

# OFFICE OF THE STATE AUDITOR

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# DIANA DIZOGLIO

Official Audit Report – Issued April 4, 2025

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## Quinsigamond Community College

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



OFFICE OF THE STATE AUDITOR

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**DIANA DIZOGLIO**

April 4, 2025

Dr. Luis G. Pedraja, President  
Quinsigamond Community College  
670 West Boylston Street  
Worcester, MA 01606

Dear Dr. Pedraja:

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

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

Best regards,



Diana DiZoglio  
Auditor of the Commonwealth

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## TABLE OF CONTENTS

|  |    |
|--|----|
| EXECUTIVE SUMMARY .....  | 1  |
| OVERVIEW OF AUDITED ENTITY .....   | 3  |
| AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY .....   | 9  |
| DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE .....  | 20 |
| 1. Quinsigamond Community College did not ensure that all employees completed cybersecurity awareness training both when hired and annually thereafter. ....   | 20 |
| 2. Quinsigamond Community College lacked certain information system general controls over its campus-wide administrative database and financial system, as well as human resources hardcopy records. ....  | 22 |
| 3. Quinsigamond Community College did not have a documented, transparent, or accountable process related to employee settlement agreements, including those containing non-disclosure, non-disparagement, or similarly restrictive clauses. .... | 25 |
| OTHER MATTERS .....  | 29 |

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## LIST OF ABBREVIATIONS

|        |   |
|--------|---|
| ARPA   | American Rescue Plan Act  |
| CARES  | Coronavirus, Aid, Relief, and Economic Security                 |
| CFDA   | Catalog of Federal Domestic Assistance                          |
| CRRSAA | Coronavirus Response and Relief Supplemental Appropriations Act |
| CTR    | Office of the Comptroller of the Commonwealth                   |
| EOTSS  | Executive Office of Technology Services and Security            |
| FAFSA  | Free Application for Federal Student Aid                        |
| FAQ    | frequently asked questions                                      |
| GEER   | Governor's Emergency Education Relief                           |
| HEERF  | Higher Education Emergency Relief Fund                          |
| ICP    | internal control plan   |
| IHE    | institute of higher education                                   |
| QCC    | Quinsigamond Community College                                  |
| US DOE | United States Department of Education                           |

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## 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 Quinsigamond Community College (QCC) for the period March 1, 2020, through June 30, 2023. When examining employee settlement agreements entered into by QCC, we extended the audit period to January 1, 2019 through December 30, 2023.

The purpose of our audit was to determine the following:

- whether QCC administered the student portion of funding under Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in accordance with Sections C, D, and E of the United States Department of Education's (US DOE's) *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*;
- whether QCC administered the institutional portion of funding under Section 18004(a)(1) of the CARES Act in accordance with Section F of US DOE's *HEERF FAQ Rollup Document*;
- whether QCC administered the student portion of funding under Section 314(a)(1) of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs ([Catalog of Federal Domestic Assistance (CFDA)] 84.425E and 84.425F) FAQ*;
- whether QCC administered the institutional portion of funding under Section 314(a)(1) of the CRRSAA in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) FAQ*;
- whether QCC administered the student portion of funding under Section 2003(a)(1) of the American Rescue Plan Act (ARPA) in accordance with Section B of US DOE's *HEERF III FAQ*;
- whether QCC administered the institutional portion of funding under Section 2003(a)(1) of the ARPA in accordance with Section C of US DOE's *HEERF III FAQ*;
- whether QCC updated its internal control plan to address the COVID-19 pandemic in accordance with the Office of the Comptroller of the Commonwealth's (CTR's) "COVID-19 Pandemic Response Internal Controls Guidance," dated September 30, 2020;
- whether QCC ensured that its employees received cybersecurity awareness training in accordance with the requirements noted in Sections 6.2.3 and 6.2.4 of the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010, effective October 15, 2018; and
- whether QCC had internal policies and procedures in place for (a) the review and approval of employee settlement agreements, including the language used, and (b) the reporting of employee settlement agreements to CTR and whether QCC followed these policies and procedures and used non-disclosure, non-disparagement, or similarly restrictive clauses as part of employee

settlement agreement language for settlements that it entered into from January 1, 2019 through December 30, 2023.

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

|  |   |
|--|---|
| <b>Finding 1</b><br><b>Page <a href="#">20</a></b>       | QCC did not ensure that all employees completed cybersecurity awareness training both when hired and annually thereafter.   |
| <b>Effect</b>  | Without educating all employees on their responsibility of protecting the security of information assets, QCC may be exposed to a higher risk of cybersecurity attacks and financial and/or reputational losses.  |
| <b>Recommendations</b><br><b>Page <a href="#">21</a></b> | <ol style="list-style-type: none"><li>1. QCC should ensure that all employees complete annual cybersecurity awareness training and that all newly hired employees complete the initial training within the first 30 days of orientation.</li><li>2. QCC should design and implement a monitoring control to track the completion of cybersecurity awareness training.</li></ol>   |
| <b>Finding 2</b><br><b>Page <a href="#">22</a></b>       | QCC lacked certain information system general controls over its campus-wide administrative database and financial system, as well as human resources hardcopy records.  |
| <b>Effect</b>  | Deficiencies in information system general controls can lead to potential operational issues, which could negatively impact QCC's reputation, information system security, and/or financial stability.  |
| <b>Recommendations</b><br><b>Page <a href="#">23</a></b> | <ol style="list-style-type: none"><li>1. QCC should revisit and enhance its information systems general controls surrounding the campus-wide administrative database and financial system, as well as human resources records.</li><li>2. QCC should establish a policy to monitor the accuracy of data, the removal of terminated employees from the data systems, and record retention.</li></ol>   |
| <b>Finding 3</b><br><b>Page <a href="#">25</a></b>       | QCC did not have a documented, transparent, or accountable process related to employee settlement agreements, including those containing non-disclosure, non-disparagement, or similarly restrictive clauses.   |
| <b>Effect</b>  | If QCC does not have a documented, transparent, and accountable process to handle employee settlement agreements, especially those containing non-disclosure, non-disparagement, or similarly restrictive clauses, then it cannot ensure that employee settlement agreements are handled in an ethical, legal, or appropriate manner. Also, by not maintaining a comprehensive "watch list," QCC may rehire a former employee with a provision in the settlement stating not to rehire. |
| <b>Recommendations</b><br><b>Page <a href="#">28</a></b> | <ol style="list-style-type: none"><li>1. QCC should develop, document, and implement a policy related to employee settlement agreements, including those with no reemployment clauses.</li><li>2. QCC should track and document all complaints that include non-disclosure, non-disparagement, or similarly restrictive clauses in employee settlement agreements.</li></ol>  |

In addition to the conclusions we reached regarding our audit objectives, we also identified issues not specifically addressed by our objectives. For more information, see [Other Matters](#).

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## OVERVIEW OF AUDITED ENTITY

Quinsigamond Community College (QCC) is authorized by Section 5 of Chapter 15A of the Massachusetts General Laws and operates under the direction of a board of trustees, which consists of one undergraduate student member, one alum, and nine members appointed by the Governor. The president of QCC is the administrative head of the university and reports to the board of trustees.

