INDEPENDENT STATE AUDITOR’S REPORT ON
CERTAIN ACTIVITIES OF THE
WESTFIELD STATE COLLEGE
JULY 1, 2007 TO JUNE 30, 2008
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## INTRODUCTION

Westfield State College (WSC) 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 WSC’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.

In accordance with Chapter 11, Section 12, of the General Laws, the Office of the State Auditor has conducted an audit of WSC’s Federal Student Financial Assistance programs funded through the United States Department of Education (DOE) for the period July 1, 2007 to June 30, 2008. Our audit was conducted in conjunction with the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2008.

## AUDIT RESULTS

### 1. PRIOR AUDIT RESULT UNRESOLVED-INTERNAL CONTROL PLAN STILL IN NEED OF IMPROVEMENTS AND UPDATING

Our prior review (2006-0185-3S), which covered the period July 1, 2005 through January 31, 2006, disclosed that Westfield State College (WSC) did not have a high-level summarization of its Internal Control Plan (ICP) with sufficient cross-referencing to support lower-level detail (i.e., departmental policies and procedures) to ensure that a reliable and functioning ICP exists for the daily operation of WSC. Our prior audit further noted that the WSC did not have, or adequately identify within its ICP, all of the five components of internal control (control environment, risk assessment, control activities, information and communication, and monitoring), as required by the Office of State Comptroller’s (OSC) Internal Control Guide. Chapter 647 of the Acts of 1989, An Act Relative to Improving Internal Controls within State Agencies, requires state agencies to develop internal controls in accordance with OSC guidelines. In addition, the WSC had not fully integrated a risk assessment throughout its ICP to determine how risks would be identified and mitigated. Our follow-up review disclosed that although WSC has made some improvements to its ICP, it still had not sufficiently updated the ICP. We found that updates and additions are needed in the payroll department’s policies and procedures and in most of WSC’s operational areas. The WSC needs to more adequately identify a high-level summarization of its internal controls within its ICP to reflect the recently updated OSC guidelines, changes in top key administrative positions, and the recent re-alignment and turnover in personnel. The ICP did not include an adequate risk assessment, which clearly identifies the most relevant risks to WSC and identifies how WSC integrates its risk assessment with its mission, goals, and objectives. WSC needs to more adequately identify certain risks that could prevent it from reaching its goals and objectives. We found that WSC still needs to cross-reference its ICP to its departmental policies and procedures for most of its organizational areas, which will help to ensure that WSC meets its mission and sustains long-term stability and viability. In response to the audit report, WSC indicated that it will take corrective action and revise its ICP.
2. **IMPROVEMENTS NEEDED IN FEDERAL WORK STUDY INTERNAL CONTROL AND PAYROLL PROCEDURES**

Our review of internal controls and payroll procedures established for maintaining, monitoring, and controlling WSC’s student Federal Work Study (FWS) payroll records and files indicated that it was not complying with FWS regulations, guidelines, and internal control policies. Specifically, our review found weaknesses in timesheet preparation, processing, calculations, authorizations, approvals and certifications, and supporting documentation. As a result of this noncompliance, we identified questioned costs of $27,886. During our audit, WSC officials acknowledged that improved oversight of the FWS program was needed and stated that the internal control weaknesses identified would be addressed. In response to the audit report, WSC indicated that it has taken immediate steps to address the issues relative to the processing of FWS payroll.

3. **STUDENT STATUS CHANGES NOT SUBMITTED AS REQUIRED**

Our audit sample of 30 students for the Federal Family Education Loan (FFEL) program disclosed that WSC did not notify the National Student Loan Data System (NSLDS) of student status changes for 11 students and did not report in a timely manner the status of another eight students with changes in their enrollment status, as required by Federal Student Financial Aid (SFA) regulations. WSC is required to identify and update the loan status of all students, including those who graduate or withdraw, via a periodic Roster Report (formerly Student Status Confirmation Report). This notification must take place within 30 days of withdrawal or within 60 days of the next scheduled submission. WSC’s SFA policies did not identify any procedures established to report student status changes to the NSLDS and to periodically verify the enrollment status with NSLDS. As a result, WSC has inadequate assurance that the enrollment status is being transmitted and reported on a timely basis to the NSLDS. During our audit, WSC officials stated that they would review its practices and ensure that it reports to NSLDS as required. In response to the audit report, WSC stated that it will document procedures, process withdrawal information on a weekly basis, consider reporting to NSLDS twice a month, and alter the enrollment report submission schedule to align with the NSLDS’ Roster Report.

4. **THE RETURN OF TITLE IV FUNDS NOT ACCURATELY CALCULATED**

Our review identified 25 students that officially withdrew from WSC during the audit period. When a student receiving Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the student began attendance, the institution must determine the amount of Title IV funds earned by the student as of the student’s withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount disbursed to the student or on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment. Our audit disclosed that WSC did not correctly calculate the return of Title IV funds for 16 of 25 students. As a result of these incorrect calculations, WSC returned $1,274 less in unearned Title IV funds to the United States Department of Education (DOE). Our review also identified that for six of the students, WSC did not process the return of Title IV funds.
IV funds within the 45-day limit, as required by federal regulations. In response to the audit report, WSC indicated that it will strengthen its policies and procedures for the return of Title IV funds.

5. FEDERAL PERKINS LOAN FUNDS PROGRAM INCOME NOT IDENTIFIED AND RETAINED IN PROGRAM FUND

WSC did not properly identify and retain program income interest attributable to its Federal Perkins Loan (FPL) program. As a result, WSC earned approximately $2,095 in interest income on its Perkins Loan funds during the fiscal year, which was not recorded and retained as part of the FPL program fund. In response to the audit report, WSC stated that all interest earned during fiscal year 2008 ($2,095) has been added to the FPL fund and a system has been established to calculate the monthly interest earned in order to make the proper allocation to the fund.

