



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

Making government work better

Official Audit Report – Issued October 22, 2015

Quinsigamond Community College

For the period July 1, 2013 through June 30, 2014





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Making government work better

October 22, 2015

Gail E. Carberry, EdD, President
Office of the President
Quinsigamond Community College
670 West Boylston Street
Worcester, MA 01606

Dear President Carberry:

I am pleased to provide this performance audit of Quinsigamond Community College. This report details the audit objectives, scope, methodology, and conclusions for the audit period, July 1, 2013 through June 30, 2014. My audit staff discussed the contents of this report with management of the college, whose comments we considered in drafting this report.

I would also like to express my appreciation to Quinsigamond Community College for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written in a cursive style.

Suzanne M. Bump
Auditor of the Commonwealth

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EXECUTIVE SUMMARY

In accordance with Chapter 11, Section 12, 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 July 1, 2013 through June 30, 2014.

In this performance audit, we examined certain QCC activities related to trust funds, inventory of property and equipment, certain administrative expenditures, and the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act.

Based on our audit, we have concluded that QCC has established adequate controls and practices in the areas reviewed that were related to our audit objectives. We did not identify any significant deficiencies in those areas.

OVERVIEW OF AUDITED ENTITY

Quinsigamond Community College (QCC) is authorized by Chapter 15A, Section 5, of the Massachusetts General Laws and operates under the direction of a board of trustees, whose members are appointed by the Governor. The board is responsible for operating under Chapter 15A, Section 22, of the General Laws and the requirements of the state's Board of Higher Education, such as the Standards for the Expenditure of Trust Funds. The president of QCC reports to the board of trustees and is the administrative head of the college. The president is supported by an executive team of the following: the vice president of Administrative Services and chief financial officer, the vice president of Strategic Enrollment Management and Student Engagement, the vice president of Community Engagement, the associate vice president of Human Resources, and the assistant vice president of Governance.

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. QCC is an accredited public two-year institution serving the Greater Worcester/Central Massachusetts region. The 51-acre main campus is located at 670 West Boylston Street in Worcester; QCC also has a satellite campus in Southbridge and other program locations in Worcester and Marlborough. As of June 30, 2014, QCC had 11,926 students enrolled.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Chapter 11, Section 12, 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 July 1, 2013 through June 30, 2014.

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 and the conclusion we reached regarding each objective.

Objective	Conclusion
1. Are the financial and managerial controls over QCC's trust funds sufficient and effective to ensure that money is spent appropriately and in compliance with the funds' purposes?	Yes
2. Are there effective inventory controls that safeguard QCC's property and equipment?	Yes
3. Is QCC complying with Chapter 647 of the Acts of 1989 ¹ in reporting stolen and/or missing property?	Yes
4. Is the oversight of QCC's administrative expenditures effective in ensuring that expenditures are reasonable and appropriate?	Yes
5. Are QCC's internal policies and procedures sufficient to ensure its compliance with the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act)? ²	Yes

To achieve our objectives, we gained an understanding of QCC's internal controls and tested their operating effectiveness over the following areas: financial and management controls related to QCC trust

1. This law requires agencies to file a report with the Office of the State Auditor if they find any "unaccounted for variances, losses, shortages or thefts of funds or property."
2. This act requires colleges and universities to report crime on and near their campuses.

funds, inventory of property and equipment, certain administrative expenditures, and the Clery Act. We conducted further audit testing as follows:

- We obtained and reviewed the board of trustees' meeting minutes, as well as annually approved trust fund budgets and quarterly financial activity trust fund reports, to evaluate controls over QCC's trust funds. Additionally, we determined whether the board had agreements identifying the purpose of each of QCC's seven trust funds and reviewed QCC financial records to determine whether expenditures from the trust funds complied with the funds' purposes. Finally, we judgmentally selected two of the seven trust funds for further review based on activity in the funds during our audit period.
- We reviewed QCC inventory policies and procedures; interviewed the vice president of Administrative Services and the chief financial officer, and other personnel involved in QCC's inventory process; and gained an understanding of QCC's inventory practices. We sampled and examined inventory records and verified the existence of certain inventory items. We selected a random sample of 31 items whose value was equal to or greater than \$1,000 to determine whether they were recorded on QCC's inventory list in accordance with QCC policy. Additionally, we conducted a non-statistical test by randomly selecting another 16 items from the inventory list to determine whether each item was in its recorded location and 15 items from different locations on the QCC main campus to determine whether each item was appropriately recorded on the QCC inventory list.
- We gained an understanding of QCC's reporting process under Chapter 647 of the Acts of 1989 by interviewing key QCC personnel. We reviewed applicable documentation to assess QCC's compliance with the reporting requirements of this legislation.
- We reviewed and analyzed QCC's policies and procedures for administrative expenditures. We used a non-statistical sampling methodology to select a random sample of 24 expenditures, 6 of which were credit-card expenditures, out of a population of 1,635 from QCC's Educational Services Trust Fund during our audit period.
- We selected the Bookstore Trust Fund to review expenditures for reasonableness and appropriateness, using a non-statistical sampling methodology to select a sample of 24 out of 1,038 expenditures that occurred during our audit period.
- We interviewed QCC's campus police chief about Clery Act reporting policies and procedures. In addition, we reviewed internal documents and logs related to annual incident reports submitted to the federal government under the act.

The financial data we obtained from the Massachusetts Management Accounting and Reporting System about QCC's activities during our audit period were not used in our audit testing. Information obtained through QCC's Jenzabar System, the accounting system containing financial records and student records used at the college, was supported by source documentation, and we conducted information-security

testing through the use of questionnaires, interviews, and observations to determine the reliability of the data. We determined that the data were sufficiently reliable for the purpose of this report.