QCC is a member of the Massachusetts public higher education system, which consists of 15 community colleges, nine state universities, and five University of Massachusetts campuses. Quinsigamond Community College is located at 670 West Boylston Street in Worcester.

As of the fall 2023 semester, 13,000 students were enrolled at QCC, and it offered 115 programs.

### QCC Appropriations

As shown in the table below, QCC's budget appropriations were as follows:

| Fiscal Year | Appropriation |
|-------------|---------------|
| 2020        | \$22,307,269  |
| 2021        | \$23,835,425  |
| 2022        | \$24,375,528  |
| 2023        | \$25,350,405  |

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

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted by Congress on March 27, 2020, provided \$30.75 billion for the Education Stabilization Fund to prevent, prepare for, and respond to the COVID-19 pandemic. The United States Department of Education's (US DOE's) Education Stabilization Fund included the Governor's Emergency Education Relief (GEER) Fund, the Elementary and Secondary School Emergency Relief Fund, and Education Stabilization Fund grants to state educational agencies and the Governors' offices. The Education Stabilization Fund also allocated money for the Higher Education Emergency Relief Fund (HEERF)<sup>1</sup> Program.

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1. HEERF includes the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and the American Rescue Plan Act. Additionally, included under the CARES Act is the GEER Fund.

Section 18002 of the CARES Act awarded grants to states under the GEER Fund to provide emergency assistance funding to local educational agencies, institutions of higher education (IHEs), and other education-related entities. States could use GEER funding to provide emergency support through allocations to IHEs that served the students who were most significantly affected by COVID-19. The Massachusetts Executive Office of Education received \$50.8 million in GEER funding to distribute to schools in the state to support operations affected by COVID-19. The Massachusetts Department of Higher Education received approximately \$20.5 million in GEER funding to support state IHEs.

According to the *Frequently Asked Questions about the Governor's Emergency Education Relief Fund (GEER Fund)* document distributed by US DOE, IHEs may use GEER funds to provide the following:

- *Staff, infrastructure and technology to support distance education, or remote learning;*
- *Academic support for libraries, laboratories, and other academic facilities;*
- *Institutional support for activities related to personnel, payroll, security, environmental health and safety, and administrative offices;*
- *Student services that promote a student's emotional and physical well-being outside the context of the formal instructional program; and*
- *Student financial aid, such as IHE-sponsored grants and scholarships.*

Section 18004 of the CARES Act required recipients to use no less than 50% of the funds received (referred to as the student portion) to provide emergency financial aid grants to students for expenses related to the disruption of campus operations due to the coronavirus (including tuition, course materials, food, housing, technology, healthcare, and childcare). This section also allowed IHEs to use up to 50% of the funds received (referred to as the institutional portion) to cover any costs associated with significant changes to the delivery of instruction because of the COVID-19 pandemic.

Students could receive funding under the CARES Act if they filed a Free Application for Federal Student Aid<sup>2</sup> or if they applied for funding using an application developed by the institution disbursing the funds. At institutions that provided both online and on-campus education, students were not eligible if they were enrolled in an online-only program on March 13, 2020, the date the President declared the national emergency.

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2. This is the application that students file to receive financial aid.



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According to Section E(19) of US DOE's *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*,

*Institutions may provide emergency financial aid grants to students using checks, electronic transfer payments, debit cards, and payment apps that adhere to [US DOE's] requirements for paying credit balances [i.e., money paid directly] to students.*

## **Coronavirus Response and Relief Supplemental Appropriations Act**

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27, 2020 to provide approximately \$23 billion of additional funding to support IHEs affected by the COVID-19 pandemic.

Like the CARES Act, Section 314(a)(1) of the CRRSAA allocated funding to IHEs by providing both student and institutional funding through HEERF II grants. US DOE modified its guidance to allow more students to be eligible to receive funding. Under the modified guidance, students were no longer required to be enrolled in on-campus classes to receive emergency financial aid grants.

US DOE also modified its guidance for the institutional portion, allowing IHEs to use funding to defray expenses associated with lost revenue. This updated guidance could also be applied to any CARES Act funding that was not expended by the time an IHE received CRRSAA funding.

## **American Rescue Plan Act**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, providing an additional \$40 billion for the HEERF Program. The ARPA required that at least half of each institution's award be used to make emergency financial aid grants to students and the rest for institutional purposes.

US DOE's guidance document for ARPA funding, *Higher Education Emergency Relief Fund III Frequently Asked Questions*, defines funding used for institutional purposes as follows:

*[Funding used to] (a) implement evidence-based practices to monitor and suppress coronavirus in accordance with public health guidelines; and (b) conduct direct outreach to financial aid applicants about the opportunity to receive a financial aid adjustment due to the recent unemployment of a family member or independent student, or other circumstances.*

Below is a summary of QCC's financial activity related to COVID-19 funding during the audit period.

| Grant Type  | Award                | Disbursements        |
|---|----------------------|----------------------|
| CARES Act 18004(a)(1) Student                       | \$ 2,414,181         | \$ 2,414,181         |
| CARES Act 18004(a)(1) Institutional                 | 2,414,180            | 2,414,180            |
| CARES Act 18004(a)(1)<br>Strengthening Institutions | 237,992              | 237,992              |
| GEER Student  | 198,269              | 198,269              |
| GEER Institutional                                  | 595,175              | 595,175              |
| CRRSAA 314(a)(1) Student                            | 2,414,181            | 2,414,181            |
| CRRSAA 314(a)(1) Institutional                      | 8,055,157            | 8,055,157            |
| CRRSAA 314(a)(1) Strengthening<br>Institutions      | 432,941              | 432,941              |
| ARPA Student  | 9,337,795            | 9,337,795            |
| ARPA Institutional                                  | 9,030,142            | 9,030,142            |
| ARPA Strengthening Institutions                     | 790,898              | 790,898              |
| Totals  | <u>\$ 35,920,911</u> | <u>\$ 35,920,911</u> |

## Office of the Comptroller of the Commonwealth's Pandemic Response Guidance

On September 30, 2020, the Office of the Comptroller of the Commonwealth provided guidance to state agencies in response to the COVID-19 pandemic. The guidance helped state agencies that were experiencing significant changes identify their goals, objectives, and risks associated with the COVID-19 pandemic. Objectives included telework, return-to-office plans, a risk assessment of the impact of COVID-19 on department operations, changes to the business process, safety protocols for employees and visitors, and tracking of COVID-19-related awards and expenditures, which are tracked separately from other federal, state, and local expenditures.

## Cybersecurity Awareness Training

The Executive Office of Technology Services and Security has established policies and procedures that apply to all Commonwealth agencies within the executive branch. The Executive Office of Technology Services and Security recommends, but does not require, non-executive branch state agencies to follow these policies and procedures. Section 6.2 of the Executive Office of Technology Services and Security's Information Security Risk Management Standard IS.010, effective October 15, 2018, stated,

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

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

While QCC is not required to follow this standard because it is a non-executive branch state agency, we consider it a best practice. QCC used the KnowBe4 training platform during fiscal year 2023 to administer required initial and annual cybersecurity awareness training.

