



MASSACHUSETTS DEPARTMENT OF  
ELEMENTARY AND SECONDARY  
**EDUCATION**

# Internal Control Plan

June 2020

**Massachusetts Department of Elementary and Secondary Education**  
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## DESE Background

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The Massachusetts Center of Elementary and Secondary Education (DESE), sometimes referred to as the Massachusetts Center of Education, is within the Executive Office of Education under the Secretary of Education. Chapter 15 of the Massachusetts General Laws (MGL) established DESE. DESE is committed to preparing all students for success in the world that awaits them after high school.

DESE is governed by the Board of Elementary and Secondary Education and the Commissioner of Elementary and Secondary Education provides daily supervision and management to the agency. The Education Reform Act of 1993 among other things established the Board of Elementary and Secondary Education Advisory Councils to advise the Commissioner and the Board on matters relevant to their areas of focus in the development of education reform in Massachusetts. Together they oversee the administration and management of public education for grades K through 12.

The Board of Elementary and Secondary Education is the “oversight body” that oversees DESE’s operations; providing constructive criticism to management; and where appropriate, making oversight decisions so that the Center achieves its objectives in alignment with the Center’s integrity and ethical values. Some of the oversight decisions made by the Board are as follows;

- ✦ Establishing broad policies and objectives;
- ✦ Selecting, appointing, supporting and reviewing the performance of the Commissioner;
- ✦ Ensuring the availability of adequate financial resources;
- ✦ Reviewing and/or approving annual budgets, policies, financial statements;
- ✦ Accountability to the stakeholders for ESE's performance;
- ✦ Setting the salaries and compensation of management

The Board is composed of eleven members of whom, ten are appointed by the governor, including his Secretary of Education, who serves ex--officio, and one is a public school student elected by his or her peers.

The eleven voting members are: "the chairman of the student advisory council established under this section; one representative of a labor organization selected by the governor from a list of three nominees provided by the Massachusetts State Labor Council, AFL-CIO; one representative of business or industry selected by the governor with a demonstrated commitment to education; one representative of parents of school children selected by the governor from a list of three nominees provided by the Massachusetts Parent Teachers

Association; and six members selected by the governor." The Chairperson of the BOE is appointed by the governor.

The number of Advisory Councils created by Chapter 15: Section 1G of the General Laws of Massachusetts, supports the Board with research, recommendations and — in the case of the Massachusetts State Student Advisory Council, it is an organization of democratically elected students from across the Commonwealth, which advocates for the interests of all K-12 students in Massachusetts. A voting member of the Board represents the council.

The Commissioner, with the approval of the Board of DESE has employed staff and consultants for the proper and efficient administration of DESE, which include but not limited to:

- ✦ Preparing and proposing a budget to the board that reflects the goals and objectives of the board and the secretary of education,
- ✦ Preparing a five year master plan for public elementary, secondary, and vocational-technical education in the commonwealth,
- ✦ Receive reports, undertake research, and facilitate coordination among and between school districts,
- ✦ Assist school districts in the development of school based management systems,
- ✦ Provide guidelines and ongoing training for school districts and charter schools in order to ensure the quality of student evaluations,
- ✦ Collecting and analyzing data reported by school districts regarding educational programs,
- ✦ Encourage and facilitate the adoption of regional districts to improve the delivery of a quality public education in an economical manner,
- ✦ Encourage and facilitate the use of existing, or the formation of new, educational collaborative(s),
- ✦ Foster inter-district cost effective purchasing, management collaboration, sharing of resources and other multipurpose educational activities,
- ✦ Facilitate partnerships of public elementary, secondary and vocational-technical schools with civic, conservation, business, cultural and labor organizations, and with institutions of higher education particularly through the development of regional teacher centers and the expansion of the Bay State centers for global education, to enhance educational programs,
- ✦ Assess the effectiveness and monitor the improvement of the public schools in each district, including charter schools,
- ✦ Assess programs of alternative education and shall develop a statewide action plan to expand and improve the delivery of alternative education programs,
- ✦ Supervise the receiver of a school district,
- ✦ Provide technical assistance to a school or school district deemed under-performing or chronically under-performing.

The Commissioner is assisted by an organization structure composed of a Senior Staff and Centers. The DESE Senior Staff is composed of a Deputy Commissioner(s), Chief of Staff, Legal Counsel, Senior Associate Commissioners, and Associate Commissioners.

Centers are business units within DESE that are staffed with permanent employees and consultants dedicated to meeting the goals and objectives of DESE's Strategic Plan. The Centers are managed by Directors under the supervision and management of the Senior Associate/ and or Associate Commissioners and Deputy Commissioner. The following Centers exist as of June 30, 2020 as follows;

-  Administration and Finance
-  District Support
-  Educational Options
-  Instructional Support
-  Legal
-  Planning and Research
-  Student Assessment

## ESE Internal Control Plan

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The Department of Elementary and Secondary Education's (DESE) Internal Control Plan is being developed to meet the requirements of the Office of the State Comptroller (OSC) Internal Control Guide June 2015, and legislation requiring the development and implementation of internal controls for Commonwealth agencies, Chapter 647 Acts and Resolves of 1989.

The OSC's Internal control Guide's format is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management Integrated Framework guidance and incorporates the Standards for Internal Control in the Federal Government's (known as the Green Book) adaption of COSO's Internal Control — Integrated Framework (2013).

The ESE Internal Control Plan (ICP) is reviewed and updated annually based on comprehensive assessments of risks or it is revised whenever significant changes occur in objectives, risks, management structure, and program scope. The Internal Control Plan is being updated to contain the eight components of COSO's **ERM** Framework:

1. Internal Environment
2. Objective Setting
3. Event Identification
4. Risk Assessment
5. Risk Response
6. Control Activities
7. Information and Communication
8. Monitoring

Enterprise Risk Management (ERM) is defined by the Committee of Sponsoring Organizations (COSO) as "a process, effected by an entity's board of directors, management and other personnel, applied in strategy-setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives. "

The management of DESE is of the firm belief that internal controls are inherent and necessary to the complete operations and processes of ESE's programs. The internal control procedures described in this plan are being designed to be in conformance with all laws, regulations, policies, guidelines, and memorandums as issued by oversight agencies such as the Commonwealth's Secretary of Education (EOE), Secretary of Administration and Finance (A&F), Office of the State Comptroller (OSC), the Office of Purchased Services (OSD) and appropriate federal financing and oversight agencies such as the U.S. Center of Education (ED), and the Office of Management and Budget (OMB).

The Commissioner of the Department of Elementary and Secondary Education (DESE) has designated the Director of Audit & Compliance as DESE's Internal Control Officer to fulfill the requirements of Chapter 647 of the Acts and Resolves of 1989 – Internal Controls and the June 2015 revised Internal Control Guide of the OSC. The Senior Associate Commissioner for Administration and Finance with the assistance of the Director of Audit & Compliance has the responsibility to ensure that:

- ✦ The written documentation of DESE's internal control system over financial reporting is on file and available for review by DESE personnel, auditors and other oversight agencies and funding agencies.
- ✦ DESE's internal control system is evaluated annually or more often as conditions warrant.
- ✦ The results of audits and recommendations to improve DESE internal controls are promptly evaluated by DESE management and that appropriate measures are implemented on a timely basis.
- ✦ All action determined by DESE management as necessary to correct or otherwise resolve matters will be addressed by the DESE in its budgetary request to the Board.

Management is responsible for operating an effective system of monitoring whereby all ERM components are periodically reviewed. Consistent monitoring of all components will ensure that the ICP (Beginning in FY 21 will be reviewed and updated at annually) is updated whenever changing conditions warrant.