APPENDIX

Chapter 647, Acts of 1989, An Act Relative to Improving the Internal Controls within State Agencies
INTRODUCTION

Background

Westfield State College (WSC) 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 WSC’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 Massachusetts General Laws, the Office of the State Auditor has conducted an audit of WSC’s Federal Student Financial Assistance programs funded through the United States Department of Education (DOE) for the period July 1, 2007 to June 30, 2008. We conducted our audit in conjunction with the Single Audit of the Commonwealth of Massachusetts for the fiscal year ended June 30, 2008. The Commonwealth’s Fiscal Year 2008 Single Audit Report consists of the following volumes:

- Statutory Basis Financial Report
- Comprehensive Annual Financial Report

The Audit Results contained in this report are also reported in the Fiscal Year 2008 Single Audit of the Commonwealth of Massachusetts OMB Circular A-133 Report, as mentioned above. Our audit was conducted in accordance with applicable generally accepted government auditing standards and standards set forth in OMB Circular A-133, and the American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide, Audits of State and Local Governments. Additionally, our audit evaluated WSC’s compliance with the Office of the State Comptroller (OSC) policies and procedures; Massachusetts General Laws; and other applicable laws, rules, and regulations.

In performing our audit of WSC’s activities, we referred to OMB Circular A-133, March 2008 Compliance Supplement to determine the compliance requirements that must be considered in an audit conducted under OMB Circular A-133. Based upon our audit, we determined requirements
applicable to federal student financial assistance programs, and designed appropriate tests to
determine WSC’s compliance with those requirements. Specifically, our objectives were to:

- Assess the internal controls in place at WSC during the audit period.
- Assess and evaluate the programs for compliance with the requirements of the Compliance
Supplement, DOE, and the OSC.
- Follow up on prior Audit Results to determine what corrective action has been taken.

The criteria for our review were drawn from OMB Circular A-133 and the March 2008 Compliance
Supplement, the Code of Federal Regulations, and the OSC’s Internal Control Guide. Those criteria
dealt with the WSC’s responsibility for the administration and operation of the federal student
financial assistance programs and for compliance with the laws and regulations governing:

Activities Allowed or Unallowed
Cash Management
Eligibility
Matching, Level of Effort, and Earmarking
Period of Availability of Federal Funds
Program Income
Reporting
Special Tests and Provisions

We examined, on a test basis, evidence regarding WSC’s compliance with applicable requirements
and performed other procedures as we considered necessary. Based on these tests, we concluded
that, except as reported in the Audit Results section of this report, WSC had adequate internal
controls in place and complied with the requirements of the United States DOE; OMB Circular A-
133 and the Compliance Supplement; and other applicable laws, rules, and regulations for the areas
tested.
AUDIT RESULTS

1. PRIOR AUDIT RESULT UNRESOLVED - INTERNAL CONTROL PLAN STILL IN NEED OF IMPROVEMENTS AND UPDATING

Our prior review (2006-0185-3S) disclosed that Westfield State College (WSC) did not have a high-level summarization of its Internal Control Plan (ICP) with sufficient cross-referencing to support lower-level detail (i.e., departmental policies and procedures) to ensure that a reliable and functioning ICP exists for the daily operation of WSC. Our prior audit further noted that the WSC did not have, or adequately identify within its ICP, all of the five components of internal control (control environment, risk assessment, control activities, information and communication, and monitoring), as required by the Office of State Comptroller’s (OSC) Internal Control Guide. Chapter 647 of the Acts of 1989, An Act Relative to Improving Internal Controls within State Agencies, requires state agencies to develop internal controls in accordance with guidelines established by the OSC. In addition, the WSC had not fully integrated a risk assessment throughout its ICP to determine how risks would be identified and mitigated. In response to our report, WSC stated the following:

Westfield State College (WSC) will continue to upgrade its internal control plans to ensure they are in compliance with Chapter 647 of the Acts of 1989 and is compatible with the guidelines established by the Office of the State Comptroller. WSC currently has four internal control documents; (1) Internal Control Manual which includes areas such as the Mission Statement & Vision, the Strategic Plan, Action Plans and Table of Organization, (2) Policy Manual, (3) Policy and Procedure Manual which includes detail for each procedure and a (4) Risk Assessment Guide for the entire College which was completed by [an Independent Public Accountant] in May 2003. In addition, the Internal Control Manual, the Policy Manual and the Policy and Procedure Manual are available to the entire Campus via the on-line intra-net. The College also has copies of the Internal Control Guide for Managers which was issued by the Office of the Comptroller and the Internal Control Guide Volume II for the Commonwealth Departments. Together, these manuals will be used to complete a high level internal control guide starting with the authority of the local Board of Trustees and will include the five components of internal controls; control environment, risk assessment, control activities, information and communication and monitoring.

Our follow-up review disclosed that although WSC has made some improvements to its ICP, it still had not sufficiently updated the plan. We found that updates and additions are needed in the payroll department’s policies and procedures and more broadly in most of WSC’s operational areas. The WSC needs to more adequately identify a high-level summarization of its internal controls within its
ICP to reflect the recently updated OSC guidelines, changes in top key administrative positions, and the recent re-alignment and turnover in personnel. We found that WSC still needs to cross-reference its ICP to its departmental policies and procedures for most of its organizational areas, which will help to ensure that WSC meets its mission and sustains long-term stability and viability. Also, for the ICP to be considered an effective high-level summarization, eight components of the Enterprise Risk Management (ERM) must be present, described in the OSC Internal Control Guide as follows: internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication, and monitoring. Specifically, we noted that WSC needs to address updates and improvements within its ICP in the following areas:

**Internal Environment**

The internal environment is the tone of an organization, which, among other things, determines an organization’s “risk culture” and provides the basis for its internal controls. Our review disclosed that WSC needs to include, or more effectively address, the following:

- Direct statements from top management on the expectations of staff concerning integrity and requirements of high ethical standards and definitive statements that set the tone for the importance of internal controls.

- How the mission of WSC is directed or is correlated to establishing its internal environment and linking management’s attitude, supervision, and organizational structure within the internal environment.