## Settlements and Judgments

The Office of the Comptroller of the Commonwealth (CTR) has established policies and procedures for Commonwealth agencies processing settlements and judgments.

CTR's Settlements and Judgments Policy states,

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

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

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

Section 5.00 of Title 815 of the Code of Massachusetts Regulations describes the procedures for agencies to determine availability of funds for the payment of settlements and judgments against the Commonwealth, as well as reporting requirements. The regulation requires agencies to prepare and submit a report to the CTR's general counsel before making the payment to ensure proper tax reporting. When reporting employee settlement agreements to CTR, state agencies use a Non-Tort

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Settlement/Judgment Payment Authorization Form (referred to in this report as the SJ Authorization Form) to document whether the claim will be paid by the agency or through the Settlement and Judgment Reserve Fund, type of claim, agency information, the employee's information, the type and amount of damages detailed in the settlement agreement, the amount of any attorney's fees awarded, and the amount of any interest awarded or accrued. Additionally, agencies must include a copy of the employee settlement agreement signed by authorized representatives of both parties when they submit the SJ Authorization Form.

## 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 Quinsigamond Community College (QCC) for the period March 1, 2020 through June 30, 2023. When examining employee settlement agreements entered into by QCC, we extended the audit period to January 1, 2019 through December 30, 2023.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

| Objective   | Conclusion  |
|---|---|
| 1. Did QCC administer Education Stabilization Funds authorized through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA), in accordance with the guidance that was provided by the respective funding entities? | No; see <b>Finding 2</b> and <b>Other Matters</b> |
| 2. Did QCC update its internal control plan (ICP) as required by the Office of the Comptroller of the Commonwealth's (CTR's) "COVID-19 Pandemic Response Internal Controls Guidance"?   | Yes   |
| 3. Did QCC provide its employees cybersecurity awareness training in accordance with Section 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, effective October 15, 2018?  | No; see <b>Finding 1</b>                          |
| 4. Does QCC record and process settlement agreements in accordance with the Office of the State Comptroller's policy, updated February 10, 2020, for the period of January 1, 2019 through December 30, 2023?   | No; see <b>Finding 3</b>                          |

To accomplish our audit objectives, we gained an understanding of QCC's internal control environment relevant to our objectives by reviewing applicable college policies and procedures and by interviewing

QCC's staff members and management. To obtain sufficient, appropriate evidence to address our audit objectives, we performed the procedures described below.

## **CARES Act, CRRSAA, and ARPA Student Portion**

To determine whether QCC administered the student portion of CARES Act, CRRSAA , and ARPA funding in accordance with the United States Department of Education's (US DOE's) *Higher Education Emergency Relief Fund (HEERF) Frequently Asked Questions (FAQ) Rollup Document*, *HEERF II Public and Private Nonprofit Institution (a)(1) Programs ([Catalog of Federal Domestic Assistance (CFDA)] 84.425E and 84.425F) FAQ*, and *HEERF III FAQ*, as well as QCC's own distribution method, we divided the population of 12,180 student grants into three categories—CARES Act, CRRSAA, and ARPA—totaling \$19,662,806 for the audit period. For each category, we conducted the following procedures.

### **CARES Act**

To determine whether QCC administered the student portion of the CARES Act in accordance with US DOE's *HEERF FAQ Rollup Document*, we tested a random, statistical sample<sup>3</sup> of 60 payments to students, totaling \$40,182, from the total population of 3,782 payments to students, totaling \$2,655,519, 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 audit period. We determined whether each student in our sample had completed a 2019–2020 Free Application for Federal Student Aid (FAFSA); was enrolled in at least one on-campus course on March 13, 2020; had maintained satisfactory academic progress;<sup>7</sup> and had a QCC Emergency Grants Application on file. We examined QCC's student applications, FAFSA records, and student transcripts and compared those documents to the student awards disbursement records.

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3. Auditors use statistical sampling to select items for audit testing when a population is large and contains similar items. Auditors generally use a statistical software program to choose a random sample when sampling is used. The results of testing using statistical sampling, unlike those from judgmental sampling, can usually be used to make conclusions or projections about entire populations.
  4. Confidence level is a mathematically based measure of the auditor's assurance that the sample results (statistic) are representative of the population (parameter), expressed as a percentage.
  5. Expected error rate is the number of errors that are expected in the population, expressed as a percentage. It is based on the auditor's knowledge of factors such as prior year results, the understanding of controls gained in planning, or a probe sample.
  6. The tolerable error rate (which is expressed as a percentage) is the maximum error in the population that is acceptable while still using the sample to conclude that the results from the sample have achieved the objective.
  7. QCC defined satisfactory academic progress as a student maintaining at least a 1.50 GPA for a total of 1–15 attempted credits or a student maintaining at least a 2.00 GPA for a total of 16 or more attempted credits.

Additionally, to determine whether QCC disbursed the student-portion funding in accordance with US DOE's *HEERF FAQ Rollup Document*, we determined whether each student completed a 2019–2020 FAFSA and received a \$270 award,<sup>8</sup> and we examined QCC's student academic records.

## **CRRSAA**

To determine whether QCC administered the student portion of the CRRSAA in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) FAQ*, as well as its own method for calculating each distribution amount, we tested a random, statistical sample of 60 payments to students, totaling \$112,087, from the total population of 4,261 payments to students, totaling \$6,762,514, using a 95% confidence level, a 0% expected error rate, and a 5% tolerable error rate, for the audit period. We verified that each student in our sample was enrolled in at least one three-credit spring 2021 course, had maintained satisfactory academic progress, and had exceptional financial need.<sup>9</sup> We examined QCC's student applications, student transcripts, and student bills and compared those documents to the student award disbursement records.

Additionally, to determine whether QCC disbursed the student portion in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) FAQ*, as well as its own method for calculating each distribution amount, we determined whether each student recipient had completed a 2020–2021 FAFSA, was Pell Grant eligible, and was enrolled in at least one course for the spring 2021 semester. We determined each student's enrollment status in our sample.<sup>10</sup>

To determine whether QCC disbursed the student portion of funding for students with outstanding balances in accordance with US DOE's *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) FAQ*, we determined whether recipient students had past-due bills and

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8. This is the amount awarded to each student from the institutional portion of CARES Act funding that QCC used for student awards.

9. QCC defined exceptional financial need as a self-declared qualification on the QCC Student Emergency Grants Application and/or as a Pell Grant recipient (a student with a very low expected family contribution within the range of \$0–\$5,712 for the 2020–2021 award year or \$0–\$5,846 for the 2021–2022 award year through the FAFSA).

10. The enrollment status multiplier was based on a student's course credit status, which consists of full-time, three-quarter time, half-time, or less than half-time.

were enrolled in a degree or certificate program at any point between March 13, 2020 through the end of the spring 2021 semester.

To determine whether QCC awarded a single CRRSAA student-portion grant for less than the minimum of \$200, we examined the CRRSAA student award disbursement records to verify that there was no single student portion awarded under \$200.

