines that it identified during its review of LCCs were implemented in accordance with MCC’s “Local Cultural Council Program Guidelines.”

---

7. Auditors use nonstatistical sampling to select items for audit testing when a population is very small, the population items are not similar enough, or there are specific items in the population that the auditors believe require review.

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

## **Data Reliability Assessment**

To determine the reliability of the list of program grant applicants and the list of LCCs during the audit period that we obtained from MCC's grant management system, we interviewed MCC employees who were knowledgeable about the data to gain an understanding of the system's controls and data management process. We reviewed System and Organization Control 2 Reports<sup>8</sup> covering the audit period, including security management, access controls, configuration management, segregation of duties, and contingency planning. We also tested whether personnel screenings and cybersecurity awareness trainings were conducted. For this aspect of our data reliability assessment, we found certain issues during our testing; namely, MCC did not ensure that all grant management system contractors completed the cybersecurity awareness training. See [Finding 2](#) for more information.

For the list of program grant applicants, we tested the data to ensure that it did not contain certain dataset issues (i.e., duplicate records, hidden cells and rows, and blank fields). Further, we compared this list to the list of program grant payments that we obtained from MMARS to ensure accuracy. Additionally, we selected a random sample of 20 program applicants and verified the applicants' names against their Forms W-9 to ensure accuracy. Further, we compared the total number of records in the dataset we received to the number that we observed during the data extraction process to confirm completeness.

For the list of LCCs, we tested the data to ensure that it did not contain certain dataset issues (i.e., duplicate records, hidden cells and rows, and blank fields). Furthermore, we compared the list with the list of cities and towns that we obtained from the Citizen Information Service of the Secretary of the Commonwealth of Massachusetts to ensure the completeness and accuracy of the list of LCCs.

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

---

8. A System and Organization Control report is a report, issued by an independent contractor, on controls about a service organization's systems relevant to security, availability, processing integrity, confidentiality, or privacy.

## DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE

### 1. The Massachusetts Cultural Council did not ensure that local cultural councils complied with the annual reporting requirements outlined in its “Local Cultural Council Program Guidelines.”

The Massachusetts Cultural Council (MCC) did not ensure that local cultural councils (LCCs) complied with the annual reporting requirements outlined in MCC’s “Local Cultural Council Program Guidelines.” According to the guidelines, LCCs must submit their annual reports (which include priorities and guidelines) by August 31, their grant financial reports by October 17, and their annual reports by January 17 of each year.

For the audit period, we selected a random, nonstatistical sample of 35 out of the 329 LCCs, and we found instances where LCCs did not comply with the guidelines. The table below shows the number of LCCs that were late submitting their reports during fiscal years 2023 and 2024.

Reports	Fiscal Year 2023	Fiscal Year 2024
Number of LCCs late in submitting their priorities and guidelines by August 31 (out of a total sample of 35 for each fiscal year)	31 (89%)	1 (3%)
Number of LCCs late in submitting their grant financial report by October 17 (out of a total sample of 35 for each fiscal year)	21 (60%)	20 (57%)
Number of LCCs late in submitting their annual grant decision by January 17 (out of a total sample of 35 for each fiscal year)	10 (29%)	12 (34%)

According to MCC officials, MCC works with LCCs to ensure that the final annual reports are completed by January 17 by providing assistance to LCCs. This assistance includes recruiting and maintaining at least five active members, electing officers, and providing training to LCC members in accurate recordkeeping and their duties as LCC members.

Additionally, we found that MCC disbursed funds to a particular LCC two days before the submission of its annual report. This timing raises concerns about MCC’s oversight of the disbursement of funds, as it had not yet received, and therefore had not yet reviewed, the report before releasing the funding.

If MCC does not ensure that LCCs meet deadlines, it increases the risk of public funds being used for activities not related to arts, humanities, and sciences, which could undermine MCC’s commitment to promoting cultural activities. MCC’s enforcement of its “Local Cultural Council Program Guidelines” is also important to LCCs, because noncompliance of LCCs could put their funding at risk.

MCC's disbursement of grant funding before the LCC submitted its annual report also may have allowed the LCC to use the grant funding without proper accountability or adherence to the intended financial guidelines.