The OSC’s Internal Control Guide, Chapter 1, page 6, states, in part:

*Management’s attitude, actions, and values set the tone of an organization, influencing the control consciousness of its people. Internal controls are likely to function well if management believes that those controls are important and communicates that view to employees at all levels. If management views internal controls as unrelated to achieving its objectives, or even worse, as an obstacle, this attitude will also be communicated. Employees are aware of the practices followed by upper management including those that circumvent internal controls. Despite policies to the contrary, employees will then view internal controls as “red tape” to be “cut through” to get the job done. Management can show a positive attitude toward internal control by such actions as including internal control in performance evaluations, discussing internal controls at management and staff meetings, and by rewarding employees for good internal control practices. Although it is important to establish and implement policies and procedures, it is equally important to follow them...*
Management's philosophy and operating style affect the way the organization is managed. They determine, for example, whether the organization functions informally with verbal instructions or formally with written policies and procedures. They also define whether the organization is conservative or aggressive in its response to risks...

An organization’s culture evolves from the values of its members and the culture, in turn, exerts a strong influence on the actions, decisions, and behaviors of all employees.

**Event Identification**

The OSC’s Internal Control Guide defines event identification as internal and external events that impact an organization’s ability to achieve its objectives. Our review of the ICP found that WSC needs to identify which events, internally and externally, have an influence over the objectives and strategies used by WSC in achieving its objectives. Events that may have a negative impact represent risks (e.g., decline in enrollments, shortage of qualified personnel, loss of revenue), while those with a potential positive impact represent opportunities (e.g., new private grants or scholarships). The basis for this assertion can be drawn from an existing WSC document, the Strategic Plan Summary (2005-2010), which identifies five strategic priorities of the WSC: Foster Student Success, Expand and Enhance Recognition, Embrace Diversity, Revitalize and Develop Facilities, and Enrich Resource Development. These five strategic priorities, along with 27 goals, have been identified by the WSC as critical and have been aligned to its mission, vision, and values deemed necessary for its success in the 21st century. Inclusion or modification of the ICP to prominently feature these strategic priorities will serve to improve and enhance the document.

**Objective Setting**

WSC had included its mission statement and had identified and developed several objectives; however, the objectives were not consistent or effectively correlated to the components of ERM. The OSC’s Internal Control Guide identifies the importance of addressing an entity’s mission and objectives within its ICP. The OSC’s Internal Control Guide, Chapter 1, page 8, states, in part,

MISSION STATEMENT - A mission statement clearly identifies an organization’s purpose and how it is accomplished. It should be a brief paragraph that is easily understood by the reader, including those outside the organization or field...

OBJECTIVES - An objective is the action required to achieve the long-range goal. In contrast to a goal, an objective is narrowly focused and easily validated. It should, therefore, be an
action that can be accomplished in an identified period of time, such as a fiscal year. An objective is SMART. [Specific, Measurable, Attainable, Result-Focused and Timely]

To assist management, the OSC recommends that agencies establish objectives, which should be specific, measurable, attainable, timely, and results-focused.

**Risk Assessment**

The WSC needs to more adequately identify certain risks that could prevent it from reaching its goals and objectives. The OSC’s Internal Control Guide, Chapter 1, page 10, defines risk assessment as:

*A process to identify and analyze factors that may affect the achievement of a goal. In general, risk factors may include the control environment, size of the organization, complexity, change, and results of previous review/audits. It is important to remember that not all risks are equal. Some risks are more likely to occur while others will have a greater impact. For example, risks to safety or security of individuals, data or personal information could have significant consequences. Once identified, the assessment regarding the probability and significance of each risk is critical. The risk assessment design should be understandable, consider relevant risk factors and, to the extent possible, be objective.*

The ICP did not include an adequate risk assessment (WSC identified four areas of potential risk) that clearly identifies the most relevant risks to WSC and identifies how WSC integrates its risk assessment with its mission, goals, and objectives. Further, WSC did not prioritize those four areas of risks identified as the greatest risks facing WSC. The risk assessment documented within the ICP only identifies a small number of areas that were selected to undergo a thorough examination of policies, procedures, staffing, etc., such as: Information Technology; Athletic Programs; Construction Management, Facilities, and Public Safety; and Student Services (all at a lower-level responsibility than key divisions identified on WSC’s organizational chart). Also, the ICP did not address potential risks in many of its other key operational activities (Divisions of Advancement and College Relations, Academic Affairs, Administration & Finance, Student Affairs, and Human Resources and Payroll Areas) or define clearly how the identified risks relate to WSC’s mission and overall goals and objectives. Also, changes such as a decrease in enrollment, not attracting and retaining quality faculty and staff, reductions in fiscal resources and appropriations, staff turnover or an early retirement incentive program, loss of accreditation, financial fraud, etc. can be more appropriately addressed as impediments to its goals and objectives when addressed as potential risks to internal controls identified to mitigate such risks. Also, the ICP does not identify or direct
management and staff in determining what actions it will take to mitigate risks so that any interruption in its operational and programmatic activities will be minimal.

**Risk Response**

WSC did not identify and document risk response within certain operational areas. The ICP did not contain a cross-reference to the individual risks that are identified within departmental policies and procedures.

According to OSC’s Internal Control Guide, Chapter 1, page 10, the ERM component of risk response will be determined in four basic categories, as follows:

> Risk responses fall into four basic categories: (1) accept the risk and monitor it, (2) avoid the risk by eliminating it, (3) reduce the risk by instituting controls, or (4) share the risk by partnering or entering into a strategic alliance with another department or external entity. Determining a risk response is an important decision. Because risk events by definition are uncertain, deciding whether to accept or avoid risk-related activity can have significant consequences for an organization. By choosing to reduce risk, an organization is committing to implement control activities, which generally consume resources.

The risk response evaluates options to an identified risk and determines the course of action. Our review disclosed that a risk assessment and a management response were included in the ICP regarding plans to address these risks. However, these risks were not referenced to the lower-level detail identified in its departmental policies and procedures, which would serve as the basis for mitigating these risks. Most risks that are identified in the plan do not have associated plans of action defined for achieving objectives and mitigating those risks. As a result, WSC’s ICP was not in compliance with OSC’s guidelines.