## **ARPA**

To determine whether QCC administered student requests for additional assistance from the ARPA funding in accordance with US DOE's *HERR III FAQ*, as well as its own method for calculating each distribution amount, we tested a random, statistical sample of 60 payments to students, totaling \$144,754, from the total population of 4,137 payments to students, totaling \$10,244,773, using a 95% confidence level, a 0% expected error rate, and a 5% tolerable error rate, for the audit period. We determined whether each student had submitted an online application for additional assistance, whether the additional assistance was related to COVID-19, whether each student was enrolled in a degree or certificate program on or after March 13, 2020, and whether each student had exceptional financial need. We examined QCC's student applications and student transcripts and compared those documents to the student award disbursement records.

Additionally, to determine whether QCC disbursed student-portion funds in accordance with US DOE's *HERRF III FAQ*, as well as its own method for calculating each distribution amount, we determined whether each student was enrolled in summer 2021 and/or fall 2021 courses, had a 2020–2021 FAFSA on file, and was Pell Grant eligible. We also determined their enrollment status.

To determine whether QCC awarded any ARPA student-portion grants less than the \$200 minimum, we examined the ARPA student award disbursement records to verify that there was no single student-portion grant awarded under \$200. We verified that payments to students were made via checks to determine whether the payment method for the students awarded through the QCC Emergency Grant Application and the student-portion grant process was in accordance with a method approved by US DOE.



We examined the cumulative total disbursements for each student for all the HEERF awards (CARES Act, CRRSAA, and ARPA) to determine whether QCC disbursed to students an excess of \$7,000 cumulatively (excluding grants that covered outstanding balances at QCC).

During our testing, we noted that QCC did not have an adequate segregation of duties over the calculation, distribution, and publication of the HEERF grants to students. This led to questionable computations of student awards. See Other Matters.

### **CARES Act, CRRSAA, and ARPA Institutional Portion**

To determine whether QCC administered the institutional portion of CARES Act, CRRSAA, and ARPA funding in accordance with US DOE's *HEERF FAQ Rollup Document*, *HEERF II Public and Private Nonprofit Institution (a)(1) Programs (CFDA 84.425E and 84.425F) FAQ*, and *HEERF III FAQ*, we examined a random, statistical sample of 60 institutional transactions, totaling \$129,418, from the total population of 1,810 transactions, totaling \$9,216,220, using a 95% confidence level, a 0% expected error rate, and a 5% tolerable error rate, for the audit period. We obtained QCC's cost center report and, for each sampled transaction, we inspected purchase orders, vouchers, invoices or bills, emails, payment vouchers, and/or receipts to determine the reason for the transaction, whether the transaction was related to the disruption of campus operations because of COVID-19, whether the documentation adequately supported the need for each item or service, and whether the transaction was allowable.

### **Lost Revenue**

To determine whether lost revenue recovered by QCC, totaling \$6,248,440, was calculated in accordance with US DOE's *Higher Education Emergency Relief Fund (HEERF I, II, and III) Lost Revenue FAQ*, we obtained QCC's loss of revenue rationale, calculations, methodology, underlying data, budgets, and projections for fiscal years 2021 and 2022 to determine whether the institutional-funds portion was used, the source of revenue, and whether the loss of revenue was associated with COVID-19. We reperformed QCC's calculation of lost revenue recovered, for accuracy, and verified that the budget to actual method was used to determine the recovery amount.

### **Governor's Emergency Education Relief Student Funding**

To determine whether QCC administered the student portion of the Governor's Emergency Education Relief (GEER) funding under the CARES Act in accordance with US DOE's *FAQ about the GEER Fund*, we

examined a random, nonstatistical sample<sup>11</sup> of 40 student awards, totaling \$25,652, out of the total population of 367 GEER student awards totaling, \$198,269. For each student transaction, we determined whether the student was a Massachusetts resident, was enrolled in a degree or certificate program for the semester awarded, completed a FAFSA, had an emergency grant application on file or received a QCC Financial Aid email outreach notification, had maintained satisfactory academic progress, had a self-certification of need for assistance due to COVID-19, and had not earned a baccalaureate or professional degree. We examined student FAFSA and emergency grant applications, email outreach notifications, student transcripts, student satisfactory academic progress records, and student education records. Additionally, we examined the student award disbursement records to determine whether any transactions granted for the fall 2020 and spring 2021 semesters exceeded \$1,000. We also reperformed QCC's calculation of GEER student awards to ensure accuracy.

### **GEER Institutional Funding**

To determine whether QCC administered the institutional portion of GEER funding in accordance with US DOE's *FAQ about the GEER Fund* and the GEER institutional interdepartmental service agreement between the Massachusetts Department of Higher Education and QCC, we selected a random, nonstatistical sample of 20 institutional transactions, totaling \$108,927, from the population of 78, totaling \$595,175. We examined QCC's GEER institutional journal entries and inspected purchase orders, vouchers, emails, quotes, invoices or bills, and/or receipts to determine whether each expense was incurred between March 1, 2020 and December 30, 2020; what the purpose of each expense was; whether each transaction was related to the disruption of campus operations due to COVID-19; whether funding was used for staff members, student services, or building services; and whether each transaction was allowable.

We noted no significant exceptions in testing. Therefore, we concluded that, for items sampled for the audit period, QCC received and administered Education Stabilization Funds that were authorized through the CARES Act, the CRRSAA, and the ARPA in accordance with the guidance that was provided by the respective funding entities.

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11. 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 want to review.

## **ICP COVID-19 Updates**

To determine whether QCC updated its ICP to address the effects of COVID-19, as required by CTR's "COVID-19 Pandemic Response Internal Controls Guidance," we received and reviewed internal control questionnaires from fiscal years 2020, 2021, and 2022 and compared them to QCC's ICPs that were in effect as of June 30, 2020, June 30, 2021, and June 30, 2022. For fiscal years 2020, 2021, and 2022, we also compared the internal control questionnaires to the ICPs to determine whether QCC updated its risk assessments related to COVID-19.

We noted no exceptions in testing. Therefore, we concluded that, during the audit period, QCC updated its ICP as required by CTR's "COVID-19 Pandemic Response Internal Controls Guidance."

## **Cybersecurity Awareness Training**

To determine whether QCC provided its employees during the audit period with annual cybersecurity awareness training or initial cybersecurity awareness training, in accordance with EOTSS's Information Security Risk Management Standard IS.010, we interviewed QCC employees on how QCC administers and tracks the completion of its initial and annual cybersecurity awareness training. Additionally, we reviewed the completion report from the third-party company that QCC uses to provide this training to its employees to determine whether all newly hired employees completed the initial training and whether all employees completed the training annually. We examined the human resources employee list that was provided to us by QCC's executive director of human resources to determine which employees were required to take QCC's annual cybersecurity training. We also examined this list to determine the population of newly hired employees. From the list of 1,843 employees, we determined that 1,258 employees were required to take QCC's annual cybersecurity awareness training by reviewing whether the employee was hired on or before the date the training was implemented. We examined 37 newly hired employees who were hired after the annual training, between March 10, 2023 and June 30, 2023.

During the audit, we noted that QCC did not require its employees to complete cybersecurity awareness training before February 16, 2023. After QCC established a March 10, 2023 deadline, we determined that 553 employees (44%) did not complete the training and that 138 employees (11%) completed the training late. Also, QCC did not require the 37 employees hired between March 10, 2023 and June 30, 2023 to complete the cybersecurity awareness training within 30 days of hire. See Finding 1.