Since a Center's policies and procedures are the control activities for the internal control plan, it is important that they be reviewed in conjunction with the plan, and referenced where appropriate. Everyone in the organization has a responsibility to ensure that internal controls operate effectively. DESE is committed to maintaining an effective internal control system. The annual review and update of the Internal Control Plan is an important component of the DESE's overall internal control structure.

The Senior Associate Commissioner for Administration and Finance is responsible for communicating the contents of the plan to operational Directors, for providing the necessary technical guidance and assistance to implement the plan, and the lead person to whom directors communicate issues and concerns that need to be addressed by DESE.

## Internal Environment

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The internal environment is the foundation for all other components of internal control, providing discipline and structure. Moreover, DESE's management establishes the tone from the top regarding the importance of internal control and expected standards of conduct and reinforces expectations at various levels. DESE's internal environment factors include the integrity, ethical values and competence of the agency's people; the way management assigns authority and responsibility, and organizes and develops its people; and the attention and direction provided by the Department of Elementary and Secondary Education Board, Secretary of Education, Legislation, and oversight bodies.

The majority of DESE's administrative and oversight activities, including outside contracting, accounting, budget, grants, implementation of federal grants and audit compliance, are managed through the Administration and Finance Center, coordinated with various units within the other Centers at DESE, and Senior Staff. Program policy, oversight, and Legal are managed in various units within the Senior Staff.

The various Center Directors report to their respected Senior Associate Commissioner whom are members of the Commissioners Senior Staff as follows:.

-  The Senior Associate Commissioner of **Administration & Finance Center** oversees the Budgeting & Planning, Procurement, Financial Management, Federal Grants Accounting, Grants Management System, Audit & Compliance (Fiscal Monitoring), Operations, District and School Finance, Food and Nutrition and Educator Licensure.
-  The Senior Associate Commissioner of **Educational Options Center** oversees the Charter Schools and School Redesign, College Career and Technical Education, Adult and Community Learning Services, Student and Family Support, and Problem Resolution System.
-  The Senior Associate Commissioner of **Instructional Support Center** oversees the Educator Effectiveness, Educator Development, Educator Preparedness and Assessment, and School District Improvement.
-  The Senior Associate Commissioner of **District Support Center** oversees Public School Monitoring, Strategic Transformation, Special Education, Statewide Systems of Support, District and School Turnaround, Systems for Student Success, DATA & Accountability, and DATA Monitoring.
-  The Associate Commissioner of **Student Assessment Center** oversees test development, test administration and development, test reporting and analysis, and inclusive assessment

- ✚ The Acting Associate Commissioner of **Planning & Research Center** oversees Federal Grant Programs Implementation and Program Monitoring (ESSA, IDEA Perkins, ESSER, and GEER, ) Resource Allocation and Planning, Strategic Planning and Performance, and Research and Evaluation.
- ✚ Commissioner oversees all Senior Staff and all Centers of DESE managing and administering as promulgated in Massachusetts General Law Chapter 15.

DESE works very closely with its Board of Directors, DESE oversight agencies, including the Massachusetts Secretary of Education, the State Comptroller, the State Auditor, the Operational Services Division, the Treasurer and Receiver General, the Department of Public Health (COVID 19), School Districts and critical federal funding agencies including the Department of Education of the United States, to ensure that its activities are allowable within policies, systems, contracting, accounting and budgetary rules and regulations. In addition, the Commissioner, DESE Planning and Research, Senior Associate Commissioner of Administration and Finance and Center Staff, and the Chief Legal Counsel are actively involved in all activities carried out by each of DESE's Centers' including the COVID 19 and the Education Stabilization Fund Program Elementary and Secondary School Emergency Relief Fund (ESSER Fund) CFDA Number : 84.425D.

The Commissioner meets bi-weekly with Senior Staff to stay informed of current issues that may affect the integrity and/or ethics of the DESE, as well as ongoing operational issues that may need to be addressed. The Board of DESE, whom oversees all operations of DESE, meets monthly to discuss and approve activities, projects, and operations of DESE. Updates on [COVID 19 and ESSERS](#) can be found on the DESE Website.

DESE is committed to ensuring the competency of its staff. One way it does this is through established, detailed job descriptions and formal evaluations for its employees. Another way it accomplishes this is through training. DESE believes it is essential to equip its staff for all new challenges and changes they may face given the rapidly growing environment of early education and care. As such, DESE is committed to providing educational and training opportunities for staff to enable them to continuously develop their skills and abilities.

DESE expects its entire staff to conduct themselves in an ethical and professional manner throughout their performance of their duties. Each employee receives and reviews a code of conduct.

During FY 2019, under the direction of the Commissioner, the Planning and Research Center created updated the Strategic Plan. Every Administrator in DESE was involved in the creation and implementation at least one of these goals. This work is an ongoing process and is linked to the five year implementation plan by DESE of the Committee of Sponsoring Organizations (COSO) of the Tread way Commissions Enterprise Risk Management Framework (ERM) of 2013.

The Office of the State Comptroller as the Internal Control framework adopted the ERM Framework for the Commonwealth of Massachusetts state agencies in the MA State Comptrollers Internal Control Guide issued in June 2015.

Center Directors are required to establish clear lines of authority and responsibility. The effectiveness of internal controls depends upon the thoroughness, consistency and timeliness of supervision. ESE Senior Staff and all Center Directors are responsible for ensuring that their jurisdictions have qualified and continuous supervision. This supervision is provided to ensure that internal control objectives are achieved.

The duties of the director/supervisor in carrying out their responsibilities include:

- ✚ Clearly communicating the duties, responsibilities and accountabilities assigned to each staff member.
- ✚ Systematically reviewing each member's work to the extent necessary.
- ✚ Approving work at critical points to ensure that work flows as intended.

The methods used to perform these duties include:

- ✚ Holding regularly scheduled staff meetings.
- ✚ Assigning tasks and establishing written procedures for completing assignments.
- ✚ Providing guidance and training (or opportunities to attend training) when necessary.
- ✚ Regularly reviewing appropriate management reports.
- ✚ Providing appropriate recognition of employee suggestions for control improvements.

To ensure adherence to the standards of Conduct, DESE management evaluates the directives, attitudes, and behaviors of individuals and teams. These consist of ongoing monitoring or separate evaluations. Individual personnel can also report issues through reporting lines, such as regular staff meetings, upward feedback processes, a whistle-blowing program, or an ethics hotline.

DESE's management and employees' conduct is governed by M.G.L. c. 268A. The Conflict of Interest Law (<http://www.mass.gov/ethics/laws-and-regulations/conflict-of-interest-information/conflict-of-interest-law.html>) regulates the conduct of all state, county and municipal employees and volunteers, whether paid or unpaid, full or part-time, intermittent or temporary.

General Law Chapter 268A governs what public officials and employees may do on the job, what they may do after hours, or on the side, and what they may do after they leave public service. Other sources considered are: NAGE Code of Conduct

(<http://www.mass.gov/anf/docs/hrd/oer/u136/nage-unit-6-agreement-2014-2017-eff-04-2015.pdf>) and the Manager's Code of Conduct

(<http://www.mass.gov/anf/docs/hrd/policies/files/manager-code-of-conduct.rtf>)

The Director of Human Resources (EOE Staff assigned to DESE) is also responsible for administering and working with management to promulgate the DESE's Code of Conduct. Three of the primary functions of this unit are:

- ✚ Educating employees on the risks of misconduct.
- ✚ Conducting background investigations of DESE job applicants and appointees.
- ✚ Investigating allegations of misconduct by DESE employees or others attempting to cause DESE employees to violate the law or the Code of Conduct.