**Control Activities**

The ERM component of control activities was not adequately addressed. Control activities are the structure and policies and procedures that an organization establishes so that identified risks do not prevent the organization from reaching its objectives. The OSC’s Internal Control Guide Chapter 1, page 10, Controls, states, in part:

> A sound internal control plan will combine both preventive and detective controls to mitigate key risks. Preventive controls, as the term implies, work to prevent problems. However, since they may be time consuming and expensive, management should ensure that the benefits
outweigh the cost. Examples of preventive controls include authorization lists, computer edits, segregation of duties, and prior supervisory approval. Detective controls do not prevent fraud or errors. They will identify that a problem has occurred. On the other hand, detective controls are more efficient in that they do not slow business processes. They are less effective because they can only identify an incident after the fact, not stop it from happening. The existence of detective controls, however, can also serve to prevent irregularities.

Our review disclosed that WSC has established policies and procedures for many of its operational activities within its ICP (almost entirely fiscal in nature). However, the ICP did not define its current control activities and identify why they have been established (preventive or detective controls) and where they are located. Because the WSC did not adequately identify and prioritize its risks to its mission and overall goals and objectives, it did not correlate or properly integrate the purpose of its internal control activities in the ICP. In addition, we noted outdated policies and procedures for items such as revenue, cash collections, and accounts payable, which referenced a Financial Reporting System (FRS) that was replaced years ago with an updated software system, the Banner Integrated Database Management System.

**Information and Communication**

The ICP did not include adequate references to the WSC channels for disseminating information and communications to address specific references to WSC’s overall mission, goals, and objectives. These references are crucial for communicating to WSC management and staff how the information in place is used to attain these goals and objectives. For example, the ICP did not adequately reflect the use of the Banner Integrated Database System and how this system is integrated with information useful to WSC’s departments.

Information and communication is the identification and dissemination of pertinent information in a form and time frame that enables people to carry out their responsibilities. Communication occurs in all directions – flowing down, across, and up through the organization as well as to external parties. Information provided to staff should be appropriate in content, current, accurate, and accessible. Communication can take such forms as policy manuals, accounting and financial reporting manuals, policy memoranda, and regularly scheduled staff meetings.
**Monitoring**

The ICP did not document monitoring procedures. The OSC’s Internal Control Guide, Chapter 1, page 14, defines the purpose of monitoring as:

> The review of an organization’s activities and transactions to assess the quality of performance over time and to determine whether internal controls are effective.

According to the Internal Control Guide, management should focus monitoring efforts on achievement of the organization’s mission, goals, and objectives. Management must consider whether internal controls are operating as intended and if they are appropriately modified when conditions change. The purpose of monitoring is to determine whether internal control is adequately designed, properly executed, and effective. The WSC did not document its monitoring procedures over the control activities of its fiscal and programmatic areas. Also, the ICP does not reference accountability either by responsibility or employee monitoring roles within its various departments, especially those that may have certain program risks.

**Recommendation**

We recommend that WSC should improve its ICP, as follows:

- Prepare an updated and improved high-level summarization of internal controls, which readily identifies and concisely describes the components of internal control within the plan in conformance with the latest OSC guidelines.

- Update and enhance its internal environment by including statements of philosophy on integrity and ethical values expected of all staff, including top management. Include direct statements by top management on the expectations of staff concerning integrity, requirements of high ethical standards and accountability, and other definitive statements that set the tone for the importance of internal controls within WSC’s operations.

- Identify its risk in areas that address the WSC’s mission, and goals and objectives such as those outlined in its Strategic Plan (Foster Student Success, Expand and Enhance Recognition, Embrace Diversity, Revitalize and Develop Facilities, and Enrich Resource Development). Review current goals and objectives to determine if these priorities are still realistic and attainable given the current reduction in resources that WSC is facing. Once reviewed and updated if necessary, these goals and objectives should be appropriately and prominently identified, and integrated throughout the ICP.
• Include measures to review these strategic goals and objectives at least annually or more often as needed given the changing economic conditions of the Commonwealth.

• Identify which events, internally and externally, may have an influence over its goals and objectives and strategies used by WSC in achieving its objectives.

• Assess the risks to achieve goals and objectives with a comprehensive risk assessment. Determine the greatest risks to the mission, goals, and objectives over all the fiscal and programmatic areas that are not identified in the risk assessment section of its ICP and how to mitigate and respond to those risks. If these risks are identified in departmental policies and procedures, they should be cross-referenced to those policies.

• Identify and better define its internal control activities to address their purpose and the policies and procedures being used, and the preventive or detective nature of the control activity in mitigating and responding to an identified risk.

• Remove any reference to its former financial reporting system and replace with references to the Banner Integrated Database Management System. WSC should also reference its ICP to its individual departmental policies and procedures.

• Document its monitoring activities and responsibilities, which will ensure that internal controls are implemented to mitigate fiscal and programmatic risks and are effective and function as needed. Wherever monitoring is documented within the departmental policies and procedures, WSC should cross-reference its ICP to these procedures.

**Auditee’s Response**

*Westfield State College recognizes that it operates in an ever changing complex fiscal environment. In order to respond to the challenges of that environment, we acknowledge the importance of a dynamic internal control plan. In part because of a transition in senior leadership, our plan has not been revised sufficiently over the past two years. We believe that our department level operating procedures and controls are effective and well documented. Yet, we need to strengthen our high level plan to make it an effective and relevant document which addresses the risks and control activities necessary for the college to fulfill its mission and achieve its strategic goals.*

*We have established the revision of our plan as a major priority. As a first step, we have advertised for a new position at the director level which will have significant responsibility to ensure that our internal control plan is comprehensive and effective. This individual will coordinate a college-wide initiative to bring our plan in full compliance with Office of the State Comptroller guidelines.*
2. IMPROVEMENTS NEEDED IN FEDERAL WORK STUDY INTERNAL CONTROL AND PAYROLL PROCEDURES

Our review of internal controls and payroll procedures established for maintaining, monitoring, and controlling WSC’s student Federal Work Study (FWS) payroll records and files indicated that it was not complying with FWS regulations, guidelines, and internal control policies.