## **Employee Settlement Agreements**

To determine whether QCC had internal policies and procedures in place for (a) the review and approval of employee settlement agreements, including the language used, and (b) the reporting of employee settlement agreements to CTR, we interviewed QCC's executive director of human resources. QCC stated that it follows CTR's Settlements and Judgments Policy for any employee settlement agreements involving monetary payments.

To determine whether QCC entered into employee settlement agreements that included non-disclosure, non-disparagement, or similarly restrictive clauses, we reviewed language in all 20 employee settlement agreements that QCC entered into from January 1, 2019 through December 30, 2023. For all 20 settlement agreements, totaling \$116,710, we determined whether there was a copy of an executed settlement agreement retained for each settlement. Additionally, we reviewed all 20 employee settlement agreements to determine whether any resulted in an employee's receiving a monetary payment. We determined that 6 settlement agreements were nonmonetary and 14 resulted in monetary settlement agreements in the form of lump-sum payments or back-pay damages. All 14 monetary settlement agreements were processed through CTR.

For all 14 monetary employee settlement agreements, we determined whether the settlement was handled in accordance with CTR's Settlements and Judgments Policy by reviewing supporting documentation for the following:

- whether QCC's legal counsel or the chief financial officer was listed as the central point of contact on the SJ Authorization Form;
- whether the claimant or claimant's attorney was provided with "Notice of Settlement/Judgment Tax Reporting and Withholdings, Claimant Receipt of W-2, 1099-MISC or 1099-INT Forms";
- whether signatures and payment amounts were complete and accurate by examining a copy of the SJ Authorization Form, which was submitted to CTR for each settlement;
- whether CTR approved payment of each settlement claim by examining a copy of the approval email from CTR; and
- whether the settlement requests were sent to CTR within two weeks after the SJ Authorization Form was signed by QCC's counsel.

Additionally, we took a random, nonstatistical sample of two out of six no-rehire provisions comprising one out of five monetary and the one nonmonetary employee settlements. We examined QCC's human resources "watch list"<sup>12</sup> to ensure that these former employees' names were listed.

During our testing, we noted that QCC did not have a documented, transparent, or accountable process related to employee settlement agreements, including those containing non-disclosure, non-disparagement, or similarly restrictive clauses. See Finding 3.

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

## **Data Reliability Assessment**

### **COVID-19 Funding**

To determine the reliability of the data from QCC's campus-wide administrative application, database, and financial system, we interviewed QCC officials who were knowledgeable about the datasets for institutional and student transactions and system users. To ensure data accuracy and completeness, we verified formulas and examined for hidden rows and columns in each spreadsheet. We also tested certain general information system controls (including security management, access controls, configuration management, segregation of duties, and contingency planning) over QCC's accounting and finance system.

To determine the reliability of the student awards and institutional transactions, we reconciled each award amount for HEERF institutional and student portions (CARES Act, CRRSAA, and ARPA) to the Grant Award Notifications from US DOE, the total detailed transaction list of institutional expenditures, and the detailed student awards list. For the GEER student portion, we reconciled the GEER student awards list to the GEER Community College Award Notification letter. For the GEER institutional portion, we reconciled the institutional transaction report to the GEER Institutional interdepartmental service agreement between QCC and the Massachusetts Department of Higher Education from CTR.

Additionally, we tested the CARES Act, CRRSAA, ARPA, and GEER Fund student grant lists for hidden rows and columns, duplicate records, and records outside the audit period. We also traced a sample

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12. This is the document where QCC lists individuals who should not be rehired at the college.

of 20 student HEERF (CARES, CRRSAA, and ARPA) awards and a sample of 10 student GEER awards from the list provided by the associate vice president of finance at QCC to each student's application. Since there were no physical applications, we traced back a random sample of 20 student HEERF (CARES, CRRSAA, and ARPA) electronic applications and a sample of 10 student GEER electronic applications to the award list. We tested the CARES Act, CRRSAA, ARPA, and GEER Fund institutional transaction lists for hidden rows and columns, duplicate records, and records outside the audit period.

For HEERF institutional transactions, we took a random sample of 20 transactions and traced those expenditures from the transaction list back to the corresponding invoices. We sampled 20 HEERF institutional invoices back to the transaction list. For the GEER institutional portion, we traced a random sample of 10 expenditures from the transaction list to the corresponding invoices. To ensure completeness, we reconciled the GEER institutional expenditures to QCC's fiscal year 2021 Single Audit, which was itemized on the Schedule of Expenditures of Federal Awards.

To determine the reliability of QCC's accounting and finance system user list, we compared the system user list to the list of employees provided by QCC's Human Resources Department. For our information systems controls testing, we also requested access request documentation for users who have access to the accounting portion of the system.

## **Cybersecurity Awareness Training**

To determine the reliability of the cybersecurity awareness training records we obtained from KnowBe4, we reviewed System and Organization Control Reports<sup>13</sup> covering the audit period. We ensured that certain information system control tests (access controls, security management, configuration management, contingency planning, and segregation of duties) had been performed without exception. We received and examined the list of 1,843 employees from QCC's executive director of human resources. We then reduced the population by 585 employees who were either hired outside the audit period or separated employment before the March 10, 2023 deadline. We tested 1,258 employees who were active during the period. We reviewed the date of any employee terminations to ensure that corresponding employees were not terminated before the beginning of

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13. 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.

the audit period. We reconciled the active employees list to the cybersecurity awareness training list. We also examined the spreadsheets for hidden rows and columns.

### **Employee Settlement Agreements**

To determine the reliability of the list of employee settlement agreements created by QCC during the extended audit period of January 1, 2019 through December 30, 2023, we reviewed the original list of all 16 original employee settlement agreements that we received from QCC. We also examined the spreadsheet for hidden rows and columns. After requesting further documentation from QCC, we found that there were four additional nonmonetary settlements that were not included in the original employee settlement agreement list, which resulted in a total of 20 employee settlement agreements for the audit period. We determined that 6 of the 20 employee settlement agreements did not result in monetary payments. We further determined that these were not processed through CTR. Additionally, we determined that 13 out of the 20 employee settlements resulted in lump-sum payments and 1 out of the 20 employee settlements resulted in back-pay damages, which were all processed for payment through CTR. We examined CTR's settlements and judgments transparency quarterly reports for the audit period. We then verified that any of the 14 employee settlement agreements that resulted in a lump-sum payment or back-pay damages were the only monetary employee settlement agreements listed on QCC's independent list. Additionally, we found two other monetary settlements that were not on QCC's independent list, which we confirmed were for nonemployees (student, visitor, or vendor) and, therefore, were not included for our review.

Based on the results of the data reliability assessment procedures described above, we determined that the information we obtained was sufficiently reliable for the purposes of our audit. However, we did identify several information technology general control issues we believe warrant QCC's attention, which we have disclosed as a finding in this audit report. See Finding 2.

## DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

### **1. Quinsigamond Community College did not ensure that all employees completed cybersecurity awareness training both when hired and annually thereafter.**

Quinsigamond Community College (QCC) employees were not required by QCC to complete cybersecurity awareness training before February 16, 2023, though it has been required by the Executive Office of Technology Services and Security (EOTSS) since 2018, and we consider this a best practice for QCC. On February 16, 2023, QCC established a March 10, 2023 deadline for all of its 1,258 employees to complete cybersecurity awareness training. We determined that on the March 10, 2023 deadline, 553 employees (44%) did not complete the training, and that 138 employees (11%) completed the training late. Also, QCC did not require the 37 employees hired between March 10, 2023 and June 30, 2023 to complete the cybersecurity awareness training within 30 days of hire.

Without educating all employees on their responsibility of protecting the security of information assets, QCC may be exposed to a higher risk of cybersecurity attacks and financial and/or reputational losses.

### **Authoritative Guidance**

Section 6.2 of EOTSS's Information Security Risk Management Standard IS.010, effective October 15, 2018, stated,

*6.2.3 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 are required to complete Annual Security Awareness Training.*

### **Reasons for Issue**

QCC stated that it did not require cybersecurity awareness training for all employees. In addition, no training was completed during one year of the audit period (2021). Also, while transitioning to its current training system, QCC was unable to fully implement it in time for employees to complete their cybersecurity awareness training in 2022.



## Recommendations

1. QCC should ensure that all employees complete annual cybersecurity awareness training and that all newly hired employees complete the initial training within the first 30 days of orientation.
2. QCC should design and implement a monitoring control to track the completion of cybersecurity awareness training.

## Auditee's Response

*QCC is dedicated to educating its users about the cybersecurity risks that affect us all. During the audit period the College was challenged by the COVID-19 pandemic and its after-effect. As the College and society move toward normal operations, the College is committed to ensuring that all employees, including newly hired employees, undertake cybersecurity training and the College monitors confirmation of employee training.*

*At this juncture, QCC must note that [the Office of the State Auditor's (OSA's)] audit request to the College was part of OSA's multi-entity audit to review cybersecurity training and other issues involving employees of the College, including information considered Personally Identifiable Information ("PII") for the audit period of March 1, 2020 through June 30, 2023. The College disputes OSA's premise that the College is an Executive Branch Agency, is required to follow Executive Branch requirements, is overseen by the Executive Office of Education, and is subject to cybersecurity training standards, Information Security Risk Management Standard, and other standards, policies, orders, and rules promulgated by the Executive Office of Technology Services and Security (EOTSS). The College was established under the authority of [Chapter 15A of the Massachusetts General Laws] and is governed by an independent board of trustees, that it is not subject to certain rules of the Executive Branch of the Commonwealth of Massachusetts, including cybersecurity and other rules promulgated by the Executive Office of Technology Services and Security (EOTSS). Nonetheless, the College cooperated with OSA's inquiries regarding sensitive information.*

*In 2022, state community colleges and universities collaborated with Berry Dunn to survey and evaluate their security postures. These institutions are utilizing CIS (Critical Security Controls) version 8, which provides guidance on establishing and maintaining a security awareness training program. Additionally, our Cybersecurity insurance requires awareness training for all our users. QCC is committed to adhering to this guidance in alignment with our peer institutions as well for compliance.*

*Starting in 2023, the Information Technology department implemented several changes to improve our cybersecurity training completion rates. They adopted the KnowBe4 training software, which offers a better platform for managing and tracking training. In collaboration with QCC Human Resources, they streamlined active employee information and enhanced the onboarding process for new employees. Most importantly, [the Information Technology Department] established clear guidelines for training expectations, making it mandatory for all QCC email account holders. Accounts were disabled if the training was not completed by the deadline. These efforts resulted in a 96% completion rate in 2023.*

*In 2024, the team further improved the process through better communication and increased involvement from managers to ensure employees completed the training on time. We are now*

*approaching a 100% completion rate for existing employees and all new employees. QCC will continue to assess processes and look for improvements as needed.*

### **Auditor's Reply**

QCC states in its reply that "the College disputes [the Office of the State Auditor's] premise that the College is an Executive Branch Agency, is required to follow Executive Branch requirements." To be clear, we are aware that QCC is not an executive branch state agency, and accordingly, we stated in the "Overview of Audited Entity" section of this audit report that, while QCC is not required to follow this standard because it is a non-executive branch state agency, we consider it a best practice. QCC also states in its reply that it used "CIS (Critical Security Controls) version 8, which provides guidance on establishing and maintaining a security awareness training program"; however, this is the first time QCC has disclosed this to us. Therefore, we did not consider it as part of our audit.

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

## **2. Quinsigamond Community College lacked certain information system general controls over its campus-wide administrative database and financial system, as well as human resources hardcopy records.**

While conducting the data reliability assessment as part of our audit objectives, we noted the following issues:

- There were 14 individuals who completed cybersecurity awareness training who were not listed on the human resources list.
- Nicknames (e.g., Bill vs. William or S. vs. Stephen) were used instead of full names in the campus-wide administrative database.
- Some first-name and last-name records were blank or spelled incorrectly.
- There were 28 employees who were missing employee identification numbers on the cybersecurity awareness training list.
- For 4 out of the 25 employees who were terminated, QCC did not terminate their user access.
- For 37 out of the 272 employees who had access to QCC's campus-wide administrative database and financial system, QCC did not retain authorizations relative to user access to QCC's financial software.
- QCC did not retain an audit log history for more than 24 hours.

Deficiencies in information system general controls can lead to potential operational issues, which could negatively impact QCC's reputation, information system security, and/or financial stability.

### Authoritative Guidance

The US Government Accountability Office's *Assessing Data Reliability* states, "Completeness refers to the extent to which relevant data records and fields are present and sufficiently populated. Accuracy refers to the extent that recorded data reflect the actual underlying information." While QCC is not required to follow this policy, we believe it to be a best practice.

Section 6.1 of the EOTSS's Access Management Policy IS.003, effective October 15, 2018, stated,

*6.1.5.3. User access requests will 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. . . .*

*6.1.8. Revoke access privileges: Upon a transfer, termination or other significant change to a user's employment status or role, the user's previous supervisor is responsible to inform security administration personnel, so they may take appropriate action.*

Section 6.1.7.4. of EOTSS's Logging and Event Monitoring Standard IS.011, effective October 15, 2018, stated, "Retain audit trails for the required retention periods per business, legal or regulatory need. Audit log history must be retained for at least one (1) year, with a minimum of three (3) months immediately available for analysis."

### Reasons for Issue

QCC did not have a policy in place to monitor the accuracy of data, the removal of terminated employees from the data systems, or record retention.

### Recommendations

1. QCC should revisit and enhance its information systems general controls surrounding the campus-wide administrative database and financial system, as well as human resources records.
2. QCC should establish a policy to monitor the accuracy of data, the removal of terminated employees from the data systems, and record retention.