All new DESE employees must attend a Code of Conduct training session supervised by the Human Resources Center and or the Human Resources Division. Human Resources have been centralized under the Executive Office of Education (EOE) and EOE HR staff is assigned specifically for DESE. On an annual basis, all employees are required to attend various refresher courses on subjects such as ethics, fraud, and workforce environment. The training and materials provide employees with knowledge and awareness of the following:

- ✚ Employees must avoid any actual conduct which constitutes a conflict of interest or conduct which gives a reasonable basis for the perception of a conflict of interest between their private and public interests
- ✚ Employees are prohibited from taking action, performing any duty, or giving any preferential treatment from which they would benefit personally.
- ✚ Employees are prohibited from taking action which would result in illegal receipt of public or private funds.
- ✚ Employees may not participate in any official action relating to any entity or individual in which they or their immediate family has a financial interest.
- ✚ Current or former employees or officers must comply with restrictions regarding other employment, unwarranted privileges or self-exemptions, or improper exemptions.
- ✚ Employees must adhere to other standards of conduct described in Code of Conduct handbook.
- ✚ Senior Staff is responsible for administering policies regarding political activity by DESE personnel.

The Human Resource Center periodically issues guidelines to all units to ensure compliance with federal and state laws and regulations pertaining to allowable political activity by public employees. The Commonwealth State Ethics Commission addresses political activity and refresher courses are required to be taken by ESE staff. Records of refresher courses can be obtained by the Human Resources Center.

DESE requires relevant knowledge, skills and abilities when hiring management and staff. ESE understands that knowledge, skills and abilities are gained mainly from professional experience, but ESE also encourages and offers support for training, and certifications. ESE has established expectations for competence, standards of conduct, assigned responsibility, delegated authority, through policies. These competencies are evaluated by management including Senior Staff and by Board for the Commissioner and Senior Staff on a yearly basis.

DESE strives to recruit qualified personnel and they provide necessary training to new hires (and current personnel alike) depending on their roles, professional requirements (i.e. CPEs), and standards of conduct. Management considers incentives to motivate and reinforce expected levels of performance and conduct through advancement and opportunities.

## Objective Setting

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DESE's strategic objectives establish high level goals that align and support the DESE's Mission and Vision. The strategic objectives reflect ESE's management's strategic choices as to how ESE will seek to create value for the stakeholders, the citizens of the Commonwealth and the children that ESE directly affects. Senior management identifies risks choices and considers their implications when proposing projects to support ESE's missions and strategic plan.

Each Center is linked and aligned with the strategic objectives of DESE. Senior management has a process that aligns DESE's strategic objectives with the department's mission and ensures the strategic and related objectives are consistent with DESE's risk appetite.

DESE is in the early stages of implementing the ERM Framework. The ERM framework will link the department's strategic goals with all units within the department to the strategic goals of DESE in a holistic approach that will encompass the department in whole and by individual units. Financial, Compliance, Reporting and Fraud Prevention objectives will be established by each unit and aligned with DESE's Strategic Objectives. DESE believes that the ERM Framework will enable DESE to realize value for its stakeholders.

In establishing the ERM framework DESE feels that the risk appetite is the guidepost in strategy setting, guiding resource allocation, aligning the organization, people, processes and infrastructure of DESE to the strategic goals of DESE. In the upcoming year, DESE's board of directors will play an important role in establishing a risk appetite and tolerances that will support its strategic goals and mission.

ESE's Research and Planning Center has the responsibility of composing the 5 Year Strategic Plan in support of ESE's mission and high level goals established by the Department of Elementary and Secondary Education Board and Secretary of Education. The objectives are aligned with the entity's risk appetite, risk tolerance levels and measurable outcomes. The Strategic Plan is available to the public on ESE's web site.

ESE's goal/mission is to ensure that **all** students have the requisite knowledge, skills, and experiences in the academic, workplace readiness, and personal/social domains to successfully navigate to completion an economically viable career pathway in a 21<sup>st</sup> century economy. Put more simply, we aim to prepare **all** students for success in the world that awaits them after high school.

To that end, Massachusetts has identified five core strategies. Rather than standing alone in isolation, these strategies intentionally overlap with one another in a coordinated system that drives continuous improvement for educators and students alike.

The Core Strategies and their Objectives are as follows:

1. Massachusetts will strengthen its standards, curriculum, instruction, and assessments by creating tools and resources to support the implementation of the Massachusetts Curriculum Frameworks, providing a support system for improving classroom practice and instruction, and organizing an assessment system that provides valuable, actionable information to all stakeholders.

*Objective 1: Increase the quality of instruction so that it is aligned to the high expectations of the Massachusetts Curriculum Frameworks*

*Objective 2: Increase student access to supports needed to attain the standards in the Massachusetts Curriculum Frameworks*

*Objective 3: Develop and administer assessments to improve teaching and learning*

2. Massachusetts will promote educator's development by improving educator preparation programs, setting high standards for entry and persistence in a diverse workforce, and promoting a system of continuous improvement and development.

*Objective 1: Increase the effectiveness of first-year educators to have an impact on students on day one; accelerate teacher effectiveness in two and three years*

*Objective 2: Support Educators in their continuous development*

*Objective 3: Increase the diversity of educator workforce*

3. Support Student's Social-Emotional Learning, Health, and Safety

*Objective 1: Improve school culture and climate*

*Objective 2: Enhance social and emotional competencies*

*Objective 3: Strengthen family and community engagement*

*Objective 4: Improve health, wellness, and safety*

#### 4. Turnaround the Lowest Performing Schools and Districts

*Objective 1: Gather data to inform DESE's assistance framework*

*Objective 2: Support school and district turnaround strategies*

*Objective 3: Provide integrated supports for turnaround schools and districts*

#### 5. Enhance Resource Allocation and DATA Use

*Objective 1: Support districts to use resources and data effectively to improve student outcomes*

#### **This will be achieved through;**

- ✚ DESE's operations and the effective and efficient use of resources
- ✚ DESE's commitment to reliable financial and operational reporting
- ✚ DESE's compliance with applicable federal & state laws and regulations
- ✚ DESE's subrecipient monitoring practices both programmatic and fiscal
- ✚ DESE's Grant Management Training and Technical Guidance to Subrecipients.
- ✚ DESE's Professional Development practices for DESE staff.

## Event Identification

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ESE management identified events that could potentially affect ESE's Strategic Plan and determines whether they represent opportunities or whether they might affect the entity's ability to achieve its objectives. The events with negative impact represent risks, which require ESE's Senior Staff and managements to assess and respond. The events with positive impact represent opportunities, which ESE's Senior Staff and management channels back into the strategy and objective-setting processes. Though these events can have both positive and negative connotations, the following section examines those involving negative risk as follows:

**The Core Strategies and their Objectives, and COVID 19 Risks and Control Activities are as follows:**

### **1. Strengthen Standards, Curriculum, Instruction, and Assessment**

**Objective 1:** *Increase the quality of instruction so that it is aligned to the high expectations of the Massachusetts Curriculum Frameworks*

- i. **Risk 1:** Educators may not fully understand the high expectations of the Curriculum Frameworks or may not deliver high quality instruction aligned with those expectations*
  - a. Control Activity 1: Provide tools and resources to educators to support effective implementation*
  - b. Control Activity 2: Convene Professional Development Networks in English language arts, mathematics, and science to support effective implementation*
- ii. **Risk 2:** Districts may not have the resources they need to implement the Curriculum Frameworks in English language arts*
  - a. Control Activity 1: Provide an early literacy competitive grant program to support school teams in implementing standards- aligned literacy instruction*

**Objective 2:** *Increase student access to supports needed to attain the standards in the Massachusetts Curriculum Frameworks*

- i. **Risk 1:** Educators may not be well prepared to teach English learners, a growing subgroup of students in Massachusetts*
  - a. Control Activity 1: Require educators to obtain an endorsement in Sheltered English Immersion techniques as part of their licensure requirements.*
  - b. Control Activity 2: Implement the Language Opportunity for Our Kids (LOOK) Act, which allows greater flexibility in programming for English learners.*