34 Code of Federal Regulations (CFR), Sections 675.18 and 675.33, require that institutions use FWS funds only for awards to students, for the Job Location and Development (JLD) Program, Work-Colleges Program, administrative costs, and transfers to the Federal Supplemental Education Opportunity Grant (FSEOG). Also, student wages are earned when the work is performed. The institution shall pay the student at least once per month. The Federal share must be paid by check or similar instrument; the student can cash his or her endorsement, or, as authorized by the student, FWS funds can be credited to a student’s account by electronic funds transfer to a bank account designated by the student. The institution may only credit the account for tuition, fees, institutional room and board, and other college-provided goods and services (34 CFR Section 675.16).

The United States Department of Education, which oversees the administration of Federal Title IV funding for Student Financial Aid, has established regulations that govern FWS programs. According to 34 CFR 675.19 (b)(2)(i), WSC is required to establish fiscal procedures in order to have safeguards in place over the certification of a student’s FWS program work prior to making a payment to the student, as follows:

*The institution must establish and maintain program and fiscal records that include a certification that each student has worked and earned the amount being paid. The student’s supervisor, an official of the institution or off-campus agency, shall sign the certification. The certification shall include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day...*

Regarding the payment of FWS funds for work performed by FWS students, 34 CFR 675.16 (a) (10) and (11) state the following:

*Regardless of who employs the student, the institution is responsible for ensuring that the student is paid for work performed. A student’s FWS compensation is earned when the student performs the work.*
Our review identified that WSC's Student Financial Aid (SFA) policies and procedures require all FWS student employees to accurately complete and submit time sheets on a weekly basis to their supervisor. Individual time sheets list the name and Social Security Number of each student as well as the dates, time in and time out, and total hours for each workday. In addition, the FWS student is required to sign and date each time sheet. The student signature certifies that the FWS student worked the hours documented on each time sheet and that these hours are true and correct. Each department supervisor then submits a Master Time Sheet to the payroll office that summarizes the employees working in the department as well as the hours worked on a daily basis. The Master Time Sheet is then submitted to the payroll office and the FWS payroll is prepared from each Master Time Sheet. According to SFA policies and procedures, individual time sheets are kept at the department and are not to be submitted to the payroll office. According to the supervisor in the payroll department, FWS student employees are then paid according to the hours documented on the Master Time Sheet. During our audit, we reviewed Master Time Sheets for accuracy and authorizations as well as supporting documentation listed on individual student time sheets. Our audit tests for compliance of 60 students, which involved a review of 692 time sheets taken from payrolls for fiscal year 2008, disclosed the following:

- 11 students did not have individual time sheets to support the hours worked in accordance with the Master Time Sheets submitted to the payroll department. We found a total of 16 missing time sheets or time cards for these 11 students. Notwithstanding these missing student timesheets, the Master Time Sheets were prepared and submitted for payment by the department supervisor. WSC SFA Policies and Procedures, dated November 2006, state, in part:

  \[\text{A Federal Work Study student employee must submit time sheets on a weekly basis to his/her Supervisor...These time sheets must be retained by the department for a period of 7 years for audit purposes.}\]

As a result, there is no assurance that these 11 students earned FWS compensation totaling $626.

- 35 FWS students with 393 time sheets or time cards totaling $19,590 did not include the signature/initials of the student. We found that 14 of the 35 students had never submitted a time sheet or time card with a signature certifying or attesting to their time worked.

- Master Time Sheets submitted to the WSC payroll department by the Athletic Department and Woodward Center for five work weeks during our audit period did not
have a department supervisor’s signature or date certifying supervisory review and authorization, as required by Federal regulations. These Master Time Sheets included the department summary of hours worked, totaling $2,832 for 63 individual students’ time sheets or time cards.

- 17 students in the Athletic Department signed and dated 98 time sheets that included 392 hours for future dates that had not been worked. For example, one student had signed and dated his time sheet 12/4/07, but the time sheet included two hours for 12/10/07 and three hours for 12/11/07. We also identified another student that had signed and dated his time sheet on 9/28/07 and included 6.5 hours for 10/1/07, 3.5 hours for 10/2/07, and 3.5 hours for 10/3/07. This resulted in questionable FWS payments totaling $3,138.

- There were discrepancies between student time sheets and Master Time Sheets prepared by department supervisors. We found that Master Time Sheets were calculated incorrectly, resulting in both overpayments and underpayments to students. Our audit found six instances where student work hours documented on the Master Time Sheet were less than the hours on the individual time sheet completed by the student, resulting in underpayments to students totaling $338. We also found 36 instances where work hours documented on the Master Time Sheet exceeded the total number of hours on individual students’ time sheets, resulting in overpayments to students in the amount of $1,700.

- Questioned costs identified in these instances amounted to $27,886.

Although our audit found that WSC had established guidelines for its FWS program, WSC did not establish an adequate monitoring process or have sufficient internal controls in place to ensure that FWS program funds are properly administered and disbursed in accordance with Federal regulations and guidelines. Because departments employing FWS students are only required to submit Master Time Sheets prepared by department supervisors, employees in the payroll department cannot compare and reconcile Master Time Sheets to individual weekly time sheets prepared by the students, which are retained in each department’s files. As a result, even though SFA policy requires that department supervisors sign and date each Master Time Sheet, there is no assurance that errors have not been made when the department supervisor documents the time worked from the individual time sheet to the Master Time Sheet. In addition, Master Time Sheets that included time that was not supported with an individual student timesheet should not have been allowed to be processed. During our audit, WSC officials acknowledged that improved oversight of the FWS program was needed and stated that the internal control weaknesses identified would be addressed.
Recommendation

WSC should review and improve its internal controls within its FWS program. Procedures should be established to ensure that payroll policies and procedures are functioning as intended. Internal controls must be extended throughout all WSC’s departments as well as any off-campus programs participating in the FWS program. WSC needs to ensure that:

- All departments maintain time sheets as required by WSC’s policies and procedures. Specifically, departments should keep these time sheets for a period of seven years as required by the policies and procedures in accordance with FWS requirements.

- All supervisors review student time sheets and ensure that FWS students certify their time worked by signing and dating their time sheets.

- All department supervisors review, sign, and date each Master Time Sheet submitted to the payroll department for processing.

