

NORTH SHORE COMMUNITY COLLEGE

(an agency of the Commonwealth of Massachusetts)

**INDEPENDENT AUDITORS' REPORTS AS REQUIRED
BY THE UNIFORM GUIDANCE AND *GOVERNMENT*
AUDITING STANDARDS AND RELATED
INFORMATION**

JUNE 30, 2020

NORTH SHORE COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

**Independent Auditors' Reports as Required by the Uniform Guidance and
Government Auditing Standards and Related Information**

June 30, 2020

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
North Shore Community College
Danvers, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited North Shore Community College's (an agency of the Commonwealth of Massachusetts) (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2020. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Findings 2020-001 through 2020-003. Our opinion on each major federal program is not modified with respect to this matter.

The College's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-001 through 2020-003, that we consider to be significant deficiencies.

The College's responses to the internal control over compliance with findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The College's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the College, as of and for the year ended June 30, 2020. We issued our report thereon dated October 20, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants
Braintree, Massachusetts

July 2, 2021

(except for the Schedule of Expenditures of Federal Awards, for which the date is October 20, 2020)



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
North Shore Community College
Danvers, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Shore Community College (the "College"), which comprise the statement of net position as of June 30, 2020, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Certified Public Accountants
Braintree, Massachusetts**

October 20, 2020

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

NORTH SHORE COMMUNITY COLLEGE
(an agency of the Commonwealth of Massachusetts)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

	CFDA Number	Pass-Through Entity	Pass-Through Entity Award Number	Federal Expenditures	Passed Through to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER					
U.S. Department of Education:					
Direct Awards:					
Federal Supplemental Educational Opportunity Grant Program	84.007	N/A	N/A	\$ 225,838	\$ -
Federal Work-Study Program	84.033	N/A	N/A	232,514	-
Federal Pell Grant Program	84.063	N/A	N/A	8,968,014	-
Federal Direct Student Loans	84.268	N/A	N/A	<u>5,167,118</u>	<u>-</u>
Total Student Financial Assistance Cluster				<u>14,593,484</u>	<u>-</u>
TRIO CLUSTER					
U.S. Department of Education:					
Direct Awards:					
Student Support Services	84.042A	N/A	N/A	549,937	-
Talent Search	84.044A	N/A	N/A	329,753	-
Upward Bound	84.047A	N/A	N/A	<u>414,683</u>	<u>-</u>
Subtotal - Direct Awards				1,294,373	-
Pass-through Awards:					
Educational Opportunities Centers	84.066A	Colleges of Worcester Consortium	P066A110029-14	<u>160,514</u>	<u>-</u>
Total TRIO Cluster				<u>1,454,887</u>	<u>-</u>
NON-CLUSTER					
U.S. Department of Justice:					
Direct Awards:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	N/A	<u>25,713</u>	<u>-</u>
U.S. Department of Labor:					
Pass-through Awards:					
H-1B Job Training Grant	17.268	Mount Wachusett Community College	HG-29355-16-60-A-25	<u>164,234</u>	<u>-</u>

See accompanying notes to the schedule of expenditures of federal awards.

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Expenditures of Federal Awards - Continued

Year Ended June 30, 2020

	CFDA Number	Pass-Through Entity	Pass-Through Entity Award Number	Federal Expenditures	Passed Through to Subrecipients
NON-CLUSTER - CONTINUED					
U.S. Department of Education:					
Direct Awards:					
Title III Part A Program - Strengthening Institutions	84.031A	N/A	N/A	286,128	-
Higher Education Emergency Relief Fund - Students	84.425E	N/A	N/A	742,650	-
Higher Education Emergency Relief Fund - Institutional	84.425F	N/A	N/A	63,478	-
Total Higher Education Emergency Relief Funds				806,128	-
Subtotal - Direct Awards				1,092,256	-
Pass-through Awards:					
Adult Education - Basic Grants to States	84.002	Massachusetts Department of Education	340-0186-1225-Q	337,428	-
Workplace Planning II	84.002A	Massachusetts Department of Education	494-280586-2019-1225	103,835	-
				441,263	-
Career and Technical Education - Basic Grants to States	84.048	Massachusetts Department of Education	401-002-6-1225-Q	265,111	-
Subtotal - Pass-through Awards				706,374	-
U.S. Department of Health and Human Services:					
Direct Awards:					
Mental and Behavioral Health Education and Training Grants	93.732	N/A	N/A	152,044	-
Total Non-Cluster				2,140,621	-
Total Federal Funds				\$ 18,188,992	\$ -

See accompanying notes to the schedule of expenditures of federal awards.

NORTH SHORE COMMUNITY COLLEGE
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Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Note 1 - **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of North Shore Community College (the “College”) under programs of the Federal Government for the year ended June 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the College.