- ii. **Risk 2:** *The most effective educators may not be assigned to the students who are farthest behind.*
  - c. *Control Activity 1: Provide reports to districts on differences in access to effective educators by student subgroup to draw*

*attention to disparities in assignment to out-of-field, inexperienced, and ineffective educators.*

- d. *Control Activity 2: Require districts with particularly large disparities to provide a plan for how they will address them as part of their federal allocation grant applications.*

**Objective 3:** *Develop and administer assessments to improve teaching and learning*

- iii. **Risk 1:** *The assessments may not be psychometrically reliable or valid.*
  - a. *Control Activity 1: Convene an expert Technical Advisory Committee to advise us and our testing contractor on key assessment design issues.*
  - b. *Control Activity 2: Annually produce and publicly report analyses and a technical report about the test's psychometric properties.*
- iv. **Risk 2:** *The testing contractor may not deliver the assessment on time and without errors.*
  - c. *Control Activity 1: Create a detailed project plan and implement a rigorous project management process to ensure that the system stays on track.*
  - d. *Control Activity 2: Build penalties into the testing contract so that if errors are made, ESE can recoup costs.*

## **2. Promote Educator Development.**

**Objective 1:** *Increase the effectiveness of first-year educators to have an impact on students on day one; accelerate teacher effectiveness in years two and three*

- i. **Risk 1:** *Educator preparation programs may not offer high quality programs that produce effective educators.*
  - a. *Control Activity 1: Implement an outcomes-based program review and approval process for organizations that sponsor educator preparation programs.*
  - b. *Control Activity 2: Collect survey data from program stakeholders and use it for improvement both at DESE and at programs.*

**Objective 2:** Support educators in their continuous development and increase diversity

- i. **Risk 1:** Educators may not receive meaningful feedback on their performance, making it harder for them to improve.
  - a. Control Activity 1: Update and implement the Educator Evaluation Framework to provide teachers and administrators with meaningful feedback on their practice and help them to continuously improve.
  - b. Control Activity 2: Implement the Candidate Assessment of Performance as part of the preparation and licensure process, so that teachers-in-training receive feedback aligned to state educator evaluation standards in the same way that educators already in practice do.

**3. Support Students' Social Emotional Learning; Health and Safety.**

**Objective 1:** Improve school culture and climate

- i. **Risk 1:** Districts may not have actionable information about the culture and climate for students in their district.
  - a. Control Activity 1: Conduct a statewide school climate survey of students and report back data to districts and schools.
  - Control Activity 2: Develop and share a Safe and Supportive Schools Framework to describe what effective school practices look like.
- ii. **Risk 2:** Districts may need more resources or knowledge in order to improve their climate.
  - a. Control Activity 1: Offer opportunities for districts to learn about strategies for improvement, such as the Massachusetts Tiered Academy, the Leading Education Access Project, and the Rethinking Discipline project.
  - b. Control Activity 2: Provide Systems for Student Success grants to support districts in developing action plans to address barriers to student learning.

**Objective 2:** Enhance social and emotional competencies

- i. **Risk 1:** Districts may need more knowledge in order to help their students learn social and emotional competencies.
  - c. Control Activity 1: Create and disseminate a Guidebook for Inclusive Practice and associated courses that highlights models of effective practice.
  - d. Control Activity 2: Create and disseminate guidelines for districts on how to implement social and emotional learning curricula.

**Objective 3:** Strengthen family and community engagement

- i. **Risk 1:** Districts may need more knowledge about what effective
  - a. **Control Activity 1:** Develop a framework to define family engagement from birth through grade 12.

**Objective 4:** Improve health, wellness, and safety

- i. **Risk 1:** Students may not have access to healthy, affordable meals.
  - a. **Control Activity 1:** Implement the federal school lunch and school breakfast programs, throughout the year (including after school and during the summer).
- ii. **Risk 2:** Districts may need more knowledge about how to promote health and wellness.
  - a. **Control Activity 1:** Collaborate with other agencies to provide guidance and training to districts and schools to improve students' overall health, wellness, and safety.

**4. Turn Around the Lowest Performing Schools and Districts**

**Objective 1:** Gather data to inform ESE's assistance framework

- i. **Risk 1:** DESE needs to accurately identify the schools and districts in most need of assistance, as well as which practices help improve their results.
  - a. **Control Activity 1:** Develop an accountability system incorporating multiple measures of school and district performance to differentiate schools.
  - b. **Control Activity 2:** Collect data on and conduct research in the lowest performing schools to identify which practices are most effective in improving outcomes for students.

**Objective 2:** Support school turnaround strategies

- i. **Risk 1:** Schools may not have the resources they need to implement improvement strategies.
  - a. **Control Activity 1:** Provide School Improvement Grant funding to the lowest performing schools to engage in school turnaround work.
- ii. **Risk 2:** Low performing schools may not improve or may even worsen after implementing turnaround strategies.

- a. *Control Activity 1: Require all low performing schools to develop and implement a turnaround plan that dramatically redesigns and re-envision the way they operate.*
- b. *Control Activity 2: If schools still do not improve, appoint a state receiver with full managerial and operational control over the school, reporting to the commissioner of education.*

**Objective 3:** *Support district turnaround strategies*

- i. **Risk 1:** *Low performing districts may need specialized, targeted support to implement their improvement plans.*
  - a. *Control Activity 1: Provide access to state liaisons and regionally based support centers to improve instruction and raise achievement.*
- ii. **Risk 2:** *Low performing districts may still not improve, even after specialized and targeted supports.*
  - a. *Control Activity 1: The state board of education may put such districts into state receivership, appointing a receiver with all the powers of the school committee and superintendent to run the district, reporting to the commissioner of education.*

**Objective 4:** *Provide integrated supports for low performing schools and districts*

- i. **Risk 1:** *Districts may not know which external partners can best support their needs for improving their schools.*
  - a. *Control Activity 1: Create a list of approved Priority Partners who have a proven record of catalyzing district and school turnaround, familiarity with the Massachusetts context, and understanding the conditions for school effectiveness.*

**5. Enhance Resource Allocation and Data Use**

**Objective 1:** *Support districts to use resources and data effectively to improve student outcomes*

- i. **Risk 1:** *Districts may not have access to sufficient data about their students.*
  - a. *Control Activity 1: Provide public access to aggregated data on school and district performance through the state's School and District Profiles website.*



*coordinate and disseminate all related notices and communications, and to field and answer questions from our community.*

**Objective 3:** *Memorialize changes to business processes and internal controls necessitated by the response to the pandemic. Leadership disseminates to all staff with directive of expectations for compliance through adherence to all internal controls.*

- i. Risk 1: New programs, sources of funds and/or working remotely may require doing normal business in different ways. Lack of documentation of changes to procedures, and the decisions leading to them, leave the department exposed to audit findings, and other operational and compliance compromises*
  - a. Control 1: Each business unit will identify, document and train staff on new protocols, changes to their usual protocols, and workarounds.*
  - b. Control 2: Decisions are vetted and documented at the senior staff level.*

**Objective 4:** *Draft Telework and Return to Work Plans*

- i. Risk 1: Inability to continue critical operations remotely.*
  - a. Control 1: Identify critical tasks throughout the department along with responsible parties and their backups, critical dependencies from other units within the department and externally (other departments – e.g. EOTSS).*
  - b. Control 2: Identify, procure and distribute the necessary equipment for employees to work remotely.*
  