## Authoritative Guidance

According to MCC's fiscal years 2023 and 2024 "Local Cultural Council Program Guidelines,"

***LCC Annual Report.*** Each year LCCs are required to complete an Annual Report which consists of 3 parts . . .

1. ***Council Priorities & Local Guidelines.*** . . . Annually, by August 31 LCCs must update their council priorities, guidelines . . .
2. ***Financial Report.*** . . . The deadline for LCCs to input the information from their LCC Account Form and calculate their amount available for granting is October 17. . . .
3. ***Grant Decisions Report.*** . . . All LCCs complete and submit their Grant Decision Report, the final component of the Annual Report, to [MCC] through the online grants management system no later than January 17. . . .

***Assuring Compliance with Local Cultural Council Duties.*** The fundamental operations of LCCs are reviewed and approved by [MCC] on an annual basis before funds are released. [MCC] staff will check the following before releasing funds:

- The Annual Report to [MCC] was submitted by the reporting deadline **January 17**.
- All funds from the current year were granted.

## Reasons for Issue

According to MCC officials, the LCC program is operated by volunteers from their communities and must maintain at least five active members, which some LCCs do not always have. LCCs that have fewer than five active members can be delayed in submitting these reports by MCC's deadlines. Further, MCC stated in a response it sent to our office on August 27, 2025:

*Guided by statute [MCC's] role is to provide guidance, advice, and assistance to LCCs until compliance is achieved, and then to certify grant payments. The statute is clear: the Council's responsibility is to ensure that program requirements are met and that public funds are used responsibly in every community. The statute emphasizes substantive compliance—verifying that councils have the required membership, financial accountability, public process, and adherence to guidelines—over the rigid enforcement of a single final report deadline.*

Regarding the one payment made two days before the LCC submitted its annual report, MCC officials stated that this was due to an administrative error. This administrative error reportedly occurred during the transition from a manual to an electronic signature process in fiscal year 2024.

## Recommendations

1. MCC should ensure that LCCs comply with annual reporting requirements.
2. MCC should consistently assist all LCCs with recruiting and maintaining at least five active members, electing officers, and providing training to LCC members to help with the submission of annual reports until LCCs are at 100% compliance with submission deadlines.
3. MCC should ensure that disbursement of funds is made only after LCCs submit their annual reports.

## Auditee's Response

*[MCC's response to our recommendation that MCC should ensure that LCCs comply with annual reporting requirements.] [MCC] ensures 100% of Local Cultural Councils are in full compliance with the program guidelines each year. [MCC] is proud of its record of ensuring every community benefits from the program each year and believes this program thrives through partnership with cities and towns. While the auditor acknowledges that LCCs are volunteer, municipal boards, the suggestion that "compliance with reporting deadlines" is only met if 100% of the 329 LCC to meet all three staggered reporting deadlines each year ignores the reality that there are many factors, outside the control of [MCC] and the Local Cultural Councils that prevent on time submission at each step of the reporting process. [MCC] uses the multistep reporting process to track and support LCCs that are facing challenges and has chosen to work with LCCs until they are in compliance rather than taking a punitive approach of denying funding to those LCCs that are late.*

*[MCC's response to our recommendation that MCC should consistently assist all LCCs with recruiting and maintaining at least five active members, electing officers, and providing training to LCC members to help with the submission of annual reports until LCCs are at 100% compliance with the submission deadlines.] [MCC] does and will continue to "consistently assist all LCCs" through compliance and all aspects of the program. [MCC] does this by assigning 6 program officers to LCCs across the state focusing on two fronts, the LCCs themselves, and their municipalities. For LCCs the team offers two monthly newsletters, an online basics training module for all new and current members, 3 to 6 grant cycle webinars a year that provide additional training and information, scheduled outreach around issues based on data in the system focused on the grant cycle but monitored year-round, regular office hours, convenings, site visits, in-person guidelines trainings for new LCCs or LCCs that are having a challenging cycle, thousands of calls/emails to LCC members across the state answering questions and providing guidance. For municipalities the team sends annual emails and reminders to municipal fiscal staff regarding contracting and the financial reporting requirement, has created and promotes a municipal guide and municipal financial officer guide to support local administration of the program, offers webinars and trainings in partnership with Mass Municipal Association to increase the understanding of and support of Local Cultural Councils, and exchanges hundreds of individual calls and emails with municipal staff supporting the reporting and contracting process.*