- Department supervisors review Master Time Sheets for accuracy. Student time sheets should be compared to Master Time Sheets and be reviewed for accuracy and correctness. In addition, Master Time Sheets should not include hours for future dates.

- Payroll department personnel should review Master Time Sheets to ensure that the total number of hours is accurate.

- The payroll department should periodically monitor and compare student time sheets to the Master Time Sheets for accuracy, authorizations, and certifications.

Auditee’s Response

Westfield State College has taken immediate steps to address the issues raised relative to our processing of FWS payroll.

The payroll supervisor and the FWS coordinator have reviewed the Westfield State College Student Employment Handbook to ensure that it is a comprehensive statement of our policies and procedures. The handbook is distributed to each FWS supervisor and timekeeper. We recognize that merely providing a clear set of instruction is not sufficient to achieve an acceptable level of compliance. To that end, we have scheduled a mandatory training for all supervisors and timekeepers to be held on February 6, 2009.

The Payroll office has begun internal audits of departmental payroll and timekeeping practices. Each week members of the payroll staff review the documentation which supports the master departmental timesheets of several departments. Departments are informed generally that these reviews will be conducted; however, there is no prior notification of the timing of specific departmental reviews. These visits also provide opportunities for one-on-one training in situations where issues have been identified. Our goal is to visit each
department at least twice each semester, with some departments reviewed more frequently. The Athletic Department has been the focus of particular attention. To ensure compliance with all procedures, a staff member within the department, a Bookkeeper II, performs an audit of every individual timesheet prior to entering the hours worked on the master timesheet.

The reporting day for submission of timesheets will be moved back one week to ensure that no time is reported prior to it having been worked. Because our work week ends on Saturday, some students have submitted timesheets earlier in the week reflecting that they were scheduled to work on the weekend. While we are confident the work was done as indicated on the timesheet, we can resolve any question by moving the reporting day. This is a practice which has worked well for our Public Safety Department for several years. We believe that extending it across campus will be equally effective.

3. STUDENT STATUS CHANGES NOT SUBMITTED AS REQUIRED

Our audit sample of 30 students for the Federal Family Education Loan (FFEL) program disclosed that WSC did not notify the National Student Loan Data System (NSLDS) of any student status changes for 11 students and did not report in a timely manner the status of another eight students with changes in their enrollment status, as required by Federal Student Financial Aid (SFA) regulations. WSC is required to identify and update the loan status of all students, including those who graduate or withdraw, via a periodic Roster Report (formerly Student Status Confirmation Report). This notification must take place within 30 days of withdrawal or within 60 days of the next scheduled submission. Specifically in relation to the FFEL program, 34 Code of Federal Regulations (CFR), Section 682.610(c)(2), states:

Unless it expects to submit its next student status confirmation report to the Secretary [of Education] within the next sixty days, notify the Secretary or the guaranty agency or lender within 30 days—(i) if it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who enrolled at the school but has ceased to be enrolled on at least a half-time basis; (ii) if it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a student who has been accepted for enrollment at that school, but who failed to enroll on at least a half-time basis for the period for which the loan was intended; (iii) if it discovers that a Stafford, SLS, or PLUS loan has been made to or on behalf of a full-time student who has ceased to be enrolled on a full-time basis; or (iv) if it discovers that a student who is enrolled and has received a Stafford or SLS loan has changed his or her permanent address.

A student’s enrollment status determines grace periods and repayment schedules, as well as the government’s payment of interest subsidies. Enrollment reporting is critical for effective administration of FFEL loans. Enrollment reporting is the primary means of verifying students’ loan privileges and the Federal government’s financial obligations. Under the FFEL program,
colleges are required to identify and update the status of all students, including those who graduate or withdraw, by completing Student Status Confirmation Reports (SSCR). SSCRs are sent by the United States Department of Education or the guaranty agency. The college determines how often it receives the SSCR, but the minimum is twice each year. Once received, the college must update changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS website.

WSC reports changes in enrollment status to a contracted third party, the National Student Clearinghouse (NSC), approximately once each month. WSC utilizes the NSC to facilitate its responsibility to notify NSLDS of changes in the enrollment status of its students. However, WSC is ultimately responsible to ensure that NSLDS is properly and timely notified of all student enrollment status changes. Our audit disclosed that WSC did not have written policies and procedures for reporting student status changes and did not verify the proper and timely notification of enrollment status changes to NSLDS.

As a result, WSC has inadequate assurance that the enrollment status it reports to the NSC is being transmitted on a timely basis to NSLDS.

Our review of WSC’s FFEL program disclosed the following:

**a. Student Status Changes Not Reported to NSLDS**

WSC did not notify and update NSLDS through NSC of 11 students in our sample regarding changes in their enrollment status, although the students had withdrawn and had ceased to be enrolled. Of these 11, one student had officially notified the WSC of his withdrawal on December 12, 2007, but this activity was not reported to the NSLDS through NSC on the next scheduled transmission date, January 16, 2008. The student’s status was still not reported on the subsequently scheduled transmission, June 23, 2008, substantially beyond the 60-day limit to report.
b. Student Status Changes Not Reported in a Timely Manner

For eight students in our sample, WSC had not reported their enrollment status to the NSLDS through NSC within the 60-day time limit, as required under Federal regulations. Delayed reporting for these students ranged from 15 to 29 days beyond the 60-day limit.

The WSC’s SFA policies did not identify any procedures to report student status changes to the NSLDS through NSC and to periodically verify the enrollment status with NSLDS. As a result, WSC has inadequate assurance that the enrollment status is being transmitted and reported on a timely basis to the NSLDS through NSC. WSC officials stated that they would review its practices and ensure it is reporting to NSLDS as required.

Recommendation

WSC should develop written policies and procedures to ensure timely and accurate reporting of student enrollment status. In addition, WSC should establish adequate internal controls, which verify that the NSC is being notified of changes in student enrollment and the processing of this information by NSC is verified as being properly and timely reported to NSLDS in accordance with the requirements of 34 CFR 682.610 (c) (2).