- ii. Risk 2: Exposure of department network, and Commonwealth Enterprise Systems, to malware/intrusion from unprotected home networks and equipment.*
  - a. Control 1: Use only department issued equipment (pcs, laptops, cell phones) that are set up with proper security protocols (Enterprise Security Standards).*
  - b. Control 2: IT staff keeps up to date weekly on cyber alerts and needed patches from CISA, FBI and other national sources. Ensure there is a protocol to update all remote equipment.*

- c. *Control 3: Ensure all equipment used for business purposes is inventoried, by item and person, including security set-ups, applications, operating systems, etc.*
- d. *Control 4: Educate staff on the cybersecurity threats due to home networks/equipment (e.g. insist on secure internet connections), and how cyber attackers are exploiting the COVID-19 crisis through use of phishing and social engineering.*  
<https://www.macomptroller.org/cyber-center>

**iii. Risk 3:** *Lack of a Return to Work plan impedes the ability of the department to provide a safe workplace to which to return and staff exposed to COVID-19 creates increased operational and compliance risks if staff become ill due to exposure.*

- a. *Control 1: Stay up to date on available guidance. Some examples: Mass.gov: Covid-19-updates-and-information  
National Safety Council: Safer Framework*

**7. Properly account for COVID-19 related (GEER and ESSERS) awards and expenditure activities.**

**OBJECTIVE 1:** *Track COVID-19 related awards (GEERS and ESSERS) and expenditures separately from other federal, state and local activities (not co-mingled).*

**i. Risk 1:** *Including COVID-19 Related Federal Funds fund activities in reports with activities of other federal funds could result in an audit finding that jeopardizes COVID-19 Related Federal funding.*

- a. *Control 1: Numerous controls currently exist within MMARS to develop separate accounting and reporting for COVID-19 Related Federal Funds (GEERS and ESSERS). Given the familiarity of DESE Department personnel with MMARS, there is a reasonable expectation that COVID-19 fund accounting, integrated with MMARS, will be monitored closely and separation can be maintained regarding COVID-19 Related Federal Funds.*
- b. *Control 2: Follow the Comptroller's guidelines on transaction coding for COVID-19 funds - [COVID-19 Revenue and Grants Policy](#).*
- c. *Control 3: The CFO and Internal Control Officer will work closely work with the Comptroller's Office as accounting and reporting processes continue to evolve. Controls will also be developed internally, as necessary, in response to guidance from the Comptroller's Office (OSC), Operational Services*

Division (OSD), Administration and Finance (ANF) and other oversight and regulatory agencies.

## Risk Assessment

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Risk assessment is the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how risks should be managed.

Its purpose is to assess how big the risks are, both individually and collectively, in order to focus DESE's management's attention on the most important threats and opportunities, and to lay the groundwork for risk response. Risk assessment is all about measuring and prioritizing risks so that risk levels are managed within defined tolerance thresholds without being over controlled or forgoing desirable opportunities.

DESE acknowledges that risks occur at every level of DESE and are a result of external and internal factors. In identifying risks DESE must consider the likelihood and the impact of the risk. DESE will identify, through each Center at DESE the potential events, defining an event as an incident or occurrence from factors both within the department and externally. During the Internal Control Project from FY2021 to FY2023, DESE will be developing and redeveloping processes to do identify risks.

DESE will begin the IC project in FY2021 by identify risks in the Administration and Finance (A&F) Center at DESE. In considering risks management identified in a small scale, potential events that would have a negative impact on the achievement of the goals/objectives of the unit within A&F Center and as they relate to DESE's strategic goals.

DESE believes that an assessment of risks from both internal and external sources is a crucial part of enhancing DESE performance to ensure that we are meeting our mission. The first activity within the risk assessment process is to develop a common set of assessment criteria to be deployed across the DESE's Centers and Units within the Centers. The Senior Associate Commissioner of Administration and Finance will require each unit of DESE to perform risk assessments under the three year, three phases, ERM Risk Management Plan that will be created and adopted by DESE for FY 2021.

The ERM Risk Management Plan will include but not be limited to the following Centers as follows:

-  Administration and Finance
-  Student Assessments
-  Planning and Research
-  Educational Options
-  Instructional Support
-  District Support

Senior Staff's assessment of existing risks will be performed using Controls Self-Assessment (CSA) forms and, the Risk and Control Activities Worksheets that will be developed and tailored for each Center and using past external audit experience. Administration and Finance (A&F) Center will be the first Center for the ERM Project and is scheduled for Fall of FY21.

Once A&F is completed, the process will be reviewed for finalization and upon approval, an ERM Advisory Committee will be created to assist the Senior Associate Commissioner of Administration and Finance, the designated Champion of the Project (Director of Audit & Compliance) and the DESE Center's in evaluating internal controls which will initially be done with surveys, then to be followed with Controls Self Assessments (CSA) and finally with Risk and Control Activities Worksheets. These activities will assist the Centers and the units within the Centers in identifying and prioritizing functions and activities most likely to have control problems, and then analyzing the potential risks to determine whether existing controls are sufficient to manage them.

This will be a two-step process, which requires each Center at DESE to complete a Control Self-Assessment (CSA) form and a Risk & Control Activities Worksheet.

Upon completion of a Control Self-Assessment (CSA), and a Risk & Control Activities Worksheet the Centers will review the results with the ERM Advisory Committee. Upon review, corrective measures will be prepared by the directors and documented for followed up and approval by the Senior Associate Commissioner for Administration and Finance.

Currently the Office of Planning and Research conduct data analysis and design tools, processes, and evaluations for DESE program offices and other key constituencies related strategic objectives and initiatives. They do this by;

- ✦ Developing strong relationships that enable the research team to effectively guide and serve program offices and key constituencies and by building capacity to use data tools, processes, and evaluation
- ✦ Designing external evaluations and disseminate evaluation findings of ESE programs and initiatives, with a focus on:
  - Actionable data and findings, including examples of good practice
  - Gathering and disseminating data about **program improvements** and methods to support **program sustainability** during implementation
  - Reporting, feedback, and dissemination that are helpful to ESE staff, schools, districts and other organizations implementing programming in the field

## Risk Response.

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DESE works very closely with its Board of Directors, DESE oversight agencies, including the Secretary of Education, the State Comptroller, the State Auditor, the Operational Services Division, the Treasurer and Receiver General and critical federal funding agencies including the Department of Education of the United States, in an effort to ensure that its activities are allowable within policies, systems, contracting, accounting and budgetary rules and regulations. In addition, the DESE Legal Unit is actively involved in all activities carried out by each of departments' units.

The Senior Associate Commissioners and Senior management staff at DESE meet weekly to stay informed of current issues that may affect the integrity and/or ethics of the DESE, as well as ongoing operational issues that may need to be addressed through the policies and procedures. All Administrators and staff generally meet monthly as a group of the whole. The Board of Directors of DESE, whom oversee all operations of DESE meet monthly to discuss, approve, and improve all activities, projects, and operations of DESE and determine to avoid the risk, share the risk, or mitigate the risk through updated practices and policies.

Once risks at DESE have been assessed, Senior Staff and management determine how they will respond. Responses should be designed so that the risks are kept within the defined risk tolerance for the related objective(s). In considering each response, management assesses the effect on risk likelihood and impact, as well as costs and benefits. Attention is given to how much management is willing to spend in resources to address each risk.

Risk response falls into four basic categories: Accept; Avoid; Reduce; Share.

Since DESE is in the business of providing services in education, and transportation infrastructure, we are not usually in a position to eliminate risk, but instead must accept risk and do its best to mitigate it. However, as shown below, there are alternatives to accepting all risks.