Note 2 - **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance.

Note 3 - **Indirect Cost Rate**

The College has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - **Federal Direct Student Loan Program**

The College disbursed \$5,167,118 of loans under the Federal Direct Student Loan program, which include Stafford Subsidized and Unsubsidized Loans and Parent Plus Loans. It is not practical to determine the balances of the loans outstanding to students of the College under the program as of June 30, 2020. The College is only responsible for the performance of certain administrative duties and, accordingly, these loans are not included in the College’s financial statements.

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I – Summary of Auditors’ Results:

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes no

Noncompliance material to the financial statements noted? yes no

Federal Awards

Type of auditors’ report issued on compliance for major programs: Unmodified

Internal control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes no

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grant Program	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Title III Part A Program - Strengthening Institutions	84.031A
Higher Education Emergency Relief Fund - Students	84.425E
Higher Education Emergency Relief Fund - Institutional	84.425F

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

 x yes no

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Section II – Financial Statement Findings:

None

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Section III – Federal Award Findings and Questioned Costs:

Finding number: 2020-001
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063, 84.268
Award year: 2020

Criteria

According to 34 CFR 685.309(b)(2):

Unless [the institution] it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that –

- (i) A loan under Title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; or
- (ii) A student who is enrolled at the school and who received a loan under Title IV of the Act has changed his or her permanent address.

The Dear Colleague Letter GEN-12-6 issued by the U.S. Department of Education (“ED”) on March 30, 2012 states that in addition to student loan borrowers, Enrollment Reporting files will include two additional groups of students: Pell Grant and Perkins Loan recipients.

According to 2 CFR Part 200, Appendix XI Compliance Supplement updated August 2020:

Under the Pell Grant and loan programs, institutions must complete and return within 15 days the Enrollment Reporting roster file placed in their Student Aid Internet Gateway mailboxes sent by ED via the National Student Loan Data System (“NSLDS”). The institution determines how often it receives the Enrollment Reporting roster file with the default set at a minimum of every 60 days. Once received, the institution must update for 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. Institutions are responsible for timely reporting, whether they report directly or via a third-party servicer.

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Condition

The Federal Government requires the College to report student enrollment changes to the NSLDS within 60 days. During our testing of forty students with enrollment status changes, we noted the following:

- One student’s status change was not reported to NSLDS within the required 60-day time frame. Reporting status change occurred 88 days after the required deadline.
- One student’s status was never reported to NSLDS.

Cause

In both cases the College did not follow procedures in place to ensure that the students with status changes had their effective dates correctly reported to the NSLDS within the required time frame. One student’s status change was not reported timely due to late reporting of a degree. In the second case, the student’s status was reported correctly to the third-party servicer, the National Student Clearinghouse (“NSC”) through the normal reporting cycle, however, the procedures called for the student’s status change to be specifically pushed to the NSC. This procedural step was not completed timely.

Effect

The College did not properly report the students’ status changes to NSLDS within the required timeframe. For students receiving loan funds, improper enrollment reporting may result in the student’s loan deferment period being incorrectly calculated. Additionally, those students would be responsible for any interest charges.

Questioned Costs

Not applicable

Perspective

Our sample was not, and was not intended to be, statistically valid. Of 40 students selected for testing, we noted the following two instances of non-compliance:

	Number of Instances	Percentage of Sample
Reported late	1	2.5 %
Never reported	1	2.5 %

Identification as a Repeat Finding, if applicable

See finding 2019-001 included in Management’s Summary Schedule of Prior Audit Findings.

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Recommendation

The College should provide training to all employees responsible for processing information for the NSLDS to ensure that they have adequate knowledge of the related rules and regulations. This training should include an explanation of the College's date of determination, the importance of timely reporting, and the consequences of late reporting. Additionally, a more formalized review process may reduce the likelihood of such findings in the future.

Views of Responsible Officials

Management agrees with the auditor's finding for both students and has implemented last phase of the Corrective Actions Plan in the Fall of 2020.

College officials have investigated the nature of these instances of non-compliance and have identified that both cases were the result of operational oversight and that additional training and monitoring controls were needed to prevent these omissions in the future.

The College welcomed a new Registrar at the end of June 2020. During her first enrollment reporting cycle in Spring 2020, a student graduated with two degrees on the same conferral date which is not a common occurrence. The second degree was reported late and, as such, the correct status of this student was not initially captured, resulting in the first instance of non-compliance.