*[MCC's response to our recommendation that MCC should ensure that disbursement of funds is made only after LCCs submit their annual reports.] Since the audit period, LCC Allocation contracts are now completed through e-signature . . . documents. This new system ensures LCCs that are not ready to pay are held out of fiscal's normal contracting process. These changes should prevent/reduce any instances of payments accidentally being made prior to the completion of the LCCs reporting.*

## **Auditor's Reply**

We acknowledge MCC's efforts to ensure that all LCCs meet reporting requirements, including implementing the e-signature process and expanding training and support for councils and municipalities. While MCC achieves compliance, we emphasize the importance of meeting reporting deadlines on time to ensure that public funds are not used for activities unrelated to arts, humanities, and sciences. Continued monitoring and targeted assistance of LCCs that consistently face challenges are recommended to achieve full and timely compliance across all councils.

As part of our post-audit review process, we will follow up on this matter in approximately six months.

## **2. The Massachusetts Cultural Council did not ensure that all its contracted employees completed cybersecurity awareness training.**

MCC did not ensure that all seven of its contractors who had access to its grant management system completed the required cybersecurity awareness training during the audit period. This oversight raises concerns, as the absence of proper training for these contractors increases MCC's vulnerability to cyberattacks. Without cybersecurity awareness training, these contractors may inadvertently expose sensitive data or expose MCC's systems to malicious threats.

## **Authoritative Guidance**

According to the Executive Office of Technology Services and Security's Information Security Risk Security Standard IS.010,<sup>9</sup> which states,

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

---

9. EOTSS has since changed the titles and numbers of at least some of its policies and standards between the end of the audit period and the publication of this report. In this report, we reference the titles and numbers of EOTSS's policies and/or standards as they were during the audit period (unless stated otherwise).

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

## Reasons for Issue

MCC told us that it has a comprehensive cybersecurity program designed to protect the integrity of its systems, data, and operations. However, it did not have the capacity to extend the full cybersecurity awareness training module to its contractors because of time constraints related to processing the Cultural Sector Recovery Relief Grants. Additionally, MCC did not have monitoring controls to ensure that contractors complete cybersecurity awareness training.

## Recommendations

1. MCC should ensure that all contractors with access to its grant management system complete cybersecurity awareness training.
2. MCC should develop and implement monitoring controls to ensure that contractors complete the cybersecurity awareness training.

## Auditee's Response

*[MCC's response to our recommendation that MCC should ensure that all contractors with access to its grant management system complete cybersecurity awareness training.] We recognize the importance of ensuring that every individual with systems access including contractors completes formal cybersecurity awareness training. To address this, [MCC] will strengthen its internal procedures so that contractors are now required to complete the same cybersecurity awareness training as employees within the first thirty days of hire and the requirement will be incorporated into all contractor agreements. These measures ensure that both employees and contractors are consistently trained in cybersecurity best practices, thereby mitigating risks and safeguarding the Agency's financial, operational, and reputational integrity.*

*[MCC's response to our recommendation that MCC should develop and implement monitoring controls to ensure that contractors complete the cybersecurity awareness training.] MCC currently has monitoring controls in place to verify that all employees complete the required cybersecurity awareness training. During the audit period, contractors were not subject to this same requirement as employees. Going forward, contractor compliance will be integrated into the existing monitoring control process used for employees, ensuring that completion is tracked and documented for all.*

## Auditor's Reply

Based on its response, MCC 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.