1. Accept the risk and monitor it: No action is taken based on the insignificance of the risk. For example, one accepts that the weather cannot be controlled, but is prepared to respond to some of its effects (power outages, floods, etc.).
2. Avoid the risk by eliminating it: For example, a budgetary reduction could mean deciding to close a program, eliminating the risks of operating that program. Yet, one must consider that ending a program could lead to another set of risks.
3. Reduce the risk by instituting controls – This is the category where most risk falls, where the response depends on the severity of the risk.
4. Share the risk by partnering with another entity: For example, an agreement with

another agency to utilize its resources in an area outside of the host agency's expertise (e.g. an agency must produce coastal zone flood maps and engages the expertise of Information Technology's geographic information services.

As part of the IC Project of implementing ERM, ESE will design an overall risk response and specific actions for responding to fraud risks, which can originate both inside and outside of the organization. It may be possible to reduce or eliminate certain fraud risks by making changes to the entity's activities and processes. These changes may include stopping or reorganizing certain operations and reallocating roles among personnel to enhance segregation of duties. In addition to responding to fraud risks, management may need to develop further responses to address the risk of management override of controls. (MA OSC Website: [Comptroller Training](#).)

## Control Activities

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Control Activities component consists of actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system.

DESE control activities occur throughout the organization, at all levels and in all functions. They include a range of activities including, but not limited to, policies and procedures, approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets, and segregation of duties. All members of DESE Senior Staff and all Center Directors are responsible for complying with internal control policies concerning segregation of duties for tasks and functions under their jurisdiction.

Consistent with the Office of the State Comptroller's Internal Control Guidebook  
<http://www.mass.gov/osc>,

To ensure that control activities are clear to staff, Center Directors are required to establish clear lines of authority and responsibility. The effectiveness of internal controls depends upon the thoroughness, consistency and timeliness of supervision. DESE Senior Staff and all Center Directors are responsible for ensuring that their jurisdictions have qualified and continuous supervision. This supervision is provided to ensure that internal control objectives are achieved. The duties of the director/supervisor in carrying out their responsibilities include:

- ✚ Clearly communicating the duties, responsibilities and accountabilities assigned to each staff member.
- ✚ Systematically reviewing each member's work to the extent necessary.
- ✚ Approving work at critical points to ensure that work flows as intended.

The methods used to perform these duties include:

- ✚ Holding regularly scheduled staff meetings.
- ✚ Assigning tasks and establishing written procedures for completing assignments.
- ✚ Providing guidance and training (or opportunities to attend training) when necessary.
- ✚ Regularly reviewing appropriate management reports.
- ✚ Providing appropriate recognition of employee suggestions for control improvements.

Processing units within Administration & Finance Center and any other DESE units involved in Records Management and Archiving, Cash Receipting, Cash Disbursements; Accounts Receivable, Accounts Payable; and other processing activities as deemed necessary.

All transactions must be supported by appropriate documentation. The documentation must be complete and accurate and should allow tracing a transaction or event from the source documents, while it is in process, through its completion. The documentation should be readily available for examination.

Regardless of format, the supporting documentation should indicate the purpose or reason for the transaction and that the transaction was properly authorized. The transaction amount should be clearly evident or easily verified upon recalculation. The documentation should fully support the information entered in other key data fields in accordance with requirements specified by the Office of the State Comptroller Accounting and Record Keeping Policy's. In cases where estimates are used, the underlying methodology (trend analyses, ratios, assumptions, etc.) should be documented and readily available for audit.

For system-generated transactions, documentation that clearly describes the methodology, formulas and calculations, and the applicable system links and processes should be maintained.

DESE's records management policies, guidelines and procedures are promulgated by the Records Conservation Board, which are incorporated under M.G.L. C. 30, S 42. DESE's Records Management Coordinator in the Administration & Finance Center follows these procedures and maintains the records retention schedule which is distributed to DESE Centers as requested. The purpose of the schedule is to establish standards and procedures that are consistent with the Commonwealth's Records Retention Policies which are updated on a periodic basis through dated amendments issued to state agencies when a new form is created, revised, or when a form becomes obsolete. DESE has appointed the Operations Unit to work with the Commonwealth of Massachusetts Archiving Unit/State Records Center to ensure effective records management throughout the DESE.

The Operations Unit is responsible for ensuring that all original documents and records in support of the DESE's accounting transactions are retained in accordance with the State Records Center Policies and that a detailed accounting of all financial records sent to the State Records Center is maintained. The Operations Unit is also responsible for maintaining Massachusetts Management Accounting Reporting Systems (MMARS)/HRCMS State Payroll Application reports in accordance with OSC guidelines and as needed for auditing and control purposes.

Transactions and other significant events are authorized and executed only by persons acting within the scope of their authority. The Commissioner of DESE, delegate's authority to the Deputy Commissioner and Senior Associate Commissioners, to perform the operations of DESE. The Commissioner also delegates restricted signature authority to the Deputy Commissioner and Senior Associate Commissioner of Administration and Finance. A MMARS Authorized Signature form signed by both the appointing authority and the delegate is required and updated annually. The form should describe the type of authority being delegated and specify the dollar and/or other limits. Copies of signed forms delegating expenditure authority are filed with the Office of the State Comptroller (OSC). OSC reviews them periodically to ensure that authorizations and signatures are up-to-date. In addition, OSC provides periodic training to Directors on their fiscal responsibilities. (<http://www.mass.gov/osc>)

Financial statement adjustments and inter-fund DESE transfer transactions are also subject to management review and approval from the Commonwealth's Administration and Finance Center (A&F). Designated individuals with appropriate experience and background have been authorized to approve these transactions. The supporting documentation should clearly show that adjustments and transfers have been properly reviewed and authorized before they are entered into the Massachusetts Management Accounting & Reporting System (MMARS).

DESE's Senior Staff, Center Directors, and staff are responsible for complying with all laws and regulations that in any way relate to their job functions. This includes, but is not limited to, federal and state laws and regulatory requirements, the administrative guidelines and accounting policies issued by OSC directives issued by the Secretary of State, Secretary of Administration and Finance, and the State Treasurer, and the ESE's own policies and procedures.

The Operations Unit Director is responsible for managing the security access to the leased buildings, and computer equipment. DESE's senior staff is responsible for management and safeguarding of all owned and leased equipment. Information Technology, including all computers and software has been centralized and are under the auspice of the Executive Office of Education (EOE) Information Technology Services Center (ITC). The ITC manages the acquisition and safeguarding of computer hardware and software. DESE acquisition and disposition procedures are aligned with fixed asset policies and procedures published in the OSC.

Annually, the Operations Unit conducts an inventory of all capital assets (over \$5,000) and all high risk assets (under \$5,000). Discrepancies are investigated and adjusted. The inventory serves two purposes. It ensures the accuracy of fixed asset information reported to the State Controller's Division for the annual financial statement

The Operations Unit uses a system to track its inventory of [supplies/products] issued to staff. Quarterly physical counts are performed in order to verify the accuracy of the balances on hand. Physical counts are performed to verify the accuracy of the system's balances. Variances are investigated and corrected for both systems, as needed.

All losses, including those that appear to be caused by fraud or dishonesty, are reported immediately to the State Auditor's Office using the Chapter 647 Form.

The ESE's policies on segregation of duties are designed to assist management in deterring employee theft.

- ✚ Cash handling is separated from record keeping.
- ✚ Accounts Receivable billing is separated from cash collection.
- ✚ No one person is allowed to handle a cash transaction from beginning to end.
- ✚ Passwords are changed on a systematic basis for access to automated accounting records.
- ✚ Cash receiving is centralized to the extent possible. (Regional Office deposit license fees)
- ✚ Reconciliation of the accounting records to MMARS and the State Treasury revenue accounts and other authorized bank accounts is performed promptly by individuals who have no responsibility for handling cash.
- ✚ Cash or checks that are not deposited within one day of receipt are locked in a safe overnight (Director of Financial Management).
- ✚ The issuance and the inventory of blank check stock are strictly controlled. Check stock is kept in a locked safe.