Auditee’s Response

We will fully document the procedures used to produce enrollment and degree reports run through the Banner student information system. We will process full withdrawals and course withdrawals that may affect changes in status on a weekly basis. We will consider increasing its report submission from once a month to twice a month. Also, we will alter our enrollment report submission schedule to align with the Clearinghouse’s receipt of NSLD[S] SSCR’s.

As a result of working with the Audit Resource Team at the Clearinghouse, we now have a stronger understanding of how the NSLDS SSCR’s are received and processed by the Clearinghouse. Altering our submission schedule will ensure more recent and accurate data is received by the Clearinghouse in time to edit the SSCR sent from the NSLDS.

4. THE RETURN OF TITLE IV FUNDS NOT ACCURATELY CALCULATED

WSC did not correctly calculate the return of Title IV funds for 16 of 25 students in our sample. Our review also identified that for six of the students, WSC did not process the return of Title IV funds within the 45-day limit, as required by Federal regulations.
When a student receiving Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the student began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student’s withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount disbursed to the student or on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post withdrawal disbursement (34 CFR section 668.22 (a) (1) through (a) (3)). Our audit disclosed the following:

**a. Title IV Refunds Were Not Calculated Correctly**

WSC’s SFA office incorrectly calculated 16 of 25 student refunds of Title IV program funds. These refunds resulted from students officially withdrawing from WSC enrollment prior to the completion of the enrollment period. Our analysis determined that additional funds should have been retained for 13 students. Also, two students had completed more than 60% of the calendar days in the payment period and had earned 100% or all of their Title IV awards; therefore, WSC was not required to return the amount of unused Title IV funds, and one student received a return adjustment due to a death in the family. Specifically, we found that WSC did not use the correct starting and ending dates for the spring semester. According to the WSC Academic Calendar, the starting date for the semester was January 22, 2008, and the ending date was May 7, 2008. Refund calculations performed by WSC identified a starting date of January 20, 2008 and a scheduled end date of May 6, 2008. Consequently, when SFA officials calculated the percentage of Title IV funds earned by each student, these percentages were not calculated according to the actual start and end dates of the semester. Our analysis found that WSC had returned $21,786 in Title IV funds. According to the actual start and end dates, WSC should have returned $23,060. As a result of these incorrect calculations, WSC returned $1,274 less in unearned Title IV funds to the United States Department of Education (DOE).

The DOE has established regulations that govern the return of Title IV funds. Specifically, 34 CFR 668.22 (c)(4) states:
The total amount of unearned title IV assistance to be returned is calculated by subtracting the amount of title IV assistance earned by the student from the amount of title IV aid that was disbursed to the student as of the date of the institution’s determination that the student withdrew.

b. Title IV Refunds Not Processed in a Timely Manner

WSC did not return Title IV program funds to the DOE in a timely manner. Our review identified 25 students that officially withdrew from WSC during the audit period. Of the 25, we identified six students that had refunds calculated but were returned after the 45-day limit had expired. An institution must return the amount of Title IV funds for which it is responsible as soon as possible. Returns of Title IV funds are required to be deposited or transferred into the SFA account by electronic fund transfers to the Department of Education or the appropriate FFEL lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew.

The DOE has established regulations that govern the timely return of Title IV funds. Specifically, 34 CFR 668.173 (b) states:

(b) Timely return of title IV, HEA program funds. In accordance with procedures established by the Secretary or FFEL Program lender, an institution returns unearned title IV, HEA program funds timely if—

(1) The institution deposits or transfers funds into the bank account it maintains under Sec.668.163 no later than 45 days after the date it determines that the student withdrew.

We identified that the WSC processed its returns of Title IV funds by electronic funds transfers and the processing of these returns ranged from 47 to 56 days. Of the six Title IV returns that were not processed in a timely manner, two returns were processed 47 days, one return was processed 48 days, two returns were processed 54 days, and one return was processed 56 days after these students withdrew from WSC. WSC’s SFA policy requires the SFA office to make appropriate adjustments to financial aid based on the withdrawal date submitted by the Office of the Registrar. Refunds are then calculated based on this date. However, the WSC policy does not address the 45-day time frame in accordance with 34 CFR 668.173. Consequently, the WSC did not comply with Federal regulations regarding the processing of the six Title IV refunds in a timely manner.
Recommendation

WSC should review its SFA policies and procedures regarding the return of Title IV funds to ensure that the returns of funds are properly administered. WSC should include procedures that ensure compliance with Federal regulations regarding the timely and accurate return of Title IV funds. WSC should also periodically monitor these refunds to ensure that Title IV funds are returned accurately and timely.

Auditee’s Response

The Financial Aid Office will strengthen its policies and procedures regarding the Return of Title IV Funds to include:

1. Verifying semester start and end dates according to the Registrar’s Office
2. Obtaining the withdrawal list from the Registrar’s Office on a weekly basis
3. Processing the Return of Title IV Funds calculation within 30 days of notification

5. FEDERAL PERKINS LOAN FUNDS PROGRAM INCOME NOT IDENTIFIED AND RETAINED IN PROGRAM FUND

WSC did not properly identify and account for program income interest attributable to its Federal Perkins Loan (FPL) program. As a result, WSC earned approximately $2,095 in interest income on its FPL funds during the fiscal year, which was not recorded and retained as part of the FPL program fund.

To participate in the FPL program, an institution must enter into a participation agreement with the DOE. The agreement provides that the institution shall use the funds it receives solely for the administration of the program in accordance with the Student Assistance General Provision, 34 CFR Part 668.

The Federal Student Aid Handbook, Chapter 3, Volume 4, provides guidance on maintaining and accounting for the receipt of FPL funds, as follows:

A school must retain any interest earned on Perkins Loan funds as part of the Perkins Loan Fund. If a school maintains an account where Perkins Funds are commingled with other FSA program funds, the interest earned on the Perkins funds must be identified, and those funds must be retained for use in the schools’ Perkins program.
According to the Handbook, if a college is required to maintain an interest-bearing account or investment account for other Federal funds, the college may use one account for FPL funds and all other federal funds. However, if the college chooses to maintain one account, it must determine the amount of any interest earned on the FPL funds and retain those funds for use in the FPL program. A college may deduct from the interest earned any bank or service charges incurred as a result of maintaining the fund assets in an interest-bearing account, and deposit only the net earnings.