### Auditee's Response

*The College seeks to utilize sound and reasonable practices to ensure information systems general controls, database integrity, and accuracy of data contained within databases. The standards for*

*doing so are not those mandated by EOTSS. (Please see Response No. 1 above). The college aspires to follow reasonable and sound industry practices. We strive to adhere to our internal policies and procedures, ensuring compliance with CIS Controls, [the Family Educational Rights and Privacy Act], and in some cases [the Health Insurance Portability and Accountability Act]. During the audit period the College was challenged by the COVID-19 pandemic and its after-effect. As the College and society move toward normal operations, the College is committed to ensuring that its information systems, databases, and employee information and records are secure and accurate.*

*To continue that effort, [Human Resources (HR)] and [Information Technology] have been collaborating to ensure all users records in our Active Directory system are up-to-date as it pertains to the fields (name, employee ID, etc) and active status. New processes will help ensure user accounts are promptly removed for offboarded employees. Our Cybersecurity training platform, KnowBe4, is getting daily employee account updates from our Active Directory data to ensure the list of active employees is accurate. For Jenzabar CX, QCC has implemented an annual employee review with [the Human Resources Compensation Management System] (state payroll) data to ensure that the employee list matches between the two systems.*

*During the audit period, there were issues identified regarding cybersecurity training and data integrity at QCC. Fourteen individuals who completed cybersecurity training were not listed on the human resources employee list. These individuals are either Board of Trustee members or emeritus employees who hold a QCC email account but are not actively employed by the college. As they have an active QCC email account, they are required to complete the training.*

*Additionally, nicknames (e.g., Bill vs. William, or S. vs. Stephen) were used instead of full names in the campus-wide administrative database. Our current policies permit the use of a 'lived' name for user accounts and email addresses, with Jenzabar CX and HR records ensuring both names are accurately tracked. Legal name is used when necessary for official documents and signatures. For thirty-seven out of the 272 employees who had access to QCC's campus-wide administrative database and financial system, QCC did not retain authorizations relative to user access to QCC's financial software. In the early days of Jenzabar CX, the account creation process leveraged email for tracking. We now have an established process that requires system access authorization from designated individuals, with all requests documented in our ticketing system. Additionally, we will be ensuring back-ups of our KnowBe4 system data to ensure proper retention of those training records.*

*Lastly, it was noted QCC did not retain an audit log history for more than 24 hours. We found that the CX system does not maintain audit logs for user activity for an acceptable length of time. We will be researching the ability to retain this logging in our current system for up to one year. We are migrating to the new J1 platform in 2026, which will provide much better logging of user activity.*

*QCC is dedicated to safeguarding the data entrusted to us. The College believes our commitment meets with the spirit of [the Office of the State Auditor's] concerns in addressing the identified issues. We will enhance procedures to secure information systems and ensure the accuracy of employee information by December 31, 2025. These measures will be implemented within reasonable and effective parameters, methods, and practices, along with necessary training, to maintain secure information systems and accurate employee records.*

## Auditor's Reply

QCC states in its response that "fourteen individuals who completed cybersecurity training were not listed on the human resources employee list. These individuals are either Board of Trustee members or emeritus employees who hold a QCC email account but are not actively employed by the college." To be clear, we noted during our audit that 2 out of the 14 individuals were active employees (one adjunct professor and one staff member).

Overall, based on its response, QCC appears to be taking measures to address our concerns regarding this matter. We reiterate our recommendation that QCC should follow EOTSS policies as a best practice. As part of our post-audit review process, we will follow up on this matter in approximately six months.

### **3. Quinsigamond Community College did not have a documented, transparent, or accountable process related to employee settlement agreements, including those containing non-disclosure, non-disparagement, or similarly restrictive clauses.**

QCC did not have documented internal policies or procedures in place when it executed any of the 20 employee settlement agreements identified for the period January 1, 2019 through December 30, 2023. We also noted that QCC did not maintain a centralized list of settlement agreements. Further, our review showed that 10 of the employee settlement agreements contained non-disclosure, non-disparagement, or similarly restrictive clauses. We also found two instances where the settlement stated not to rehire the employee; however, their names did not appear on the human resources "watch list."

The table below summarizes the dates, amounts, and payment methods (if applicable) of the 20 employee settlement agreements that QCC entered into during the period January 1, 2019 through December 30, 2023.

| Were Allegations Specified in the Agreement? | Settlement Date  | Amount      | Method of Payment | Did the Agreement Include Non-disclosure, Non-disparagement, or Similarly Restrictive Clauses? |
|--|------------------|-------------|-------------------|--|
| No*  | May 14, 2019     | \$2,250     | CTR               | No   |
| No**   | December 9, 2019 | Nonmonetary | N/A               | Yes  |
| No*  | May 12, 2020     | \$14,200    | CTR               | No   |
| No*  | May 25, 2021     | \$600       | CTR               | Yes  |
| No*  | May 25, 2021     | \$3,300     | CTR               | Yes  |
| No*  | May 25, 2021     | \$600       | CTR               | Yes  |

| Were Allegations Specified in the Agreement? | Settlement Date   | Amount      | Method of Payment | Did the Agreement Include Non-disclosure, Non-disparagement, or Similarly Restrictive Clauses? |
|--|-------------------|-------------|-------------------|--|
| No*  | May 25, 2021      | \$500       | CTR               | Yes  |
| No*  | December 7, 2021  | \$1,635     | CTR               | No   |
| No*  | October 5, 2022   | \$50,000    | CTR               | Yes  |
| No*  | November 18, 2022 | \$3,250     | CTR               | No   |
| Yes**  | November 25, 2022 | Nonmonetary | N/A               | No   |
| No*  | December 6, 2022  | \$1,800     | CTR               | Yes  |
| No*  | June 21, 2023     | \$850       | CTR               | No   |
| No*  | June 21, 2023     | \$725       | CTR               | No   |
| No*  | June 26, 2023     | \$25,000    | CTR               | Yes  |
| Yes*   | November 8, 2023  | \$12,000    | CTR               | Yes  |
| No*  | April 14, 2022    | Nonmonetary | N/A               | No   |
| No*  | February 19, 2020 | Nonmonetary | N/A               | No   |
| No*  | October 21, 2019  | Nonmonetary | N/A               | No   |
| No*  | May 10, 2022      | Nonmonetary | N/A               | Yes  |

\* The settlement was related to an employment action (for example, employee termination because of alleged performance issues).

\*\* The settlement was allegedly related to a general human resources issue (for example, an agreement to remove a letter and/or an evaluation from an employee's human resources file).

If QCC does not have a documented, transparent, and accountable process to handle employee settlement agreements, especially those containing non-disclosure, non-disparagement, or similarly restrictive clauses, then it cannot ensure that employee settlement agreements are handled in an ethical, legal, or appropriate manner. Also, by not maintaining a comprehensive "watch list," QCC may rehire a former employee with a provision in the settlement stating not to rehire.