---

## OTHER MATTERS

### **The Massachusetts Cultural Council did not submit its annual report to the Secretary of the Commonwealth of Massachusetts in accordance with Section 32 of Chapter 30 of the Massachusetts General Laws.**

During the audit period, the Massachusetts Cultural Council (MCC) did not submit its annual report to the Secretary of the Commonwealth of Massachusetts (SOC) in accordance with Section 32 of Chapter 30 of the Massachusetts General Laws. According to MCC officials, MCC operates under the strict oversight of its Governing Council and submits an annual report to the Legislature. MCC believes it meets the objectives set forth in the General Laws by keeping the Legislature informed about its operations and its use of public funds. MCC also stated that it attempted to submit its annual report to SOC in 2012, but SOC denied its submission. MCC reports that it did not receive guidance on where to submit the document, and, as a result, it has not made any further attempts to submit the annual report to SOC.

According to Section 53 of Chapter 10 of the General Laws,

*The council [MCC] shall promote excellence, access, education, and diversity in the arts, humanities, and interpretive sciences in order to improve the quality of life for all Massachusetts residents. . . . It shall encourage and make recommendations concerning the development on the local level of institutions and organizations which further the practice, study and appreciation of the arts, humanities and interpretive sciences in the interests of the citizens of the commonwealth. The council shall annually submit to the budget director the estimates required by sections three and four of chapter twenty-nine, and shall file an annual report as required by sections thirty-two and thirty-three of chapter thirty [of the General Laws].*

According to Section 32 of Chapter 30 of the General Laws,

*On or before the first Wednesday in December following the termination of each fiscal year, every state officer, department, board and commission or head thereof that is required by law to make an annual report shall deposit such report with the state secretary, except where by statute some other time is established for the filing of the report of said officer, department, board or commission. Such an annual report shall, except as otherwise expressly provided, cover such fiscal year, and, except for facts or information specifically required by law, shall be a brief summary of such fiscal year's work, together with recommendations for the succeeding fiscal year. Such an annual report of any elected state officer for the fiscal year preceding the termination of his service as such may also include a like report for the period between the end of such fiscal year and the termination of his service aforesaid.*

If MCC does not submit its annual report to SOC, then SOC will not have the information necessary to adequately review MCC's work for the past fiscal year and to make recommendations for the upcoming fiscal year.

MCC should ensure that it submits its annual report to SOC in accordance with Section 32 of Chapter 30 of the General Laws.

### **Auditee's Response**

*[MCC] consistently submits an annual report to the Legislature that fully satisfies the objectives of government oversight, transparency, and accountability. Pursuant to [Section 53 of Chapter 10 of the General Laws], and as expressly required each year by our budget line item, the Agency provides a comprehensive report to the Treasurer, the Executive Office of Administration and Finance, and the Legislature, documenting in detail our activities, priorities, and impact across the Commonwealth. This report constitutes the official mechanism by which [MCC] discharges its statutory obligation to keep state government informed of the Council's operations and use of public funds. To ensure full compliance with [Section 32 of Chapter 30 of the General Laws], [MCC] will add the Secretary of the Commonwealth as a formal recipient of this report going forward, thereby establishing a clear and permanent resolution to this recommendation.*

### **Auditor's Reply**

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

## APPENDIX

### List of Massachusetts Local Cultural Councils

Abington Cultural Council	Brookline Commission for the Arts
Acton-Boxborough Cultural Council	Buckland Cultural Council
Acushnet Cultural Council	Burlington Cultural Council
Agawam Cultural Council	Cambridge Arts Council
Alford-Egremont Cultural Council	Canton Cultural Council
Amesbury Cultural Council	Carlisle Cultural Council
Amherst Cultural Council	Carver Cultural Council
Andover Cultural Council	Charlemont-Hawley Cultural Council
Arlington Commission for Arts and Culture Grants Committee	Charlton Cultural Council
Ashburnham Cultural Council	Chatham Cultural Council
Ashby Cultural Council	Chelmsford Cultural Council
Ashfield Cultural Council	Chelsea Cultural Council
Ashland Cultural Council	Chester Cultural Council
Athol Cultural Council	Chesterfield Cultural Council
Attleboro Cultural Council	Chicopee Cultural Council
Auburn Cultural Council	Clinton Cultural Council
Avon Cultural Council	Cohasset Cultural Council
Ayer Cultural Council	Colrain Cultural Council
Barre Cultural Council	Concord Cultural Council
Becket Cultural Council	Conway Cultural Council
Bedford Cultural Council	Cultural Council of Northern Berkshire
Belchertown Cultural Council	Cummington Cultural Council
Bellingham Cultural Council	Dalton Cultural Council
Belmont Cultural Council	Danvers Cultural Council
Berkley Cultural Council	Dartmouth Cultural Council
Berlin Cultural Council	Dedham Cultural Council
Bernardston Cultural Council	Deerfield Cultural Council
Beverly Cultural Council	Dennis Arts and Culture Council
Billerica Cultural Council	Dighton Cultural Council
Blackstone Cultural Council	Douglas Cultural Council
Blandford Cultural Council	Dover Cultural Council