The Operations Unit is responsible for evaluating the physical security and safety of ESE employees at DESE location at 75 Pleasant St., Malden, Ma which includes is provided by security guards and card-access systems. The Unit along with the Human Resource Center responds to threats made to employees

An access control policy exists for all DESE systems that define the strategy to prevent unauthorized access. Employees, consultants, and contractors, who design, develop, operate, or maintain IT systems, are subject to background investigations and must be authorized to access the systems. All visitors to restricted premises, not previously cleared or identified by badge, are escorted.

- ✚ All users of IT systems must receive appropriate clearance to use a system (from appropriate IT security management and/or the application administrators). This permission must be written and includes assignment of a User ID and Password. All users of an IT system must receive security awareness training either in a formal classroom setting or by other means, such as [user awareness brochures, on-line or electronic mail training, or individual instruction from IT personnel who install or set up the workstation].

- ✚ All IT system use is restricted to official business purposes. Users are encouraged to report suspicious behavior to their supervisor or IT security personnel.
- ✚ As required by OSC Statewide Enterprise Systems Security Review and Approval Policy, the EOE security officer, is responsible for security issues involving access and use of statewide systems: MMARS, GRANT INFORMATION SYSTEM (GIS), EDGRANTS Grant Management System, LACES Adult Education Management System, Licensure Management System and HRCMS.

## **Information and Communication.**

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Information systems use data generated from both internal and external sources to provide information for managing risks and making decisions. Effective communication occurs dimensionally, flowing up, down and across the organization. At DESE each employee understands their own role in relation to the work of others. They must have a means of communicating significant information upstream. There is also effective communication with external parties, such as grantees, vendors, stakeholders and regulators.

DESE recognizes that information must be communicated to staff at all levels, as well as to stakeholders, in a timely manner, to enable all parties to carry out their responsibilities. The Commissioner and Senior Staff generally hold monthly meetings with Center Administrators to ensure that DESE is communicating and meeting its goals and objectives. In addition, ESE has monthly Board of Director's meetings to discuss DESE business, proposed projects and approvals and all related activities. Minutes of Board of the Department of Elementary and Secondary Education meetings and other pertinent documents such as the Commissioner's biweekly messages to are distributed to all staff and available on the DESE Website.

On an ongoing basis, DESE is dedicated to developing policies and procedures for information and communication. These policies and procedures, along with this plan, will detail how information is captured and disseminated to the appropriate staff within DESE and its management and staff.

DESE is also required to prepare and present to the Legislature of the Commonwealth of Massachusetts, a Legislative Report on the activities, achievements and plans of DESE for a year up to the date filed. The report satisfies the Board's legislative reporting mandates, as codified in M.G.L. c. 15 to submit an annual report describing its progress in achieving the goals and implementing the programs authorized under Chapter 15 of the General Laws of the Commonwealth. This report further provides an annual update on the strategic plan ratified by the Massachusetts Department of Elementary and Secondary Education Board. In addition, this report satisfies the Board's mandate to develop and annually update an implementation plan for a workforce development system, which is designed to support the education, training and compensation of the education workforce

## Monitoring

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Enterprise risk management must be continually monitored – ensuring that all components are relevant and functioning– in order to be effective. Ongoing monitoring occurs in the normal course of management activities and can lead to more detailed individual component evaluations. Enterprise risk management deficiencies are reported upstream, with serious matters reported to top management and the board.

DESE monitors its internal control policies and procedures as set forth in the plan. This monitoring is accomplished through continuous review and updating of internal control policies and procedures and testing of systems. On-site reviews are performed, both internally and externally, by oversight agencies, department personnel (senior staff meetings), and board of director’s monthly meeting, oversight committees and Center staff meetings.

Senior management is notified of any irregularities or inconsistencies identified during these processes. The DESE’s Center Directors within the agency will be responsible for updating and/or amending DESE’s central internal control policies and procedures. The Senior Associate Commissioner of Administration and Finance will be responsible for ensuring that staff receives adequate training and communication on all relevant control measures.

DESE is subject to periodic audits and reviews from State, and Federal Agencies. DESE’s management will make every reasonable effort to comply with recommendations based upon the results of these audits. DESE’s management will evaluate the auditor’s recommendations and prepare a Corrective Action Plan for each noted finding. These Corrective Action Plans will be instituted in a timely manner as circumstances warrant. Procedures have been established for the evaluation and corrective steps for the Department’s Single Audit findings.

In the unlikely event of unaccounted for variances, losses, shortages or thefts of funds or property, these instances shall be reported to senior management of the Department of Elementary and Secondary Education and to the Office of the State Auditor as required by Chapter 647 of the acts of 1989. If there are suspected thefts or unaccounted for losses, they will also be reported to the appropriate law enforcement. In the case of loss of DESE or personally owned property the reporting forms shall be prepared and distributed by the Operations Center Director. In the event of loss of shortage of DESE funds the reporting forms shall be prepared and distributed by the office of the Senior Associate Commissioner of Administration and Finance.

**Additional guidance can be found at the following websites:**

Commonwealth of Massachusetts Guidance:

<http://www.mass.gov/osc>

OMB Reporting Implementation Guidance:

[http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-21.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf)

OMB FAQs:

[http://www.whitehouse.gov/omb/recovery\\_faqs/](http://www.whitehouse.gov/omb/recovery_faqs/)

Government Accountability Office:

<http://www.gao.gov/>

Dun and Bradstreet:

<http://fedgov.dnb.com/webform>

US Department of Education

[https://www2.ed.gov/about/offices/list/om/fs\\_po/ofo/oga.html](https://www2.ed.gov/about/offices/list/om/fs_po/ofo/oga.html)

US Department of Education COVID 19

[https://www.ed.gov/coronavirus?mc\\_cid=e21891c772&mc\\_eid=e1542678a](https://www.ed.gov/coronavirus?mc_cid=e21891c772&mc_eid=e1542678a)

## Library of Policies and Procedures Manuals for Internal Control

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- ✦ DESE Internal Control Plan
- ✦ DESE Center Policy & Procedures
- ✦ [DESE ESSA State Plan](#)
- ✦ OMB Circulars and Compliance Supplements (Various & Including ARRA) <http://omb.gov>
- ✦ Program and function specific individual procedures  
Human Resource Employee Handbook  
<http://mass.gov/hrd> ESE Human Resources Policies and Practices
- ✦ ESE Emergency Plan
- ✦ Various OSC /MMARS Memos and Policies and Procedure Manuals <http://mass.gov/osc>
- ✦ OSC Regulations and Guidelines <http://mass.gov/osc>
- ✦ US DOE Guidelines and Regulations <http://www.usdoe.gov>
- ✦ Massachusetts General Laws and CMR  
<http://mass.gov/osc> OSD Procurement Policies and Procedures <http://mass.gov/osd> Various issuances posted on ESE web site. <http://mass.gov/ESE>
- ✦ COVID 19 Guidance from DESE <http://www.doe.mass.edu/covid19/>
- ✦ ESSERS and Federal Grant Funding and Return to School Guidance <http://www.doe.mass.edu/federalgrants/>

## Appendix: (A) Internal Control Project Fiscal Year 2021-2023

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### 1. Goal:

To implement COSO's enterprise risk management (ERM) practices and framework into the Department of Elementary and Secondary Education (DESE) business processes throughout the agency in a holistic approach. Incorporate the ERM practices and framework with a focus on OMB A-133 Compliance requirements in 2 CFR Part 200 Subpart F and integrates ESE's strategic plan into DESE's current internal control plan and business processes.