Our review identified that WSC used a third-party loan service, Campus Partners, to service the collection of these loans following the students’ departure from the WSC. Campus Partners deposited these student payments into the WSC’s main operating account two or three times per month. Although the main operating account is an interest-bearing account, WSC did not identify the interest attributable to the FPL fund account. As a result, the FPL interest was commingled with other funds. Interest earned on deposits was transferred in a general interest account of the WSC.

According to WSC finance officials, they were aware of the Federal requirement to maintain Federal funds in an interest-bearing account; however, they were not aware of the program requirement regarding the identification of and retention of interest earned on FPL funds maintained in this interest-bearing account. They also stated that they did not determine the amount of program interest income WSC had earned on the FPL funds.

To determine the amount of FPL interest earned during the fiscal year, we calculated the average monthly FPL deposit balance and multiplied the average balance by an average of the interest rate identified on WSC’s monthly bank statements. As a result, we determined that WSC earned approximately $2,095 in interest income on its FPL funds during the fiscal year 2008. In addition, during our discussions with WSC, officials acknowledged that this practice and condition may have been in place in prior years and may have resulted in additional interest earned on FPL deposits that were not accounted for in the FPL fund.
**Recommendation**

In order to comply with FPL Federal program income requirements, the WSC should:

- Establish adequate internal controls to ensure that all FPL program interest earned is identified and retained in the FPL program fund account, as required by Federal regulations.

- Return the $2,095 in interest income earned in fiscal year 2008 to the FPL fund account to be used in making FPL loans to eligible students.

- Contact Federal FPL program officials for assistance and guidance with regard to the need to identify prior years’ interest earned on FPL deposits.

**Auditee’s Response**

*All interest earned during FY 2008 ($2,095) has been added to the Federal Perkins Loan fund. A system has been established to calculate the interest earned monthly in that fund to ensure proper allocation going forward.*
APPENDIX

Chapter 647, Acts of 1989, An Act Relative to Improving the Internal Controls within State Agencies

Chapter 647

THE COMMONWEALTH OF MASSACHUSETTS

In the Year One Thousand Nine Hundred and Eighty-nine

AN ACT RELATIVE TO IMPROVING THE INTERNAL CONTROLS WITHIN STATE AGENCIES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Notwithstanding any general or special law to the contrary, the following internal control standards shall define the minimum level of quality acceptable for internal control systems in operation throughout the various state agencies and departments and shall constitute the criteria against which such internal control systems will be evaluated. Internal control systems for the various state agencies and departments of the commonwealth shall be developed in accordance with internal control guidelines established by the office of the comptroller.

(A) Internal control systems of the agency are to be clearly documented and readily available for examination. Objectives for each of these standards are to be identified or developed for each agency activity and are to be logical, applicable and complete. Documentation of the agency's internal control systems should include (1) internal control procedures, (2) internal control accountability systems and (3), identification of the operating cycles. Documentation of the agency's internal control systems should appear in management directives, administrative policy, and accounting policies, procedures and manuals.

(B) All transactions and other significant events are to be promptly recorded, clearly documented and properly classified. Documentation of a transaction or event should include the entire process or life cycle of the transaction or event, including (1) the initiation or authorization of the transaction or event, (2) all aspects of the transaction while in process and (3), the final classification in summary records.

(C) Transactions and other significant events are to be authorized and executed only by persons acting within the scope of their authority. Authorizations should be clearly communicated to managers and employees and should
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§ 5

Include the specific conditions and terms under which authorizations are to be made.

(D) Key duties and responsibilities including (1) authorizing, approving, and recording transactions, (2) issuing and receiving assets, (3) making payments and (4), reviewing or auditing transactions, should be assigned systematically to a number of individuals to ensure that effective checks and balances exist.

(E) Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved. The duties of the supervisor in carrying out this responsibility shall include (1) clearly communicating the duties, responsibilities and accountabilities assigned to each staff member, (2) systematically reviewing each member's work to the extent necessary and (3), approving work at critical points to ensure that work flows as intended.

(F) Access to resources and records is to be limited to authorized individuals as determined by the agency head. Restrictions on access to resources will depend upon the vulnerability of the resource and the perceived risk of loss, both of which shall be periodically assessed. The agency head shall be responsible for maintaining accountability for the custody and use of resources and shall assign qualified individuals for that purpose. Periodic comparison shall be made between the resources and the recorded accountability of the resources to reduce the risk of unauthorized use or loss and protect against waste and wrongful acts. The vulnerability and value of the agency resources shall determine the frequency of this comparison.

Within each agency there shall be an official, equivalent in title or rank to an assistant or deputy to the department head, whose responsibility, in addition to his regularly assigned duties, shall be to ensure that the agency has written documentation of its internal accounting and administrative control system on file. Said official shall, annually, or more often as conditions warrant, evaluate the effectiveness of the agency's internal control system and establish and implement changes necessary to ensure the continued integrity of the system. Said official shall in the performance of his duties ensure that: (1) the documentation of all internal control systems is readily available for examination by the comptroller, the secretary of administration and finance and the state auditor, (2) the results of audits and recommendations to improve departmental internal controls are promptly evaluated by the agency management, (3) timely and appropriate corrective actions are effected.
Chapter 647, Acts of 1989, An Act Relative to Improving the Internal Controls within State Agencies

I.

All unaccounted for variances, losses, shortages or thefts of funds or property shall be immediately reported to the state auditor’s office, who shall review the matter to determine the amount involved which shall be reported to appropriate management and law enforcement officials. Said auditor shall also determine the internal control weaknesses that contributed to or caused the condition. Said auditor shall then make recommendations to the agency official overseeing the internal control system and other appropriate management officials. The recommendations of said auditor shall address the correction of the conditions found and the necessary internal control policies and procedures that must be modified. The agency oversight official and the appropriate management officials shall immediately implement policies and procedures necessary to prevent a recurrence of the problems identified.


Passed to be enacted, George Brown, Speaker.

In Senate, December 22, 1989.

Passed to be enacted, William R. Beige, President.


Approved,

Governor.