Bolton Cultural Council	Dracut Cultural Council
Boston Cultural Council	Dudley Cultural Council
Bourne Cultural Council	Dunstable Cultural Council
Boxford Cultural Council	Duxbury Cultural Council
Boylston Cultural Council	East Bridgewater Arts Council
Braintree Cultural Council	East Brookfield Cultural Council
Brewster Cultural Council	East Longmeadow Cultural Council
Bridgewater Cultural Council	Eastham Cultural Council
Brimfield Cultural Council	Easthampton Cultural Council
Brockton Cultural Council	Easton Cultural Council
Brookfield Cultural Council	Erving Cultural Council
Essex Cultural Council	Lancaster Cultural Council
Everett Cultural Council	Lawrence Cultural Council
Fairhaven Cultural Council	Lee Cultural Council
Fall River Cultural Council	Leicester Arts Council
Falmouth Cultural Council	Lenox Cultural Council
Fitchburg Cultural Council	Leominster Cultural Council
Foxborough Cultural Council	Leverett Cultural Council
Framingham Cultural Council	Lexington Council for the Arts
Franklin Cultural Council	Leyden Cultural Council
Freetown Cultural Council	Lincoln Cultural Council
Gardner Cultural Council	Littleton Cultural Council
Georgetown Cultural Council	Longmeadow Cultural Council
Gill Cultural Council	Lowell Cultural Council
Gloucester Cultural Council	Ludlow Cultural Council
Goshen Cultural Council	Lunenburg Cultural Council
Gosnold Cultural Council	Lynn Cultural Council
Grafton Cultural Council	Lynnfield Cultural Council
Granby Cultural Council	Malden Cultural Council
Granville Cultural Council	Manchester Cultural Council
Great Barrington Cultural Council	Mansfield Local Cultural Council
Greenfield Local Cultural Council	Marblehead Cultural Council
Groton Cultural Council	Marion Cultural Council
Groveland Cultural Council	Marlborough Cultural Council

Hadley Cultural Council	Marshfield Cultural Council
Halifax Cultural Council	Martha's Vineyard Cultural Council
Hamilton-Wenham Cultural Council	Mashpee Cultural Council
Hampden Cultural Council	Mattapoisett Cultural Council
Hanover Cultural Council	Maynard Cultural Council
Hanson Cultural Council	Medfield Cultural Council
Hardwick-New Braintree Cultural Council	Medford Arts Council
Harvard Cultural Council	Medway Cultural Council
Harwich Cultural Council	Melrose Cultural Council
Hatfield Cultural Council	Mendon Cultural Council
Haverhill Cultural Council	Merrimac Cultural Council
Heath Cultural Council	Methuen Cultural Council
Hingham Cultural Council	Mid-Cape Cultural Council
Hinsdale-Peru Cultural Council	Middleborough Cultural Council
Holbrook Cultural Council	Middlefield Cultural Council
Holden Cultural Council	Middleton Cultural Council
Holland Cultural Council	Milford Cultural Council
Holliston Cultural Council	Millbury Cultural Council
Holyoke Local Cultural Council	Millis Cultural Council
Hopedale Cultural Council	Millville Cultural Council
Hopkinton Cultural Council	Milton Cultural Council
Hubbardston Cultural Council	Monson Cultural Council
Hudson Cultural Council	Montague Cultural Council
Hull Cultural Council	Monterey Cultural Council
Huntington Cultural Council	Montgomery Cultural Council
Ipswich Cultural Council	Mount Washington Cultural Council
Kingston Cultural Council	Nahant Cultural Council
Lakeville Arts Council	Nantucket Cultural Council
Natick Cultural Council	Rowley Cultural Council
Needham Council for Arts and Culture	Royalston Cultural Council
New Bedford Cultural Council	Russell Cultural Council
New Marlborough Cultural Council	Rutland Cultural Council
New Salem Cultural Council	Salem Cultural Council
Newbury Cultural Council	Salisbury Cultural Council