## Authoritative Guidance

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

*(1) Responsibility of assigned attorney or staff person: Preparation of Reports. When litigation involving a monetary claim against the Commonwealth covered by these regulation terminates in a final Settlement or judgment with regard to such a claim, the agency attorney or staff person assigned to handle or monitor the claim shall do the following:*

*(a) Prepare a report indicating:*

*1. the principal amount of the settlement or judgment;*

2. *the amount of any attorney's fee award;*
  3. *the amount of any interest award or accrued, and whether the interest continues to accrue post-judgment;*
  4. *a request for payment of the amount;*
  5. *a description of the basis for the request, (e.g., Court order or settlement agreement); and*
  6. *whether the assigned attorney desires to award the payment check to the claimant;*
- (b) *Forward the report with a copy of the settlement or judgment just described to the General Counsel of the [Office of the Comptroller of the Commonwealth] within the time frames set forth in [Section 5.09(2) of Title 815 of the Code of Massachusetts Regulations]. . . .*
- (2) *Time for preparation of reports. The report . . . shall be sent by the agency attorney to the General Counsel of the Comptroller:*
- (a) *if based on a settlement agreement, within 15 days of signing of the final settlement papers; or*
  - (b) *if based on a judgment against the Commonwealth or any agency, within fifteen days of the Commonwealth's decision not to appeal; or*
  - (c) *if based on a judgment against the Commonwealth or an agency, where the Commonwealth decides to take an appeal from the judgment, within fifteen days of any final order on appeal or in remand proceedings, if such remand proceedings are ordered.*

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

Item 7 of one of the agreements in our sample contained a no-reemployment clause stating, "[Employee] shall not apply for future employment including volunteer opportunities at Quinsigamond Community College."

Item 4 of one of the agreements in our sample contained a no-reemployment clause stating, "[Employee] shall not apply for future employment at Quinsigamond Community College."

## **Reasons for Issue**

QCC stated that it followed CTR's policy for reporting monetary settlements. QCC also stated that it had an undocumented policy for employee settlement agreements, and QCC addressed employee settlement agreements on a case-by-case basis.

## Recommendations

1. QCC should develop, document, and implement a policy related to employee settlement agreements, including those with no reemployment clauses.
2. QCC should track and document all complaints that include non-disclosure, non-disparagement, or similarly restrictive clauses in employee settlement agreements.

## Auditee's Response

*The [Office of the State Auditor (OSA)] sought certain information related to state employee settlements pursuant to its authority outlined in Massachusetts General Laws Chapter 11, Section 12. Consistent with OSA's authority and in keeping with the College's duty to protect confidential information and Personally Identifiable Information ("PII"), a memorandum of understanding was entered into between the College and OSA addressing the confidentiality and security of this employee information.*

*Elaborating on the College's prior produced information and statements regarding settlements, the applicable collective bargaining agreements (CBA) and the Non-Unit Professionals Personnel Policies Handbook (NUP) provide additional relevant context regarding when such agreements are entered into. Moreover, the College's settlements with employees are entered into and processed consistent with the [Settlements and Judgments] Policy and applicable Comptroller procedures for processing, and consider, where applicable, legal advice and guidance from the Office of the Attorney General, Office of the General Counsel, Legal Unit of the Commonwealth's Human Resources Division, and/or Office of the Comptroller, as applicable, at the time agreements were/are entered into.*

*Going forward and in consultation with the College's Office of General Counsel, the College will establish written parameters to reference regarding the potential for entering settlement agreements with employees and whether such agreements should include language pertaining to non-disclosure, nondisparaging, non-publication, or "similarly restrictive" clauses should such language be sought by any party to such an agreement. The College does not view and we believe OSA understands that an agreement reached that is non-precedent setting, especially in the context of union grievances, stands apart from the "similarly restrictive clauses" discussed in the prior sentence.*

## Auditor's Reply

Based on its response, QCC is taking measures to address our concerns regarding this matter. As QCC crafts the policies it indicated above, we reiterate the importance of policies regarding no-reemployment clauses and internal controls to ensure that they are complied with. As part of our post-audit review process, we will follow up on this matter in approximately six months.



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## OTHER MATTERS

During our audit, we also identified the issue below, which we believe warrants Quinsigamond Community College's (QCC's) attention.

QCC did not have an adequate segregation of duties over the calculation, distribution, and publication of the Higher Education Emergency Relief Fund (HEERF) grants to students. This led to the following questionable computations of student awards:

- QCC increased the enrollment status multiplier for students who were enrolled half-time only and did not increase any other enrollment status multiplier. We noted that 1,126 students were paid a total of \$845,120 in American Rescue Plan Act (ARPA) awards. This resulted in 22% of the total population of HEERF recipients benefiting from the increase in the enrollment status multiplier. The ARPA Student Certification and Agreement states, "the Recipient should consider each student's particular socioeconomic circumstances in the administration of these grants."
- We also noted in our sample that one student received \$139 more than the \$692 Coronavirus Response and Relief Supplemental Appropriations Act award, which is a portion of HEERF, due to using the full-time enrollment status multiplier of 1.2 instead of the three-quarter enrollment status multiplier of 1.0. The student reduced their status on February 18, 2021, and was awarded on March 3, 2021, and the reduction of credit status was not reflected in the reconciliation before posting the student award on March 3, 2021.

QCC management stated that, after reviewing financial aid data for fiscal years 2020 and 2021, they identified that half-time students are significantly more likely to be independent (not living at home) while also supporting other members of their household. However, the funds could have been disbursed equally among all independent students to ensure that the funds were given to students with exceptional need.

QCC's director of financial aid was solely responsible for the calculation, distribution, and publication of the HEERF, with no other employee reviewing or approving these calculations, distributions, or publications. Section 10.04 of the Office of the Comptroller of the Commonwealth's Internal Control Guide, July 2021, states, "Management should divide or segregate key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud."

QCC appeared to lack the proper internal controls that would have mitigated the risk of potential errors in the ARPA student-portion grant calculation. Had there been an adequate segregation of duties, the questionable calculations highlighted above would more likely have been detected.

QCC should establish an appropriate segregation of duties over any student grant programs to ensure the accurate calculation and distribution of funds and the accurate publication of information related to these programs.

### **Auditee's Response**

*The college recognized the need for segregation of duties. This process is currently a practice of the college for various funding that is received. The College understands the concern raised and is always seeking to improve operations to ensure compliance. Due to the unexpected nature of the pandemic, the College was required to distribute HEERF funding in a short time frame with a high volume of disbursements. In addition, the volume of students in need that the college overall serves were tremendously increased. With these challenges QCC strived to meet the need in a timely manner with limited resources. It has not been QCC's practice for any other fund(s) to be processed or distributed with the intention of segregation of duties in the forefront. As HEERF funds are no longer being awarded, we are unable to take corrective action within that program. However, other federal, state, and institutional financial aid funds are awarded by multiple staff members, with two separate staff members (one in financial aid and one in the Business Office) responsible for disbursement of funds with reconciliations for all funds being processed from other staff members as well. When implementing the new state free community college programs for 2024–2025, QCC has also written reports that validate the amounts awarded to students before disbursement to further minimize error. QCC will continue to review existing and new processes to ensure the segregation of duties and having more personnel involved. The change has been updated in our written documentation.*

### **Auditor's Reply**

QCC stated in its response that “it has not been QCC’s practice for any other fund(s) to be processed or distributed with the intention of segregation of duties in the forefront.” However, given that the lack of segregation of duties appeared to contribute to the grant accounting issues highlighted above, we reiterate the recommendation for QCC to establish an appropriate segregation of duties over student grant programs. The end of QCC’s response appears to indicate that QCC 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.