The second instance of non-compliance was the result of a missed step in the procedure. The College partners with the National Clearinghouse to complete the NSLDS reporting requirement. To ensure the accuracy of this reporting, it is the College's procedure to send the Transfer Monitoring report directly to NSLDS at the end of each semester, which captures status changes that would not otherwise be pulled to NSLDS from the National Clearinghouse. This procedural step was overlooked during the first months of the Pandemic and the Transfer Monitoring report was not sent for the period Spring Semester of 2020.

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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Finding number: 2020-002
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063
Award year: 2020

Criteria

According to 34 CFR 668.22(j)(1):

Time frame for the return of Title IV funds. An institution must return the amount of Title IV funds for which it is responsible under paragraph (g) of this section as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew as defined in paragraph (1)(3) of this section.

According to 34 CFR 668.173(b):

Timely return of Title IV, HEA program funds. In accordance with procedures established by the Secretary or Federal Family Education Loan ("FFEL") program lender, an institution returns unearned Title IV, HEA program funds timely if –

- (1) The institution deposits or transfers the funds into the bank account it maintains under 34 CFR Sections 668.163 no later than 45 days after the date it determines the student withdrew;
- (2) The institution initiates an electronic funds transfer no later than 45 days after the date it determines that the student withdrew;
- (3) The institution initiates an electronic transaction no later than 45 days after the date it determines that the student withdrew, that informs a FFEL lender to adjust the borrower's loan account for the amount returned; or
- (4) The institution issues a check no later than 45 days after the date it determines that the student withdrew. An institution does not satisfy this requirement if –
 - (i) The institution's records show that the check was issued more than 45 days after the date the institution determined the student withdrew; or

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

- (ii) The date on the cancelled check shows that the bank used by the Secretary or FFEL Program lender endorsed that check more than 60 days after the date the institution determined that the student withdrew.

Condition

Federal regulations state that any unearned Title IV grant or loan assistance received by a student must be refunded to the Title IV programs upon a student's withdrawal from the institution. The College has 45 days from the date they determined the student withdrew to return any unearned portions of Title IV funds. During our testing, we noted two students, out of a sample of twenty-two, had unearned Title IV aid that was not returned to the Federal Government, within 45 days of the determined withdrawal date. Funds were returned two days after the required deadline.

Cause

The College's procedures lacked a specific date for the semester review of F grades. Because of this, the report for the final grades in December 2020, were reviewed after the holiday break which did not allow sufficient time to perform calculations and process the returns within the required timeframe.

Effect

The College did not return unearned Title IV funds within the required 45-day time frame.

Questioned Costs

None - Funds have been returned.

Perspective

Our sample was not, and was not intended to be, statistically valid. Of the twenty-two students selected for testing, one student, or approximately 9.1% of our sample, had unearned Title IV funds that were not returned to the Department of Education within the 45-day time frame.

Identification as a Repeat Finding, if applicable

See finding 2019-002 included in Management's Summary Schedule of Prior Audit Findings.

Recommendation

The College should review and update their procedures for return of Title IV aid and explicitly state the date of the review for students receiving all "F" grades for the semester. Review of students' grades should be completed as close to that date as possible. In addition, the College should provide training to all employees responsible for the return of funds in order to ensure they are aware of this policy.

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Views of Responsible Officials

Management agrees with the auditor's finding. After a full investigation of the cause of this instance of non-compliance, it was determined that the Return to Title IV procedure should be updated with a more precise date for the semester review of "F" grades.

The College has a long-standing practice of reviewing financial aid recipients to determine if they earned their financial aid for any given semester. This process includes running and reviewing a report after the final semester grades have been posted to identify those students who either did not complete course requirements or received a grade of "F". This review is part of the College's Return to Title IV policy to ensure that federal funding is returned within the 45-day time frame for students who did not earn the aid.

Generally, this review was performed within a couple of days after the final grades are posted and the funds are returned well within the required timeframe. However, in this instance, the review was performed later than normal, and this did not leave adequate time to meet the compliance requirement.

NORTH SHORE COMMUNITY COLLEGE
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Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2020

Finding number: 2020-003
Federal agency: U.S. Department of Education
Programs: Higher Education Emergency Relief Fund
CFDA #: 84.425E, 84.425F
Award year: 2020

Criteria

Section 18004(a)(1) of the Coronavirus Aid, Relief, and Economic Security Act required that institutions submit an Annual Report to the Department of Education that details the institution's annual expenditures accurately and that the expenditures reconcile with institution's underlying records.

Condition

The College included the student aid amount award through December 31, 2020 in the institutional aid section of the report therefore overstating the amount of institutional aid expended.

Effect

The College's annual report submitted to the Department of Education was not accurate.

Identification as a Repeat Finding, if applicable

Not applicable

Recommendation

The College should update procedures to include a second review prior to submission for federal reporting to ensure accuracy.