Newburyport Cultural Council	Sandisfield Cultural Council
Newton Cultural Council	Sandwich Cultural Council
Norfolk Cultural Council	Saugus Cultural Council
North Andover Cultural Council	Scituate Cultural Council
North Attleborough Cultural Council	Seekonk Cultural Council
North Brookfield Cultural Council	Sharon Cultural Council
North Reading Cultural Council	Sheffield Cultural Council
Northampton Arts Council, Inc.	Shelburne Cultural Council
Northborough Cultural Council	Sherborn Arts Council
Northbridge Cultural Council	Shirley Cultural Council
Northfield Cultural Council	Shrewsbury Cultural Council
Norton Cultural Council	Shutesbury Cultural Council
Norwell Cultural Council	Somerset Cultural Council
Norwood Cultural Council	Somerville Arts Council
Oakham Cultural Council	South Hadley Cultural Council
Orange Cultural Council	Southampton Cultural Council
Orleans Cultural Council	Southborough Cultural Arts Council
Otis Cultural Council	Southbridge Cultural Council
Oxford Cultural Council	Southwick Cultural Council
Palmer Cultural Council	Spencer Cultural Council
Paxton Cultural Council	Springfield Cultural Council
Peabody Cultural Council	Sterling Cultural Council
Pelham Cultural Council	Stockbridge Cultural Council
Pembroke Cultural Council	Stoneham Cultural Council
Pepperell Cultural Council	Stoughton Cultural Council
Petersham Cultural Council	Stow Cultural Council
Phillipston Cultural Council	Sturbridge Cultural Council
Pittsfield Cultural Council	Sudbury Cultural Council
Plainfield Cultural Council	Sunderland Cultural Council
Plainville Cultural Council	Sutton Cultural Council
Plymouth Cultural Council	Swampscott Cultural Council
Plympton Cultural Council	Swansea Cultural Council
Princeton Cultural Council	Taunton Cultural Council
Provincetown Cultural Council	Templeton Cultural Council

Quincy Arts Council	Tewksbury Cultural Council
Randolph Cultural Council	Tolland Cultural Council
Raynham Cultural Council	Topsfield Cultural Council
Reading Cultural Council	Townsend Cultural Council
Rehoboth Cultural Council	Truro Cultural Council
Revere Cultural Council	Tyngsborough Cultural Council
Richmond Cultural Council	Tyringham Cultural Council
Rochester Cultural Council	Upton Cultural Council
Rockland Cultural Council	Uxbridge Cultural Council
Rockport Cultural Council	Wakefield Arts Council
Rowe Cultural Council	Wales Cultural Council
Walpole Cultural Council	Westford Cultural Council
Waltham Cultural Council	Westhampton Cultural Council
Ware Cultural Council	Westminster Cultural Council
Wareham Cultural Council	Weston Cultural Council
Warren Cultural Council	Westport Cultural Council
Warwick Cultural Council	Westwood Cultural Council
Washington Cultural Council	Weymouth Cultural Council
Watertown Cultural Council	Whately Cultural Council
Wayland Cultural Council	Whitman Cultural Council
Webster Cultural Council	Wilbraham Cultural Council
Wellesley Cultural Council	Williamsburg Cultural Council
Wellfleet Cultural Council	Wilmington Cultural Council
Wendell Cultural Council	Winchendon Cultural Council
West Boylston Cultural Council	Winchester Cultural Council
West Bridgewater Cultural Council	Windsor Cultural Council
West Brookfield Cultural Council	Winthrop Cultural Council
West Newbury Cultural Council	Woburn Cultural Council
West Springfield Arts Council	Worcester Arts Council
West Stockbridge Cultural Council	Worthington Cultural Council
Westborough Cultural Council	Wrentham Cultural Council
Westfield Cultural Council	