



# The Commonwealth of Massachusetts

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INDEPENDENT STATE AUDITOR'S REPORT ON  
CERTAIN ACTIVITIES OF THE  
MASSACHUSETTS COLLEGE OF LIBERAL ARTS  
JULY 1, 2006 TO JUNE 30, 2007

OFFICIAL AUDIT  
REPORT  
APRIL 3, 2008

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**INTRODUCTION****1**

The Massachusetts College of Liberal Arts (MCLA) is authorized by Chapter 15A, Section 5, of the Massachusetts General Laws, and operates under the oversight of the Board of Higher Education. A Board of Trustees appointed by the Governor of the Commonwealth controls its operations, and MCLA's President is responsible for implementing the policies set by the Board of Trustees, in accordance with the policies and procedures established by the Board of Higher Education.

We conducted a follow-up review of our prior audit of MCLA (No. 2007-0183-7S) covering the period July 1, 2006 to June 30, 2007. Our review was conducted in conjunction with the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2007.

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**AUDIT RESULTS****3**

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**PRIOR AUDIT RESULT RESOLVED - NON-APPROPRIATED FUND ACTIVITY AND BALANCES RECONCILED IN A TIMELY MANNER****3**

Our prior audit report revealed that MCLA's Non-Appropriated Fund (Fund 901) activity and balances were not reconciled in a timely manner. Our follow-up review indicated that MCLA has taken corrective action by entering its Non-Appropriated Fund activity into the Massachusetts Management Accounting and Reporting System (MMARS) in a timely manner and has implemented procedures to ensure that monthly postings and reconciliations to MMARS are being made.

## INTRODUCTION

### ***Background***

The Massachusetts College of Liberal Arts (MCLA) is authorized by Chapter 15A, Section 5, of the Massachusetts General Laws and operates under the oversight of the Board of Higher Education. A Board of Trustees appointed by the Governor of the Commonwealth controls its operations, and MCLA's President is responsible for implementing the policies set by the Board of Trustees in accordance with the policies and procedures established by the Board of Higher Education.

### ***Audit Scope, Objectives, and Methodology***

In accordance with Chapter 11, Section 12, of the General Laws, we have conducted a follow-up review of MCLA's federal student financial assistance programs funded through the United States Department of Education (DOE) for the period July 1, 2006 through June 30, 2007. We conducted our review in conjunction with the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2007. The Commonwealth's Fiscal Year 2007 Single Audit Report consists of the following volumes:

- Statutory Basis Financial Report
- Comprehensive Annual Financial Report
- Reports on Compliance and Internal Controls in Accordance with Governmental Auditing Standards, and Requirements of the Office of Management and Budget (OMB) Circular A-133 and the Schedule of Expenditures of Federal Awards

The audit results contained in this report are also reported in the Fiscal Year 2007 Single Audit of the Commonwealth of Massachusetts Reports on Compliance and Internal Controls in Accordance with Governmental Auditing Standards and Requirements of the Office of Management and Budget (OMB) Circular A-133, and the Schedule of Expenditures of Federal Awards mentioned above.

We conducted a follow-up review of the issues contained in our prior audit report (No. 2007-0183-7S) and in the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2007. Our review was conducted in accordance with applicable generally accepted government auditing standards and standards set forth in OMB Circular A-133, revised June 27, 2003, and the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide, Audits of State and Local Governments. Additionally, our follow-up review evaluated MCLA's compliance

with Office of the State Comptroller (OSC) policies and procedures; Massachusetts General Laws; and other applicable laws, rules, and regulations.

In performing our review of MCLA's activities, we referred to the OMB Circular A-133, March 2007 Compliance Supplement to determine the compliance requirements that must be considered in an audit conducted under OMB Circular A-133.

Our follow-up review of MCLA's procedures for corrective action and improvements in the areas identified in our prior audit were as follows:

- Reconciling Non-Appropriated Fund activity in a timely manner.

As indicated in the Audits Results section of this report, we concluded that MCLA has implemented corrective action for the audit result identified in our prior audit report (No. 2007-0183-7S) regarding non-appropriated fund activity and that this issue was resolved at the conclusion of our audit field work. We concluded that MCLA has complied with the requirements of the United States DOE and OMB Circular A-133 and the Compliance Supplement; the Massachusetts General Laws; and other applicable laws, rules, and regulations for the areas tested in our follow-up review.

**AUDIT RESULTS****PRIOR AUDIT RESULT RESOLVED- NON-APPROPRIATED FUND ACTIVITY AND BALANCES RECONCILED IN A TIMELY MANNER**

Our prior audit report revealed that the Massachusetts College of Liberal Arts (MCLA) Non-Appropriated Fund (Fund 901) activity and balances were not reconciled in a timely manner. Our follow-up review indicated that MCLA has taken corrective action by entering Non-Appropriated Fund activity into the Massachusetts Management Accounting and Reporting System (MMARS) in a timely manner and has implemented procedures to ensure that monthly postings and reconciliations to MMARS are being made.