View of Responsible Officials

Management agrees with the auditor's finding and will correct the report when it is available to be updated. The auditor's recommendation was implemented.



A PUBLIC REGIONAL
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Danvers • Lynn • Beverly

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Management's Summary Schedule of Prior Audit Findings

Finding number: 2019-001
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063, 84.268
Award year: 2019

Condition

The Federal Government requires the College to report student enrollment changes to the National Student Loan Data System ("NSLDS") within sixty days.

Award Year 2019: Two students had status changes that were not reported to NSLDS within the required 60-day time frame. Reporting status changes occurred 9 and 10 days after the required deadline. Two students had status changes that were reported with an incorrect effective date.

Award Year 2018:

Out of a sample of forty students with enrollment status changes, one student was never reported to NSLDS. One student's change was not reported in a timely manner to NSLDS.

Award Year 2017:

Out of a sample of forty students with enrollment status changes, one student, who received a Pell Grant, was never reported to NSLDS.

Award Year 2016:

Out of a sample of forty students with enrollment status changes, one student's change was not reported to the NSLDS. The student withdrew in November 2015 and was later readmitted to the College in the spring semester.

Award Year 2015:

Out of a sample of twenty-five students with enrollment status changes, two of the students' changes were not reported in a timely manner to the NSLDS.

Current Year Status:

Corrective action was not fully implemented during the year.



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Management's Summary Schedule of Prior Audit Findings - Continued

Finding number: 2019-002
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063
Award year: 2019

Condition

Federal regulations state that any unearned Title IV grant or loan assistance received by a student must be refunded to the Title IV programs upon a student's withdrawal from the institution. The College has 45 days from the date they determined the student withdrew to return any unearned portions of Title IV funds.

Award Year 2019:

During our testing, we noted one student, out of a sample of twenty-three, had unearned Title IV aid that was not returned to the Federal Government, within 45 days of the determined withdrawal date, by 181 days.

Current Year Status:

Corrective action was not fully implemented during the year.



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Management's Summary Schedule of Prior Audit Findings - Continued

Finding number: 2019-003
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063, 84.268
Award year: 2019

Condition

Whenever Title IV aid, state and private aid is disbursed to a student, their account is reviewed to determine if the disbursement resulted in a credit balance. Once a credit balance is discovered, the student is issued a refund check. If the credit balance was caused by Title IV aid and the check is not cashed within 240 days, the funds must be returned to the Department of Education.

Award Year 2019:

During our testing of 10 students, 6 students had checks outstanding for unclaimed Title IV funds which had not been cancelled and returned to the Department of Education within the required 240-day time frame.

Current Year Status:

Corrective action was implemented during the year.



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Management's Corrective Action Plan

Finding number: 2020-001
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063, 84.268
Award year: 2020

Corrective Action Plan:

In the Summer of 2020, the College employed a consultant to provide training and review the policies and procedures of the Office of the Registrar and the College has implemented all the recommendations that came out of this review. In addition, the Registrar has been trained on all aspects of Enrollment Reporting.

Further, the Transfer Monitoring reporting process has been added to the annual Financial Aid Operational Calendar which is reviewed for compliance by the Executive Director of Financial Aid. Because of these measures taken, management does not believe we will have similar findings in the future.

Timeline for Implementation of Corrective Action Plan:

The final action in the College's Corrective Action Plan was implemented in the Fall of 2020.

Contact Persons

Susan Sullivan, Executive Director of Financial Aid
Mary Dulatre, Registrar



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Management's Corrective Action Plan - Continued

Finding number: 2020-002
Federal agency: U.S. Department of Education
Programs: Student Financial Assistance Cluster
CFDA #'s: 84.063
Award year: 2020

Corrective Action Plan:

Management has updated the Return to Title IV procedures to perform this review within three business days after the semester grades are final. All financial aid counselors have been trained on this updated procedure. We believe this Corrective Action Plan will ensure that funds are returned within the required timeframe in the future.

Timeline for Implementation of Corrective Action Plan:

The Corrective Action Plan was implemented immediately and the Return to Title IV procedure was effective and in place for the Spring semester of 2021.

Contact Person

Susan Sullivan, Executive Director of Financial Aid



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Management's Corrective Action Plan - Continued

Finding number: 2020-003
Federal agency: U.S. Department of Education
Programs: Higher Education Emergency Relief Fund
CFDA #: 84.425E, 84.425F
Award year: 2020

Corrective Action Plan:

Management has updated the reporting procedure to include a final review by a second individual. We believe this Corrective Action Plan will prevent this finding in the future.

Timeline for Implementation of Corrective Action Plan:

The College has implemented these process improvements as of the date of this report.

Contact Person

Susan Sullivan, Executive Director of Financial Aid