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### 2. Objectives:

The objective both short term and long term of implementing ERM into DESE's internal control culture is to:

- ✚ To establish a common language and consistent approach to the identification, analysis and reporting of risks across the agency
  - ✚ To provide executive management with an improved understanding of the key risks threatening the achievement of DESE Programs and Projects outcomes.
  - ✚ To establish an IT base risk register for recording, monitoring, and updating DESE Centers risk profile, including key information about key contributing factors, current controls, and proposed controls, policies and procedures.
  - ✚ To incorporate risk management, and the reporting and monitoring of risks into DESE's business planning.
  - ✚ To establish training, help desk facility for staff undertaking risk assessments and to make tools, including IT tools available for staff and possible implementation to provide contract providers such assistance in the future to lower the risk of improper payments.
  - ✚ To develop a risk management framework, risk management policy and staff guide on risk management.
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### 3. Timeframe:

Setting the IC Project deliverables and timeframes is seen as an essential step and precursor to establishing an enterprise-wide approach for risk management for DESE. The implementation will involve a three-phase process expanding from FY 2021 to FY2022. The three (3) phases will be overseen by Senior Associate Commissioner for Administration and Finance and the Director of Audit & Compliance, and are as follows:

Phase	Objective:	Process:	Outcome:	Strategy:	Timeline:
Phase 1	Assist A&F Center units in Developing goals and objectives	Assist Units conducting , surveys using COSO 5 elements on IC, control self-assessments to attain and measure existing internal controls prior to ERM implementation and in identifying risks to meeting objectives	Identify High Risks (based on likelihood and impact prior to control activities) and control activities and document on the Risk Assessment Spreadsheet	Prepare corrective measures if applicable based on risk responses	November 1, 2020 to December 31, 2020
Implement Identified High Risks and Risk Responses using COSO's ERM framework into DESE's Internal Control Plan					January 1, 2021 to June 30, 2021

Phase	Objective:	Process:	Outcome:	Strategy:	Timeline:
Phase 2	Develop Risk Management Policy Manual with Electronic Tools	Train Agency staff in Internal Controls and using Tools	Identify all risks in unit and control activities	Prepare corrective measures as necessary.	January 1, 2021 to June 30, 2021
	To enlist ERM team members for agency wide implementation of ERM	Develop a charter, Committee and Standard Forms for IC and ERM Process	Consistent Policies, Procedures and Process for risk assessment throughout agency and made available to all agency personnel.	Prepare a policy and procedure approval process involving Senior Staff and the Board of Directors.	July1, 2021 to Dec31,2021
Phase 2	Assist Remaining Centers in Developing goals and objectives	Assist Centers conducting control self-assessments to attain and measure existing internal controls prior to ERM implementation and in identifying risks to meeting objectives	Identify High Risks and control activities in place Identify High Risks ( based on likelihood and impact prior to control activities) and control activities and document on the Risk Assessment Spreadsheet	Prepare corrective measures if necessary	Jan 1,2022 to June 30, 2023
Implement Identified High Risks and Risk Responses using COSO's ERM framework into DESE's Internal Control Plan					January 1, 2022 to June 30, 2023
Phase 3	Incorporate all risk management and internal controls into an electronic database	Involve IT unit and set up meetings and business plan	An ERM Risk management database will assist management in fulfilling the agency strategic goals by maintain an ERM Framework with a maturity model database to measure accomplishments and needs.	Updated database through annual risk assessments throughout the agency to measure accomplishments and needs for improvement. For budgeting, state plan submitted to ACF preparation, for use in the ESE strategic plan development and future projects.	Jan 1, 2022 to June 30,2023

#### 4. How:

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- ✚ Develop a plan/strategy for implementing ERM and the Internal Control Plan with Timeline (Above).
- ✚ Enlist ERM Committee members (Phase 2).
- ✚ Conduct Survey' (Phase 1, 2, 3): Surveys obtain results of agency control environment through obtaining feedback from employees. Surveys assist management in making corrections to improve the control environment.
- ✚ Educate staff on Internal Controls through PPT Presentations and reference material (UGG,EDGAR, Compliance Supplement and US Department of Education published guidance)
- ✚ Assist Center Directors in conducting Control Self Assessments which will be conducted every year for each unit using the Center Controls Self Evaluation Form, designed for the Center. Center Controls Self Evaluations assist units in identifying current controls and address needs for additional controls were applicable.
- ✚ Using the ESE Risk Assessment Spreadsheet (Phase 1,2,3) the Director of Audit & Compliance will assist Center Directors in:
  - Developing unit goals for each unit that focus on OMB 2 CFR Part 200 Uniform Grant Guidelines compliance requirements and DESE's Strategic goals.
  - Documenting Center objectives in obtaining its goals.
  - Preparing a risk assessment for their Center.
  - Identifying high risks (that impact the agency and have a high likelihood without control activities).
  - Identify the control activities in place to mitigate the high risks.
  - Identify risk responses to adjust existing control activities or create new controls, the timeline assigned to perform this action and the responsible party.
  - Implement results of risk assessments and self-control evaluations in a high summarization form, using COSO's ERM Framework, into DESE's Internal Control Plan (Phase 1, 2, 3).
  - Develop a Risk Management Policy and Guide for staff in (Phase 2)
  - Develop Risk Management tools in IT database (Phase 3)

## 5. Why:

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The Office of the State Comptroller (OSC), the regulatory agency for accounting and reporting for the state of Massachusetts has adopted for all state agencies, COSO's ERM framework as the state's internal control framework as documented in the Internal Control Guide published by the OSC. Chapter 647 of the Acts and Resolves of 1989 require all state agencies to have internal control plans, and written policies and procedures.

## 6. What is internal control?

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Internal control is the process by which DESE managers control risks in their units. It is implemented by DESE's management at all levels to provide reasonable assurance that DESE will accomplish its mission and achieve its goals and objectives while ensuring:

- ✚ Compliance with applicable laws and regulations, policies and procedures, and directives.
- ✚ Efficiency and Effectiveness of Operations.
- ✚ Reliability of Financial Reporting.

## 7. What is ERM?

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Enterprise Risk Management (ERM) is defined by the Committee of Sponsoring Organizations (COSO) as "a process, effected by an entity's board of directors, management and other personnel, applied in strategy-setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives."

ERM is the holistic approach of internal controls, where not just financial activity controls are documented and assessed but all activities of the agency are documented, assessed and linked to the strategic goals. The five elements of COSO (listed above) are increased to eight, with control environment being focused more on internal environment (such as moral and employees). The three elements added to the COSO framework to create the ERM framework is,

- ✚ Objective setting, the process management uses to set its strategic goals and objectives. Established the organization's risk appetite and risk tolerance
- ✚ Risk identification, identifying events that influence strategy and objectives, or could affect an institution's ability to achieve its objectives
- ✚ Risk response, determining how management will respond to the risks an institution faces. Will they avoid the risk, share the risk, or mitigate the risk through updated practices and policies, which is included in the DESE Internal Control Plan in FY 2020-21 on an agency wide summarization, based on DESE's strategic goals and COVID 19.

## 8. What is risk management?

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Risk management is the process of dealing with uncertainty and trying to achieve the best outcome for ESE. The risk assessment process, an assessment of the impact and likelihood of events, and a prioritization of related risks, includes: (Use DESE Risk Assessment Spreadsheet)

- ✦ *Objective Setting*, The process management uses to set its strategic goals and objectives. Established the organization's risk appetite and risk tolerance documenting objectives performed by the unit as it relates to the strategic goals
- ✦ *Risk Analysis*- identify risks based on objectives, analyzing potential consequences, and setting priorities for action (based on likelihood and impact of risk to DESE)
- ✦ Risk Response-
- ✦ Accept risk (if it happens we can deal with it) if low impact and likelihood,
- ✦ Insure the risk (get someone else to assume the risk-contracts)
- ✦ Control the risk (institute measures to control the risk) if medium or high risk based on likelihood and impact.